September 05, 2020

The Officer-In-Charge (Listing) Listing Department National Stock Exchange of India Ltd., Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051 Symbol: MINDACORP	Head - Listing Operations, BSE Limited, P.J. Towers, Dalal Street, Fort, Mumbai – 400 001 Scrip Code: 538962

Sub: Annual Report for the financial year 2019-20

Dear Sir,

Pursuant to Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), we are submitting herewith the Annual Report of the Company for the financial year 2019-20 which is being sent through electronic mode to the Members.

The Annual Report for the Financial Year 2019-20 is also available on Company's website www.sparkminda.com

For Minda Corporation Limited

PARDEEP MANN Digitally signed by PARDEEP MANN Date: 2020.09.05 14:15:31 +05'30'

Pardeep Mann
Company Secretary
Membership No. A13371

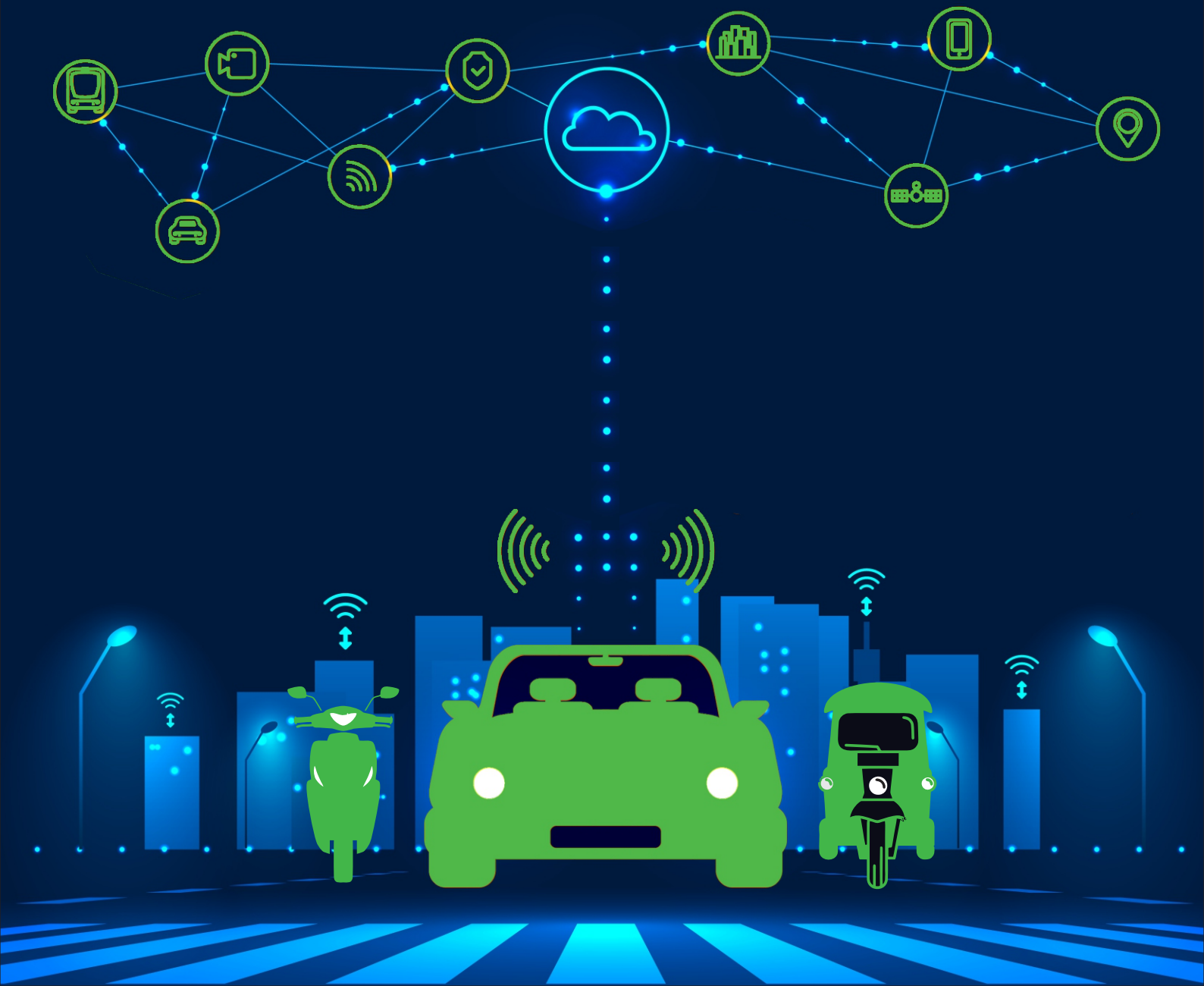
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SPARK MINDA
Powered by Passion

REDEFINE, RECALIBRATE & **RECREATE**

Minda Corporation Limited

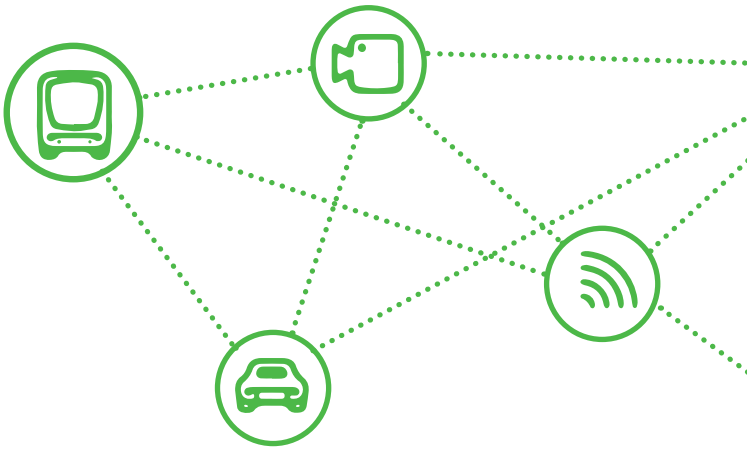
Annual Report 2019-20



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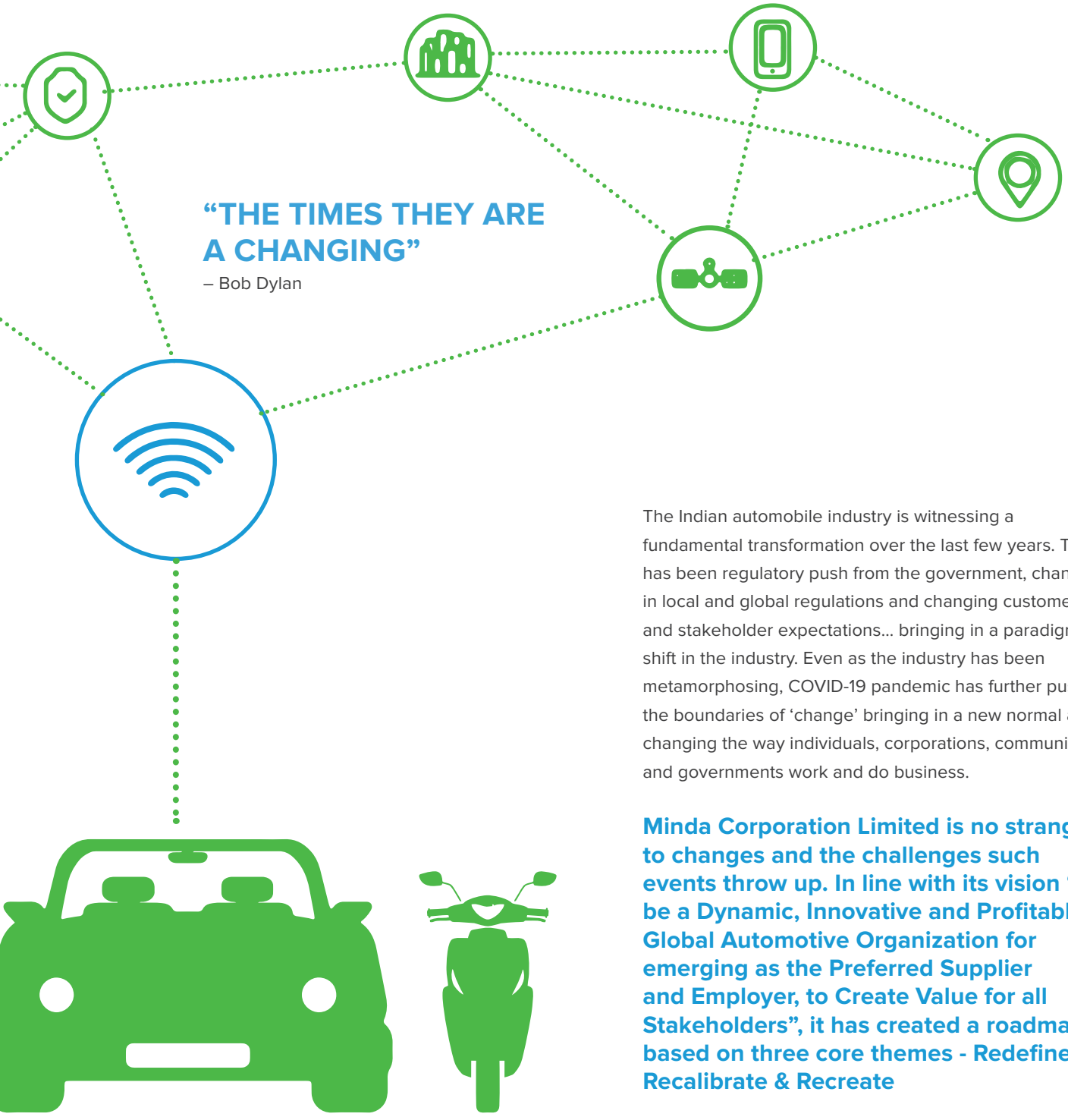
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Cautionary Statement

In this annual report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make certain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expect', 'project', 'intend', 'plan', 'believe' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



REDEFINE, **RECALIBRATE & RECREATE**



"THE TIMES THEY ARE A CHANGING"

– Bob Dylan

The Indian automobile industry is witnessing a fundamental transformation over the last few years. There has been regulatory push from the government, changes in local and global regulations and changing customer and stakeholder expectations... bringing in a paradigm shift in the industry. Even as the industry has been metamorphosing, COVID-19 pandemic has further pushed the boundaries of 'change' bringing in a new normal and changing the way individuals, corporations, communities and governments work and do business.

Minda Corporation Limited is no stranger to changes and the challenges such events throw up. In line with its vision "To be a Dynamic, Innovative and Profitable Global Automotive Organization for emerging as the Preferred Supplier and Employer, to Create Value for all Stakeholders", it has created a roadmap based on three core themes - Redefine, Recalibrate & Recreate

IN BRIEF



Minda Corporation is the flagship Company of the Spark Minda Group - a Group which has over six decades of major presence in the global automotive industry. It is a leading automotive solutions provider for all the vehicle segments, including two and three wheelers, passenger vehicles, off-roaders and commercial vehicles.

The strong aftermarket distribution network enables it to serve the end vehicle users, in addition to the OEMs. It provide solutions to diversified spaces in Automobiles like Mechatronics, Information and Connected Systems, Plastics and Interiors for the auto OEMs. Its product ranges are sold not only in India but also across Europe, North & South America and Asia.



Mission

"Our mission is to be an Automotive System Solution provider and build a brand recognized by vehicle manufacturers progressively all over the world, as an organization providing products and systems, unparalleled in Quality and Price."



Vision

"To be a Dynamic, Innovative and Profitable Global Automotive Organization for emerging as the Preferred Supplier and Employer, to create value for all Stakeholders."



Values

Commitment to Stakeholders
Demonstrate loyalty and dedication to the organization.

Passion for Excellence
Relentlessly improving and continuously raising the bar in everything we do.

Open Communication
Reasoning, knowledge, experience sharing, confronting fearlessly for the good of the organization.

Integrity & Fairness
Fair and upright in intention and actions - always complying with conscience.

Nurture Talent, Competency & Willingness
Create challenging opportunities and provide support for development of self and team members. Encourage experimentation & willingness to accept challenges.

Respect & Humility
Must be Courteous, Compassionate, Caring, Humane and Humble in all our interpersonal exchanges.

Innovation & Improvement Orientation
Challenge status quo. Demonstrate creativity for improvement and breakthrough.

Partnering
Leverages interdependence, cooperative, readily provides support and assistance to others.

Responsibility
Take ownership for the consequences of one's decisions and actions.

Cross Cultural Diversity
Build a vibrant workforce with different ethnicity, cultural orientation with no prejudice due to sex / caste / creed / colour and to cherish our diversity.

FY2020 IN ACTION



June 2019
Minda Corporations bags five awards at the Mahindra Annual Suppliers meet 2019 Including Best SCM Performance Award and Best Product Development Performance Award

April 2019
Spark Minda Foundation bags the India Leadership CSR Award 2019



April 2019
Minda bags Gold Award in Delivery Performance from Ashok Leyland

August 2019
Minda Corporation signs a Technical Assistance Agreement with INFAC Elecs of South Korea for Vehicle Antenna Systems

August 2019
Minda Corporation receives NCLT order for merging of five domestic wholly owned subsidiary companies

2020



October 2019
Spark Minda Foundation wins the National CSR Award 2019

October 2019
Spark Minda Group is proud of associating with Bajaj Auto, India's first major two-wheeler manufacturer to take the plunge into electric mobility.



October 2019
Minda Corporation's Wiring Harness Division bags Gold Award at the CCQC competition

November 2019
Minda Corporation's Wiring Harness division bags Ashok Leyland's Award for Best Practices in Quality



December 2019
"SMIT" registered as a Trademark under the Trademark Act, 1999

December 2019
The Company's plant in Pantnagar wins Uttarakhand Award for employing people with disability

December 2019
Minda Stoneridge bags Silver Award in HSE Excellence in the ACMA Technology Summit & Awards 2019.

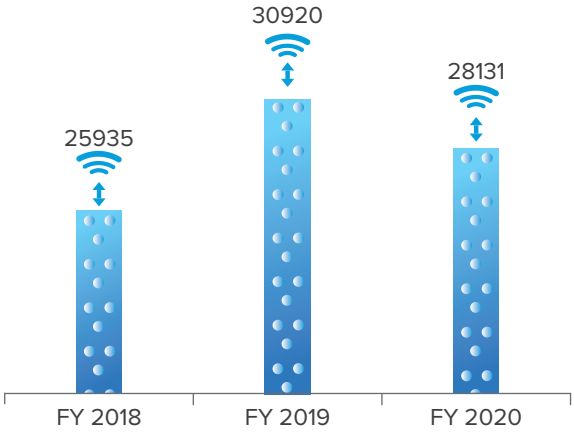
January 2020
Minda Corporation continued to be among Fortune India 500 list Company

FINANCIAL HIGHLIGHTS

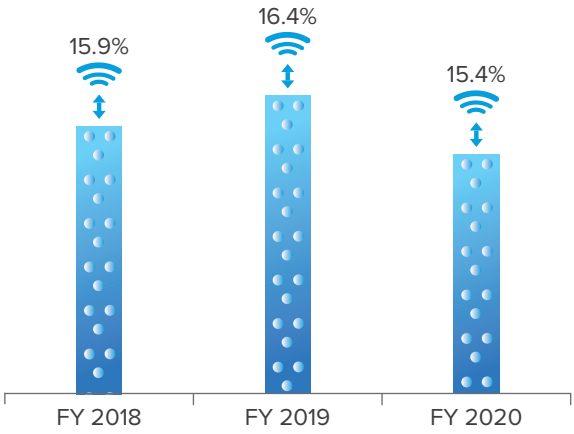
₹ In Million	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016*
Operating Revenue minus Excise duty	28131	30920	25935	20598	24455
Cost of Goods Sold	16991	19032	15586	12265	14986
Employee Benefit Expense	5027	5092	4413	3714	4165
Other Expenses	3614	3872	3207	2732	3071
EBITDA	2499	2924	2729	1887	2233
Other Income	443	355	163	405	173
Depreciation & Amortization	1179	883	738	577	745
Finance Cost	499	490	371	269	334
PBT before exceptional item & profit/(loss) from JV	1264	1905	1783	1446	1328
Share of Profit/(Loss) of joint ventures/associate	125	280	131	-137	0
Exceptional item	-2933	175	0	0	137
Profit Before Tax	-1544	2360	1914	1309	1465
Tax	454	668	487	288	365
Profit before share in associate* and minority Interest	-1998	1692	1427	1021	1100
Profit After Tax	-1998	1692	1427	1021	1073
Equity including minority Interest	9750	11950	7407	6221	6310
Gross Debt	5319	6806	7232	5491	5430
Cash & Cash equivalent	4724	3670	261	334	882
Net Debt	595	3136	6971	5157	4548
Receivables	3998	5464	5705	3741	4353
Inventory	3949	4464	4479	3064	3210
Trade Payables	5093	4103	4409	2640	4256
Capex	1462	1182	1939	1384	914
Gross Profit %	39.6%	38.4%	39.9%	40.5%	38.7%
EBITDA %	8.9%	9.5%	10.5%	9.2%	9.1%
EBIT %	6.3%	7.7%	8.3%	8.2%	6.7%
PBT %	-5.5%	7.5%	7.3%	6.2%	5.9%
PAT %	-7.1%	5.4%	5.5%	4.9%	4.4%
Net Debt/Equity	0.06	0.26	0.94	0.83	0.72
EBITDA/Net Debt	4.20	0.93	0.39	0.37	0.49
ROCE	15.4%	16.4%	15.9%	13.9%	15.2%
Dividend Payout	17.5%	35%	30%	25%	25%
Basic EPS	-8.98	7.69	6.99	4.88	5.12

*Note: The Financials of FY2016 are as per IGAAP accounting whereas the remaining financials i.e. from FY 2017 to FY 2020 are as per Ind AS accounting system.

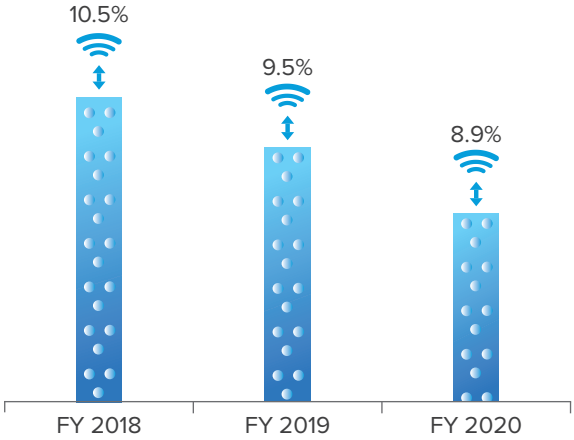
Operating Revenue in ₹ Mn



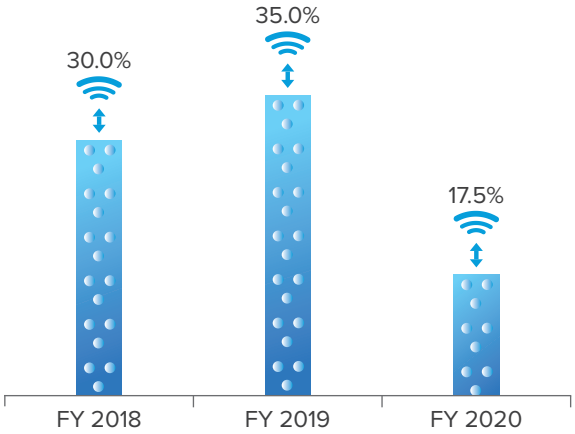
ROCE



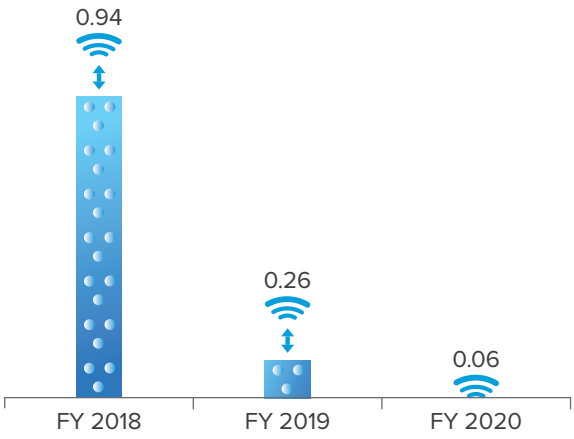
EBITDA



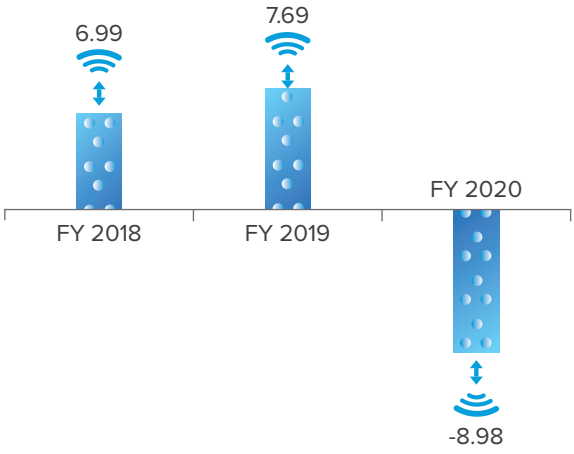
Dividend Payout



Net Debt/Equity (times)



Basic EPS in ₹



CHAIRMAN'S LETTER TO SHAREHOLDERS



"The year ahead continues to be uncertain but we think the worst is behind us. I can assure you that Minda Corporation with its unique value proposition, Research and Development driven products, support from customer base and a strong balance sheet is well placed to navigate through this difficult times. In such trying times, we will continue to Redefine, Recalibrate and Recreate"

Dear Shareholders,

It is my privilege to write to you and present the Annual Report for FY2020

I hope that each one of you and your family members are safe. The COVID-19 pandemic has created a disruption in each one of our lives like never before. It is important to take all necessary precautions and adhere to the Government's guidelines as this is the only way we can protect ourselves against the Coronavirus.

As a keen watcher of the Indian automobile industry, you are aware of the transformation the industry has been going through over the last few years. We have seen government led regulatory push like the shift to BSVI, changes in local and global regulations around emission and of course the unceasing customer push demanding a higher level of electronics for a smarter driving experience. Even as the transition has been underway, the COVID-19 pandemic further pushed the boundaries of 'change' bringing in a new normal and changing the way individuals, corporations, communities and governments work and do business.

We are no stranger to the challenges such changes throw up. In line with our Vision, we have created a roadmap based on three core themes - Redefine, Recalibrate & Recreate. As you leaf through the pages ahead, you will see how the Company continues to be in proactive mode, ready to convert the challenges into opportunities.

Along with the transformation, the automobile industry continues to face challenges over the past two years. The industry which has been one of the major contributors to the Indian economy has seen a de-growth in FY2020 to the extent of 14.7%. The reasons for such fall include overall economic slowdown, liquidity crisis, poor consumer sentiments and finally the COVID-19 pandemic. As per data from Society of Indian Automobile Manufacturers, Passenger Vehicles closed the financial year with a sale of 2.8 million units, as compared to 3.4 million units in FY2019, down by 17.8%.The fall was greater for Commercial Vehicles which were down by 28.8%. The growth leaders for the industry, three-wheelers and two-wheeler, also posted negative growth of 9.2% and 17.7% respectively for the year.

Despite all the challenges, Minda Corporation reported revenue of ₹ 28,131 million, a decline of 9% on year-on -year basis. During the year, the EBIDTA margin was 8.9%. An exceptional loss of ₹ 2,933 million saw the Company posting a net loss of ₹ 1,998 million for the financial year. The Company's focus on reducing working capital and tightening capital expenditure has resulted in strong balance sheet and net debt to equity position.

After extensive deliberations and considerations on current and future cash flow requirement of MKTSN clubbed with COVID-19 pandemic impact the Board of Directors decided not to undertake further financial exposure in MKTSN and advised that the capital be allocated for growth profitable business opportunities. Thereafter, MKTSN has filed for insolvency in Germany. We expect a positive outcome for all our stakeholders in the long run despite the insolvency filing. We are focusing on channelizing our precious capital towards tremendous business opportunities of profitable growth, with the view of enhancing EBIDTA Margin and ROCE.



Ashok Minda
Chairman & Group CEO

Further, in line with our Recreate theme, we have gained adequate expertise in value added plastic technology such as kinematics and light-weighting and will continue to develop the technology to serve our customers.

We have been an extremely cost-conscious organisation and, over the years, this has helped us build a strong balance sheet. The COVID-19 pandemic has only highlighted the importance of conserving cash and ensuring sustainable profits, in normal and in times of the new normal.

Our progress in redefining our relationship with customer from being a part supplier to technology led system supplier was further strengthened last year. To list some of the success in this respect, last year we started supplying a complete safety security system i.e. Keyless system consisting of electronics steering column lock, Key FOB, Smart ECU, Seat and Glove box actuation mechanism and few Die casting components to legendary Bajaj Chetak in its new glorious avatar of e-Scooter. During the year, we also developed complete modular Intelligent Transport System architecture (hardware and software) for BS VI range of fully built buses. Its strongly reflects the confidence of our OEM partner in us and this motivates us to achieve newer milestones of success for which we also did Technical Assistance Agreement with INFAC (S. Korea) for developing Vehicle Antenna System.

I will also like to briefly mention about our CSR initiatives. It is something which is close to my heart and I am proud of the work that the teams are doing to empower the communities and support people with disabilities. During the financial year, we continued with our multiple programmes around Education and Livelihood Promotion, Empowerment of Persons with Disability, Healthcare, Community Infrastructure and Environment. It is heartening to note that these efforts are being recognized at various states and national level as we were honoured with the 'National CSR Award 2019-20', Best Corporate Foundation award by the CSR Times.

Minda Corporation is Future Ready and well positioned to address the technological shift due to change in customer requirements, new trends and government regulation. We are focusing on being a system solution provider to our esteemed Customer. We are investing in new technologies such as light weighting, electronics and EV related products. Our presence in chosen products and customer segments will help us in sustainable profitable growth. Minda Corporation is working on principle of Right Capital Allocation where risk adjusted return are healthy.

The year ahead continues to be uncertain but we think the worst is behind us. I can assure you that Minda Corporation with its unique value proposition, Research and Development driven products, support from customer base and a strong balance sheet is well placed to navigate through this difficult times. In such trying times, we will continue to Redefine, Recalibrate and Recreate...

I would like to thank and acknowledge the contribution of all shareholders, our employees, network and business partners and customers for reposing faith in Minda Corporation and actively working for our combined success. As we continue to confidently face the challenges in this year and beyond, we remain committed and sincere in our efforts in creating and delivering value for all stakeholders.

MESSAGE FROM **EXECUTIVE DIRECTOR & GROUP CFO**



As a counter measure to the difficult situation in the sector we had proactively implemented cost control and cash management efforts which gave us positive returns. I am delighted to share that the Company generated ₹ 3,042 million of positive free cash flow in FY2020 as against ₹ 912 million in FY2019. Our Net Debt to Net Worth ratio improved to 0.06 in FY2020 as compared to 0.26 in FY2019

As you are aware, FY2020 has been one of the most challenging years for corporates across the globe and Indian industry especially the automotive sector has been no exception to this. The Indian economy grew at 4.2% for FY2020, an 11 year low; and auto production de-grew by 14.7% in the same period due to subdued economic environment, lower consumer sentiment, non-availability and tightening of finance availability and discontinuation of BS-IV.

Despite the above challenges, the Company reported revenue of ₹ 28131 million, a decline of 9% on year-on-year. The fall in revenue was partially offset by strong performance in the Exports and the Aftermarket. During the year, the EBITDA margin was 8.9% as compare to 9.5% in FY2019.

As a counter measure to the difficult situation in the sector we had proactively implemented cost control and cash management efforts which gave us positive returns. I am delighted to share that the Company generated ₹ 3,042 million of positive free cash flow in FY2020 as against ₹ 912 million in FY2019. Our Net Debt to Net Worth ratio improved to 0.06 in FY2020 as compared to 0.26 in FY2019.

This improvement as well as strict financial discipline ensured re-affirmation of our credit rating by both the rating agencies. India Ratings and Research rates us IND AA-/ Stable for term loan and bank borrowings and A1+ plus for the commercial paper. CRISIL rates us CRISIL A+/Stable for our long term borrowings and A1 for short term borrowings.

The financial year began with the Company getting the approved of merging our five Wholly Owned Subsidiaries into Minda Corporation. This has benefited the Company creating greater synergies among the businesses, increase the managerial efficiencies, lowering of cost structure and higher transparency, as reflected in our results for the year.



Laxman Ramnarayan
Executive Director & Group CFO

Minda KTSN has been operating in a challenging and competitive market in Europe. We truly left no stone unturned to improve the fortunes of Minda KTSN over the years however the onset of Covid-19 has rendered all our and Minda KTSN's efforts to nought. The move to not further support Minda KTSN financially and subsequent re-allocation of resources is expected to add to shareholders value in the long run.

As we navigate through a challenging year we continue to prepare ourselves to address the needs of our stakeholders in a proactive manner. Our strong technology push, strong balance sheet and robust cash flows, we are confident of generating superior returns for our stakeholders. We continue to pursue synergistic inorganic opportunities which shall be value accretive for the Company. We remain focused on revenue maximisation, cost control and superior return leading to creation of value for our shareholders.

BOARD OF **DIRECTORS**



Ashok Minda
Chairman & Group CEO

Mr. Minda brings along an extensive experience of more than 36 years in the automotive component industry. His futuristic approach ensured that the business grew into a multifarious and multi-product organization in the domain of automotive components with a nationwide footprint and international recognition. Under the futuristic vision and dynamic leadership of Mr. Minda, the Group is making its presence across the globe with a diversified product portfolio and comprises of various Companies in India and abroad. A successful track record of partnering with leading global auto component companies of US, Germany, Japan and France, Mr. Minda has also been instrumental in initiating Greenfield Projects in Indonesia and Vietnam.

Laxman Ramnarayan
Executive Director & Group CFO

Mr. Laxman holds various academic and professional qualifications including CMA and MBA (Finance). He has about 26 years of experience in Finance, Merger & Acquisition and Private Equity. He has also worked with Kotak Private Equity Group and Kotak Investment Bank. He is a well-known speaker and has been recognised in various forums for his contribution in the industry.





Rakesh Chopra
Independent Director

Mr. Chopra is a Chartered Accountant (England & Wales) and MBA from Cranfield University, UK. He has having rich experience of over 40 years and currently on Board of various companies including GPR Enterprises, Kempty Cottages, Bharat Gears, Pragma Holdings and Cleantec Infra. He is a founder Member and Chairman of Indraprastha Cancer Society (Rajiv Gandhi Cancer Hospital & Research Centre).



Ashok Kumar Jha

Independent Director

Mr. Jha, an IAS officer of the 1969 batch, has over 38 years stint in the Civil Services. He had held crucial positions in India's State and Central Government apparatus including the position of the Finance Secretary, Government of India. He is a renowned expert in handling economic policy issues for key government ministries. Presently, he is serving on the Board of Setco Automotive and Xpro India.

Avinash P. Gandhi

Independent Director

Mr. Gandhi is a Mechanical Engineer from the Birla Institute of Technology and completed management programs at IIMs and Administration Staff College of India. He has a rich experience of over 50 years in various capacities as strategic advisor, director and other senior managerial position in leading auto companies. Presently, he is on the Board of multiple leading companies including Lumax Industries, Fairfield Atlas, Uniproducts (India), Action Construction, EV Motors India, Schaeffler India and QRG Enterprises.





Pratima Ram

Independent Director

Mrs. Ram holds a Master's degree from University of Virginia, USA and graduated from Bangalore University. She served as Chief Executive Officer of South Africa Operations of SBI and also as its Country Head for the U.S.A. Operations. She has also headed Mergers & Acquisitions at SBI Capital Markets. Presently, she is on the Board of companies including Havells India, GPS Renewables, Mannappuram Home Finance, Avali Solutions and Cadila Pharmaceuticals.

REDEFINE

A single point is sufficient for change. Usually, there are multiple smaller, less noticeable alterations happening before many such smaller changes coalesce to create a tectonic shift. The automobile industry has been a witness to exactly a similar thing. Over the past few years, we have seen a shift from BS-II to BS-III to BS-IV coming together to bring a major shift with the announcement of BS-VI. The shift meant high investment in technology and increased product cost to the consumers. However, in an extremely cost-conscious country like India, the customer expectations continue to rise but the willingness to pay the additional cost is a push back. There is silent change towards electronification where in key for ignitions seems like a thing of a gone by era as majority of vehicles are with automatic push start. The electric vehicle revolution is hard to miss as Tesla Motors now becomes the most valuable Company in the world.

We continuously 'Redefine' for each and every aspect of our business – from the processes in the factory to the performance of our Business Verticals to our employee engagement to outreach to our stakeholders to empower our communities to create value to shareholders to offer the latest high technology product at the optimum price point to relook at our businesses and take hard decisions if needed. We continue to redefine the Company from being just a 'Component supplier' to becoming an 'Innovative systems supplier' and accordingly ramped up investment in our R&D endeavours.

At Minda Corporation, we have been mapping the subtle changes and redefining ourselves even as we stay committed to our vision and long-term goal.

Redefine is a thought process; it is about how our people rethink about the same problems, reorient ourselves to the big and small changes happening not only in the industry but in the society. It is the first process in understanding and handling change and creating successful organization.



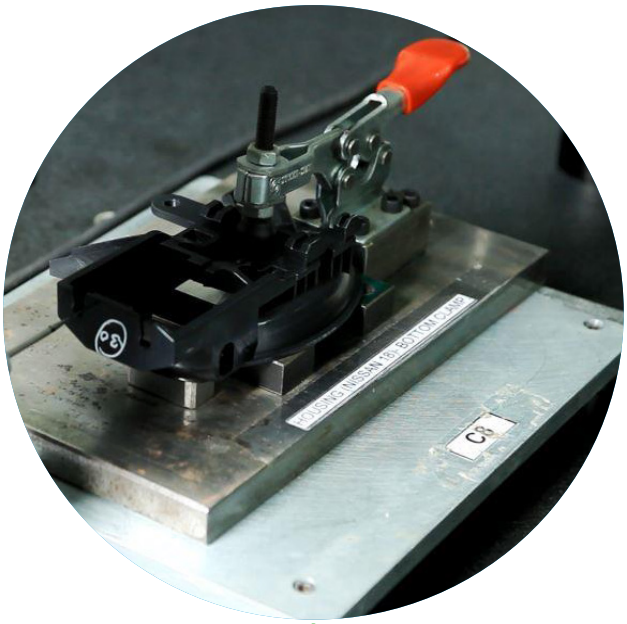

REJECTION
POLISHING
OK



RECALIBRATE

We are continuously recalibrating at our homes and offices given our understanding of the changes around us. With COVID-19 pandemic, most organizations immediately recalibrated their processes to ensure that their employees do not get the dreaded coronavirus. Work for home become the norm, travel has been sharply curtailed, virtual collaboration and investment in digital technologies is the new way of working.

For Minda Corporation, Recalibrate is a continuous, evolving and a long-term process. Redefine is a thought process, Recalibrate is about taking an action on the redefined thought process.



Understanding the needs of the cost-conscious customers, we have been continuously investing in technology. Understanding the implications of technology in the automobile industry, we were amongst the early mover in setting a dedicated R&D Centre – SMIT. We have recalibrated our plant process and brought in higher levels of automation to bring in improvements in operating efficiencies. Even before COVID-19, we have been focusing on our definition of cost, and making investments for value additions. After extensive deliberations and considerations on current and future cash flow requirement of MKTSN clubbed with COVID-19 pandemic impact the Board of Directors decided not to undertake further financial exposure in MKTSN and advised that the capital be allocated for growth profitable business opportunities.

For Minda Corporation, recalibration is happening across the business given the changing external conditions. We have realised that we are no longer in an era where a growth of 8% plus of the Indian economic was a norm. Accordingly, we have recalibrated our business and marketing strategies to factor in an environment which may see GDP growth may hover in the 5-6% range. We are relooking at our product portfolio and understanding our 'profit zone' – products where we achieve the highest profits, enjoy the greatest leadership position and where we can sustain, grow value and continue spending our time, effort and energy.

We have time and again relooked at our hiring process and now have a robust framework to develop and groom employees and build the leadership pipeline for the future. We continue to re-defined roles for enhanced efficiency and seamless movement of talent across the businesses.

For Minda Corporation, Recalibration is a disciplined approach to drive change.

RECREATE

Recreate is about our continuous endeavour to boost shareholder's value. After laying forth a clear roadmap by the process of Redefine and Recalibrate, we relentlessly focus on Recreating a virtuous cycle of success stories for ourselves. We follow the wisdom of tech guru Andy Grove and the semiconductor industry pioneer - "Success breeds complacency. Complacency breeds failure. Only the paranoid survive."

Yes, we are paranoid as we unceasingly keep searching and exploring for opportunities to ensure that we can create effective value for our customers and other stakeholders. To list some of the success in this respect, last year we started supplying a complete safety security system i.e. Keyless system consisting of electronics steering column lock, Key FOB, Smart ECU, Seat and Glove box actuation mechanism and few Die casting components to legendary Bajaj Chetak in its new glorious avatar of e-Scooter. During the year, we also developed complete modular Intelligent Transport System architecture (hardware and software) for BS-VI range of fully built buses. Its strongly reflects the confidence of our OEM partner in us and this motivates us to achieve newer milestones of success for which we also did Technical Assistance Agreement with INFAC (S. Korea) for developing Vehicle Antenna System.



Further, our investment in SMIT has paid rich dividend in the past and augurs well for our future. We understand that we need to continually recreate ourselves by building innovation into our business models and SMIT will continue to play a key role in this journey.

With COVID-19, we are looking at it as an opportunity and seeing a new way of working for the future – digital. We believe that digitally transformed companies would manage better and this is in line with our aspiration to grow revenue, grow profits and cut costs and hence putting in the necessary investments for this transformation.

Redefine and Recalibrate helps us to Recreate with agility even as we continue to build, rebuild and remould Minda Corporation as a customer responsive Company. We are recreating a Company which not only has a product portfolio with dominant market leadership but importantly have put in enough checks and balances to ensure that we do not get complacent and ensure long term sustainable business profitability. For each employee at Minda Corporation, it is about continuously having the spark and passion to recreate a new Minda Corporation.



SPARK MINDA TECHNICAL CENTRE (SMIT)

The Spark Minda Technical Centre (SMIT) is a flagship bearer of technology innovations in legacy as well as non-legacy areas of the Spark Minda Group. It shoulders the responsibility of spearheading the technology advancement roadmap of the Spark Minda Group businesses and enables their drive towards 'Electronification'. The SMIT houses a centralized R&D facility, which nurtures new technology development in the emerging areas of smart electronic keys, DC-DC converters, intelligent transport systems, improved electronic steering lock system, to name a few. It continues to make rapid strides in areas like Telematics, Autonomous, Electrified Mobility Solutions and innovations in Intelligent Transportation Systems along with working on cutting edge domains like Data Science, Artificial Intelligence, Deep Learning, Internet of Things, Smart Vehicular Architectures, Electric Vehicle driven innovation, etc



> **Future of mobility is a disruptor. Technology excellence with best in class Quality and Cost coupled with Agility is imperative for success**
>
> **Suresh D,**
> Group CTO

During the financial year under review, the SMIT added multiple feathers to its caps including

- Development of complete modular Intelligent Transport System architecture (hardware and software) for BS-VI range of fully built buses. This product has a well incorporated USPs and a complete system solution from Spark Minda Group.
- Minda Corporation - Safety Security Division, along with SMIT, delivered the India's first Keyless entry system for the major two-wheelers OEMs. The solution includes the ECU, electronic steering column lock (ESCL), FOB and the actuation systems has been developed for an electric scooter with the smart access function using LF/ RF technology.
- Creation of a Center of Excellence, a joint initiative with ANSYS. This center will nurture innovations to create breakthrough in CAE solutions and facilitate rapid design iterations in early phases of product design and development.
- Participation in SAE World Congress with the submission of paper on 'Delivering Maximal Robustness to Your Automotive ECU on a Frugal Budget'. This was the only successful entry from an Indian Company in the automotive domain.
- Designed and developed ECUs for Smart Rotavator and combined harvester for the tractor segment.
- Developed Flashers and general purpose Electronic Controller for the tractor segment for a leading OEM.
- Successfully facilitated Telematics and Electric Mobility Division's entry into a spectrum of electric vehicle projects embarked upon by multiple OEMs.
- Design and development of various range of DC-DC converters (10 Amps, 20 Amps and 30 Amps)and battery charger (750 W platform) for the electric vehicles.
- Successfully implemented the Bluetooth Low Energy (BLE) based smart key solution for two wheelers.

It is to the credit of the team in SMIT which continues to file patents, making the Company a foremost name in creating high-end intellectual property. During the financial year, SMIT filed multiple patents including...

- **Firmware upgrade over the air through BLE**
- **Chargeable key-fob based on super capacitor**
- **Relay attack prevention in Passive Keyless Entry system**
- **Intelligent Transport System – smart destination display board**
- **Improved electronic steering lock system**
- **RF based vehicle access system**
- **Real time automatic lane crossing flashing indication for vehicle using low cost mems**
- **Intelligent Vehicle Speed Adaptation**
- **Lock Operation Feedback on Key fob**
- **Key fob abuse protection**

CORPORATE **SOCIAL RESPONSIBILITY**

To build a sustainable society through improving the quality of life; protect the planet through affirmative actions and establish integrated and inclusive growth of people and environment.

As a responsible corporate citizen, Corporate Social Responsibility (CSR) has been at the core of the Spark Minda Group since decades. Spark Minda Foundation (SMF), the CSR arm of the Company, plans and executes the CSR programmes for the entire Group. The Company's CSR themes includes Education and Livelihood Promotion, Empowerment of Persons with Disability, Healthcare, Community Infrastructure and Environment.

Aakarshan Skill Development Program

Aakarshan continues to be the flagship program of the SMF since 2013. The initiative supports the Indian Government's 'Skill India Mission' programme and aims to provides quality education and skill to the underprivileged children and youth with a special focus on the women community in rural India.

Locations: Ten Aakarshan Skill Development centres in states like Uttar Pradesh, Maharashtra, Tamil Nadu, Uttarakhand and Haryana.

Courses offered: Industrial tailoring, Spoken English training, Computer, GST training and Beauty & Wellness training.

Benefits: The programme reached out to over 1,500 students during the year.

Milestone: The Company has imparted skill training to over 7,439 youth, women and children on various vocational trade for employment and entrepreneurship.





Dual System of Training programme

Started in 2017, the programme is a result of the tie-up between Directorate of Training and Technical Education, Govt. of NCT of Delhi and the Company. A first of its kind programme, it was introduced to form a connect between the ITI and industry.

Course offered: A 2-year industry tailored course including theoretical understanding on trade press, tool jigs and fixtures and 9-months hands-on learning in the Group's factories.



Business Integrated Prison program

The programme is a unique initiative of providing employment accessibility to inmates in prisons of India. During the year 2014, SMF introduced this programme of manufacturing automotive components in the few Indian prisons. It started with the setting up a manufacturing facility in Tihar jail in Delhi. Since then, the programme has expanded to few prisons in Maharashtra. This programme intends to create a crimeless society by empowering inmates with skills and earning capability.

Locations: Delhi (Tihar) and Maharashtra (Yerwada, Nagpur, Aurangabad).

Benefits: A total of 127 inmates are engaged in the manufacturing process with plans of engaging more in the future.

Saksham: Empowerment of Persons with Disability

The program is designed to help Persons with Disability (PWD) in their mobility, skilling and employability. During the financial year, the Company organised a week long camp at Pune, Maharashtra. Apart from helping PWDs with job opportunities, the camp aimed to be a one-stop facility for the PWDs to enable them to avail benefits of free of cost assistive aids and Unique Disability ID registration. The programme was organized in collaboration with Confederation of Indian Industries, Skill Council for Persons with Disability, Vishwa Yuva Kendra, Jaipur Foot and India Business Disability Network.

Benefits: In the Pune camp, 1,335 assistive aids were given to PWDs. Also employment was facilitated to 120 PWDs even as 30 people were absorbed into the Spark Minda Group. 162 Unique Disability ID registrations were facilitated during the camp.

Milestone: The Company has facilitated fitment of 7,982 assistive and accessible technology to PWDs.

Women Empowerment through improved health

This programme aims to help rural women to improve their health status through their menstrual hygiene, family planning, reproductive health, nutrition and maternal and child health programs.

Location: Uttar Pradesh, Uttarakhand, Haryana, Tamil Nadu and Maharashtra.

Benefits: Since 2014, more than 3,000 women and adolescent girls have been trained on the subjects of biological aspect of menstruation and taboos associated with it, importance of hygiene family planning, various methods of contraceptives, healthy timing and spacing etc.

Milestone: Achieved the United Nation's commitment to reach 3,024 women and adolescents form Menstrual Hygiene, Family Planning and Reproductive Health.



AWARDS AND ACCOLADES



National CSR Award 2019-20



Award by the Social Welfare Ministry of Uttarakhand for Service Provider and Placement Officer for People with disability 2019-20

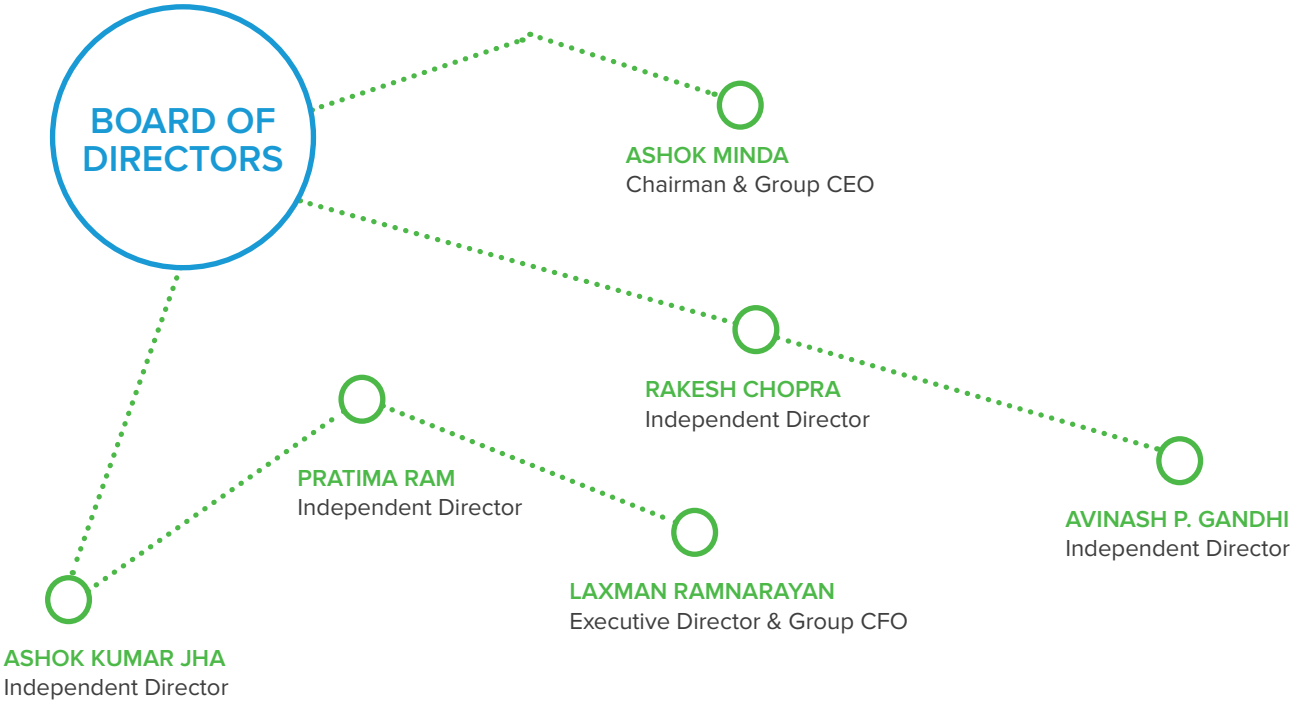


Award at the 2nd Investor's Meet for Infrastructure and Strengthening of Education Sector 2019-20



Best Corporate Foundation award by the CSR Times - National CSR Summit Awards 2018.

CORPORATE **INFORMATION**



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SECRETARIAL AUDITOR
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COST AUDITOR
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Karol Bagh, New Delhi - 110005, India

REGISTRAR AND SHARE TRANSFER AGENT
Skyline Financial Services Private Limited
D-153/A, 1st Floor, Okhla Industrial Area,
Phase - 1, New Delhi – 110 020, India

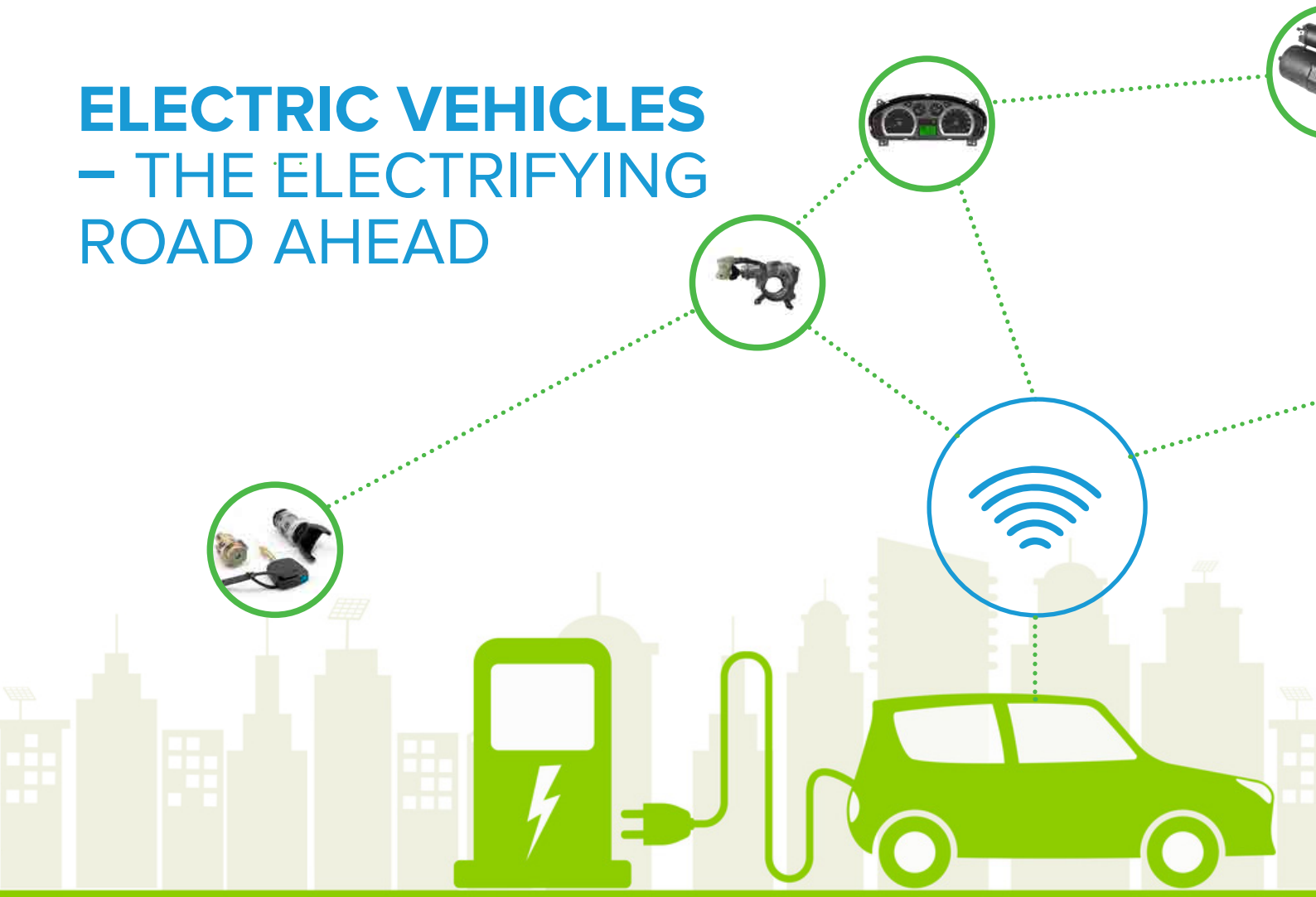
BANKERS
HDFC Bank Limited
HSBC Limited
Indusind Bank Limited
Kotak Mahindra Bank Ltd.
Standard Chartered Bank Limited

CORPORATE ADDRESS
Plot no. 404-405, Udyog Vihar
Phase - III, Sector-20, Gurugram -
122016, Haryana

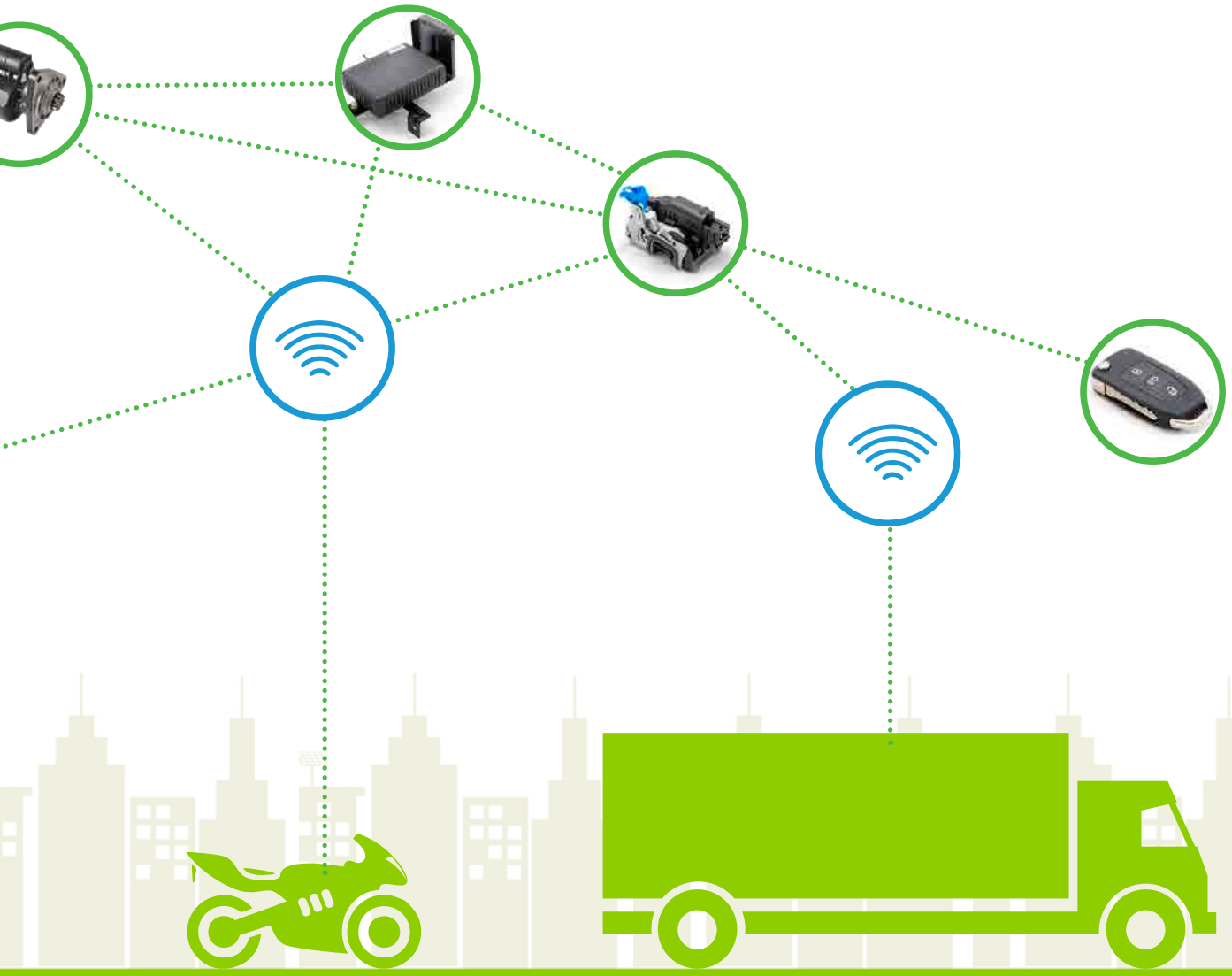
CORPORATE IDENTIFICATION NUMBER (CIN)
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ELECTRIC VEHICLES – THE ELECTRIFYING ROAD AHEAD



The future is electric! With the success of Tesla Motors, globally a shift towards electric vehicles is being played out. India is no exception. In recent years, we have witnessed the launch of electric passenger cars by leading auto majors, even as more are waiting to be announced. Electric three-wheelers, providing last mile connectivity, are a common site across India. The Company has been actively tracking the EV segment for some time and has readied its arsenal to supply to the fast growing EV market. With the help of cutting-edge R&D by SMIT, the Company has already enhancedits ability in product development and design and to deliver inter-disciplinary products in the EV component business. It has been instrumental in development of stringent quality EV components, meeting the automotive and EM/EMC norms. As OEMs continue to focus on achieving higher efficiency and performance in vehicle electrification solutions, the Company has a team of power electronics and embedded professionals working on creating innovative products for their upcoming vehicle programs.



EV components manufactured:

The Company has a large portfolio of EV related products, especially for the electric two wheelers (e-2Ws) and electric three-wheelers (e-3Ws). These include DC-DC convertor, battery charger, connected clusters, HV wiring harness, keyless entry systems and EV telematics are the primary EV components.

E-mobility strategy:

The Company is making inroads in the EV space and has already won orders from leading OEMs in India for multiple products such as DC-DC convertor, battery chargers and telematics, to capture the growth. It also exports mainly to the ASEAN (Association of South East Asian Nations) and European regions and its products are core components for ICE, EV and hybrid technology manufacturers.

The Company continues to focus on development of power electronics viz., DC-DC converter, battery charger, motor controller, etc. It is also exploring opportunities for a potential joint venture for expanding its product range.

While the demand for EV is expected to rise exponentially in the country in the coming years, currently the EV manufacturers are witness low volumes due to significant challenges like high cost of ownership, driving range, battery issues and charging infrastructure. Also for the Company, meeting the stringent EV norms presents a formidable challenge. However, the Company is confident that its investment in SMIT will help in building affordable and customized solutions, specially designed for local requirement.

The Company plans to localize the entire value chain right from R&D to manufacturing.

It is building a world-class manufacturing facility for automated assembly of electronic units in Maharashtra, India. It has already established a technical centre equipped with state of-the-art development infrastructure.

The Company believes that localization will enable India to align with global trends in an agile manner,delivering frugal engineering solutions to global markets. The country's main challenges to deliver this are capability building, development infrastructures and tier-2 capability to develop high precision EV parts.

MANAGEMENT **DISCUSSION AND ANALYSIS**



Economic overview

Continuing trade war, social unrest, geopolitical tensions, elections and finally the COVID-19 pandemic. The financial year was certainly an uncertain year.

The US-China trade was escalated during the year with both countries unrelenting even as the cost of the growth of their respective countries. According to the International Monetary Fund (IMF), US's GDP growth for Calendar Year (CY) 2019 declined to 2.3% as compared a 2.9% growth in CY 2018. The China story was no different as it posted a growth of 6.1% for CY 2019 as against 6.7% a year earlier. Elsewhere in the world, there was social unrest in some countries, even as few other countries saw the full fury of the nature - from hurricanes in the Caribbean, to drought and bushfires in Australia, floods in eastern Africa and drought in southern Africa. All these continued to pose new challenges for the global economic growth. The growth rate of the Advanced Economies and Emerging Markets & Developing Economies slowed to 1.7% and 3.7% respectively from 2.2% and 4.5% respectively in CY2018, The overall economic slowdown resulted in decline in economic growth to 2.9% for CY 2019, as compared to the robust growth of 3.6% for CY 2018.

The financial year was uncertain, challenging and an extremely tough year for the Indian economy. The world has been used to see the Indian economy post a stellar growth in the past and has had a distinction of being the fastest growing economy in the past. Therefore, even as the country posted a sub 7% GDP growth rate, it was expected that the economic powerhouse will outshine its previous year and be back on its northward growth march.

The period of elections at the beginning of the fiscal year resulted in a subdued economic activity during its first quarter. With a result and an overwhelming decision for a single party by the people, there was widespread hope of industrial recovery in the coming quarters. However, the economy faced tough and challenging conditions given the liquidity crisis of the previous financial year. This continued crisis resulted in a liquidity challenges, especially among the Micro, Small and Medium Enterprises (MSME) sector impacting the economy. Consumer sentiments took a beating resulting in low demand offtake in the economy. While the economy did see some green shoots emerging in the third quarter of the financial year, the news of the COVID-19 pandemic and its quick spread dashed hopes of the economic recovery in the fourth quarter and for the whole financial year. As per the date by the National Statistical Office, India posted a growth of 4.2% for FY2020, a 11-year low.

Industry overview

The Indian automobile segment has been on a downward trajectory for the past two years. It has posted a stellar 14.8% in FY2018. In FY2019, it had to grapple with multiple issues NBFC liquidity concern, overall slowdown, inventory pile-up, mandatory insurance, uncertainty due to the general elections, etc ensuring that the growth rate slows down to 5.2% for the financial year. The industry continued to face the issues of FY2019 well into FY2020. Overall economic slowdown, lack of government stimulus for the industry, liquidity crisis and poor consumer sentiments and finally the COVID-19 pandemic impacted all industries and businesses. For the automobile industry, FY2020 would be one of the worst year as it saw a negative growth in all its key categories. As per data from Society of Indian Automobile Manufacturers (SIAM), Passenger Vehicles closed the financial year with a sale of 2.8 million units, as compared to 3.4 million units FY2019, down by 17.8%. Commercial Vehicles sales was down by a whopping 28.8% to close the year with a sale of nearly 0.72 million units. The growth leaders for the industry, three-wheelers and two-wheeler, also posted negative growth of 9.2% and 17.7% respectively for the year. Overall the automobile industry slipped in the negative growth zone as it posted a 14.7% decline over its previous year.

COVID-19

The COVID-19 pandemic has come at a time when the automobile industry was already battling a crisis make the pandemic further worsen for the industry across the world.

With extended lockdowns, the global automotive industry will be taking a huge hit from the Covid-19 outbreak and its spread over the months. The past few months, since the outbreak of COVID-19, have seen sales plunging and production halted forced the big and small players in the global automotive field to rethink their business plans.



Even in India, the pandemic has not only impacted the automobile majors but the entire auto ancillary industry as well. SAIM has termed the current situation as one of the most stressful ever and has asked for a stimulus package from the central government. SIAM hopes that the government will play a significant role in demand creation and uplifting the consumer sentiments by addressing the concerns of the auto sector including temporary reduction in GST rates by 10% across all vehicle segments, incentive-based 'Vehicle Scrappage' scheme, among others.

The other aspect of COVID-19 which might further worsen the situation for the industry is the mass exodus of migrant population from the top cities. Experts estimate that even after the lockdown, it will take some time for the migrant population to return and therefore industry is also facing labour shortage challenges. Importantly, when the companies start hiring people, they might not have the skill set required by the companies. This has the potential to build inefficiencies in the operations, impact the process cost and definitely cause supply chain disruptions.

This will have an impact on the industry making it difficult for the industry to get back on its feet for a sometime.

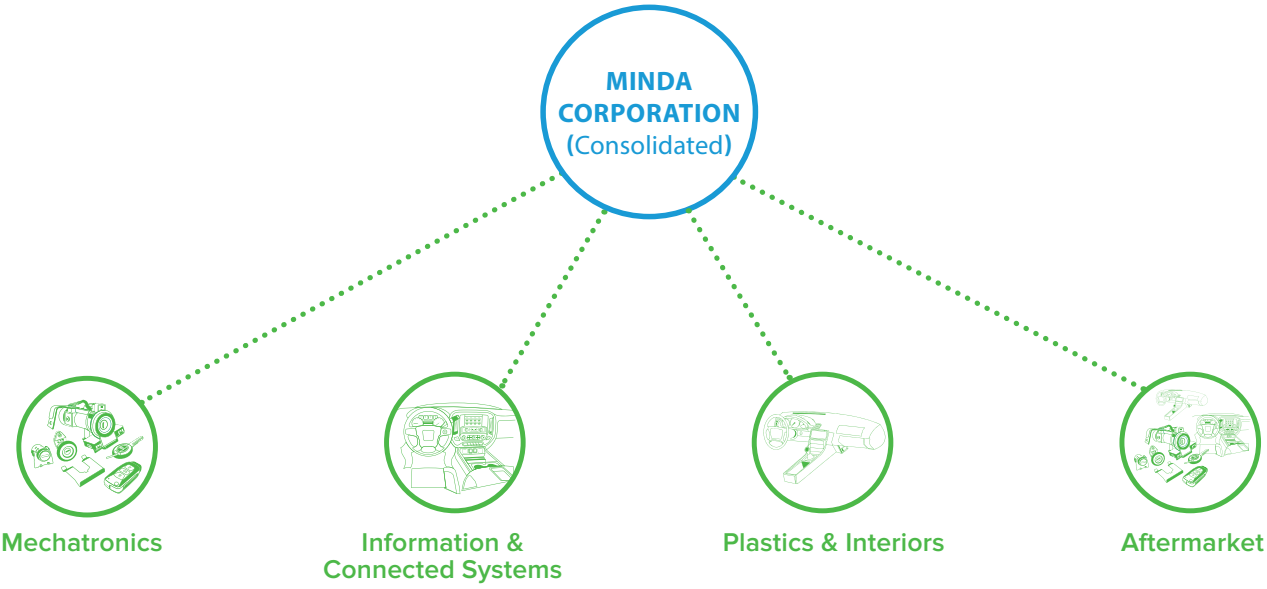
Performance review

The Company is a leading automotive component manufacturer in India with significant presence in the international market. Spark Minda Group has 28 manufacturing plants in India, two in South East Asia. The Company has multiple product lines and caters to all the Original Equipment (OEs) and the aftermarket segment in the Automobile Industry. India continues to be the dominant market for the Company and accounts for around 67% revenue, followed by Europe and US with around 28% and the balance is accounted by markets in South East Asia.

In terms of end market, the Company's revenue from PV accounted for 28%, 42% came from 2W and 3W, 19% came from CV and 11% from aftermarket.

For the year under review, the Company posted a revenue of ₹ 28,131 million, a decline of 9% as against the numbers for FY2019. The fall in revenue would have been much higher but for the strong performance in the Exports and the Aftermarket. EBITDA margins were impacted as the industry moved to BS-VI and the Company had to incur additional cost for the transformation and certain cost related to COVID-19. An exceptional loss of Rs 2,933 million saw the Company posting a net loss of Rs 1998 million for the financial year.

The Company classifies its business in four broad categories including Mechatronics (Safety, Security and Restraint System); Information and Connected System (Drive Information and Telematics); Plastics & Interiors (Interior System) and Aftermarket.



Mechatronics



The business has multiple product lines which includes electronic and mechanical security systems (ignition switch cum steering locks, smart key systems, mechatronics handles and immobilizers system); die casting components (aluminium high pressure die casting and compressor housing); and starter motors and alternators. As the electronics and mechatronics share in vehicles increase at a rapid pace, the business continued its laser sharp focus to develop products which meet the changed/changing emission regulations i.e. BS IV to BS VI, cost innovations to get healthy contribution, entry into new vehicle segments mainly construction and agriculture vehicles.

Product Portfolio	Key Divisions/Companies	Key Customers	No. of Plants	Plant Locations
Electronic and Mechanical Security Systems including Ignition Switch Cum Steering Locks, Smart Key Systems, Mechatronics Handles and Immobilizers System; Die Casting: AL (HPDC, GDC, LPDC) and Zn (Hot Chamber) such as Housing Compressor; Starter Motors, Alternators.	Safety Security Divisions	Bajaj Auto, Ashok Leyland, TVS, Yamaha, Honda Motors & Scooters, Suzuki Motors, Hero Motocorp, Triumph	4	Pune, Noida, Pantnagar, Aurangabad
	Die-Casting Divisions	Bajaj Auto, Borgwarner, Endurance, Garrett Motion, Keihin India	3	Pune, Greater Noida
	Starter Motors & Alternators Division	Escorts, Magneton, ITL, TAFE, CNH	1	Bawal
	ASEAN Business	Yamaha, Suzuki, Kawasaki, Piaggio	2	Indonesia, Vietnam
	Minda VAST Access System Limited	Maruti Suzuki, Tata Motors, Nissan	2	Pune and Manesar

A. Safety Security Division

Change in technology trends, regulatory mandates, rapid changing customer expectations, need for differentiating products by OEMs and increasing cost reduction pressures from OEM's, the division has further intensified its focus on innovation / technical advances. For domestic market we are focused on developing products which meet the changed/changing emission regulations i.e. BS-IV to BS VI, cost innovations to get healthy contribution, entry into new vehicle segments mainly construction & agriculture vehicles. The electronics & mechatronics share in vehicles is increasing at a rapid pace. Highly reliable microcontroller based solutions enable the advanced safety & security requirements of the vehicle. The division is also focusing on electronic & mechatronic systems for tech savvy European and US Market and cost competitive Indian & ASEAN Market customers. The division is also building strong supplier base and capability for reduction in raw material through Value Addition /Value Engineering and also looking to save cost by sourcing from FTA countries.

In-house Design and Development capability for Electronic & Mechanical Security Systems, with focus on product Innovation, reliability & first time through approach will further increase to achieve zero defects in complete product life cycle – Zero defect initiative drive started across the group and Zero defect product policy will be adopted as our winning mantra.

Strong patent portfolio

The Company's relentless focus on Intellectual Property Rights (IPR) creation is the prime reason for the strength in the patent portfolio. The patents portfolio till FY2020 stands tall at 82 patents with 61 for conventional lock sets and further 21 for smart key solutions.

World class in-house R&D facility - SMIT

The investment in the state-of-the-art, in-house R&D facility Spark Minda Technical Centre (SMIT), Pune continues to yield rich dividends, in terms of enriching the IPR portfolio and enhancing product line.

Proximity to Customers

The facilities are strategically located in close proximity to customer locations, providing us with an inherent edge by saving on valuable time and transportation costs.

The Company has maintained a firm grip on market share in the domestic market and continues to show good growth in exports.

The focus is to expand this division by

- Further market penetration in domestic, as well as International
- Product development i.e. Mechanical to Mechatronic
- Market Development i.e. entry into ATV/Off-Road in various overseas market and also into E-Bike/E-Rickshaw



- Expanding SOB with existing domestic & global customers by
  - Early engagement with the customer to understand the value attributes
  - Providing differentiated products which are high in content.

B. Die-Casting Division

The die-casting division, a vital part of the Mechatronics business, hosts all the die-casting facilities under one roof - LPDC, GDC, HPDC – Aluminium and Zinc. Its cost competitive manufacturing process supports the division to grow both in domestic and overseas markets, at a much faster rate as it has a complete in-house process and state-of-the-art testing facilities. Its design and engineering capabilities are helping the Company to meet the audits of major customer and garner more business for future. The product range it manufactures include:

GDC: Upper Bracket and Handle holders for 2W, Compressor Housings for Turbochargers, Engine Mounting Brackets for 4W, Intake Manifolds, Brake Callipers, Tandem Master Cylinders for brake application, Housings for steering mechanism, Thermo Housing for water and Oil pump application

LPDC: Cylinder Heads and Upper Bracket for 2W

HPDC: Master Cylinders for 2Wbrake application, Seal plates for Turbochargers, Starter motor cover, Head Cover

Zinc: Ignition lock, Fuel Tank cap parts for 2W and 4W

The division is geared up to diversify its business into other area like Aerospace, Rail, Defence and Marine because of its deep understanding and knowhow of the various businesses. It is also helping the OEMs and Tier 1 supplier to meet the changes in regulations, which are taking place in fuel injection, braking and emission system. To enhance

the competency, the division is implementing automation in a phased manner, optimizing machining cost and other cost including lowering the raw material cost.

C. Starter Motors & Alternators Division

Starter Motors and Alternators Division (erstwhile Minda Autoelektrik Limited and formerly known as Panalfa Autoelektrik Ltd). the division is engaged in the business of manufacturing and selling of starter motors and alternators. It is a leading manufacturer of GRS Starter Motors and Alternators with technology from Magneton, Czech Republic. It is the pioneer in India to introduce Starter Motors with Offset Gear Reduction Technology, which gives the Company a technical edge over conventional starter motors like more power in compact size, high efficiency and reliability and less current drainage from battery. It caters to a range of sectors including tractors, agriculture machinery, stationary engine and construction equipment in India and Europe. Improvement in productivity and reduction in fixed cost are the priority for improving the profitability of the division. To improve the reliability and quality of the product, following testing activities are installed or are being installed...

- Salt Spray Chamber
- Engine Control Unit
- Hot Chamber
- Thermal Shock Chamber

The division has huge opportunities

- Diversification into new segments – LCV, Off Road, stationary engine and 3W
- New business acquisition in tractors segment, with introduction of low-cost Alternator and Permanent Magnet Gear Reduction Starter Motor.
- Opportunity to increase Export Business with existing and new customers/new territories.
- Opportunity to increase business in the after market by leveraging support of Aftermarket Sales & Service network for its key components.

The division is further developing new products to have sustainable growth and enhance profitability. Some of the products under developments towards this are highlighted below:

- Permanent Magnet Planetary Gear Starter Motor for Tractor & LCV
- 24 Volt 55 Amps 5” Internal Fan Alternator for LCV
- Volt 1.8Kw Starter Motor for LCV
- 12 Volt 55 Amps 4” Internal Fan Alternator for LCV and Tractor
- 12 Volt 210 Amps 5.5” Internal Fan Alternator for Tractor

D. ASEAN Business

PT Minda Automotive (Indonesia)
Minda Vietnam Automotive Co. Ltd

These Companies cater to the large and growing markets in the ASEAN region, with its Greenfield manufacturing facilities in Indonesia and Vietnam. This helps the Company to live up to its core philosophy of being ‘near to the customer’ and ‘supplying the best quality products’. The supplies to the OEMs not only in Indonesia, Malaysia, Vietnam, Singapore, Philippines, China, Japan, etc., but also to OEMs in distant Brazil and Columbia, are a testimony to the success of the vision of the Company.

The Companies supply a wide range of products to its customers including Ignition switch (with or without Magnet Shutter), Fuel Tank Cap, Side Cover Lock, Seat Latch / Locks.

It remains a one-stop solution for Lock, Wiring Harness, Speedometer, EV and other group products from one facility in ASEAN. In order to support the future growth,





the Company is focusing in early vendor involvement, cost competitive sourcing, technologically evolved product and enhancing the productivity and skill development in the ASEAN region.

The technological capability of the Companies is backed up by a strong R&D teams in India, with Design office in Japan.

E. Minda VAST Access Systems

Minda VAST Access Systems Private Limited is a 50:50 joint venture between VAST, USA and Minda Corporation Limited in headquartered at Pune. VAST, USA is a well renowned global supplier of security / access control products for the motor vehicle industry and is one of the global market leaders in the security / access systems. VAST is an alliance of three organizations and related operating entities that is directed by a single management team in order to effectively serve global customers. The organizations of VAST are WITTE Automotive from Velbert, Germany; STRATTEC Security Corporation from Milwaukee, WI; and ADAC Automotive from Grand Rapids and MI, USA.

As technology marches on, the Company recognizes that the conventional mechanical based security systems will be replaced with more and more electronics additions which will equip the end user with enhanced security features. Minda Vast has started this journey with local innovations to offer typical Indian solutions to the end users on affordable cost. Minda VAST has been successful in moving with the changing trends, i.e shift from Mechanical to Mechatronics; and developing products with the help of SMIT and VAST like iRIS 1/ iRIS 1.5 / iRIS 2, ESCL, Immobilizer and other electronic parts. It has also developed products like Bracket-less handles, in line with the Government's stringent regulatory requirements and the need for weight reduction in products.

The key strategies for growing and improving the profitability of this business are

1. Enhancing the capacity utilization by getting more business on outer door handles and lockset from PV manufacturer.
2. Reducing the breakeven level by 20% by reducing both fixed and variable component of cost.
3. New product development like seat latch, outer handles and switch
4. Penetration to new customers - both in the domestic and global markets

The Company's JV partner VAST is supporting in addition of product portfolio like electronic parts for handle and outer handle and also in other strategic initiative like introduction of flush door handles and powered latches.



During the year, the Mechatronic business continued to hold its dominant leadership position in the electronic and mechanical security system. The industry is seeing a clear shift from the traditional key with remote-controlled vehicles. Leveraging on SMIT and its continued investment in R&D, the business leads the market with an overall plus 30% market share. The business products are used by leading OEs. Further, the Company supplies to leading OEs in Europe even as it continues to develop cutting edge products with embed technologies including WIFI, Bluetooth, 4G and 5G network for PV. The Company's technology advantage is evident to customers given that it was first company in India to provide the complete in-house mechanical, electronics and the software solution for push button start for 2W segment, a feat still unparalleled in the industry. It has been the first company in the India to develop the smart key, low engine AC car and with over 21 patents filed. During the financial year, the Company associated with Bajaj Auto to supply its products such as Keyless system consisting of electronics steering column lock, Key FOB, Smart ECU, Seat and glove box actuation mechanism and few Die casting components for Bajaj Auto's legendary Bajaj Chetak which was launched as a e-Scooter.

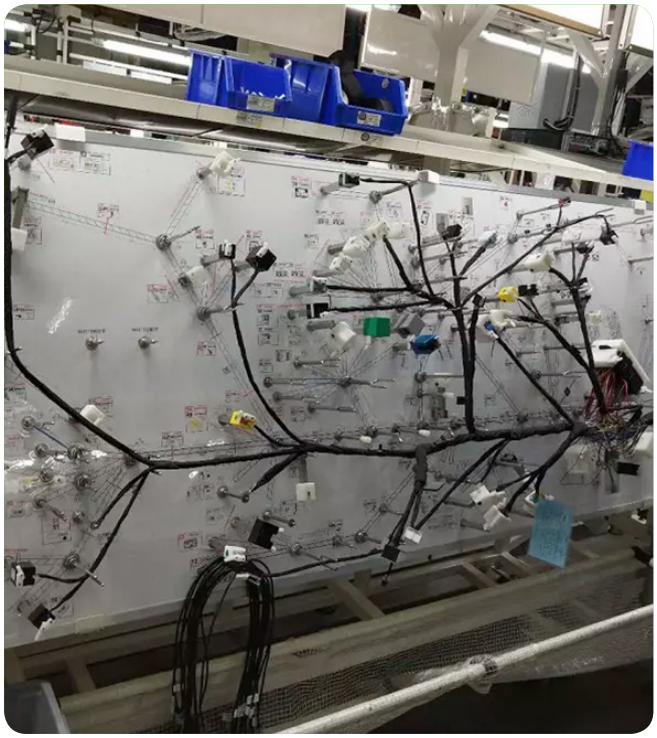
Information and Connected Systems

This business vertical includes products like instrument clusters (speedometers); wiring harness, steering roll connector and junction box; sensors (speed and exhaust gas temperature (EGT); and innovative technology solutions and IoT solutions. The Company caters to the leading Indian and global OEs with its high-quality product offering.

Product Portfolio	Key Divisions/Companies	Key Customers	No. of Plants	Plant Locations
Wiring Harness, Connectors, Terminals, Components, Steering Roll Connectors; Instrument Clusters, Dashboard, Sensors like speed, temperature, position, pressure, exhaust gas etc; Innovative Technology Solutions and IOT Solutions.	Wiring Harness Divisions	TVS, Ashok Leyland, Bajaj Auto, Honda Motors & Scooters, Hero Motocorp, Piaggio	8	Pune, Greater Noida, Chennai, Murbad, Pithampur, Haridwar, Mysore
	Component Divisions	In-House Divisions or JV Companies	1	Greater Noida
	Telematics & Electric Mobility Division	Escorts, Magneton, ITL, TAFE, CNH	1	Bangalore
	Minda Stoneridge Instruments Limited	M&M, Bajaj Auto, Ashok Leyland, Honda Motors & Scooters,	2	Pune, Chennai
	Furukawa Minda Electric Private Limited	Maruti Suzuki, Renault-Nissan, Honda	1	Bawal

A. Wiring Harness Division

The regulatory tightening measures, along with customer preferences for comfort, safety and feature-rich mobility, is bringing a sea change in the use of wiring harnesses. The content in the wiring harness, in terms of no. of circuits, connectors have been increasing steadily, but with BSVI coming to play from 1 April 2020, the industry has witness enormous increase in the content of wiring harness, especially for 2W, where the engine has moved from carburettor to Electronic Fuel Injection (EFI). With BSVI regulations, the import is expected to see a rise. The Company is in a constant endeavour to optimize the wiring harness design through frugal engineering, to reduce the import content and improve the productivity of labour, so that it is able to supply a world-class, reliable product at minimum cost. Other than PV, the division has more than 30% market share in 2W, 3W, CV and tractors in India. It is also exploring the potential of exporting Wiring Harness to global OEMs, who are its customers for other products. Pan-India presence near automotive hubs, along with consistent quality is helping it retain strong customer relationships and enhancing the brand image of the group.



Expanding market by adding new customers domestically, as well as globally and enhancing the core competency, by locally developing various components required in Wiring Harness, remains the key to sustainably grow the business.

Development of Modular Fuse Box, waterproof connectors, PCB Junction Box and Aluminium Battery Cable testify the capability of the team in localizing. However, further enhancing the engineering capability, investments in technology and automation are the need of the hour, in order to increase productivity.

The division is working towards retaining and strengthening the leadership position in segments they operate and be the preferred partner for the customers by being flexible, reliable and creating value for the customer and all stakeholders.

B. Telematics & Electric Mobility Division

The Company, has acquired Bengaluru-based EI Labs during FY2018. This division delivers inter-disciplinary products in the connected mobility and IoT arena and the acquisition has enabled the Company to develop latest devices and solutions, bringing in state-of-the-art technologies in the automotive connected mobility management devices and solutions domain. It is bringing a full spectrum of solutions, to reinforce developments in next generation connected mobility and IoT space and demonstrate its capability in moving from part to a system supplier. This futuristic connected mobility solution will give the much required value add and competitive edge to its customers

C. Minda Stoneridge

Minda Stoneridge (MSIL) is a 51:49 joint venture between Minda Corporation Limited and Stoneridge Inc, USA, a leading manufacturer of electronic instruments and automotive sensors. The Company has exclusive manufacturing and marketing rights for India and various Asian countries including Malaysia, Indonesia, Philippines, Singapore, Thailand, Vietnam, etc. Premiumization of product, due to safety and aspirational needs of the customers will be the driving factor for volume growth in the cluster segment, whereas regulatory push i.e. shift from BSIV to BSVI is going to result in increase in revenue from sensor business.

Focus on cost leadership by design and material optimization has helped it to retain market leadership in CV, tractors and 3W in the cluster segment. The Company is working to increase its penetration in 2W along with PV, as the trend towards connected mobility increase over the coming years. The Company is working with Telematics and Electric Mobility division of Minda Corporation and Stoneridge, for integrating the cluster with telematics.

Emissions, Safety and Fuel Economy are driving the growth in Sensor business. Addition of new customers for existing sensors will also help in increasing the revenue.

The JV is working very closely with Stoneridge to explore other products which can be moved to the JV, so that it can continue to supply global customers of Stoneridge and explore penetrating into the domestic customers with whom it has strong relationships.





Going forward, Minda Stoneridge is focused on the following:

- **Market Penetration:**
  - Business Penetration into new customers in 2W segment and also into digital cluster in 2W
  - Penetration into new models of existing 2W customers
  - Retaining or increasing its share of business percentage in existing business

- **Product development in 2W, tractors and CV instruments business**
  - Upgrading instruments w.r.t EFI, ABS, BS VI norms / legislations
  - Addition of features like integrated immobilizers, flashers, TPMS, etc.

- **Market Development (exports in ASEAN, Europe and North America)**
  - Penetration into ASEAN CV business to increase its presence in ASEAN as an addition to its 2W presence
  - Penetration into European and North American 2W instruments business by adding new customers

D. Furukawa Minda

Furukawa Minda is a 75:25 joint venture between Furukawa Group of Japan and Minda Corporation. The Company develops and produces the entire range of Wiring Harness and components related to wiring harness e.g. relay box, junction box and steering roll connectors used for the airbag systems etc. for Japanese 4W customers. In addition to the Wiring Harness, it is a pioneer in Steering Roll Connectors (SRC) technology in India.

After successfully implementing the revival strategy, the Company divested some of its stake to the JV partner and reduce its stake from 51% to 25% in FY2019. The Company is optimistic about its future growth potential, as regulations become more stringent and demand improves.

With the onset of BS VI from 1st April 2020, the content in wiring harness will increase. In two-wheeler most of the engine moves from Carburetor to Fuel Injection in BS VI, the content in Wiring Harness is doubling. This is happening as number of circuits, connectors and special circuits are increasing by more than 2 folds. This will give us a good jump in revneue.

During the year, we developed complete modular Intelligent Transport System architecture (hardware and software) for BS VI range of fully built buses. This product has a well incorporated USPs and a complete system solution from Spark Minda Group.

The year also saw Information and Connected Systems the business focus on the Export market. The Company has customers for the Information and Connected System business like Piaggio in Italy. The Company reached out to other OE players in Europe and have started seeding the market beyond India for its wiring harness business.

The Company continued with its plan to expand capacity and invested in the plant in Mysore, India. With this plant, the business now has over nine plants all over India for the Information and Connected System product portfolio.



Plastics and Interiors



Minda KTSN

It is manufacturer of kinematic and non-kinematic plastic interior parts, which was acquired by Minda Corporation in 2007 in Prina, Germany. After that it acquired and set up facility in Poland, Czech and in Mexico in 2014, 2015 & 2017 respectievly. It also helped Minda Corporation to set up interior plastic division in India in 2017.

Minda KTSN, has been facing challenges including a tough market environment in Europe & Mexico and has been significantly under-performing for last 2 years. Minda Corporation Limited's Board of Directors held a meeting on 9th June 2020 to review the request for further financial support to Minda KTSN. After extensive deliberations and after taking into consideration the current and future cash flow projections of Minda KTSN and the need to tighten the capital allocation in light of the effects of Covid–19 pandemic and the ensuing circumstances on Minda Corporation Limited, the Board of Directors decided not to undertake further financial exposure in Minda KTSN. Thereafter, Minda KTSN filed for insolvency in Germany.

Interior Plastic Division

The Interior Plastic division was set up in 2017 after gaining expertise in value added plastic technology such as kinematics and light-weighting from Minda KTSN. The division will continue to develop the technology by associating with Design & Development institutes in Germany. This business will grow "exponentially" in next 4-5 years with attractive margin as we have made inroads with the largest Car producer, SUV producer and Engine manufacturer in India.

Product Range

The product range comprises of Side Air Vent, Centre Consoles, Console Air Vent, Round Louvers, Centre Air Vents, Nozzle Defroster, Door Sash, Side Air vents, S, , Oil Pan, Valve Cover and Battery Trays. In addition to this,
the division is also looking to also design and develop more products by partnering or having technological tie-up with design & development institute in Germany.

Objective

This division helps in strengthening the presence of the group in Passenger Vehicle segment and thus helps in diversifying. With the expertise gain from Minda KTSN, the division is market ready as it has developed technical competency and is now looking to increase market presence by developing new products for its existing and new customers. The opportunity for this division is huge as usage of plastics in vehicle is increasing because of light weighting and feature additions. The market is slowly and gradually moving towards advanced technology like surface treatment, comfort/convenience, advanced mechatronics etc. in interior plastic parts. Our objective remains to identify the area of growth and serve the customers by further strengthening in house capability, technical alliances or partnership with dedicated companies.

Currently the manufacturing is taking place from Greater Noida but is also setting up another facility in Gujarat.

Aftermarket

The Company markets all products manufactured by the Group Companies and certain outsourced products in the aftermarket segment.

Product Range

Aftermarket products include products manufactured by the Group Companies along with certain outsourced products, such as filters, clutch plates, bearings, wiper blades, brake shoes and cables.

The division provides aftermarket sales and services to the 2-Wheeler segment, contributing more than 80% of its revenue and other segments like, 3-Wheelers, Passenger vehicles, Tractors, Commercial vehicles and off-road vehicles contributing the balance. It has well distributed network across various regions not only in India, but also in Sri Lanka, Nepal, Bangladesh and Bhutan.

It has distribution network of more than 450 business partners who in turn connects with more than 10,000 retailers across India. The division intends to capitalize its extensive distribution network and global presence to expand its aftermarket sales and services to other international markets, such as South East Asia. To strengthen the brand image, it is connecting with retailers and mechanics, along with providing favourable polices like warranty response within 48 hours. It is further strengthen its distribution channel by having the right policy and working at ground-level and delivering the best-in-class service by leveraging digital tools. Aftermarket helps Minda Corporation to mitigate the risk of slowdown in the automobile industry. It is focusing on growth and looks forward to strengthen this vertical by maintaining the leadership position in its legacy products consolidate and then expand the market share in products launched in last few years. The division is also looking at opportunities to introduce new products at regular interval.

Some financial ratios for FY2020 and FY2019 are given below

Particulars	FY 2020	FY 2019
Debtor Turnover (Days)	51	64
Inventory Turnover (Days)	84	84
Interest Coverage Ratio (x)	3.5	4.9
Current Ratio (x)	1.3	1.4
Net Debt to Equity Ratio (x)	0.06	0.26
EBITDA Margin (%)	8.9%	9.5%
Net Profit Margin (%)	-7.0%	5.4%
Return on Net Worth	-20.5%	14.2%

The return on net worth has been negative due to impairment charges related to Minda KTSN of ₹2,933 million for FY2020.

Human capital and IPR

The Indian automotive industry has been in a midst of business transformation with technology and automation leading the charge for this metamorphosis. In a complex, competitive and transformative space, the Company strongly believes that people are the reason for its success as it cannot achieve its business and social objectives without them. With an acute focus on its vast and diverse employee base, the Company focused on further strengthening and nurturing its talent pool to redefine its approach to success, recalibrate its systems and processes and set a path for continuous and consistent success stories.

A the top of the pyramid, the Company HR function continued with its focus on hiring the right talent for the job. The Company has a robust framework to develop and groom employees and build the leadership pipeline for the future. In line with its core value of 'Nurturing Talent', the Company has re-defined roles for enhanced efficiency and seamless movement of talent across the businesses. The Company has 2987 permanent employees as on 31st March, 2020.

Technology continued to be a pivot around which the Company engaged with its employees. Creating One Spark Minda', which now connects every employee and helps them experience consistency in HR practices and policies across the Group. This will strengthen the governance, standardize practices across the group and simplify the HR workflows. It will have long-term benefits to the organization in both tangible and intangible value.

Communication plays a key role in ensuring an engaged workforce and the Company ensured the engagement with various communication platforms including town halls, first day celebration, etc to connect the employees with the leadership as well as peer to peer communication and engagement.

With well-crafted and employee-friendly policies, which are recognized as the best in the industry, the Company's HR function has been on the forefront to build a happy and diverse workplace, with ample career and growth opportunities. It enjoys a cordial relationship with its employees and has not experienced any major work stoppages due to labour disputes or cessation of work in the last many years.



Safety and security of its employees is a big concern for the Company and it has prescribed policies and procedures, creating awareness and imparting pieces of training to the workforce to ensure this. It also has an established mechanism that fosters a positive work environment that is free from harassment of any nature. Prevention of sexual harassment initiative framework is in place to address the complaints of harassment at the workplace.

Internal control

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. It follows a strong system of internal controls to ensure that all assets are safeguarded and protected against loss from any unauthorized use or disposition and that the transactions are authorized, recorded and reported quickly. It reviews the adequacy of internal control systems from time to time. The internal controls are designed to maintain the transparency and adequacy of the financial and other records, which are reliable resources for preparing financial reports and other data.

The Company's Audit Committee reviews adequacy and effectiveness of its internal control environment and monitors the implementation of audit recommendations, including those related to strengthening of the Company's risk management policies and systems.

Risk management

The Company robust risk management framework aims to continuously identify the various risk and the Risk Committee plans for risk mitigation. The Company has identified the below mentioned risk and suggested the mitigation strategy.

Risk of COVID-19 pandemic

The economic fallout from the pandemic is hurting both at the demand and supply side. While it will hurt discretionary consumption, the lockdown and the slow unlocking will impacting the supplier. The automotive entire chain i.e. supplier, manufacturing to distributors are getting impacted. Further, ramping up of production while maintaining social distancing and ensuring safety of worker is a concern.

Mitigation: The Company has set in protocols for its plant/ office and people in accordance with local and national governments' guidelines. It has established top-level committee to drive systems and processes to monitor the situation and prevent the spread of COVID-19.

Risk of losing opportunity to alternate mobility solutions

With the emergence of electric vehicles as the vehicles of choices for consumers, the automotive industry is going through massive changes with new areas of growth in products and services with high technology and electronic content. Similarly, the auto-ancillary companies need to invest significantly in R&D to develop products for the emerging growth area, else risk obsolesce.

Mitigation: With the dedicated R&D facility, the Company is investing in high tech R&D to support its innovation in areas like electric vehicle components, telematics. It also continues to work on making its own legacy product obsolete



by developing products which are high in technology and electronic content.

Risk of building future capacity and capability
The automotive industry is changing at a pace never seen before as the technologies are integrating and also because of rapid change in the behaviour of the consumer. The need to strengthen the capacity and capability for future product development is being felt by most of the Organization.

Mitigation: The Company has a robust process of people development, employment practices and succession planning. It continues to invest in skilling and upskilling of its employees on new and advanced technologies, grooming employees and creating a talent pool and also has leading industry measures to motivate and retain the talent.

Risk associated with divestment or merger & acquisition
The Company regularly examine a range of corporate opportunities, including acquisitions and divestments, with a view to enhance its strategic position, financial performance and create value for all the stakeholders. Potential changes to the Company's business through acquisitions and divestments may have a material adverse effect on its future results and financial condition.

Mitigation: The Company's has multiple internal governing bodies including the Board of the Company to evaluate its decision in respect to divestment or merger & acquisitions. The Company has made very stringent process to evaluate any opportunity on merger & acquisition.

Geo-Political Risks
The Company's has manufacturing footprint in ASEAN. Further, it has busines footprints in the region as well as Europe. Any unexpected uncertainties and volatilities in these economies may have an adverse impact on business and profitability. Such uncertainties may be in the nature of any new regulation or norms affecting the automobile industry, climate change regulations, political or trade disruptions, etc.

Mitigation: The Company regularly track events in these geographies and analyses the possible impact. Further, it is continues to enhance its relationship with the customer by way of early engagement in its product development.

Foreign exchange Risks
The Company has operations in many countries and is prone to the currency fluctuations due to export and import transactions. Currency fluctuations are likely to impact the products' pricing and profitability.

Mitigation: The Company tries to have back-to-back arrangement with customer for currency fluctuations. Wherever not possible, it keeps track of currency risk and takes appropriate positions in forward contracts and hedging currencies to mitigate the risk in the jurisdictions where it has facility to do so, as per its Risk Management policy.

Risk due to technology innovation
The Company manufactures different auto components that need continuous technological upgradation.

Mitigation: The Company has been investing in R&D and have joint ventures with leading global automotive companies, With SMIT and access to latest technologies, it is upgrading its legacy products (Safety and Security products) and also help in building non-legacy products (products required for connectivity and electrification).

Risk associated with raw material and supply
The Company purchases raw materials which are prone to price fluctuations. The increase / decrease in the cost of raw materials has a direct impact on profitability.

Mitigation: The Company has back to back arrangements with most of its customers for change in the commodity price and is in process to add more customers in this kind of arrangement. Moreover, the Company tracks the changes in the prices of raw materials and maintains an inventory for the operating cycle to avoid purchasing them at high prices.

Human Resource risks
Attrition of key people and leadership team members could impact business operations and growth.

Mitigation: The Company addresses this risk with the help of its People's team (HR). HR ensures best-in-class remuneration, ample learning and development opportunities, effective work-life balance through various festive celebrations, regular management communications through town-halls and newsletters, in order to keep the workforce engaged and in high spirits.

Competition Risks
Global auto ancillary companies, with deep pockets, are setting up plants in India to ensure that the upcoming regulatory requirements are met.

Mitigation: The Company addresses this risk with the help of sizeable investments required for new technology, R&D, joint ventures or technology licensing. The Company is also working to localize the components required for various products through frugal engineering, so that the solutions provided to the OEMs not only meet the stringent quality but is also cost effective. The Company has a strong balance sheet and the focus remains to ensure that the Capex requirements is met through operating cash flow and it should generate enough free cash flow.

Vendor rationalization Risks
OEMs are reducing the number of platforms and are building new platforms which are modular in nature. This is helping them to rationalize the number of vendors with whom they have to deal with.

Mitigation: The Company addresses this risk by early engagement with the OEMs and help in providing cost-effective technological solutions for their requirements. Moreover, the Company is moving up the value chain, from sub-component provider to modular vendor and system supplier.

Customer concentration Risks
High dependency on few OEMs result into the business being tied with the performance of those OEMs.

Mitigation: The Company has a policy to diversify its risks and business from its major OEMs does not account for more 15% of its total revenue. While, the Company does have customer concentration in relation to few product or division, but it looking to add more OEMs or increase its SOB with existing OEMs. The Company has also identified Aftermarket as a division which helps it not only to mitigate the risk arising out of customer concentration, but also helps in mitigate the cyclicity associated with the demand of OEMs product.



Business outlook

'The year ahead continues to be extremely uncertain but we think the worst is behind us. Minda Corporation with its unique value proposition, Research and Development driven products, support from customer base and a strong balance sheet is well placed to navigate through this difficult times.

The course COVID-19 remains uncertain and is expected to continue to impact business activity during the year, given there is no vaccine for the virus as of date. The global and Indian automobile industry and related sectors will need to rethink about their business and strategy to over come the unprecedented market challenges.

Directors' Report

To

The Members,

Your Directors have pleasure in presenting the 35th (Thirty Fifth) Annual Report on the business and operations of the Company together with the audited financial statements for the financial year ended March 31, 2020.

FINANCIAL SUMMARY

(Amount ₹ in Million)

PARTICULARS	Standalone		Consolidated	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Sales/ Income from operations	21305	23708	28131	30920
Other Income	479	410	443	355
Profit from operation before Interest, Depreciation, Other Expenses, taxes and share of profit/ (loss) of joint ventures/ associate	5548	6007	6556	7151
Finance Cost Interest	389	344	499	490
Depreciation and amortization expense	823	615	1179	883
Other expenses	2678	2810	3614	3872
Profit from operation before tax and share of profit/ (loss) of joint ventures/associate	1658	2238	1264	1906
Share of profit of joint ventures/associate (net of taxes)	NA	NA	125	280
Profit before exceptional item & tax	1658	2238	1389	2186
Exceptional Item	(3666)	43	(2933)	175
Tax Expense	396	695	447	688
Tax Adjustment related to earlier year	7	(20)	7	(19)
Profit/Loss for the period after taxes (A)	(2411)	1606	(1998)	1692
Other comprehensive income for the year				
• Items that will not be reclassified to profit and loss:				
- Re-measurement of defined benefit liabilities (net of tax) items that will be reclassified to profit and loss	(14)	(7)	(12)	(7)
- Joint Venture's/Associate's share of re-measurement of Defined benefit liabilities (net of tax)	-	-	(6)	2
• Item that will be reclassified to profit & loss	-	-	(6)	2
- Exchange difference in translating financial statement of foreign operations	-	-	72	(93)
Total other comprehensive income(B)	(14)	(7)	54	(98)
Total comprehensive income for the period (A+B)	(2425)	1599	(1944)	1594

For details, refer Notes to Accounts forming part of this Annual Report.

COMPANY PERFORMANCE

The financial statements have been prepared as per the IND-AS prescribed by the Institute of Chartered Accountants of India (ICAI).

Standalone Financials: During the year under review, your Company has achieved a turnover of ₹ 21305 Million against ₹ 23708 Million during previous year. The Company reported a Net Loss of ₹ 2411 Million as against Net Profit of ₹ 1606 Million earned during previous year. This year we had an exceptional loss of ₹ 3,666 Million on standalone basis as against exceptional gain of ₹ 43 Million last year.

Consolidated Financials: During the year under review, your Company has achieved a consolidated turnover of ₹ 28131 Million against ₹ 30920 Million during previous year. The Company reported a Net Loss of ₹ 1998 Million as against Net Profit of ₹ 1692 Million earned during previous year.

This year we had an exceptional loss of ₹ 2,933 Million on consolidated basis as against exceptional gain of ₹ 175 Million last year.

Along with silent transformation of the automobile industry, it continues to be gasping for fresh air for the past two year. The economic conditions have certainly not been helpful for the industry. We are seeing the industry, one of the major contributors to the Indian economy; continue to be in the blues since the past two years. From a growth rate of 6.3% for total vehicles produced in FY19, FY20 saw the industry de-growing at 14.7% rate. The reasons are not hard to see - overall economic slowdown, lack of government stimulus for the industry, liquidity crisis and poor consumer sentiments and finally the COVID-19 pandemic ensured that the industry remains in a bad state of

affairs, impacting each and every segment of the industry. The fall in revenue for us would have been much higher but for the strong performance in the Exports and the Aftermarket.

The exceptional loss reported this year is because the Board of Directors of the Company at their meeting held on 09 June 2020 decided to withdraw the financial support to its material wholly owned subsidiary Minda KTSN Plastic Solutions GmbH Co. & KG, Germany (Minda KTSN). Thereafter, Minda KTSN filed for Insolvency on the same date. Minda KTSN has prepared its financial statements for the year ended 31 March 2020 on the assumption that the fundamental accounting assumption of going concern is no longer appropriate. Accordingly, the management of your Company assessed the recoverability of investments, loans and other outstanding from Minda KTSN based on its financial statements and has recorded impairment loss of ₹ 2795 Million in respect of its investments, loans and other receivables. Further, the Company has paid a sum of ₹ 870 Million (Euro 10.5 Million) pursuant to Corporate Guarantee and Stand By Letter of Credit (SBLC) given by the Company to the banks in respect of loans taken by Minda KTSN. The total charge of ₹ 3666 Million has been presented as exceptional items in the Statement of Audited Standalone Financial Results. Whereas, the Company has recorded impairment charge of ₹ 2933 million which has been presented as exceptional items in the Statement of audited consolidated financial results in respect of goodwill relating to MKTSN and reduction in carrying value of property, plant and equipment and other assets of MKTSN.

The Operational Performance of the Company has been extensively covered in the Management Discussion and Analysis, which form part of this Directors' Report.

AMALGAMATION OF FIVE WHOLLY OWNED SUBSIDIARIES WITH MINDA CORPORATION LTD.

The Company had initiated a Scheme of Amalgamation (the "Scheme") involving merger of five wholly owned subsidiaries i.e. Minda Management Services Limited, Minda SAI Limited, Minda Automotive Solutions Limited, Minda Autoelektrik Limited and Minda Telematics and Electric Mobility Solutions Private Limited ("Transferor Companies") into the Company. The Honourable National Company Law Tribunal ("NCLT"), New Delhi Bench, has approved the Scheme vide its order dated July 19, 2019. The Scheme was operative from April 1, 2018 ("Appointed Date"). The scheme was effective from September 01, 2019 i.e. upon filing of the certified copy of the said order of Hon'ble NCLT with the Registrar of Companies, Delhi.

Amalgamation of the Transferor Companies into and with the Company resulted in consolidation of the businesses. The Amalgamation is also beneficial as it created greater synergies among the businesses and enabled them to have access to wider financial resources, increase the managerial efficiencies, lowering of cost structure and higher transparency.

The Transferor Companies are wholly owned subsidiary companies of Company, therefore, no new equity shares have been issued and entire share capital of the Transferor Companies has been cancelled and extinguished.

CREDIT RATING

India Ratings & Research (Ind-Ra) and CRISIL have assigned below credit ratings to the Company:

Rating Agencies	Instrument	Ratings
India Ratings & Research	Term Loan	IND AA-/Stable
	(Fund-based and Non-fund-based) Working Capital Limits	IND AA-/Stable
CRISIL	Long-term Rating	CRISIL A+/ Stable
	Short- term Rating	CRISIL A1

The Rating Agency have re-affirmed the credit rating during the year under review.

DIVIDEND

For the year 2019-20, your directors have not recommended any final dividend, The interim dividend of ₹ 0.35 per share (i.e. 17.5%) per equity share (Face Value ₹ 2/- each) which has already been paid by the Company for 2019-20 is being placed in the notice of the ensuing Annual General Meeting for approval by shareholders of the Company.

DIVIDEND DISTRIBUTION POLICY

In line with Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016, your Company has formulated a Dividend Distribution Policy which is available at the Company's website i.e. https://sparkminda.com/wp-content/uploads/2020/04/Dividend-Policy.pdf

SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2020 is ₹ 4,54,444,570 (Rupees Four Hundred Fifty Four Million Four Hundred Forty Four Thousand Five Hundred Seventy Only) divided into 2,27,222,285 Equity Share of ₹ 2/- each, Upon the Scheme coming into effect from the Appointed Date i.e. April 01, 2018, the authorized share capital of the Company has enhanced to an aggregate amount of ₹ 15,77,000,000/- (Rupees One Thousand Five Hundred Seventy Seven Million only) and the authorized share capital of the Company has been re-classified as divided into 69,25,00,000 equity shares of ₹ 2/- (Rupees Two only) each aggregating to ₹ 13,85,000,000/- (Rupees One Thousand Three Hundred Eighty Five Million Only) and 240,000 preference shares of ₹ 800/- (Rupees Eight Hundred only) each aggregating to ₹ 192,000,000 (Rupees One Hundred Ninety Two Million Only). Therefore, Clause V of the Memorandum of Association of the Company stands modified accordingly.

TRANSFER TO RESERVES

During the financial year under review there was no transfer to General Reserve by the Company.

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules"), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF, established by the Government of India, after the completion of seven years. Further, according to the IEPF Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the

IEPF Authority. During the year under review, the Company has transferred the unclaimed dividend of ₹ 86,742/- to IEPF Authority. Further, there was no corresponding share for such transfer as per the requirements of the IEPF Rules. Year-wise amounts of unpaid / unclaimed dividends lying in the unpaid account up to the year and the corresponding shares, which are liable to be transferred by the Company to IEPF Authority are provided in the Shareholder Information Section of Corporate Governance Report and are also available on Company's website at www.sparkminda.com.

The details of the nodal officer appointed by the Company under the provisions of IEPF Rules are available on the website of the Company i.e. www.sparkminda.com.

EMPLOYEE STOCK OPTION SCHEME 2017

Your Company with the objective of introducing a long term incentive tool to attract, motivate, retain talent and reward loyalty, formulated Minda Corporation Limited Employee Stock Option Scheme 2017 ("ESOP 2017") for grant of a maximum of 53,41,840 stock options to the eligible employees of the Company. Nomination and Remuneration Committee of the Company has granted total 34,30,000 stock options to the eligible employees of Minda Corporation Limited and its subsidiaries. A certificate from the Auditors of the Company that the Scheme has been implemented in accordance with the applicable SEBI Guidelines and the resolution passed by Members would be placed at the Annual General Meeting for inspection by Members. There is no material change in the scheme, the same is in compliance with the applicable regulations. The necessary disclosure pursuant to Regulation 14 of the SEBI (Share Based Employee Benefits) with regard to Employee Stock Option Scheme of the Company is available at Company's website i.e. www.sparkminda.com.

FIXED DEPOSITS

The Company has neither invited nor accepted any deposits from the public falling within the preview of section 73 of the Act read with the Companies (Acceptance of Deposits) Rule 2014 during the year. There is no unclaimed or unpaid deposit lying with the Company.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

'Management's Discussion and Analysis Report (MD&A)' for the year under review, as stipulated under Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is presented in a separate section forming part of this Annual Report.

CORPORATE GOVERNANCE

Your Company follows the highest standards of Corporate Governance best practices. It adheres to and has implemented the requirements set out by SEBI's Corporate Governance norms. A separate section on Corporate Governance forms a part of the Directors' Report.

A certificate confirming the compliance of conditions of Corporate Governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from Sanjay Grover & Associates, practicing Company Secretaries, is forming part of the Annual Report.

BUSINESS RESPONSIBILITY REPORT

As stipulated under Regulation 34 of the SEBI Listing Regulations, the Business Responsibility Report describing the initiatives taken by the Company from environmental, social and governance perspective forms part of this Annual Report.

CONSOLIDATED FINANCIAL STATEMENT

In accordance with the Companies Act, 2013 ("the Act") and Indian Accounting Standard (Ind AS) 110 on Consolidated Financial Statements read with Ind AS 28 investment in associate and joint ventures and Ind AS 112 on disclosure of interest in other entities, the audited consolidated financial statement is provided in the Annual Report.

The performance of the Company on consolidated basis is also discussed at length in the Management Discussion and Analysis, which forms part of this Directors Report.

DIRECTORS / KEY MANAGERIAL PERSONNEL - APPOINTMENT, RE-APPOINTMENT & RESIGNATION

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Ashok Minda, Director of the Company retires by rotation and being eligible, offers himself for re-appointment.

Mr. Ashok Minda has been re-appointed as Chairman & Group CEO of the Company w.e.f August 01, 2019 for a period of 3 years as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors in their meeting held on May 28, 2019 and approved by shareholders in the Annual General Meeting held on September 26, 2019.

Mr. Ashok Kumar Jha has been re-appointed as Independent Director of the Company w.e.f November 14, 2019 for a period of 5 years as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors in their meeting held on May 28, 2019 and approved by shareholders in the Annual General Meeting held on September 26, 2019.

Mr. Laxman Ramnarayan has been appointed as Executive Director of the Company w.e.f September 01, 2019 for a period of 3 years as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors in their meeting held on August 12, 2019 and approved by shareholders in the Annual General Meeting held on September 26, 2019.

Further, Mr. Avinash Parkash Gandhi and Mr. Rakesh Chopra have been re-appointed as Independent Directors of the Company w.e.f April 01, 2019, with the approval of shareholders through Postal Ballot on March 26, 2019. Mr. Avinash Parkash Gandhi has completed the age of 75 years, however he has been re-appointed with the approval of shareholders through Special Resolution pursuant to Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015.

Further, the Board of Directors in their meeting held on May 28, 2019 has appointed Mr. Rakesh Chopra, Independent Director of the Company on the Board of Minda KTSN Plastic Solution GmbH & Co. K.G, Germany, an unlisted material subsidiary of the Company pursuant to Regulation 24(1) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015.

The Board of Directors in their meeting held on August 12, 2019 has designated Mr. Avinash Parkash Gandhi as the Lead Independent Director of the Company. The role of the Lead Independent Director is available on the Company's website https://sparkminda.com/wp-content/uploads/2019/09/Role-of-

Lead-Indepenent-Director.pdf

During the year under review Mr. Sanjay Aneja has resigned from the post of Chief Financial Officer w.e.f September 25, 2019 due to personal reasons. Thereafter, Mr. Laxman Ramnarayan has been appointed as Chief Financial Officer of the Company and has been designated as Executive Director & Group CFO of the Company w.e.f September 26, 2019.

Further, Mr. Sudhir Kashyap, Executive Director & CEO has resigned from the post of Executive Director & CEO w.e.f October 15, 2019 due to personal reasons.

DECLARATION BY INDEPENDENT DIRECTORS

All Independent Directors have given declarations to the effect that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 read with Regulation 16 of SEBI (Listing obligations and Disclosures Requirements), Regulations 2015. In the opinion of the Board, Independent Directors fulfil the conditions specified in the Act, Rules made there under and Listing Regulations.

BOARD EVALUATION

Pursuant to the corporate governance requirements as prescribed in the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015, a formal evaluation of the performance of the Board, it's Committees, the Chairman and the individual Directors was carried out for FY 2019-20. Led by the Nomination & Remuneration Committee, the evaluation was carried out using individual questionnaires covering, amongst others, composition of Board, conduct as per company values & beliefs, contribution towards development of the strategy & business plan, risk management, receipt of regular inputs and information, codes & policies for strengthening governance, functioning, performance & structure of Board Committees, skill set, knowledge & expertise of Directors, preparation & contribution at Board meetings, leadership etc. Further, the Committees were evaluated in terms of receipt of appropriate material for agenda topics in advance with right information and insights to enable them to perform their duties effectively, updation to the Board on key developments, major recommendations & action plans, stakeholder engagement, devoting sufficient time & attention on its key focus areas with open, impartial & meaningful participation and adequate deliberations before approving important transactions & decisions. The performance evaluation of the respective Committees and that of Independent and Non-Independent Directors was done by the Board excluding the Director being evaluated. The actions emerging from the Board evaluation process were collated and presented before the Chairman of Nomination and Remuneration Committee as well as the Board. Suggestions/feedback concerning strategic, governance and operational matters are actioned upon by the team.

As part of the evaluation process, the performance of non-independent directors, performance of the Board as a whole, performance of the Committee(s) of the Board and the performance of the Chairman was evaluated by the Independent Directors in a separate meeting of independent directors held on February 07, 2020, taking into account the views of other directors.

BOARD AND COMMITTEE MEETINGS

During the year under review, 6 (Six) Board Meetings, 7 (Seven) Audit Committee Meetings were convened and held apart from other Committee's meetings of the Company. The details of all the meetings are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

The calendar of Board and Committee Meetings were prepared and circulated in advance to the Directors.

COMMITTEES OF THE BOARD

As on March 31, 2020, there are 6 (six) Committees of the Board viz: Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee and Securities Issue Committee. A detailed note on the composition of the Board and its Committees is provided in the Corporate Governance Report section of this Annual Report.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

Pursuant to the provisions of section 134(3)(e) and Section 178(3) of the Companies Act, 2013 and the SEBI Listing Regulations, the policy of the Company on Directors' appointment and remuneration, including the criteria for determining qualification, positive attributes, independence of directors and other matters like Board Diversity are given on the website of the Company at www.sparkminda.com

The salient features of the Remuneration and Board Diversity Policy are as under:

a) To determine remuneration of Directors, KMP, other senior management personnel and other employees, keeping in view all relevant factors including industry trends and practices.

b) If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V and other applicable provisions.

c) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.

d) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.

e) To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

f) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

g) To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.

h) The remuneration / compensation / commission etc. to the Whole-time Director, KMPs and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/ post approval of the shareholders of the Company and Central Government, wherever required.

i) The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act. The loans/advances to employees shall be in accordance with the conditions of service applicable to employees and are also in accordance with the Group Human Resource Policy.

j) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director.

k) Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, your Directors confirm that:

a) In the preparation of the annual accounts, the applicable accounting standards have been followed and no material departure was made for the same. The financial statements of the Company for the financial year ended March 31, 2020, have been prepared in accordance with Ind AS as prescribed under Section 133 of the Companies Act, 2013 (the "Act"), read with the relevant rules made thereunder and other accounting principles generally accepted in India;

b) Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the period ended on March 31, 2020;

c) Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) The annual financial statements have been prepared on a going concern basis;

e) Proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;

f) Proper systems had been devised to ensure compliance with the provisions of all applicable laws and were adequate and operating effectively.

NATURE OF BUSINESS

There has been no change in the nature of business of your Company during the year under review.

CODE OF CONDUCT

The Company has in place a comprehensive Code of Conduct ("the Code") applicable to Directors, Independent Directors and Senior Management Personnel. The Code gives guidance and support needed for ethical conduct of business and compliance of law. A copy of the Code is available on the Company's website at the link: https://sparkminda.com/wp-content/uploads/2020/04/Code-of-Conduct.pdf. The Chairman & Group CEO of the Company has given a declaration that the member of Board of Directors and Senior Management Personnel have affirmed compliance with the code of conduct of the Board of directors and Senior Management in terms of Schedule V (D) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

RELATED PARTY TRANSACTIONS

All Related Party Transactions that were entered into during the financial year ended on March 31, 2020 were on an arm's length basis and in the ordinary course of business under Section 188(1) of the Act and the Listing Regulations. Details of the transactions with Related Parties are provided in the accompanying financial statements (note no. 2.39) in compliance with the provision of Section 134(3)(h) of the Act. The policy on Related Party Transactions as approved by the Board may be accessed on the Company's website at the link: https://sparkminda.com/wp-content/uploads/2020/04/Related-Party-Transactions-Policy.pdf

PARTICULARS OF INVESTMENTS MADE, LOANS GIVEN, GUARANTEES GIVEN AND SECURITIES PROVIDED

Pursuant to Section 134(3)(g) of the Companies Act, 2013 particulars of loans, guarantees or investments and securities provided under Section 186 of the Companies Act, 2013 along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the standalone financial statement (Please refer to Note 2.4, 2.5 and 2.37 to the standalone financial statements).

CORPORATE SOCIAL RESPONSIBILITY

Your Company has the policy of giving back to the society and has carried a host of CSR activities this year. In line with the requirement of Section 135 of the Companies Act, 2013, your Company having a Corporate Social Responsibility Committee. The details of Committee are provided in Corporate Governance Report. The CSR Policy of the Company is available on its website at the link: https://sparkminda.com/wp-content/uploads/2020/04/Policy-on-Corporate-Social-Responsibility.pdf

Spark Minda Foundation (A wholly owned subsidiary of the Company) a non-profit Company registered under Section 8 of the Companies Act, 2013 is the implementing agency for implementation of CSR activities. A robust system of reporting and monitoring has been put in place to ensure effective implementation of planned CSR initiatives. During the year, the

Company has spent ₹ 36.94 Million on CSR activities is annexed herewith at Annexure-I to this report.

A detailed discussion on CSR Projects and initiatives are included as a separate section in the Annual Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, is annexed herewith at Annexure-II to this Report.

EXTRACT OF ANNUAL RETURN

The extract of the Annual Return in Form MGT 9 is annexed herewith at Annexure-III to this Report.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The percentage increase in remuneration, ratio of remuneration of each director and Key Managerial Personnel (KMP) (as required under the Companies Act, 2013) to the median of employees' remuneration, as required under Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is given at Annexure-IV to this Report.

The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate exhibit forming part of this report and is available on the website of the Company.

The Annual Report and accounts are being sent to the shareholders excluding the aforesaid exhibit. Shareholders interested in obtaining this information may access the same from the Company website or send a written request to the Company at investor@mindacorporation.com.

In accordance with Section 136 of the Companies Act, 2013, this exhibit is available for inspection by shareholders at the website of the Company and at the Registered Office of the Company during business hours on all working days, 21 days before the Annual General Meeting and copies may be made available on request.

STATUTORY AUDITORS AND REPORT

At the Annual General Meeting held on September 22, 2016, B S R & Co. LLP, Chartered Accountants, (ICAI Firm Registration No. 101248 W/W-100022) were appointed as Statutory Auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2021. Pursuant to Section 40 of Companies Amendment Act, 2017 made effective from 7th May, 2018, ratification of appointment of B S R & Co. LLP, Chartered Accountants, as statutory auditors of the Company at every Annual General Meeting by members is no longer necessary till the conclusion of the Annual General Meeting to be held in the calendar year 2021.

Audit Reports on Standalone Financial Statements and Consolidated Financial Statements are self-explanatory and do not call for any further comments under Section 134 of the Companies Act, 2013. The Auditors Report to the shareholders for the year under review does not contain any adverse qualification. No frauds have been reported by the Auditors under Section 143(12) of the Companies Act, 2013 requiring disclosure in the Board's Report.

SECRETARIAL AUDITORS AND REPORT

Sanjay Grover & Associates, Company Secretaries (Firm Registration No- P2001DE052900) were appointed to conduct the secretarial audit of the Company for the financial year 2019-20 as required under Section 204 of the Companies Act, 2013 and Rules made there under. The Secretarial Audit Report for financial year 2019-20 forms part of this Annual Report as Annexure-V to this Directors' Report. The Secretarial Audit Report contains one observation, which is as follows:-

"During the Audit Period, the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines to the extent applicable, as mentioned above except that Annual Performance report of Minda KTSN Plastic Solutions GmbH & Co. KG, a wholly owned subsidiary of the Company, was filed to Reserve Bank of India on 16th April, 2020."

The delay in filing the aforesaid Annual Performance Report was due to late receiving of Audited Financial Results of Minda KTSN Plastic Solutions GmbH & Co. KG, Germany.

COST AUDITORS

The Board of Directors has appointed Chandra Wadhwa & Co., Cost Accountants as Cost Auditors (Firm Registration No. 00239) for conducting the audit of cost records made and maintained by the Company for the financial year 2020-21 pursuant to Section 148 of the Companies Act, 2013.

In accordance with the provisions of section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, since the remuneration payable to the Cost Auditor for FY 20-21 is required to be ratified by the members; the Board recommends the same for approval by members at the ensuing AGM.

LISTING

Equity Shares of your Company are presently listed at National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). The Annual Listing fees for FY 2020-21 have been paid to the concerned Stock Exchanges.

SECRETARIAL STANDARDS

During the year under review, the Company has complied with the provisions of the applicable Secretarial Standards issued by the Institute of Companies Secretaries of India. The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and such systems are adequate and operating effectively.

ANNUAL RETURN

Pursuant to sub-section (3) of section 134 of the Act the annual return has been placed on the website of the Company i.e.

www.sparkminda.com

Further pursuant to Rule 12 of the Companies (Management and Administration) Rules, 2014 an extract of the annual return in such form as may be prescribed shall form part of the Annual Report. The Companies (Amendment) Act, 2017, amended sub-section (3) of section 92 of the Act a copy of the annual return is available on the website of the company. The web-link of such annual return is https://sparkminda.com/wp-content/uploads/2020/06/Form_MGT-7-Annual-Return.pdf

SUBSIDIARIES, JOINT VENTURE AND ASSOCIATES

Pursuant to Section 129 of the Companies Act, 2013 a statement in the prescribed Form-AOC-1, relating to subsidiaries and Joint Ventures for the year ended on March 31, 2020 has been attached with the Consolidated Financial Statements of the Company for the financial year ended March 31, 2020.

The Financial Statements of the subsidiaries shall be made available to the shareholders seeking such information and shall also be available for inspection at its Registered Office.

The Policy for determining material subsidiaries as approved may be accessed on the Company's Website in investor section: https://sparkminda.com/wp-content/uploads/2020/04/Policy-on-Material-Non-Listed-Subsidiary.pdf

INTERNAL FINANCIAL CONTROL

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

RISK MANAGEMENT

The Board of Directors in their meeting held on May 28, 2019 has constituted Risk Management Committee pursuant to the provisions of SEBI (Listing obligations and Disclosures Requirements), Regulations 2015 to assess risk and to make mitigation procedures. The Risk Management Policy can be accessed on the Company's website at the link: https://sparkminda.com/wp-content/uploads/2020/04/Risk-ManagementPolicy.pdf

This policy forms part of the internal control and corporate governance process of the Company. Basically the aim of this policy is not to eliminate risks, rather to mitigate the risks involved in the Company activities to maximize opportunities and minimize adversity by considering the following:-

- Identification of risk, define ownership with clearly defined roles and responsibilities;
- Balance between the cost of managing risk and the anticipated benefits;
- Contributing to more efficient use/allocation of capital and resources;
- To encourage and promote a pro-active approach towards risk management;
- Identifying any unmitigated risks and formulating action plans for its treatment through regular review.

HUMAN RESOURCES

In this complex and competitive world, the company strongly believes that people are the reason for its success and an important factor to achieve business and social objectives. Thus, its Human Resource function is focused on further strengthening and nurturing the vast and diverse employee base.

The HR initiative is focused on hiring the talent with the right attitude, develop and groom them and build the leadership pipeline for the future. We have worked towards becoming a performance-driven organization.

Technology and automation is expanding in all fields including Human Resource Management, hence strong emphasis is being laid on digitization of HR processes that will anchor agility and analytics driven decision-making. Creating One Spark Minda, every employee experiences consistency in HR practices and policies across the Group.

The company has well-crafted and employee-friendly HR policies, and hence it enjoys a cordial relationship with its employees. We have not experienced any major work stoppages due to labor disputes or cessation of work in the last many years.

It continues to emphasize and focus on safety and security at the workplace by prescribing policies and procedures, creating awareness, and imparting pieces of training to the workforce. It also has an established mechanism that fosters a positive work environment that is free from harassment of any nature. Prevention of sexual harassment initiative framework is in place to address the complaints of harassment at the workplace.

AWARDS

During the year under review, your Company has received many awards and recognitions, which have been mentioned in Award section of this Annual Report.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

Your Company is committed to the highest standards of ethical, moral and legal business conduct. Accordingly, Vigil Mechanism/ Whistle Blower Policy was formulated which provides a robust framework for dealing with genuine concerns & grievances. The Policy provides for adequate safeguard against victimization of employees who avail the mechanism and also provides direct access to the Chairperson of the Audit Committee. Specifically, employees can raise concerns regarding any discrimination, harassment, victimization, any other unfair practice being adopted against them or any instances of fraud by or against your Company.

The same has also been displayed on the website of the Company and the link for the same is: https://sparkminda.com/wp-content/uploads/2020/04/Whistle-Blower-Policy.pdf

PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE POLICY

As per the requirement of "The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act')" and Rules made there-under, your Company has constituted Internal Complaint Committees (ICC). The Company has zero

tolerance for sexual harassment at workplace. While maintaining the highest governance norms, the Company has also appointed external independent persons, who have requisite experience in handling such matters. During the year, the Company has not received any complaint of sexual harassment.

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOP referred to in this Report.
3. Neither the Executive Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
4. Significant material orders of amalgamation of 5 wholly owned subsidiaries into Minda Corporation Limited have been passed by the Honourable National Company Law Tribunal ("NCLT"), New Delhi Bench vide its order dated July 19, 2019.
5. No such order is passed by any Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

IMPACT OF COVID-19 ON WORLD'S ECONOMY AND COMPANY'S PERFORMANCE

In the last month of FY 2020, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lockdown of all economic activity. For the Company, the focus immediately shifted to ensuring the health and well-being of all employees. As of March 31, 2020, work from home was enabled for the employees to the extent possible to work remotely and securely. Production was suspended at most of the locations. While the lockdown and restrictions imposed on various activities were necessary to contain the spread, it has significantly impacted the business operations at Minda Corporation Limited and its subsidiaries. Consequently, revenues and profitability have been adversely affected. Further, there have been no changes in the controls and processes.

However, both the rating agencies India Ratings and Research (Ind-Ra) and CRISIL have re-affirmed the credit rating of Minda Corporation Limited

EVENT OCCURRED AFTER BALANCE SHEET DATE

a) Minda KTSN Plastic Solutions GmbH & Co., K.G, Germany, (Minda KTSN) a wholly owned subsidiary of the Company has filed for voluntary insolvency application on June 09, 2020 under the applicable German laws. Over the years, your Company had invested a significant amount of capital into the subsidiary without an upside to overall profitability. The European subsidiary with a product portfolio for the Interior Plastics segment has been facing challenges including a tough market environment in Europe and Mexico and has been significantly underperforming for last two years. Despite formulating long-term turnaround measures for it and continued investment, the future prospects appear bleak. Finally, the Board of Directors of your Company decided to withdraw the financial support to Minda KTSN. This move will help your Company to improve our overall EBITDA and ROCE and go a long way in protecting shareholder value.

b) Minda China Plastic Solutions Co., Ltd, a Joint Venture established between Minda KTSN Plastic Solutions GmbH & Co., K.G, Germany, a wholly owned subsidiary of Minda Corporation Limited and Shandong Beiqi Hai Hua Automobile Parts Co., Ltd, China for producing and selling automotive components/parts has been called off with effect from May 07, 2020. This Joint Venture didn't convert any opportunity in previous three years, therefore, JV was terminated with the mutual consent of the parties. There is no impact due to such termination.

APPRECIATIONS AND ACKNOWLEDGMENTS

We thank our customers, vendors, business associates, investors and bankers for their continued support during the financial year. We also place on record our sincere appreciation for the enthusiasm and commitment of Company's employees for the growth of the Company and look forward to their continued involvement and support. Our consistent growth was made possible by their hard work, solidarity, cooperation and support.

For and on behalf of the Board of
Minda Corporation Limited

Sd/-
Ashok Minda
Chairman & Group CEO
DIN: 00054727

Place: Gurugram
Date: July 15, 2020

ANNEXURE I - TO DIRECTORS' REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. **A brief outline of the Company's CSR policy, including overview of projects or programmes undertaken and a reference to the weblink to the CSR policy and projects or programmes.**

   a. The Company's focus areas are Education & Skill Development ,Empowerment of persons with disability, Health & Wellness and Environmental Sustainability. The projects undertaken are within the broad framework of Schedule VII of the Companies Act, 2013. A detailed discussion on Company's CSR Policy and Activities is provided in 'CSR and Sustainability' section of Annual Report.

   b. CSR Policy can be viewed at the following link:

   https://sparkminda.com/wp-content/uploads/2020/04/Policy-on-Corporate-Social-Responsibility.pdf

2. **Composition of the CSR Committee:**

   Mrs. Pratima Ram – Chairperson (Independent Director)

   Mr. Avinash P. Gandhi – Member (Independent Director)

   Mr. Ashok Minda – Member (Chairman & Group CEO)

3. **Average net profit of the Company for immediately preceding three financial years:**

   INR 1446.88 Million

4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above): INR 28.94 Million**

5. **Details of CSR spent during the financial year:**

   a. Total amount spent for the financial year: 36.94 Million

   b. Amount unspent, if any: NIL

   c. Manner in which the amount spent during the financial year is detailed below:

(₹ In Million)

S. No.	Projects or Activities	Sector	Locations	Amount outlay (budget) project or programs wise	Amount spent on the projects or Programs	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
1	Promoting Women Empowerment	Healthcare Awareness	Haryana, Maharashtra, Tamilnadu, Uttar Pradesh & Uttrakhand	0.50	0.50	0.50	All the projects carried out through Implementing Agency i.e. Spark Minda Foundation, a company registered U/s 8 of the Companies Act, 2013 and a wholly owned subsidiary of Minda Corporation Limited.
2	Empowerment of the Persons with Disabilities	Disability	Maharashtra	12.31	12.31	12.31	
3.	Education & Skilling	Education, Livelihood, Disability and Healthcare	Haryana, Maharashtra, Tamilnadu, Uttar Pradesh & Uttrakhand	23.61	23.61	23.61	
4.	Community Infrastructure Project	Infrastructure Development	Delhi(NCR)	0.52	0.52	0.52	
	Total			**36.94**	**36.94**	**36.94**	

6. **In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report:**

   Not Applicable.

7. **The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.**

For **Minda Corporation Limited**

Sd/-
Ashok Minda
Chairman & Group CEO
DIN: 00054727

Place: Gurugram
Date: July 15, 2020

For **CSR Committee of Minda Corporation Limited**

Sd/-
Pratima Ram
Chairperson of CSR Committee
DIN: 03518633

ANNEXURE II - TO DIRECTORS' REPORT

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

[Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

A. CONSERVATION OF ENERGY:

a) Steps taken or impact on conservation of energy

Security Division/Die-Casting Division (Noida, Pune & Pantnagar):-

- HPSV lamps 250 W replaced with energy efficient LED lamp (30W) for Street lighting purpose (Qty: 24 Nos.).
- MHL lamp 250 W retrofitted with energy efficient LED lamp (50 W) installed in paint shop (Qty:19 Nos.).
- Usage of energy efficient motors and VFD's on assembly lines.
- Ceiling Fan 9 Nos installation in canteen to reduce power consumption by controlling use of AHU.
- 127 Nos, 70 W CFL Lamps) and 14 W, 600 Nos. LED Stage lightings replaced with energy efficient LED Lights (48 W - 300 Nos.) for Assembly stage and Shop lighting.
- VFD Installed in paint shop Ex. Blowers rating 20 HP/15 KW,3 Nos.
- CFL Based False Ceiling Lights (72 W, Qty:86 Nos.) Retrofit with LED based lighting 18+18 W,86 Nos.
- Corridor lighting duration controlled by using real time programmable timer.
- Electronics programmable timer installed in office centralized AC to control operating Hrs. (AC Schedule: 9.00 A.M. On & 5 P.M. Off)
- Microwave based motion Sensors installed in Wash Rooms.
- Assy AHU operating Hrs controlled through Elect. Timer (After 5.00 P.M. only two AHU's are in running mode).
- Thyristor switched RTPFC panels with reactors to ensure that the PF is maintained at unity in real time to get optimized KVAh billing.
- Retrofit of Paint Shop AHU in BLDC (Brush less DC Motor).
- Installation of Timer Circuit for Lightening.
- Installation of Timer Circuit for office Air conditioner.
- Reduction in Air Leakage CC, HC Shop, GDC & MC Shop.
- Reduction of excess motor of cooling tower hot well to cold well.
- Improve unloading time of PDC Machine.
- Tower Melting furnace PNG (SCM/ Ton) Improvement.
- Optimisation of melting furnace metal temp & losses.
- Cen Coolant System connected higher machines than Plan.
- Utilisation of RO Waste Water.
- Reduction of HF Furnace.
- Implementation of Mahindra Cam box on Central System.
- Implementation of Energy Management System in MCL –North for judicial and effective usage of energy.
- Replacement of Air Handling Units with VRV for reduction in Energy Usage in Assy. area.
- Switching over from electric fired ovens to Natural gas fired ovens.
- Online monitoring of Energy usage and consumption.
- Quarterly load balancing done controlling usage of electricity.
- Introduced LED in Plants and Shop-floor.
- Reduce Air consumption through reduced air pressure as per requirement of fixtures.
- Less efficient Air-conditioning replaced with VRV'S in Engineering HO department.
- Temperature Controlling in Utility (LT Panel Feeders).
- Implementation of IE3 motors in all newly purchased Equipments.
- Implementation of servo system.
- Installation of OLTC Transformer in mains.
- Maintaining PF at Unity by Installing the Auto-regulated Capacitor Banks.
- Maintaining LT Voltage between 395 to 400 V throgh Auto Tap-Changer.
- Star A/C replaced with 5 Star.
- More Energy consumption in Die-casting Furnace (Heat losses of furnace surfaceTemp100~120 0C).
- More Energy consumption in Powder Coating oven (Heat losses of oven surfaceTemp100~120

0C) More Energy consumption of SPM-03 heads run at same time if single require (Both Head operate same time).

- LED Light install in Shop Floor.
- Reduce the height of Purchase fales ceiling and reduce the consumption of A/C.
- Overhead tank use for water storage and disconnected hydro pneumatic system with pump.

Wiring Harness Division (Murbad):-

- Installed 180KW Solar Energy Plant (Generating approximately 350 KWH/day @ ₹ 4.25 From March 2020 to till date)
- Electronics programmable timer installed in office AC to control operating Hrs.
- Electronics programmable timer installed in shop floor for switching off fans and light for half hour during lunch and dinner timing.
- 72 W T5 Tube light Panel replace with 20W LED panel in office area – 114 Nos.
- 56 W Tube light replace with 20W LED Tube light – 530 Nos.
- 400 W Tungsten - Halogen Lamps replace with 50W LED flood lights in factory Outs cut area – 8 Nos.
- Installed 2 HVLS Fan@1100W (one in Canteen and another in Pre Assembly area) and removed 17 nos. 250W wall fan from canteen and pre assembly area. Approximate 48% energy cost saves per year by doing this.
- Reduction in Air Leakage on Shop floor.

After-market Division:-

- Switching off AC and Lights at lunch time for half hour and also in evening at 6.00 pm.
- Replacement of tube lights with CFL.

Starter Motor and Alternator Division:-

- VFD in Blower & Exhaust to reduce energy consumption.
- AC panel schedule running time controlled from utility.
- Schedule running time for CFM Exhaust unit.
- Replacement of CFL WITH LED.
- Optimize of air in air bellow gun HC+GDC Shop.
- Implement of street light with solar.
- Installation of motion sensor in office & washroom.

b) The steps taken by the Company for utilizing alternate sources of energy

- Implementation of Solar Roof Top Project 850 KW.
- Implementation of Solar Roof Top Project 475 KW since December 2019.
- Installation of transparent sheet for natural light.
- Improvement of natural light in shop.
- Installation of Solar Energy Plant to reduce usage of primary source of energy.
- Switch over from LPG to Natural Gas in phased manner.
- Use of energy efficient PNG fired oven with patented technology to reduce consumption.
- Replaced FRP Sheet into Polycarbonate and increased the quantity (60 No's) of FRP body type Turbo ventilator for better ventilation and maximum utilization of sunlight.
- Use of Solar Power started is some of the plants for lighting and fans for office and store area.
- Transparent sheet and Glass windows have been fixed at roof to use natural day light in day time. In day light ceiling light are off between 10:30 AM to 4:30 PM in wiring harness plant.
- Transparent sheet has been fixed at roof to use natural day light in day time.

c) The capital investment on energy conservation equipment

The Company has not made any capital investment during the year under review.

B. TECHNOLOGY ABSORPTION: 2019-20

i) Research & Development (R&D) – FORM 'B'

1. Specific R&D areas in which R&D carried out by the Company

During recent times, there are increasing technology trends, upcoming regulations, increasing quality and reliability requirements, increasing cost reduction pressures from customers; the Company has increased its focus on product reliability and innovation. For domestic as well as International customers, Company focused on developing products which meet the changing emission regulations i.e. BS IV to BS VI Cost innovations to get entry into new vehicle segments mainly Construction, all-terrain vehicles and Agriculture vehicles. Company is developing mechatronic & electronic products and co-development with customers on R&D projects.

EV Components: With the recent FAME II policy in EV, the OEMs are expected to focus on local sourcing rather than importing the components from elsewhere.

- AIS004 part 3 compliance DC-DC converter is ready for mass production.
- CISPR25 compliance DC-DC converter is ready for mass production.
- Battery Charger upto 750W is in final testing phase.
- Electric vehicle specific tracking device (telematics) with added assist features like last mile connectivity etc.
- IS 16833 automotive tracking device specification, which also included the in vehicle video surveillance system.
- IS 16490 passenger information systems.
- Intelligent ECU for Tractor rotavator application to help the farmers in getting the better yield.

Instrument clusters:

The company has been working on creating indigenous technology meeting these specifications. Instrument clusters have evolved from analog versions that had mechanical dials and gauges to fully digital clusters which have rich graphical renderings of the same dials in digital form. Digital instrument clusters enable automakers to differentiate their products by offering their customers an infinite choice of customized looks, moods, themes and even animation. In addition, fully digital instrument clusters are fundamental to consolidated cockpit domain controllers. The industry is expected to witness heavy expansion trend due to increasing implementation in premium & luxury cars. Majority of the vehicles currently include analog instrument cluster systems due to low cost and high availability across all regions. However, advanced user interactivity, customizable features, and control of driving assistance functions offered by these solutions are major factors supporting the industry expansion prospects. Growing electrification and digitization of newly developed passenger and luxury vehicles are driving the automotive digital instrument cluster market growth. At MSIL, we are forefront working on these technologies for 2W, CV, SUV and Tractor segment.

Some of the areas where R&D effort was put are:-

Intellectual Property Rights

- Filed 20 (Twenty) new patent applications for new concepts in various Product and Process design in 2019-20. Highlight was the granting of first patent in Japan for Key Less Ignition Switch cum steering Lock.
- For SSD – 8 (Eight) new patent applications filed and 2 were granted, one in Thailand – protective device for cylinder lock and one in Indonesia improved ignition switch cum steering lock.
- For SMAD – 1 (One) patent filed.
- For IPD – 1 (One) new patent application filed: Touch screen air vent being installed in dashboard of the automobile used to set the direction ability through touch function.

EV & Telematics -

- “Resetting Electronic latch” in DC-DC converter.
- “Synchronous buck converter” , MOSFET failure protection in DC-DC converter.
- A design patent has been filed for a novel passenger LED display system with the mechanical structure designed for safety.
- A patent has been filed towards a novel pin generation scheme for two wheelers with key less entry for ride share market.

Some of the areas where R&D effort in Cluster domain was put are:

- 3.5 inch Mono Chrome and Color TFT based Clusters for SUV and MPV segment with high end adventure features (SUV) and graphics.
- 5 inch Color TFT cluster for global market with multi-lingual support.
- LCD/ Dot Matrix Digital cluster for export market integrated with Immobilizer and Flasher.
- LED Bar graph based cluster for LCV and Tractor segments.

In the sensor segment, emission norms are driving need for new and precise sensors to be used for measuring emission related parameter and other supporting variables like Speed, temperature etc. At MSIL, along with our JV partner Stoneridge, we brought key niche technology sensor product like EGT and EGRT sensor and went into SOP with home grown sensors in Engine Speed, Engine Oil Temperature measurement. The team has also developed Side Stand Switch which is becoming a mandatory feature for 2W segment.

Mechanical Products:-

For IPD Circular louver frugal design & development conducted for major SUV manufacturer Glove box latch side locking concept developed and implemented in a vehicle for major SUV manufacturer. SGF PP material development started with RM manufacturer for structural parts.

- Fuel Tank Caps meeting BS VI regulations design activities executed for major two wheeler OEMs.
- Sealed Ignition switch 3P and 4P for ATV – Product validated and regular supplies started.
- New concept Steering lock for Triumph – Under development.
- Fuel Tank Cap with high flow rate of 10 litre / minute.
- New concept for Ignition Switch cum Steering Lock integrated with Cable actuation Mechanism developed – under validation.
- Seat lock and latch cable developed first time in India with Dia. 2.5 – 7 x 19, Dia. 1 – 1 x 7 and Dia. 2.5 – 1 x 19 GI+SS.

The electronics & mechatronics share in vehicle is increasing at a rapid pace. Highly reliable microcontroller based solutions enable the advanced safety & security requirements of the vehicle. Company is also focusing on electronic, mechatronic and Biometric systems. We have set up a world class facility called Spark Minda Technical Centre (SMIT) in Pune with an objective to have state of the art centralized facility for Software & Hardware design and Electronics reliability testing. Most of the Mechatronic and Electronic developments are happening with active role of SMIT.

The various products we have developed/under development in Electronics/Mechatronics area are:-

Electronic/ Mechatronic Products

- Semi-Automatic smart key system integrated with cable actuation.
- Automatic Steering Lock.
- Semi-Automatic smart key system for Scooters.
- Smart Glove Box Lock and Seat Latch.
- Automatic Steering Lock for Bolt Mobility – Netherlands.
- Smart Rotavator Control Unit (Blue Eye 4.2) for assisting the farmers to optimally control engine speed during seeding.
- Reverse Speed Alert System for tractors based on a regulatory requirement.
- Electronic Seat Latch.
- LF immobiliser for motorcycle.
- Semi – Automatic Smart Key for motorcycle.
- Electronic Flashers for commercial vehicles and tractors.

EV subsystem related products

- DC-DC converter
- Battery charger
- BLDC Motor Controller

Telematics related products

- Intelligent Transport solution (with passenger information system).
- Telematics solutions for shared mobility and fleet tracking.

The focus on product innovation also calls for focus in process innovation. The rapid changing product technologies, regulatory requirements, cost reduction pressures has made us develop low cost highly reliable SPMs through in house capability development. Some of the new initiatives in ME include:-

- Standardisation of precise grease application implemented across MCL.
- State of art EOL development for Smart Key system with 100+ function tests with advance Lab View software with repeatability of micro seconds.
- State of art assembly line development for SCU and FOB assembly and pairing.
- Spring automatic assembly system development of automatic spring feeding – 14 springs in one time in lock barrel.
- Complete Testing & Validation facility of Mechanical Control cables set up for our New Product line.
- In Tooling, development started efforts for Yield improvement, Tool Quality improvement & Tool life improvement.
- Structural & Process simulations software for Zinc & Aluminium castings purchased to improve the Tooling development – Cast Designer.
- 100% fitment, function testing of parts made on assembly lines through robust End of line testing fixtures designed & developed in house.
- Battery cable with Aluminium cable prototype developed and offered to OEM's: One OEM has revised the drawing for one project with Aluminium Cable. 2 Vehicles were built but the project is slowed down as the OEM's are busy in implementation of BSVI.
- Exploring welding process of the terminal to Aluminium cable with Komax: Welding feasibility analysis done. This is linked to Aluminium cable project only. The welding process and its advantages were explained to the customer but no further actions is taken as of now till customer revives the project.
- Proto-type developed for Fuse blow indicator: Trial planned on vehicle with an OEM. The Trial was successfully conducted on the vehicle and further improvement has been done on the solution. SMIT is also working on a solution called PCB Junction Box.
- PCB Based Junction Box project initiated by SMIT and a design partner from overseas country Identified. The idea of overseas design partner is dropped because of un-agreeable terms. SMIT is now developing the solution and a functional prototype is made. The demonstration to OEM's will start after the Demo Kit is ready.
- Based on the success of the PCB bases Junction Box project, next phase of developing a Smart Junction Box is initiated. This will include adding the functionalities of Power Distribution as well as integrating Body Electronics feature sets in the same Junction Box. Feasibility of incorporating Vehicle network protocols is also planned for subsequent phase.
- Application of Flex PCB Technology to replace the conventional wire harness is identified for certain

applications. The feasibility analysis, cost benefit analysis and Proto Development is initiated.

- New Stackable Ring terminal for earth connection is under design phase. Same is proposed to an OEM. Provisional patent filed for the design.
- IP 67 capable Starter motor designed and developed.
- IP 67 capable Alternator designed. Patent filled.

2. Benefits derived as a result of above R&D

Company has developed indigenous technology in EV power electronics solutions, electronic control units and telematics. These developments have been spearheaded at the companies advance technology centre called SMIT in Pune. The experienced team did enough benchmarking of the products in the field and came out with a differentiated products that had a clear and sellable USP's. Specific achievements includes the nomination from major Indian two wheeler OEM's start up OEM's and the major truck OEM from India.

- Seeing MCL's competencies, customers like Honda, Yamaha, Polaris, Bajaj, Triumph, KTM etc. are co-developing with Company starting from R&D stage. Company has co - developed a new FT cap for one of its major customer.
- Company's focus & competence building on Electronic & Mechatronic system has given good confidence to Customers – Received orders for Semi-Automatic smart key system integrated with cable actuation, for Automatic Steering Lock. Working with Yamaha Japan for Marine system security development.
- The new products for Off road segment have resulted into business from ATVs, Construction Vehicles & Tractor manufacturers.
- Cost innovations at the Company has resulted in increase in orders from customers like Hero Moto Corp, Royal Enfield, HMSI, Suzuki, TVSM and Yamaha.
- Company's competency in developing fuel tank caps meeting BS VI regulations has resulted in getting business from majority of Indian & Japanese customers for FT Caps.
- Company has already started supplies for Mechanical Control Cables for Kawasaki India and Okinawa. Samples under development for customers like Yamaha, RE, TVSM and Hero Motor Corp.
- Aluminium cable solution can reduce weight and cost of wiring harness. The terminal design has been done in-house based on benchmarking for a customer.
- Welding of terminal instead of crimping can help in overcoming creep problem of aluminium which can occur in crimping.
- Fuse blow indicator is a system in which the driver will get immediate intimation if there is any fuse blow for critical circuit. This is meant for the critical function where the driver will not notice anything till the system has reached extreme level of mal function (e.g Radiator fan). This system will help driver to take action immediately when the fuse blows.
- PCB Based junction box is next generation Power distribution system which will become predominant in high content vehicles like Passenger and Utility Vehicles. Combining the functionalities of conventional Body Control Module and Fuse / Relay Box is a must need technology going forward when the vehicle feature content and in turn no. of ECUs, will increase. This product will help provide value added technology and product for upcoming vehicle platforms for our OEMs.
- Stackable Ring terminal is a simple solution for complex grounding.
- Reduction in Warranty and improves customer satisfaction.
- Application of Flex PCB technology can help to reduce the weight of conventional Wiring Harness, improving reliability of the product and also helping OEM to reduce the overall assembly time of the vehicle. The technology though today used in premium vehicles, but can always find application in limited way in conventional vehicles (e.g. Roof Wiring Harness OR Door Wiring Harness)

Business acquisition from Volvo Eicher, repeat business from M&M for supply of cluster for their top selling MUV

- EGT sensor RfQ for Tractor from M&M.
- RFQ's from AL, TVS, Daimler, Piaggio, CNH which are have reached a serious level of discussions.
- Built competency for TFT and LCD based HMI and cluster software.

3. Future Plan of Action

- Focus on reliability will further increase to ensure Zero defect in complete product life cycle – Zero defect initiative drive started across the Group and Zero defect product policy will be adopted as our winning mantra.
- For markets like India & ASEAN cost innovation is happening through usage of alternative materials like Zinc to Aluminium or Zinc to Plastic. Company is also working on increasing the Tool life from 2 times to 3 times to reduce the recurring cost as the use of Aluminium increases (having one fifth tool life as compared to Zinc tools).
- More focus will be there in automating the assembly lines to reduce process cost due to ever increasing manpower cost & increase reliability. Fixed cost will be reduced by putting more focus on implementing low cost flexible automation on assembly lines.

- More focus on investments on R&D and Technology to further improve quality, deliver greater customer satisfaction, strengthening future competitiveness and bring in innovative products & new technologies including green & smart technologies.
- Company is working with all the major OEM's also on ROHs, REACH & ELV compliance to improve environment friendliness of our products.
- Competency is being created for design and development of PCB based Junction Box: Project Identified, Partner Identified, Customer Engagement planned to start in this financial year.
- Functional Prototype Ready.
- Development of FI system connectors for 2W: OBD II Connector, Water-Proof Connectors.
- Localization plan ready development started as per the plan. Capability enhancement plan is to engage with external experts.
- Focus on patents to enhance innovation culture in the Company.
- Application of TPV, TPU: Currently working on blend of NBR and PVC to replace Neoprene material whose cost is increasing. Proposal submitted to the OEM and currently under review.
- A Spice Level 2 process deployment and certification in coming 2 years
- Create a scalable clusters platform for CV, 2W , Tractor segments.
- Build integrated system solutions – clusters and security access features / Connectivity features
- Increase product portfolio in Sensors domain
- Increase robustness of software with usage of standard stacks and HIL based testing

EV Components

a) Battery Charger: 750W battery charger is undergoing the final testing along with the 3.3 Kilowatts charger which is being developed for one of the 2W OEM.

b) Motor Controller: 1.2 KW POC in progress, common platform for Trapezoidal & Sine wave motor with sensor & sensor less provisions in the design.

c) Intelligent Transport Systems: To prepare a complete certified ITS product line as per IS16490 and IS 16833.

d) Telematics device 4G: Create a scalable telematics 4G platform including a web platform for data capture and rendering.

e) Multifunction ECU's: Various electronic control unit concepts are developed for 2W,3W, SUV and LCV applications. Noval concept developed for a tractor OEM, this product had clear differentiator from the competition with respect to the yield of the farmer. Further extension of these solutions on the way to bring the electronification solutions from the group.

4. Expenditure on Research and Development

(INR in Million)

	Particulars	2019-20	2018-19
a.	Capital Expenditure	16.0	39.2
b.	Recurring Expenditure	221.0	233.8
c.	**Total**	**237.0**	**273.0**
d.	Total R & D expenditure as a percentage of total turnover	1.11%	1.15%

ii) Technology absorption, adaptation and innovation

1. Efforts, in the brief, made towards technology absorption, adaptation and innovation:-

a) Technology mapping being done by benchmarking with competitor products, engineers' participation to various technical conferences & exhibitions. Patent landscaping being done on regular basis to see the technology trends.

b) Structured Reward & Recognition policies have been implemented to create culture of innovation.

c) State of art electronic competency centre (SMIT) put up at Pune for next generation electronic & mechatronic products. The centre is focused on developing advance engg solutions in hardware, software and does reliability testing of electronic products.

d) Technical consultants (Subject matter experts) hired to guide engineers on various technical areas like materials, processes, mechanisms & Patents.

e) Technical Tie-ups with premier institute in India for project based solution like IIT Delhi, IIT Chennai & CECRI Karaikudi.

f) Technical standards, manuals & check sheets being made/updated on regular basis to build strong knowledge base of product & process technology.

g) Engineers being regularly trained on high end design software, structural simulation software & process simulation software, new technologies in tool & die making, rapid prototyping techniques. Built rapid prototyping facility in-house through installation of 3D printer.

h) As part of group initiative, Project (Current business-technology and product gap) there is continuous mechanism for product benchmarking, prioritizing and development of the project which is reviewed at different levels.

i) Engagement with overseas Design houses for joint development of technology product-line like PCB Junction Box.

j) Several projects running with SMIT for new product-line development: Fuse Blow Indicator. PCB Bases

Junction Box, Wireless Modules, vehicle-Networking.

k) 24V Alternator with 55A output developed in 5" frame size.

l) 12V Alternator with 55A output developed in 4" frame size.

m) PMGR starter motor design completed. Proto under development.

n) Competitor product benchmarking, studying market requirements within a segment and building upon a Product line Approach to address maximum customer needs within a segment.

o) Movement of R&D team away from production location to "Fit for R&D" location with re-jig of HR policies etc to ensure team attraction, retention & motivation.

p) Purchasing key infra items for Designing, Simulation and Testing to improve efficiency, productivity and quality of deliverables.

q) Technical consultants (Subject matter experts) hired to guide engineers on various technical areas like materials, processes, mechanisms & Patents.

2. Benefits derived as a result of above efforts e.g. product improvement, cost reduction, product development, import substitution etc.:-

a) Company considered as preferred original component supplier by most of OEM's & most of the OEM's are involving Company from concept design stage.

b) The innovative product offerings have resulted into Import substitutions for Indian 2 Wheeler OEMs in the products like immobilizers, magnetic shutter modules, multifunction locks etc. Also customers are seeking solutions from Company for upcoming technical, safety & regulatory requirements.

c) Company indigenous technologies, low cost products, use of design simulations & rapid prototyping techniques to reduce product development cycle have resulted in increase in business from Indian & export customers.

d) There is increased amount of focus on patent and regular training on patents is being conducted to spread awareness for patent search and patent filing which enhances innovation culture in the organization.

e) The above initiative has brought focus on product benchmarking and global technology trend which helps in identifying the focus area for technology/ product development.

f) Increased focus on cost reduction by VA/VE and Alternate parts/import substitution with target to bring down RMC by 3% has led to ideas generated so far reaching close to INR 50 million of savings.

3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished:-

a) Technology imported –

No Technology was imported during last 5 years. All the Technologies and Products were developed by the Company on its own.

b) Year of Import – Not applicable

c) Has technology been fully absorbed? – Not applicable

d) If not fully absorbed areas where this has not taken place, reasons there for and future plans of action – Not applicable.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

i) EXPORT ACTIVITIES

The year saw Information and Connected Systems the business focus on the Export market. The Company has customers for the Information and Connected System business like Piaggio in Italy. The Company reached out to other OE players in Europe and have started seeding the market beyond India for its wiring harness business. The Company continued with its plan to expand capacity and invested in the plant in Mysore, India. With this plant, the business now has over nine plants all over India for the Information and Connected System product portfolio.

ii) TOTAL FOREIGN EXCHANGE USED AND EARNED

Foreign Exchange Used:- (₹ in Million)

	Particulars	FY19-20	FY18-19
a)	Travelling & Conveyance	13	30
b)	CIF value of import	1,678	1,571
c)	Legal & Professional	49	16
d)	Repair & Maintenance (P&M)	2	79
e)	Others	26	21

Foreign Exchange Earned:- (₹ in Million)

	Particulars	FY19-20	FY18-19
a)	FOB value of Exports	1,581	1,880
b)	Royalty	39	36
c)	Financial Assistance Fee	9	6
d)	Interest/Dividend income	80	123
e)	Technical Know-how and Service Income	36	17

For and on behalf of the Board of
Minda Corporation Limited

Sd/-
Ashok Minda
Chairman & Group CEO
DIN: 00054727

Place: Gurugram
Date: July 15, 2020

ANNEXURE III - TO DIRECTORS' REPORT

FORM NO. MGT – 9
EXTRACT OF ANNUAL RETURN
as on the financial year ended 31.03.2020
[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

CIN	L74899DL1985PLC020401
Registration Date	March 11, 1985
Name of the Company	MINDA CORPORATION LIMITED
Category / Sub-Category of the Company having Share Capital	Public Company Limited by Share
Address of the Registered Office and contact details	A-15, Ashok Vihar, Phase-I, Delhi-110052 Tel: 011-27213326
Whether listed Company	Yes
Name, address and contact details of Registrar and Transfer Agent, if any	Skyline Financial Services Private Limited D-153/A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi-110020, Tel: 011-64732681-88

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sl. No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Wiring Harness	27320	45%
2	Lock Kits & Lock Sets	25934	29%
3	Casting of non-ferrous metals	24320	14%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate/ Joint Venture	% of shares held	Applicable Section	Status
1	Minda SAI Limited A-15, Ashok Vihar, Phase-I, Delhi-110052	U31905DL1981PLC127345	Subsidiary	100%	2(87)	Companies mentioned at Sr. No. 1 to 5 have been amalgamated with Minda Corporation Limited vide NCLT order dated July 19, 2019.
2	Minda Automotive Solutions Limited A-15, Ashok Vihar, Phase-I, Delhi-110052	U51909DL1985PLC021049	Subsidiary	100%	2(87)	
3	Minda Management Services Limited A-15, Ashok Vihar, Phase-I, Delhi-110052	U74140DL2004PLC125552	Subsidiary	100%	2(87)	
4	Minda Autoelektrik Limited A-15, Ashok Vihar, Phase-I, Delhi-11005	U29221DL2007PLC160549	Subsidiary	100%	2(87)	
5	Minda Telematics and Electric Mobility Solutions Pvt. Ltd. (Formerly Known as El Labs India Private Ltd.) No.150/151, G-1 Ground Floor, Meenakshi Lake side Meenakshi Building, Kalena Agrahara Bangalore 560076	U73100KA2004PTC033241	Step-down Subsidiary	100%	2(87)	
6	Spark Minda Foundation A-15, Ashok Vihar, Phase-I, Delhi-110052	U85100DL2014NPL273844	Subsidiary	100%	2(87)	

Sl. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate/ Joint Venture	% of shares held	Applicable Section	Status
7	Minda Europe B.V. Frankendaal 4 5653pe, Eindhoven, Netherlands	Foreign Company	Subsidiary	100%	2(87)	
8	Almighty International Pte. Ltd. 30 Cecil Street #19-08, Prudential Tower, Singapore 049712	Foreign Company	Subsidiary	100%	2(87)	
9	PT Minda Automotive, Indonesia Jl.Permata Lot CA-8, KawasanIndustriKIIC, Karawang, West Java 41361, Indonesia	Foreign Company	Step-down Subsidiary	100%	2(87)	
10	PT Minda Automotive Trading, Indonesia Permata Raya Lot CA-8, Kawasan Industry, KIIC, Karawang, Jawa, Barat-41361, Indonesia	Foreign Company	Step-down Subsidiary	100%	2(87)	
11	Minda Vietnam Automotive Company Limited Binh Xuyen Industrial Zone, Binh Xuyen Distric, Vinh Phuc Province, VIETNAM	Foreign Company	Step-down Subsidiary	100%	2(87)	
12	Minda Stoneridge Instruments Limited A-15, Ashok Vihar, Phase-I, Delhi-110052	U74899DL1995PLC066645	Subsidiary/ Joint Venture	51%	2(87)	It has become direct subsidiary after Merger of Minda SAI Limited into and with Minda Corporation Limited vide NCLT order dated July 19, 2019
13	Furukawa Minda Electric Private Limited (Formerly Known as Minda Furukawa Electric Pvt. Ltd.) Unit No. 18 Lower Ground Floor Eros Metro Mall Sector 14 Dwarka New Delhi South West Delhi DL 110075 IN	U29253DL2006PTC155275	Associate/ Joint Venture	25%	2(6)	Associates w.e.f December 28, 2018
14	Minda VAST Access Systems Private Limited A-15, Ashok Vihar, Phase-I, Delhi-110052	U34300DL2007PTC157344	Joint Venture	50%	2(6)	It has become direct JV after amalgamation of Minda Management Services Limited, into and with Minda Corporation Limited vide NCLT order dated July 19, 2019
15	Minda China Plastic Solutions Ltd Nr.99, Yinma Road, Baita Town, Boshan District, Zibo, Shandong Province, China	Foreign Company	Joint Venture (Through Subsidiary) -	50%	2(6)	Termination of China J.V w.e.f May 07, 2020
16	Minda KTSN Plastic Solutions GmbH & Co. KG. Fabrikstraße 2, D-01796 Pirna, Germany (Minda KTSN)	Foreign Company	Subsidiary	100%	2(87)	Filed for Insolvency on June 09, 2020 as per German Laws

Sl. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate/ Joint Venture	% of shares held	Applicable Section	Status
17	Minda KTSN Plastic & Tooling Solutions Sp.z.o.o. Glinki 144b,Bydgoszcz, Kujawsko-pomorskie, Poland-85-861	Foreign Company	Step-down Subsidiary	100%	2(87)	Companies mentioned from Sr. No. 17 to 20 are step down subsidiaries through Minda KTSN, Germany which has filed for insolvency on June 9, 2020.
18	Minda KTSN Plastic Solutions s.r.o Pestanov 113, 403 17, Ústí nad Labem, Tschechische Republik, Czech Republic	Foreign Company	Step-down Subsidiary	100%	2(87)	
19	Minda KTSN Plastic Solutions Mexico, S. de R.L. de C.V. Avenida el Marques 135, Querétaro, CP 76215, Mexico	Foreign Company	Step-down Subsidiary	100%	2(87)	
20	KTSN Kunststofftechnik Sachsen Beteiligungs GmbH Fabrikstraße 2, 01796 Pirna, Germany	Foreign Company	Step-down Subsidiary	100%	2(87)	

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	11,48,61,280	-	11,48,61,280	50.55	11,48,61,280	-	11,48,61,280	50.55	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	3,93,87,398	-	3,93,87,398	17.33	3,98,87,398	-	3,98,87,398	17.55	0.22
e) Banks/ FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	
Sub-Total (A)(1)	**15,42,48,678**	**-**	**15,42,48,678**	**67.88**	**15,47,48,678**	**-**	**15,47,48,678**	**68.10**	**0.22**
(2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	3,00,000	-	3,00,000	0.13		-		-	-0.13
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	
Sub-Total (A)(2)	**3,00,000**	**-**	**3,00,000**	**0.13**		**-**		**-**	**-0.13**
Total Shareholding of Promoters (A)=(A)(1)+(A)(2)	**15,45,48,678**		**15,45,48,678**	**68.02**	**15,47,48,678**		**15,47,48,678**	**68.10**	**0.09**
B. Public Shareholding									
1) Institutions									
a) Mutual Funds/ UTI	96,11,686	-	96,11,686	4.23	63,42,476	-	63,42,476	2.79	-1.44
b) Banks/ FI	5,22,079	-	5,22,079	0.23	65,926	-	65,926	0.03	-0.20
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	42,12,429	-	42,12,429	1.85	38,74,429	-	38,74,429	1.71	-0.15
f) Insurance Companies	-	-	-		6,81,093	-	6,81,093	0.30	0.30
g) FIIs	-	-	-	-	-	-	-	-	
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Alternate Investment Funds	20,89,910	-	20,89,910	0.92	14,42,529	-	14,42,529	0.63	-0.29
j) Others (specify) Foreign Portfolio Investors	1,70,75,368		1,70,75,368	7.51	2,01,13,447		2,01,13,447	8.85	1.34

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Sub-Total (B)(1)	**3,35,11,472**		**3,35,11,472**	**14.75**	**3,25,19,900**		**3,25,19,900**	**14.31**	**-0.44**
(2) Non-Institutions									
a) Bodies Corporate	72,23,450	-	72,23,450	3.18	82,88,523	-	82,88,523	3.65	0.47
b) Individuals									
i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh	94,17,867	33,261	94,51,128	4.16	98,04,465	33,202	98,37,667	4.33	0.17
ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	1,42,94,523	77,000	1,43,71,523	6.32	1,43,18,192	77,000	1,43,95,192	6.34	0.02
c) Others (specify)									
i) Trusts	13,004	-	13,004	0.01	624	-	624	0.00	-0.01
ii) HUF	5,88,361	-	5,88,361	0.26	6,52,049	-	6,52,049	0.29	0.03
iii) Clearing Members/ House	7,73,764	-	7,73,764	0.34	3,28,910	-	3,28,910	0.14	-0.20
iv) NRI(Repat & Non-Repat)	8,59,985	-	8,59,985	0.38	8,47,420	-	8,47,420	0.37	-0.01
v) NBFC Registered with RBI	8,19,780	-	8,19,780	0.36	8,02,182	-	8,02,182	0.35	-0.01
vi) Others	47440	60	47500	0.02	47441	59	47500	0.02	0.00
Sub-Total (B)(2)	**34038174**	**110321**	**3,41,48,495**	**15.03**	**35089806**	**110261**	**3,52,00,067**	**15.49**	**0.46**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**6,75,49,646**	**110321**	**6,76,59,967**	**29.78**	**6,76,09,706**	**110261**	**6,77,19,967**	**29.80**	**0.02%**
C(1) Non promoter Non Public Shareholding									
Employee Stock Options Scheme Trust	50,13,640	-	50,13,640	2.21	47,53,640	-	47,53,640	2.09	-12%
C. Shares held by Custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Sub Total (C)= (C) (1) + (2)	**50,13,640**		**50,13,640**	**2.21**	**47,53,640**		**47,53,640**	**2.09**	**-12%**
Grand Total (A+B+C)	**22,71,11,964**	**110321**	**22,72,22,285**	**100**	**22,71,12,024**	**110261**	**22,72,22,285**	**100**	**-**

ii) Shareholding of Promoters

S.No.	Shareholders Name	Shareholding at the beginning of the year			No. of shares held at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	Mr. Ashok Minda	8,14,66,380	35.85%	-	8,14,66,380	35.85%	-	-
2	Mrs. Sarika Minda	3,33,94,900	14.70%	-	3,33,94,900	14.70%	-	-
3	Minda Capital Private Limited	3,85,81,298	16.98%	-	3,85,81,298	16.98%	-	-
4	Whiteline Barter Limited	8,06,100	0.35%		13,06,100	0.57%		0.22%
5	Almighty International Pte. Ltd.	3,00,000	0.14%	-				-0.14%
	Total	**15,45,48,678**	**68.02%**	**-**	**15,47,48,678**	**68.10%**	**-**	**0.08%**

iii) Change in Promoter's Shareholding

Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	15,45,48,678	68.02%		
5,00,000 Equity Shares were acquired by Whiteline Barter Limited during the year	-	-	15,50,48,678	68.23%
3,00,000 Equity Shares were sold by Almighty International Pte. Limited during the year	-	-	15,47,48,678	68.10%
At the end of the year	-	-	15,47,48,678	68.10%

iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

S. No.	Shareholders Name	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	Bela Agarwal	1,08,53,300	4.78%	1,08,53,300	4.78%
2.	Steinberg India Emerging Opportunities Fund Limited	40,60,000	1.79%	93,51,619	4.12%
3.	Minda Corporation Limited Employees Stock Option Scheme Trust	50,13,640	2.21%	47,53,640	2.09%
4.	Kotak Mahindra Trusteeship Services Limited- A/C Kotak India Growth Fund II	42,12,429	1.85%	38,74,429	1.71%
5.	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Small And Midcap Fund	31,22,000	1.37 %	35,00,000	1.54%
6.	Wasatch International Opportunities Fund	21,37,606	0.94%	23,79,262	1.05%
7.	Max Life Insurance Co Ltd A/C Participating Fund	11,50,000	0.51%	20,46,386	0.90%
8.	Destinations International Equity Fund, a Series of Brinker Capital Destinations Trust	16,44,543	0.72%	20,02,400	0.88%
9.	K R Handloom Private Limited	16,92,199	0.74%	17,88,000	0.79%
10.	Ontario Pension Board - Mondrian Investment Partner Limited	16,57,717	0.73%	16,57,717	0.73%

v) Shareholding of Directors and Key Managerial Personnel (KMP)

S. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	%of total shares of the Company	No. of Shares	%of total shares of the Company
1.	**Mr. Ashok Minda Chairman & Group CEO**				
	At the beginning of the year	8,14,66,380	35.85%	8,14,66,380	35.85%
	Change during the year	-	-	8,14,66,380	35.85%
	At the end of the year			**8,14,66,380**	**35.85%**
2.	**Mr. R. Laxman Executive Director & Group CFO**				
	At the beginning of the year (under ESOP)	50,000	0.022%	50,000	0.022%
	Equity Shares acquired during the year	10,000	0.004%	60,000	0.026%
	*Equity Shares allotted under ESOP during the year	40,000	0.017%	1,00,000	0.044%
	At the end of the year	**-**	**-**	**1,00,000**	**0.044%**

* 40,000 Equity shares were allotted to Mr. Laxman under ESOP Scheme on May 26, 2020 against payment made by him on March 20, 2020

S. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	%of total shares of the Company	No. of Shares	%of total shares of the Company
3.	**Mr. Ashim Vohra GCMEO**				
	At the beginning of the year (under ESOP)	30,000	0.013%	30,000	0.013%
	Equity Shares allotted under ESOP during the year	30,000	0.013%	60,000	0.026%
	At the end of the year	**-**	**-**	**60,000**	**0.026%**
4.	**Mr. Ajay Sancheti Company Secretary**				
	At the beginning of the year (under ESOP)	6,000	0.0026%	6,000	0.0026%
	Equity Shares allotted under ESOP during the year	6,000	0.0026%	12,000	0.0052%
	Equity Shares sold during the year	2,000	0.0008%	10,000	0.0044%
	At the end of the year	**-**	**-**	**10,000**	**0.0044%**
5.	**Mr. Sanjay Aneja CFO**				
	At the beginning of the year (under ESOP)	10,000	0.0044%	10,000	0.0044%
	Equity Shares allotted under ESOP during the year	8,000	0.0035%	18,000	0.0079%
	Equity Shares sold during the year	17542	0.0077%	458	0.0002%
	At the end of the year	**-**	**-**	**458**	**0.0002%**
6.	**Mr. Sudhir Kashyap Executive Director & CEO**				
	At the beginning of the year (under ESOP)	40,000	0.017%	40,000	0.017%
	Equity Shares allotted under ESOP during the year	40,000	0.017%	80,000	0.035%
	Equity Shares sold during the year	20,838	0.009%	59,162	0.026%
	At the end of the year	**-**	**-**	**59,162**	**0.026%**

Each Option has Exercise Price of ₹ 50 per option.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount ₹ in Million)

Indebtedness Details	Secured Loans excluding deposits (Short Term)	Secured Loans excluding deposits (Long Term)	Unsecured loan	Deposits	Total
Indebtedness at the beginning of the financial year					
i) Principal Amount	1,422	1,462	1,055	-	3,939
ii) Interest due but not paid	-	-	-		-
iii) Interest accrued but not due	6	5	1		12
Total (i+ii+iii)	**1,428**	**1,467**	**1,056**	**-**	**3,951**
Change in Indebtedness during the financial year					
• Addition	-	746	-		746
• Reduction	251	540	552		1,343
Net Change	-251	206	-552	-	-597
Indebtedness at the end of the financial year					
i) Principal Amount	1,169	1,667	504	-	3,340
ii) Interest due but not paid	-	-	-		-
iii) Interest accrued but not due	7.93	7	-		15
Total (i+ii+iii)	**1,177**	**1,673**	**504**	**-**	**3,354**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in ₹)

Sl. No	Particulars of Remuneration	Name of MD/ WTD/Manager			Total
		Mr. Ashok Minda (Chairman & Group CEO)	*Mr. Sudhir Kashyap (Executive Director & CEO)	Mr. Laxman Ramnarayan (Executive Director & Group CFO)	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,63,19,000	1,67,01,503	1,91,85,696	6,22,06,199
	(b) Value of perquisites u/s 17(2)Income-tax Act, 1961	39,600	-	-	39,600
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	0
2.	Stock Option*	-	13,00,000	4,19,000	17,19,000
3.	Sweat Equity	-	-	-	0
4.	Commission -as 2% of profit -other, specify	51,99,251	-	-	51,99,251
5.	Others, please specify-Provident Fund	**19,44,000**	**8,79,985**	14,31,900	42,55,885
	TOTAL (A)	**3,35,01,851**	**1,88,81,488**	**2,10,36,596**	**7,34,19,935**

* Mr. Sudhir Kashyap, Executive Director & CEO has resigned from the post of Executive Director & CEO w.e.f October 15, 2019.

Ceiling calculated as per Section 198 of the Companies Act, 2013 is 429.47 Lacs being 10% of the net profit of the Company.

B. Remuneration to other directors:

Amount (in ₹)

Sl. No	Particulars of Remuneration	Name of Directors				Total
		Mr. Avinash Parkash Gandhi	Mr. Rakesh Chopra	Mr. Ashok Kumar Jha	Mrs. Pratima Ram	
1.	**Independent Directors**					
	• Fee for attending Board & Committee meetings	6,10,000	6,90,000	6,00,000	2,80,000	21,80,000
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (1)	**6,10,000**	**6,90,000**	**6,00,000**	**2,80,000**	**21,80,000**
2.	**Other Non-Executive Directors**					
	• Fee for attending board & committee meetings					
	• *Commission	5,00,000	5,00,000	5,00,000	5,00,000	20,00,000
	Total (2)	**-**	**-**	**-**	**-**	**-**
	Total (B) = (1 + 2)	**11,10,000**	**11,90,000**	**11,00,000**	**7,80,000**	**41,80,000**
	Total Managerial Remuneration (A+B)					**7,75,999,35**

*During the year under review all Independent Directors of the Company has been paid Commission @ INR 5 Lacs each.

C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD

Amount (in ₹)

Sl. No	Particulars of Remuneration	Key Managerial Personnel			Total
		Mr. Ashim Vohra (GCMEO)	Mr. Ajay Sancheti (Company Secretary)	*Mr. Sanjay Aneja (CFO)	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	94,82,962	57,06,192	67,58,277	2,19,47,431
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	39,600	-		39,600
2.	Stock Option	10,28,500	2,04,750	-	12,33,250
3.	Sweat Equity				
5.	Others - Provident Fund	7,78,272	3,96,240	2,85,227	14,59,739
	Total	**1,13,29,334**	**63,07,182**	**70,43,504**	**2,46,80,020**

* Mr. Sanjay Aneja resigned from the post of Chief Financial Officer w.e.f September 25, 2019. Thereafter, Mr. Laxman Ramnarayan has been appointed as Chief Financial Officer of the Company and has been designated as Executive Director & Group CFO of the Company w.e.f September 26, 2019.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A.	**COMPANY**				
	Penalty				
	Punishment		NIL		
	Compounding				
B.	**DIRECTORS**				
	Penalty				
	Punishment		NIL		
	Compounding				
C.	**OTHER OFFICERS IN DEFAULT**				
	Penalty				
	Punishment		NIL		
	Compounding				

Pursuant to Regulation 44(3) of SEBI LODR, a penalty of ` 10,000 was imposed by NSE for alleged late submission of results of voting at a Hon'ble NCLT's convened meeting during the process of amalgamation, which was subsequently waived by NSE vide its letter dated March 18, 2020 upon request from the Company based on the facts that Company was given 2 weeks' time by Hon'ble NCLT to submit the report of voting results i.e. by March 11, 2019. Accordingly, Company had submitted the voting results to Exchange on March 11, 2019. BSE has also imposed penalty under Regulation 44(3) of SEBI LODR, 2015, for the same violation. The Company has filed its waiver request to BSE as well.

For and on behalf of the Board of
Minda Corporation Limited

Sd/-
Ashok Minda
Chairman & Group CEO
DIN: 00054727

Place: Gurugram
Date: July 15, 2020

ANNEXURE IV - TO THE DIRECTORS' REPORT

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20 and the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2019-20, are as under:

Sl. No.	Names	Designation	% increase in Remuneration in the Financial Year 2019-20	Ratio of remuneration of each Director/ to median remuneration of employees for financial year 2019-20
1	Mr. Ashok Minda	Chairman & Group CEO	-2%	103
2	Mr. Laxman Ramnarayan*	Executive Director & Group CEO	-21%	77
3	Mr. Sudhir Kashyap#	Executive Director & CEO	-44%	69
3	Mr. Ashim Vohra	GCMEO	-30%	41
4	Mr. Sanjay Aneja$	CFO	-30%	26
5	Mr. Ajay Sancheti	Company Secretary	-4%	23

*Mr. Laxman was drawing remuneration from Minda Management Services Limited (Erstwhile wholly owned subsidiary of the Company) as Group President Finance. Post-Merger of Minda Management Services Limited with and into Minda Corporation Limited, Mr. Laxman Ramnarayan has been appointed as Executive Director w.e.f September 01, 2019.

Mr. Sudhir Kashyap, Executive Director & CEO has resigned from the post of Executive Director & CEO w.e.f October 15, 2019 due to personal reasons. His remuneration includes Gratuity, Leave Encashment& Superannuation Allowance aggregate of ₹47.05 Lacs

$ Mr. Sanjay Aneja resigned from the post of Chief Financial Officer w.e.f September 25, 2019 due to personal reasons. His remuneration includes Gratuity, Leave Encashment& Superannuation Allowance aggregate of ₹30.34 Lacs.

ii) The median remuneration of employees of the Company during the financial year was INR 2.75 Lacs (Previous year ₹ 2.65 Lacs).

iii) In the financial year, there was an increase of 3.96% in the median remuneration of employees.

iv) There were 2,987 permanent employees on the roll of Company as on March 31, 2020.

v) Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year i.e. 2019-20 was 7.7% whereas there was no increase in the managerial remuneration for the same financial year.

vi) All the Non-Executive Directors including Independent Directors did not receive any remuneration from the Company except the sitting fees & Commission for attending Board Meetings and Committee Meetings during the year 2019-20. Details of sitting fees are mentioned in the Corporate Governance Report.

vii) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and Senior Management.

For and on behalf of the Board of
Minda Corporation Limited

Sd/-
Ashok Minda
Chairman & Group CEO
DIN: 00054727

Place: Gurugram
Date: July 15, 2020

ANNEXURE V - TO THE DIRECTORS' REPORT

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
Minda Corporation Limited
(CIN: L74899DL1985PLC020401)
A-15, Ashok Vihar, Phase-I, Delhi-110052

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Minda Corporation Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

We report that-

a) Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.

c) We have not verified the correctness and appropriateness of the financial statements of the Company.

d) Wherever required, we have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc.

e) The compliance of the provisions of the corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

f) The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

g) The auditor adhered to best professional standards and practices as could be possible while carrying out audit during the lock-down conditions due to Covid-19. The Company made due efforts to make available the relevant records and documents which were verified through online means to conduct and complete the audit in the aforesaid lock-down conditions.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, where applicable;

(v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

  (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

  (e) *The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

  (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

  (g) *The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

  (h) *The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and

(i) The Securities and Exchange Board of India (Listing obligations and Disclosures requirements) Regulations, 2015;

*No event took place under these regulations during the audit period.

We have also examined compliance with the applicable clauses of the Secretarial Standard on Meetings of the Board of Directors (SS-1) and on General Meetings (SS-2) issued by The Institute of Company Secretaries of India, with which the company has generally complied with.

During the Audit Period, the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines to the extent applicable, as mentioned above except that *Annual Performance report of Minda KTSN Plastic Solutions GmbH & Co. KG, a wholly owned subsidiary of the Company, was filed to Reserve Bank of India on 16th April, 2020*.

(vi) The Company is an automotive components manufacturer with a product portfolio that encompasses Safety, Security and Restraint Systems; Wiring Harness, Die- casting, Plastic Interior Systems and Driver Information & Telematics Systems for auto OEMs across the globe. The Company is having manufacturing facilities at Bawal (Haryana), Greater Noida, Noida (Uttar Pradesh), Manesar (Haryana), Pantnagar (Uttrakhand), Pune, Murbad & Aurangabad (Maharashtra), Kakkalur & Pillaipakkam (Tamilnadu), Pithampur (Madhya Pradesh), Haridwar (Uttrakhand). As informed by the management, being an automotive components manufacturer, there is no sector specific law applicable on the Company.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance other than those meetings which were held on shorter notice in compliance with the provisions of the Act read with Secretarial Standard-1and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.

Board decisions are carried out with unanimous consent and therefore, no dissenting views were required to be captured and recorded as part of the minutes.

We further report that there are systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period:

- Hon'ble National Company Law Tribunal, New Delhi Bench ("NCLT"), approved the scheme of amalgamation of domestic wholly owned five subsidiary companies i.e. Minda Management Services Limited, Minda SAI Limited, Minda Automotive Solutions Limited, Minda Autoelektrik Limited & Minda Telematics and Electric Mobility Solutions Private Limited ("Transferor Companies") into and with Minda Corporation Limited vide its order dated July 19, 2019.
- the members at their Annual General meeting held on 26th September, 2019 passed the following Special Resolutions under Section 180 of the Act :

  i. to borrow any sum or sums of money from time to time or at any time from Company's Bankers and/or from any one or more other persons, firms, bodies corporate or financial institutions upto ₹ 500 Crores (Rupees Five Hundred Crores Only).

  ii. to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, together with power to take over the substantial assets of the Company in certain events in favour of banks/financial institutions, other investing agencies and trustees for the holders of debentures/bonds/other instruments to secure rupee/foreign currency loans and/or the issue of debentures whether partly/fully convertible or non-convertible and/or securities linked to Ordinary Shares and/or rupee/foreign currency convertible bonds and/or bonds with share warrants attached upto ₹ 500 crores (Rupees Five Hundred Crores Only) or the aggregate of the paid up capital, free reserves and security premium of the Company, whichever is higher.

For Sanjay Grover & Associates
Company Secretaries
Firm Registration No. P2001DE052900

Sd/-
Devesh Kumar Vasisht
Partner
CP No.:13700, FCS No.:F8488
UDIN:F008488B000455627

New Delhi
July 15, 2020

CORPORATE GOVERNANCE REPORT

PURSUANT TO REGULATION 34 (3) & SCHEDULE V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Corporate Governance is concerned with holding the balance between economic and social goals as well as between individual and communal goals. Corporate Governance is the system of rules, practices and processes through which objectives of a corporate entity are set and pursued in the context of the social, regulatory and market environment. Fundamental of Corporate Governance includes transparency, accountability and independence. Governance practices may vary but the principles are generic and universal, viz. constant improvement and sustainable value creation for all stakeholders. It essentially involves balancing the interests of various stakeholders, such as shareholders, management, customers, suppliers, financiers, government and the community.

Minda Corporation Limited ("MCL") follows a robust process to ensure that the shareholders of the Company are well informed of Board decisions both on financial and non-financial parameters. Adequate notice with a detailed explanation is sent to the shareholders well in advance to obtain necessary approvals.

For ensuring sound Corporate Governance practices, MCL has put in place a framework based on the stipulations contained under the Companies Act, SEBI Regulations, Accounting Standards, Secretarial Standards, etc.

CORPORATE GOVERNANCE PHILOSPHY

Effective Corporate Governance practices constitute the strong foundation on which successful commercial enterprises are built. Corporate Governance is based on the principles of integrity, transparency, accountability and commitment to values. MCL views its Corporate Governance policies not only to comply with the statutory requirements in letter and spirit, but also to aim at implementing the best practices, keeping in view of overall interest of all its stakeholders. At MCL, good governance practices forms part of business strategy which includes, inter alia, focus on long term value creation and protecting stakeholder's interests by applying proper care, skill and diligence to business decisions. The Company has established systems, procedures and policies to ensure that its Board of Directors is well informed and well equipped to discharge its overall responsibilities and provide the Management with the strategic direction catering to exigency of long term shareholders value.

GOVERNANCE STRUCTURE

At MCL, with a strong governance philosophy, we have a multitier governance structure with defined roles and responsibilities of every constituent of the system.

I. BOARD OF DIRECTORS

The Board of the Company constantly endeavours to set goals and targets aligned to the Company's Vision – "To Be a Dynamic, Innovative and Profitable Global Automotive Organization for emerging as the Preferred Supplier and Employer, to Create Value for all Stakeholders."

a) Composition of Board

The Board directs the Company and facilitates the achievement of the Company's strategy and operational objectives. It is accountable for the development and execution of the Company's strategy, operating performance and financial results. Its primary responsibilities include: determining the Company's purpose and values, providing strategic direction, identifying key risk areas and key performance indicators of the Company's businesses, monitoring the performance of the Company against agreed objectives, deciding on significant financial matters, approving policies and reviewing the performance of the Executive Directors against defined objectives. A range of non-financial information is also provided to the Board to enable it to consider qualitative performance factors that involve broader stakeholder interests.

The Composition of Board of Directors of the Company is in conformity with the requirement of Companies Act 2013 and Regulation 17 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board has an optimum combination of Executive, Non-Executive and Independent Directors including Woman Director as on March 31, 2020. The Board represents an optimal mix of professionalism, knowledge and experience. The profile of Directors can be found at our website at www.sparkminda.com

Classification of the Board during the year 2019-20

Category	Number of Directors	% to total number of Directors
Executive Directors	2*	33.33%
Non-Executive Independent Directors (including Woman Director)	4	66.67%
Total	**6**	**100%**

*Does not include Mr. Sudhir Kashyap, Executive Director & CEO, who has resigned during the year 2019-20.

Role of the Board of Directors

The Board of Directors is the apex body constituted by shareholders and is vested with the powers of governance, control, direction and management of affairs of the Company. The Board provides strategic direction and guidance to the Company and has been steering the Company towards achieving its business objectives. Driven on the principles of ethics and accountability, the Board strives to work in best interest of the Company and its stakeholders. The Board is committed to ensuring in compliance with the highest standards of corporate governance.

Lead Independent Director

The Board has designated Mr. Avinash Parkash Gandhi as the Lead Independent Director. The role of the Lead Independent Director is available on the Company's website at https://sparkminda.com/wp-content/uploads/2019/09/Role-of-Lead-Indepenent-Director.pdf

The details relating to Composition & Category of Directors, directorships held by them in other companies and their membership and chairmanship on various Committees of Board of other companies as on March 31, 2020 is as follows:

Name of the Director	Category	Number of Board Meetings attended during the FY 2020	Whether attended last AGM held on September 26, 2019	Number of Directorships in other Public Companies		Number of Committee positions held in other Public Companies		Directorship in other listed entity (Category of Directorship)
				Chairman	Member	Chairman	Member	
Mr. Ashok Minda	Executive Chairman (Promoter)	6	Yes	-	2	-	-	--
Mr. Rakesh Chopra	Independent Non-Executive	6	Yes	-	1	1	1	1.Bharat Gears Limited (Non-Executive Independent Director)
Mr. Avinash Parkash Gandhi	Independent Non-Executive	6	Yes	1	7	2	1	1.Schaeffler India Limited (Chairman & (Non-Executive Independent Director) 2. Lumax Auto Technologies Ltd. (Non-Executive Independent Director) 3. Lumax Industries Ltd. (Non-Executive Independent Director) 4. Action Construction Equipment Limited (Non-Executive Independent Director)
Mr. Ashok Kumar Jha	Independent Non-Executive	6	Yes	-	2	-	1	1. XPRO India Ltd. (Non-Executive Independent Director) 2. Setco Automotive Ltd. (Non-Executive Independent Director)
Mrs. Pratima Ram	Independent Non-Executive	5	Yes	-	4	-	4	1. Havells India Ltd. (Non-Executive Independent Director) 2. Nandan Denim Ltd. (Non-Executive Independent Director)
Mr. Laxman Ramnarayan	Executive Director & Group CFO	6	Yes	-	-	-	-	-

NOTES:-

1) None of the Directors are related to each other.

2) Non-Executive Independent Directors do not hold any share in the Company.

3) None of the Directors on the Board is a Member of more than 10 (Ten) Committees or Chairman of more than 5 (Five) Committees (as specified in Regulation 26(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015) across all the listed Companies in which the person is a Director. Necessary disclosures regarding Committee positions in other public limited companies as on March 31, 2020 have been made by the Directors.

4) For the purpose of considering the limit of the Committees on which a director may serve, in all public limited companies, whether listed or not, have been included and all other companies including private limited companies, foreign companies and companies under section 8 of the Companies Act, 2013 have been excluded. Only audit committee and stakeholders' relationship committee are considered for the purpose of reckoning committee positions.

5) The maximum tenure of Independent Directors is in compliance with the Companies Act, 2013.

6) The Chairmanship of the Director in the Committees includes the membership as well.

b) Board Meetings & Attendance

The Board of Directors of the Company meet at least once a quarter to review the quarterly/ yearly results and other items on the agenda.

Calendar of Board and Committee Meetings are fixed in advance and agenda papers are circulated to Directors generally one week before the meeting. All material information is incorporated in the agenda papers for facilitating meaningful and focused discussions at the meeting.

c) Other provisions as to Board and Its Committees

The Board meets at regular intervals to discuss and decide on Company's business policy and strategy apart from other Board business. Apart from placing the statutory required information before the Board Members, it is the policy of the Company to regularly place the information/ matter involving major decisions like Annual Budget, Technology Collaboration, Investments, Financial performance and Quarterly Compliance Reports on laws applicable to the Company and other material information.

The Board/ Committee meetings are pre-scheduled and a tentative annual calendar of Board and Committee meetings is circulated to the Directors well in advance to facilitate them to plan their schedules and to ensure meaningful participation in the meetings. Where it is not practicable to circulate any document or the agenda is of confidential nature, the same is tabled with the approval of Chairman.

During the financial year ended March 31, 2020, 6 (Six) Board Meetings were held as per the minimum requirement of four meetings prescribed under the Companies Act, 2013 and in the Regulation 17(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The intervening period between the Board Meetings were within the maximum time gap prescribed under the Companies Act, 2013 and Regulation 17(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The details of the Board meetings held during the financial year 2019-20 are as under:

Sl. No.	Date of Board meeting	Board Strength	No. of Directors Present
1	April 04, 2019	7	7
2	May 28,2019	7	7
3	August 12,2019	7	6
4	September 26,2019	7	7
5	November 06,2019	6	6
6	February 06,2020	6	6

The information regularly furnished to the Board of Directors amongst others include the following:

a) Quarterly results and performance of the Company.

b) Minutes of the meetings of the Board and all its committees.

c) Minutes of Meetings of the Board of the subsidiaries.

d) Materially important litigations, show cause, demand, prosecution and penalty notices.

e) Annual Operating plans, budgets and updates.

f) Development on Human Resources of the Company.

g) Other information as mentioned in Schedule II Part A of the Listing Regulations.

d) Meeting of Independent Directors

The Independent Directors meet without the presence of the management and Non-Executive Non-Independent directors. During 2019-20 the Independent Director met on February 07, 2020. The Independent Directors met to inter alia discuss matters arising out of Board and Board Committee agendas, Company performance and various other Board-related matters, identify areas where they need clarity or information from management and to review the performance of Non-Independent Directors, the Chairman and the Board as a whole and the committee(s) of the Board and assess the effectiveness and promptness of the information flow inter se the Board and the management.

e) Information available to the Board

During the financial year 2019-20, information as mentioned in Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been placed before the Board for its consideration.

The aforesaid information is generally provided as a part of the agenda of the Board meeting and/ or is placed at the table during the course of the meeting. The CFO and other senior management staff are also invited to the Board Meetings to present reports on the Company's operations and internal control systems. The Company Secretary, in consultation with the Chairman, prepares the agenda. The detailed agenda is sent to the Members a week before the Board Meeting date. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted to be taken up as 'any other item'. Sensitive subject matters are being discussed at the meeting without written material being circulated in advance with the approval of Chairman after taking the appropriate approval of the Board as required under applicable Secretarial Standard. All Board Members are encouraged to suggest agenda items for inclusion. The Board periodically reviews the compliance reports with respect to the various laws applicable to the Company, as prepared and placed before it by the management.

The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed, investors' queries are handled promptly and reports to the Board about compliance with the applicable statutory requirements and laws. The process for the Board and Committee meetings provides an effective post meeting follow-up, review and reporting of decisions taken by the Board and Committee members at their

respective meetings. Important decisions taken at Board and Committee meetings are communicated promptly to the concerned departments/ Head of Departments (HoDs).

f) Post-Meeting Follow-up System

After the Board meeting, we have formal system of follow up, review and reporting on actions taken by the management on the decisions of the Board and sub-committees of the Board.

g) Code of Conduct for Board Members and Senior Management

The Board of Directors has implemented a Code of Conduct applicable to all Directors and Senior Level Management of the Company. The Code envisages that the Board of Directors and Senior Management must act within the bounds of the authority conferred upon them and with a duty to make and keep them informed about the development in the industry in which the Company is involved and the legal requirements to be fulfilled. Annual affirmation has been received from all the Directors and Senior Level Management that they have complied with the code of conduct.

The copy of the Code of Conduct is available at the given link i.e.

https://sparkminda.com/wp-content/uploads/2020/04/Code-of-Conduct.pdf

h) Disclosure of relationship between Directors inter-se

None of the Directors have any material or pecuniary relationship inter-se among themselves, whether directly or indirectly.

i) Number of shares held by Non-Executive Directors

During the year 2019-20, none of the Non-Executive Director of the Company holds any shares in the Company. The Company has not issued any convertible instruments.

j) Familiarization Programmes of Independent Directors

The Independent Directors of the Company are eminent personalities having wide experience in the field of finance, education, industry, commerce and administration. Their presence on the Board has been advantageous and fruitful in taking business decisions.

Periodic presentations are made by the Senior Management, Statutory and Internal Auditors at the Board/ Committee Meetings on business and performance updates of the Company and its subsidiaries, global business environment, business risks and its mitigation strategy, impact of regulatory changes on strategy etc. Updates on relevant statutory changes encompassing important laws are regularly intimated to the Independent Directors.

Details on familiarization programme for independent directors are uploaded on company's website at following weblink: https://sparkminda.com/wp-content/uploads/2020/07/Familiarisation-Programme-for-Independent-Directors-2020.pdf

k) A chart or a matrix setting out the skills/expertise/ competence of the board of directors is as follows

In the opinion of the Board, the following is a list of core skills/expertise/competencies required in the context of the Company's business and which are available with the Board.

However, the absence of a mark against a member's name does not necessarily mean the member does not possess the corresponding qualification or skill. In the opinion of the Board, Independent Directors fulfil the conditions specified in the Act, Rules made there under and Listing Regulations.

Key Board Skill/Expertise/Competencies

Strategy and Planning	Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.
Corporate governance	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values.
Functional and managerial experience	Knowledge and skills in accounting and finance, business judgment, general management practices and processes, crisis response and management, macro-economic perspectives, human resources, labour laws, international markets, sales and marketing, and risk management.
Industry Knowledge	Experience in Industry, Knowledge of Automobile Sector, Understanding of Government legislation/ legislative process and Customer Relationships.
Global Business	Understanding, of global business dynamics, across various geographical markets, industry verticals and regulatory jurisdictions.

Directors	Strategy and Planning	Corporate governance	Functional and managerial experience	Industry Knowledge	Global Business
Mr. Ashok Minda	√	√	√	√	√
Mr. Avinash Parkash Gandhi	√	√	√	√	√
Mr. Rakesh Chopra	√	√	√	√	√
Mr. Ashok Kumar Jha	√	√	√	√	√
Mrs. Pratima Ram	√	√	√	√	√
Mr. Laxman Ramnarayan	√	√	√	√	√

l) Succession Planning

The Human Resources, Nomination and Remuneration Committee believes that sound succession plans for the

senior leadership are very important for creating a robust future for the Company. The Committee works along with the Human Resource team of the Company for a proper leadership succession plan.

m) Performance Evaluation

In line with the Corporate Governance Guidelines of the Company a mechanism for performance evaluation of Independent Directors, Board, Committees and other individual Directors which include criteria for performance evaluation of the Non-Executive Directors and Executive Directors.

The Board evaluation framework has been designed in compliance with the requirements under the Companies Act, 2013 and the Listing Regulations, and in accordance with the Guidance Note on Board Evaluation issued by SEBI in January 2017. The Board evaluation was conducted through questionnaire designed with qualitative parameters and feedback based on ratings. Evaluation of the Board was based on criteria such as composition and role of the Board, Board communication and relationships, functioning of Board Committees, review of performance of Executive Directors, strategic planning, etc. Evaluation of Committees was based on criteria such as adequate independence of each Committee, frequency of meetings and time allocated for discussions at meetings, functioning of Board Committees and effectiveness of its advice/ recommendation to the Board, etc. Evaluation of Directors was based on criteria such as participation and contribution in Board and Committee meetings, representation of shareholder interest and enhancing shareholder value, experience and expertise to provide feedback and guidance to top management on business strategy, governance, risk and understanding of the organization's strategy, etc. The outcome of the performance evaluation for financial year 2019-20 was discussed by the Nomination and Remuneration Committee in its meeting held on January 10, 2020 and the Board at their meeting held in February 06, 2020. The Board has received excellent ratings on flow of information, Board communication and relationships, functioning of Board Committees. The Board noted the actions taken in improving Board effectiveness based on feedback given in the previous year. Further, the Board also noted areas requiring more focus in the future, which include spending more time on trends, long-term threats and opportunities.

n) Remuneration to Directors

All pecuniary relationships or transactions of the Non-Executive Directors with the Company

Except the payment of sitting fee, the Company does not have any pecuniary relationship with any of its Non-Executive Directors as well as there is no transaction between the Company and the Non-Executive Directors or their relatives during the financial year under review.

The Board of Directors, inter-alia, on the recommendation of the Nomination and Remuneration Committee (as may be applicable), decides the commission payable to the Independent Directors out of the profits for respective financial year and within the ceilings prescribed under the Companies Act, 2013, based on the evaluation process and considering the criteria, such as, the performance of the Company.

Criteria of making payments to non-executive Directors

Apart from receiving sitting fees, no Non-Executive Directors including Independent Directors received any fixed component performance linked incentives from the company during the period under review. However, the Independent Directors are entitled to Commission as approved by shareholders in the last Annual General Meeting. The website link is as follows:- https://sparkminda.com/wp-content/uploads/2020/05/Criteria-for-making-payment-to-Non-Executive-Directors.pdf

Remuneration Policy for Directors, KMP and other Employees

Remuneration policy of the Company is designed to create a high-performance culture. It enables the Company to attract, retain and motivate employees to achieve results.

i. Executive Directors

(₹ In Lacs)

Name	Salary	P.F. and other allowances	Commission	Stock Options	Total
Mr. Ashok Minda	263.19	19.83	51.99	-	335.01
Mr. Sudhir Kashyap#	167.01	8.80	-	13.00	188.81
Mr. Laxman Ramnarayan	191.86	14.32	-	4.19	210.37

Mr. Sudhir Kashyap, Executive Director & CEO has resigned from the post of Executive Director & CEO w.e.f October 15, 2019. Therefore, his remuneration includes Gratuity, Leave Encashment & Superannuation Allowance aggregate of ₹47.05 Lacs

Mr. Ashok Minda has been re-appointed as Chairman & Group CEO of the Company w.e.f August 01, 2019 for a period of 3 years as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors in their meeting held on May 28, 2019 and approved by shareholders in the Annual General Meeting held on September 26, 2019.

Mr. Laxman Ramnarayan has been appointed as Executive Director of the Company w.e.f September 01, 2019 for a period of 3 years as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors in their meeting held on August 12, 2019 and approved by shareholders in the Annual General Meeting held on September 26, 2019.

The tenure of office of the Executive Directors can be terminated by either party by giving 3 (three) months' notice in writing. There is no separate provision for payment of severance fees.

ii. Non- Executive Directors

The Non-Executive Directors are paid remuneration by way of sitting fees, the details of which are mentioned below:

(Amount in ₹)

Name of the Non-Executive Director	Sitting Fees		Commission	Total
	For Attending Board Meeting	For Attending Committee Meeting(s) and other Meeting(s)		
Mr. Avinash Parkash Gandhi	3,00,000	3,10,000	5,00,000	11,10,000
Mr. Rakesh Chopra	3,00,000	3,90,000	5,00,000	11,90,000
Mr. Ashok Kumar Jha	3,00,000	3,00,000	5,00,000	11,00,000
Ms. Pratima Ram	2,50,000	30,000	5,00,000	7,80,000

STOCK OPTIONS DETAILS

For the details of Employee Stock Option plan please refer note no. 2.41 of the financial statements of the Company for the year 2019-20 and refer Directors Report for the year 2019-20.

II. BOARD COMMITTEES

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board, to carry out clearly defined roles which are considered to be performed by Members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The Minutes of the meetings of all the Committees are placed before the Board for review.

The Board currently has 6 (six) Committees:

1) Audit Committee;
2) Nomination and Remuneration Committee;
3) Stakeholders Relationship Committee;
4) Corporate Social Responsibility Committee;
5) Risk Management Committee; and
6) Securities Issue Committee

1) AUDIT COMMITTEE

a) Composition, Meetings & Attendance of the Committee

During the year under review, the Audit Committee comprised of Independent Directors namely Mr. Rakesh Chopra as Chairman, Mr. Avinash Parkash Gandhi and Mr. Ashok Kumar Jha as Members.

Mr. Ajay Sancheti, Company Secretary and Compliance Officer of the Company, is the Secretary to the Committee.

During the year, the Committee Members met 7 (Seven) times, i.e. on May 28, 2019; August 12, 2019; August 21, 2019; September 26, 2019; November 06, 2019, December 18, 2019 and February 06, 2020.

The particulars of meetings and attendance of the Members in the Committee Meeting held during the year under review are given in the table below:

Name of the Member	No. of Meeting(s) held	No. of Meeting(s) attended	Category
Mr. Rakesh Chopra Chairman	7	7	Independent Director
Mr. Avinash Parkash Gandhi Member	7	7	Independent Director
Mr. Ashok Kumar Jha Member	7	7	Independent Director

In addition to the Members of the Audit Committee, these meetings were also attended by the Executive Directors and CFO and other respective functional heads Statutory Auditors/Internal Auditors of the Company, wherever necessary, and those executives of the Company who are considered necessary for providing inputs to the Committee.

The Chairman of the Committee was present at the Annual General Meeting held on September 26, 2019.

All the members of the Committee possess necessary financial and accounting knowledge.

b) Terms of Reference

The composition of Audit Committee meets the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The terms of reference of this Committee covers the matters specified for Audit Committee under Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013. The terms of reference of the Audit Committee inter- alia includes the following:

c) Powers of Audit Committee

a) To investigate any activity within its terms of reference;
b) To seek information from any employee;
c) To obtain outside legal or other professional advice and
d) To secure attendance of outsiders with relevant expertise, if it considers necessary.

d) Role of the Audit Committee

(1) Oversight of the listed entity's financial reporting process and the disclosure of its financial information

to ensure that the financial statement is correct, sufficient and credible;

(2) Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;

(3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

(4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

  (a) Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;

  (b) Changes, if any, in accounting policies and practices and reasons for the same;

  (c) Major accounting entries involving estimates based on the exercise of judgment by management;

  (d) Significant adjustments made in the financial statements arising out of audit findings;

  (e) Compliance with listing and other legal requirements relating to financial statements;

  (f) Disclosure of any related party transactions;

  (g) Modified opinion(s) in the draft audit report;

(5) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

(6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;

(7) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

(8) Approval or any subsequent modification of transactions of the listed entity with related parties;

(9) Scrutiny of inter-corporate loans and investments;

(10) Valuation of undertakings or assets of the listed entity, wherever it is necessary;

(11) Evaluation of internal financial controls and risk management systems;

(12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(14) Discussion with internal auditors of any significant findings and follow up there on;

(15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

(16) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(18) To review the functioning of the whistle blower mechanism;

(19) Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

(20) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

(21) Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

The Audit Committee shall mandatorily review the following information

(1) Management discussion and analysis of financial condition and results of operations;

(2) Statement of significant related party transactions (as defined by the audit committee), submitted by management;

(3) Management letters / letters of internal control weaknesses issued by the statutory auditors;

(4) Internal audit reports relating to internal control weaknesses; and

(5) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.

(6) Statement of deviations:

(a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).

(b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7).

2) NOMINATION AND REMUNERATION COMMITTEE

a) Composition, Meetings and attendance of the Committee

In compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Composition of Nomination and Remuneration Committee as on March 31, 2020 as follows:-

Name of the Member	Status	Category
Mr. Avinash Parkash Gandhi	Chairman	Independent Director
Mr. Rakesh Chopra	Member	Independent Director
Mr. Ashok Kumar Jha	Member	Independent Director

Mr. Ajay Sancheti, Company Secretary and Compliance Officer of the Company, is the Secretary to the Committee.

During the financial year under review Committee met Four (4) times i.e. May 25, 2019, August 12, 2019, September 26, 2019 and January 10, 2020.

The particulars of meetings and attendance by the Members of the Committee during the year under review are given in the table below:

Name of the Member	No. of Meeting(s) held	No. of Meeting(s) attended	Category
Mr. Avinash Parkash Gandhi Chairman	4	4	Independent Director
Mr. Rakesh Chopra Member	4	4	Independent Director
Mr. Ashok Kumar Jha Member	4	4	Independent Director

b) Terms of Reference

The Nomination and Remuneration Committee has been entrusted with the following responsibilities:

i. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

ii. Formulation of criteria for evaluation of performance of independent directors and the board of directors;

iii. Devising a policy on diversity of board of directors;

iv. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.

v. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

vi. Recommend to the Board, all remuneration, in whatever form, payable to senior management.

3) STAKEHOLDERS RELATIONSHIP COMMITTEE

a) Composition, Meetings and attendance of the Committee

In Compliance with the provisions of Section 178(5) of the Companies Act, 2013 and Regulation 20 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Stakeholders Relationship Committee has been constituted to specifically look into the redressal of Shareholder and Investor complaints and other Shareholders issues.

At least three directors, with at least one being an independent director, shall be members of the Committee.

The composition of the Stakeholders Relationship Committee as on March 31, 2019 is as follows:

Name of the Member	Status	Category
Mr. Ashok Kumar Jha	Chairman	Independent Director
Mr. Avinash Parkash Gandhi	Member	Independent Director
Mr. Laxman Ramnarayan	Member	Executive Director & Group CFO

Mr. Ajay Sancheti, Company Secretary and Compliance Officer of the Company, is the Secretary to the Committee.

Meetings

During the year, the Committee met on August 21, 2019. The attendance of Members at the meeting was as follows:

Name of the Member	No. of Meeting(s) held	No. of Meeting(s) attended	Category
Mr. Ashok Kumar Jha	1	1	Independent Director
Mr. Avinash Parkash Gandhi	1	1	Independent Director
Mr. Laxman Ramnarayan	1	1	Executive Director & Group CFO

The Chairman of the Committee was present at the Annual General Meeting held on September 26, 2019.

b) Terms of Reference

The Chairperson of the Stakeholders Relationship Committee shall be present at the Annual General Meetings to answer queries of the Security Holders.

The Stakeholders Relationship Committee shall meet at least once in a year.

Role of the committee shall inter-alia include the following:

(1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

(2) Review of measures taken for effective exercise of voting rights by shareholders.

(3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.

(4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

c) Shareholders Complaints and Disposal Thereof

The complaints of the shareholders are either addressed to the Company Secretary or Share Transfer Agent of the Company i.e. Skyline Financial Services Pvt. Ltd.

The number of shareholder's complaint received during the year is 1 (One) and Number of Complaints not solved to the satisfaction of shareholders is Nil. There is no pending complaint as on the date of this report.

The status of pending shareholder's/ investor's complaints is regularly reviewed at the Board Meetings itself on quarterly basis.

There were no pending complaints or grievances at the end of the year under review.

Number of pending share transfer: There was no pending share transfer as on March 31, 2020. The Company generally attends to all queries of investors within a period of fortnight from the date of receipt.

Investor can provide their feedback on the services provided by the Company and its Registrar and Share Transfer Agent by filling Shareholder Satisfaction Survey form available in Investors Relation page on the website of the Company at the web link:-https://sparkminda.com/satisfaction-form/

d) Name and Designation of the Compliance Officer

Mr. Ajay Sancheti, Company Secretary is the Compliance Officer in terms of Regulation 6 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

4) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

a) Composition , Meetings and attendance of the Committee

The composition of the Corporate Social Responsibility Committee as on March 31, 2020 is as follows:

Name of the Member	Status	Category
Mrs. Pratima Ram	Chairperson	Independent Director
Mr. Avinash Parkash Gandhi	Member	Independent Director
Mr. Ashok Minda	Member	Executive Director

Mr. Ajay Sancheti, Company Secretary and Compliance Officer of the Company, is also the Secretary to the Committee.

Meetings

During the year, the Committee met 1(One) time i.e. on November 06, 2019. The attendance of Members at the meetings was as follows:

Name of the Member	No. of Meeting(s) held	No. of Meeting(s) attended	Category
Mrs. Pratima Ram Chairperson	1	1	Independent Director
Mr. Avinash Parkash Gandhi Member	1	1	Independent Director
Mr. Ashok Minda Member	1	1	Executive Director

b) Role of Corporate Social Responsibility Committee

The role of the Corporate Social Responsibility Committee is as follows:

(1) formulate and recommend to the Board, the Corporate Social Responsibility Policy and the activities to be undertaken by the Company in areas or subject, specified in Schedule VII.

(2) recommend the amount of expenditure to be incurred on the activities referred to in clause (1)

(3) monitor the Corporate Social Responsibility Policy from time to time

(4) discharge such duties and functions as indicated in the section 135 of the Companies Act, 2013 and Rules made thereunder from time to time and such other functions as may be delegated to the Committee by the Board from time to time

(5) take all necessary actions as may be necessary or desirable and also to settle any question or difficulty or doubts that may arise with regards to Corporate Social Responsibility activities/Policy of the Company

5) RISK MANAGEMENT COMMITTEE

In the Board Meeting held on May 28, 2019, the Board of Directors has constituted Risk Management Committee pursuant to Regulation 21 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Composition of the Committee is mix of executive and non-executive directors.

a) Composition, Meetings and attendance of the Committee

The composition of the Risk Management Committee as on March 31, 2020 as follows:

Name of the Member	Status	Category
Mr. Laxman Ramnarayan	Chairman	Executive Director & Group CFO
Mr. Ashok Kumar Jha	Member	Independent Director
Mr. Ashim Vohra	Member	COO

Mr. Ajay Sancheti, Company Secretary and Compliance Officer of the Company, is also the Secretary to the Committee.

Meetings

During the year, the Committee met 2(Two) time i.e. on October 17, 2019 & March 30, 2020. The attendance of Members at the meetings was as follows:

Name of the Member	No. of Meeting(s) held	No. of Meeting(s) attended	Category
Mr. Laxman Ramnarayan	2	2	Executive Director & Group CFO
Mr. Ashok Kumar Jha	2	2	Independent Director
*Mr. Ashim Vohra	2	1	COO

*Mr. Ashim Vohra has been appointed member of Risk Management Committee w.e.f November 06, 2019

b) Terms of Reference

a) To review risk management plan(s) of the Company;

b) To ensure effectiveness of risk management plan(s);

c) To review the risk identified by business functions and address them with mitigating actions on continuous basis.

d) To review the system of the Company to mitigate the cyber security risk.

6) SECURITIES ISSUE COMMITTEE

The Company has formulated a non- mandatory committee with composition of Mr. Sudhir Kashyap as Chairman, Mr. Laxman Ramnarayan and Mr. Avinash Parkash Gandhi as Member. Mr. Sudhir Kashyap has resigned w.e.f October 15, 2019.

There was no Securities Issue Committee meeting held during the year 2019-20.

III. GENERAL BODY MEETINGS

1) ANNUAL GENERAL MEETING

i. **Venue, Date & Time of last 3 (Three) Annual General Meetings:**

AGM	Financial Year	Venue	Date	Time
34th	2018-19	"Lakshmipat Singhania Auditorium", PHD House, PHD Chamber of Commerce & Industry, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110016	September 26, 2019	10:00 A.M.
33rd	2017-18	"Lakshmipat Singhania Auditorium", PHD House, PHD Chamber of Commerce & Industry, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110016	July 30, 2018	10:00 A.M.
32nd	2016-17	"Lakshmipat Singhania Auditorium", PHD House, PHD Chamber of Commerce & Industry, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110016	August 21, 2017	10:00 A.M.

ii. **Special Resolutions passed in the previous 3 (Three) Annual General Meetings**

Year	Subject Matter of Special Resolution	Date
2018-19	1. Re- appointment of Mr. Ashok Minda (DIN:00054727) as Chairman & Group CEO of the Company and fixation of remuneration 2. Appointment of Mr. Laxman RamNarayan (DIN: 03033960) as Executive Director of the Company and approval of remuneration 3. Re-appointment of Mr. Ashok Kumar Jha (DIN:00170745) as an Independent Director of the Company for a period of five years 4. Approval for payment of Commission to Non-Executive Director(s) of the Company 5. Enhancement of Borrowing Limits of the Board of Directors of the Company under Section 180(1)(c) of the Companies Act, 2013 6. Authorization to the Board of Directors or a Committee thereof to Create Mortgage and/ or Charge on all or any of the movable and/or Immovable Properties of the Company both Present and future	September 26, 2019
2017-18	Re-appointment of Mr. Sudhir Kashyap (DIN: 06573561) as Executive Director & CEO of the Company and Approval of Remuneration	July 30, 2018
2016-17	NIL	August 21, 2017

iii. **Whether special resolutions were put through postal ballot this year, details of voting pattern**

The Company had not proposed any special resolutions through postal ballot during the year:

2) EXTRA-ORDINARY GENERAL MEETING

During the year, the Company has not conducted any Extra-Ordinary General Meeting.

3) PROCEDURE FOR POSTAL BALLOT

During the year the Company had not proposed any business through postal ballot. Hence no requirement to follow the procedure for Postal Ballot.

IV. MEANS OF COMMUNICATION

A timely disclosure of consistent, relevant and reliable information on corporate financial performance is the core of good governance. Towards this end, major steps taken are as under:

Quarterly results & Website

1. The quarterly results of the Company were announced within 45 (forty-five) days of end of quarter. In order to attain maximum shareholders reach, the financial results of the Company during the year were published in Economic Times, Financial Express, Mint and Jansatta Newspapers time to time. The Company also ensures that financial results are promptly and prominently displayed on Company's Website www.sparkminda.com.
2. Information relating to shareholding pattern, compliance with Corporate Governance norms etc., are available at our website www.sparkminda.com.
3. "Limited Review" reports on the un-audited financial results for the respective quarter(s) were also displayed on Company's website at www.sparkminda.com.
4. Financial results are displayed on the website of the Company viz., www.sparkminda.com. Official news/ press release and presentations made to analysts are also hosted on the Company's website from time to time.
5. The Company organises an earnings call with analysts and investors after the announcement of financial results. The transcript of the earnings call is also uploaded on the Company's website.
6. The Company regularly interacts with the shareholders through multiple channels of communication such as publication of results, Annual Report, press releases, Analysts Call after the Board Meeting. The Company also informs the Stock Exchanges in a prompt manner, all price sensitive information and all such other matters which in its opinion, are material and relevant for the shareholders.
7. The Company's website www.sparkminda.com contains a separate dedicated section 'Investor Section

V. GENERAL SHAREHOLDERS INFORMATION

a) 35th Annual General Meeting

Venue	:	Through Virtual Platform provided by NSDL
Time	:	10:00 a.m.
Day & Date	:	Tuesday, September 29, 2020
For Financial Year	:	2019-20

b) Calendar of financial year ended March 31, 2020

The meetings of Board of Directors for approval of quarterly/half-yearly financial results during the financial year ended March 31, 2020 were held on the following dates:

First Quarter Results	-August 12, 2019
Second Quarter/ Half yearly Results	-November 06, 2019
Third Quarter Results	-February 06, 2020
Fourth Quarter and Annual Results	-July 15, 2020

The gap between the third and fourth quarter meeting was more than 120 days due to spread of pandemic COVID-19. Ministry of Corporate affairs vide its circular no. General Circular No. 11 /2020 dated March 24, 2020 and SEBI vide circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/38 dated March 19, 2020 and thereafter vide circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/110 dated June 26, 2020 has extended time gap between two meetings.

Tentative Calendar of Board meetings to approve quarterly financial results for the FY 2020-21 is given below:

First Quarter Results	August 13, 2020
Second Quarter/ Half yearly Results	November 05, 2020
Third Quarter Results	February 06, 2021
Fourth Quarter and Annual Results	May 28, 2021

c) Dividend

For the year 2019-20, directors have not recommended any final dividend. The Company has already paid Interim dividend of ₹ 0.35 per share (i.e. 17.5%) per equity share (Face Value ₹ 2/- each) for 2019-20. This interim dividend is being placed in the notice of the ensuing Annual General Meeting for confirmation by the shareholders of the Company.

Unclaimed Dividends and Transfer to IEPF

Pursuant to Section 124 of Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended from time to time), the Company has transferred the unpaid or unclaimed final dividend of ₹ 86,742/- (Rupees Eighty Six Thousand Seven Hundred Forty Two Only) for the financial year 2011-12 on the due date to the Investor Education and Protection Fund (IEPF) administered by the Central Government. Pursuant to the Rule 5(8) of Investor Education and Protection Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 26, 2019 (date of last Annual General Meeting) on the website of the Company (www.sparkminda.com) and also on the website of the Ministry of Corporate Affairs.

As per Regulation 43 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, no shares are lying in the suspense account of the Company.

Detail of Dividend declared by the Company for the last 5 Years

Financial Year	Interim Dividend declared on	Interim Dividend per Share (In ₹) & %	Final Dividend declared on	Final Dividend per share (In ₹) & %	Total Dividend per share (In ₹) & %
2019-20	February 06, 2020	0.35 (17.50%)	NIL	NIL	0.35 (17.50%)
2018-19	February 07, 2019	0.25 (12.50%)	May 28, 2019	0.45 (22.50%)	0.70 (35.00%)
2017-18	February 12, 2018	0.25 (12.50%)	May 28, 2018	0.35 (17.50%)	0.60 (30.00%)
2016-17	February 13, 2017	0.20 (10.00%)	May 24, 2017	0.30 (15.00%)	0.50 (25.00%)
2015-16	February 09, 2016	0.20 (10.00%)	May 27, 2016	0.30 (15.00%)	0.50 (25.00%)

d) Fees Paid to Statutory Auditors

The details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all the entities in the network firm/network entity of which the statutory auditor is a part, are as follows:

(₹ in million)

Type of Service	Financial Year Ended March 31, 2020
Statutory audit	6
Limited reviews includes consolidation	4
Others	2
Reimbursement of expenses	2
Total	14

e) Listing on Stock Exchanges and Scrip Codes

Sl. No.	Name & Address of the Stock Exchange	Scrip Code
1	National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400051	MINDACORP
2	BSE Limited P.J Towers, Dalal Street Fort, Mumbai-400 001	538962
3	ISIN allotted by Depositories (Company ID Number)	INE842C01021

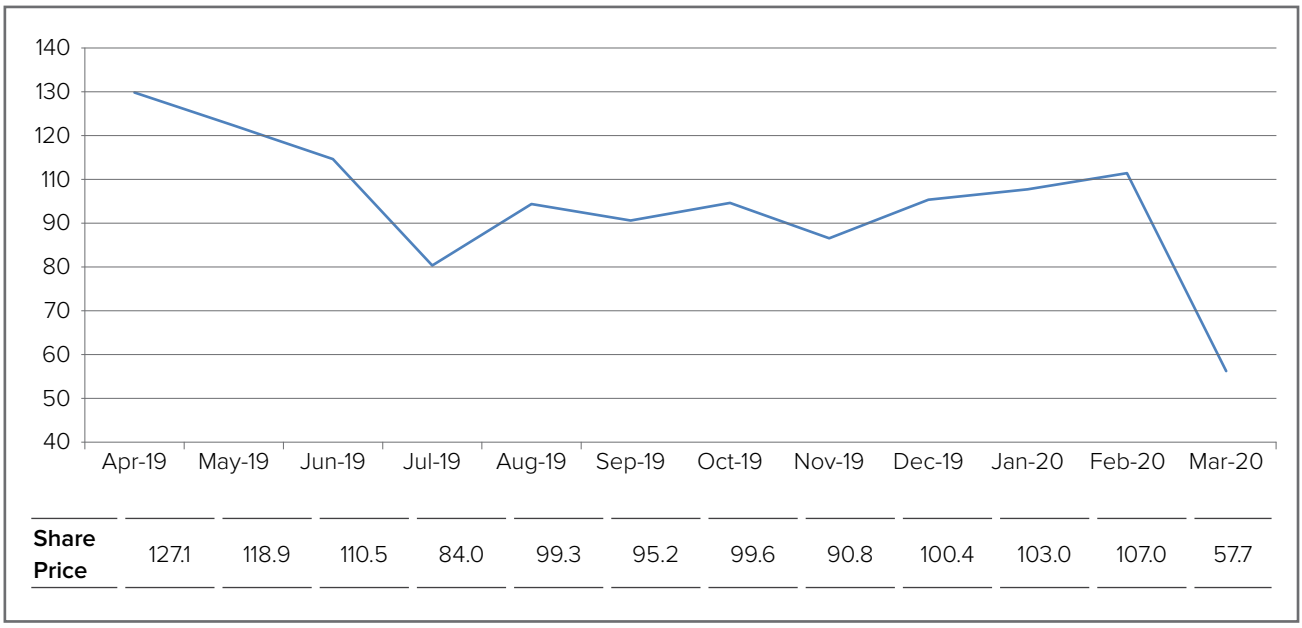
The Annual Listing Fees for the listed equity shares of the Company, pertaining to the year 2020-21 has been paid to the concerned Stock Exchanges on demand. The Company has also made the payment of the Annual Custodian Fees to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), for the financial year 2020-21, based on the folio/ISIN positions as on March 31, 2020.

f) Market Price Data

MCL's share price on NSE 2019-20

(Amount in ₹)

Month	Open Price	High Price	Low Price	Close Price	No.of Shares	No. of Trades	Total Turnover	Deliverable Quantity	% Deli. Qty to Traded Qty
Apr-19	137.0	141.5	126.7	127.1	1,410,949	22,603	190,345,993	989,129	70%
May-19	129.9	132.0	107.8	118.9	2,524,399	42,679	308,056,643	1,556,664	62%
Jun-19	120.4	120.6	105.0	110.5	1,170,269	22,900	131,072,791	771,443	66%
Jul-19	111.5	112.4	82.1	84.0	2,919,476	27,729	300,604,454	2,304,161	79%
Aug-19	83.5	105.6	65.6	99.3	4,369,584	53,273	398,827,138	2,118,560	48%
Sep-19	99.9	101.4	85.1	95.2	2,709,963	44,247	257,308,491	1,783,405	66%
Oct-19	95.2	102.4	80.2	99.6	2,663,072	36,083	246,500,643	1,239,162	47%
Nov-19	102.4	104.5	85.7	90.8	4,942,048	74,728	482,458,255	2,277,214	46%
Dec-19	90.8	108.4	86.3	100.4	6,008,035	73,566	580,421,089	2,826,766	47%
Jan-20	101.0	117.3	96.2	103.0	8,228,796	90,981	883,638,610	3,560,607	43%
Feb-20	102.4	122.0	95.1	107.0	8,400,200	100,282	949,862,769	3,394,691	40%
Mar-20	109.0	111.4	56.2	57.7	4,503,962	63,093	344,693,411	3,042,934	68%

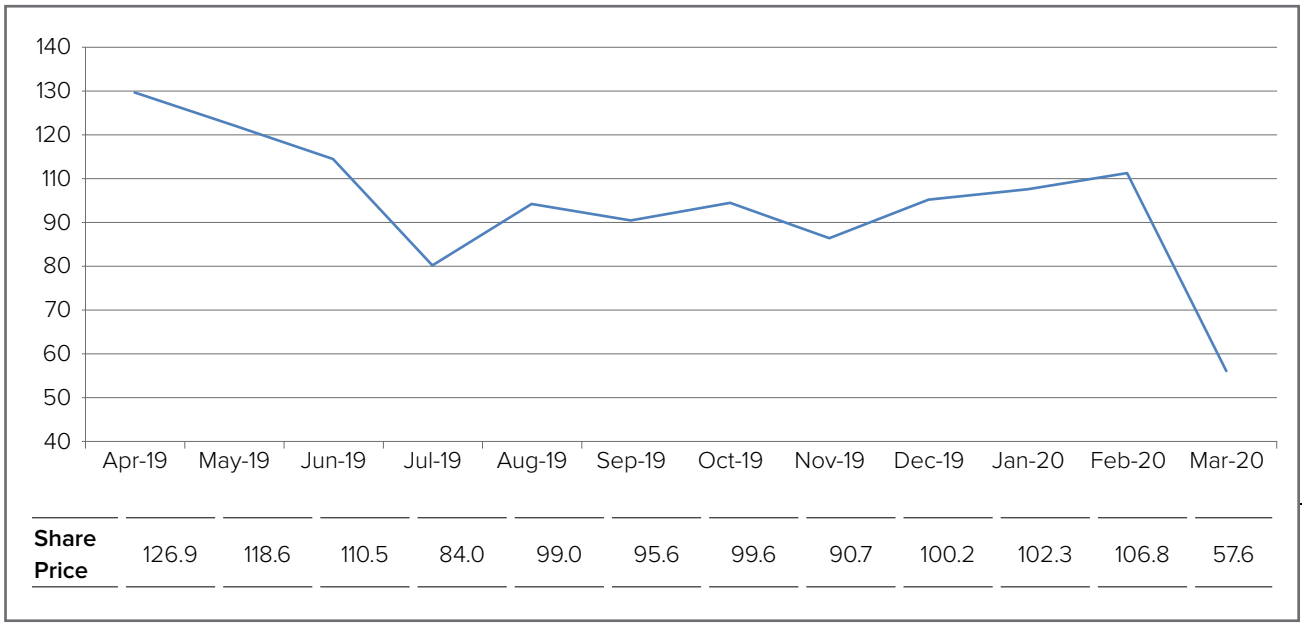


Share Price	127.1	118.9	110.5	84.0	99.3	95.2	99.6	90.8	100.4	103.0	107.0	57.7

MCL's share price on BSE 2019-20

(Amount in ₹)

Month	Open Price	High Price	Low Price	Close Price	No.of Shares	No. of Trades	Total Turnover	Deliverable Quantity	% Deli. Qty to Traded Qty
Apr-19	139.9	141.6	126.6	126.9	81,501	2,024	10,995,885	43,849	54%
May-19	128.4	130.6	108.2	118.6	166,166	6,162	20,156,721	81,715	49%
Jun-19	121.9	122.0	105.0	110.5	128,148	2,502	14,626,887	72,418	57%
Jul-19	111.0	112.3	82.4	84.0	119,402	3,095	12,104,826	63,947	54%
Aug-19	85.5	105.6	65.5	99.0	396,830	8,815	35,445,542	146,695	37%
Sep-19	99.0	103.0	86.0	95.6	432,028	12,599	39,446,680	283,986	66%
Oct-19	93.6	101.9	80.0	99.6	207,143	7,863	19,147,468	100,951	49%
Nov-19	108.0	108.0	85.2	90.7	367,247	13,095	35,823,518	161,456	44%
Dec-19	90.1	110.0	85.1	100.2	376,585	13,788	36,910,933	161,569	43%
Jan-20	101.1	117.3	96.3	102.3	592,871	23,887	62,723,820	317,223	54%
Feb-20	102.6	122.0	95.7	106.8	1,036,769	19,329	114,347,019	668,156	64%
Mar-20	117.0	117.0	56.1	57.6	239,382	10,373	18,733,381	127,636	53%



Share Price	126.9	118.6	110.5	84.0	99.0	95.6	99.6	90.7	100.2	102.3	106.8	57.6

g) Market Price Data & Share price performance including Company's equity share price comparison with BSE Sensex and S&P CNX Nifty

	BSE		NSE	
	MCL	Sensex	MCL	Nifty
2019-20	(58.9%)	(24.2%)	(57.9%)	(26.3%)
2018-19	(26.0%)	13.2%	(26.1%)	13.8%

h) Registrar & Share Transfer Agent:

M/s Skyline Financial Services Private Limited,
(CIN: U74899DL1995PTC071324)
Address:- D-153/A, Ist Floor, Okhla Industrial Area, Phase-1, New Delhi- 110 020, India.
Email: virenr@skylinerta.com Phone: +91 011-26812682, 83, +91 011-40450193-97

i) Share Transfer System & RTA

In accordance with the proviso to Regulation 40(1) of the Listing Regulations, effective from April 1, 2019, transfers of shares of the Company shall not be processed unless the shares are held in the dematerialized form with a depository. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialized so as to be able to freely transfer them and participate in various corporate actions.

The Company obtains half-yearly certificate of compliance related to the share transfer formalities from a Company Secretary in practice as required under Regulation 40(9) of the Listing Regulations and files a copy of the certificate simultaneously with the Stock Exchanges under Regulation 40(10) of the Listing Regulations.

j) Details of shareholding as on March 31, 2020

Category	No. of shares held	Shareholding (%)
Promoter & Promoters Group	154748678	68.10
Financial Institutions, Banks, Mutual Funds &Venture Capital	10282831	4.52
NRI, Foreign Nationals, OCBs, FPI and FIIs	20960867	9.22
Bodies Corporate	8288523	3.65
Public Trusts	624	0.00
MCL- ESOP Trust	4753640	2.09
Others - Indian Public	28187122	12.42
Total	227222285	100.00

DISTRIBUTION OF EQUITY SHARE CAPITAL AS ON: 31/03/2020
EQUITY SHARE CAPITAL: ₹ 45,44,44,570/-

Nominal Value of Each Share: ₹ 2.00

Share or Debenture holding Nominal Value	Number of Shareholders	% to Total Numbers	Share holding Amount	% to Total Amount
(₹)			(₹)	
1	2	3	4	5
Up To 5,000	34625	97.91	14302922	3.15
5001 To 10,000	380	1.07	2764510	0.61
10001 To 20,000	182	0.51	2628198	0.58
20001 To 30,000	50	0.14	1237624	0.27
30001 To 40,000	26	0.07	928046	0.2
40001 To 50,000	16	0.05	727106	0.16
50001 To 1,00,000	24	0.07	1698998	0.37
1,00,000 and Above	60	0.17	430157166	94.66
Total	**35363**	**100**	**454444570**	**100**

k) Dematerialization of Shares and Liquidity

The shares of the Company fall under the category of compulsory delivery in dematerialized form by all categories of investors. The Company has signed agreements with both the Depositories i.e. National Securities Depository Limited and Central Depository Services Limited.

As on March 31, 2020 the number of shares held in dematerialized and physical mode is as under:

Category	No. of equity shares	% of total capital issued
Held in dematerialized form in NSDL	17,94,87,711	78.99
Held in dematerialized form in CDSL	4,76,24,313	20.96
Physical	1,10,261	0.05
Total	**22,72,22,285**	**100.00**

l) Public issue, right issue, preferential issue and GDR/ ADR etc.

During the year under review, the Company has not made any Public Issue, Right Issue, Preferential Issue etc. The Company has not issued any Global Depository Receipt / American Depository Receipt / Warrant or any convertible instrument, which is likely to have an impact on the Company's equity.

m) Commodity price risk or foreign exchange risk and hedging activities

During the FY 2019-20 the Company had managed the foreign exchange and commodity price risk and hedged to the extent considered necessary. The Company enters into forward contracts for hedging foreign exchange and commodity exposures. The details of foreign currency and commodity exposure are disclosed in Note No 2.48(e) to the Standalone Financial Statements.

a. Total Exposure of the Company to Commodities:- ₹ 4307.2 Million

b. Exposure of the Company to various Commodities:-

			% of such exposure hedged through commodity derivatives				Total
			Domestic Market		International Market		
			OTC	Exchange	OTC	Exchange	
Commodity Name	Exposure in INR (Million) towards a particular commodity	Exposure in quantity terms towards a particular commodity					
Copper	2446.2	5334 Tons	-	0.4%	-	-	0.4%
Zinc	934.5	4456 Tons	-	7.6%	-	-	7.6%
Aluminium	926.5	6779 Tons	-	0.7%	-	-	0.7%

n) Credit Ratings

There is no change in the credit rating during the year under review. Both the rating agencies India Ratings and Research (Ind-Ra) and CRISIL have re-affirmed the credit rating of Minda Corporation Limited, which is as follows:-

Rating Agencies	Instrument	Ratings
India Ratings & Research	Term Loan	IND AA-/Stable
	(Fund-based and Non-fund-based) Working Capital Limits	IND AA-/Stable
Long-term Rating		CRISIL A+/ Stable
Short- term Rating		CRISIL A1

o) Details of utilization of funds raised through qualified institutions placement as specified under Regulation 32 (7A):-

The Company has kept the fund raised through qualified institutional placement in fixed deposits and interest income is generating on it.

p) Location of Plants

Location of all plants is available on the website of the Company at https://sparkminda.com/wp-content/uploads/2020/08/Plant-Location-1.pdf

q) Address for Correspondence

The Shareholders may address their communication / grievances / queries /suggestions to:

i.	With the Company:	Mr. Ajay Sancheti Company Secretary & Compliance Officer Minda Corporation Limited Plot No. 404-405, 5th Floor, Sector-20, Udyog Vihar, Phase-III, Gurugram- 122016 Ph.: 0124-4698400 E-mail: investor@mindacorporation.com Website: www.sparkminda.com
ii.	With the R & T Agent:	Skyline Financial Services Private Limited D-153/A, Ist Floor, Okhla Industrial Area, Phase – I, New Delhi–110 020; Email- virenr@skylinerta.com, Tel: +91 011-26812682, 83, +91 011-40450193-97

r) Governance Policies

In line with Company's philosophy for adhering to ethical and governance standards and ensure fairness, accountability, responsibility and transparency to all its stakeholders, Company's, inter-alia, has the following policies and codes in place. All the policies have been uploaded on the website of the Company:-

Name of the Policy	Website link
Code of Conduct for Board Members and Senior Management	https://sparkminda.com/wp-content/uploads/2020/04/Code-of-Conduct.pdf
Code of Conduct for Prevention of Insider Trading	https://sparkminda.com/wp-content/uploads/2020/04/Code-of-Conduct-under-Insider-Trading.pdf
Corporate Social Responsibility Policy	https://sparkminda.com/wp-content/uploads/2020/04/Policy-on-Corporate-Social-Responsibility.pdf
Business Responsibility Policy	https://sparkminda.com/wp-content/uploads/2020/04/Business-Responsibility-Policy.pdf
Dividend Distribution Policy	https://sparkminda.com/wp-content/uploads/2020/04/Dividend-Policy.pdf
Nomination Remuneration and Board Diversity Policy	https://sparkminda.com/wp-content/uploads/2020/04/Nomination-Remuneration-and-Board-Diversity-Policy.pdf
Policy on Determination and Disclosure of Materiality of Events	https://sparkminda.com/wp-content/uploads/2020/04/Policy-on-Determination-and-Disclosure-of-Materiality-of-Events.pdf
Policy For Determining Material Non-Listed Subsidiaries	https://sparkminda.com/wp-content/uploads/2020/04/Policy-on-Material-Non-Listed-Subsidiary.pdf
Related Party Transactions Policy	https://sparkminda.com/wp-content/uploads/2020/04/Related-Party-Transactions-Policy.pdf
Maintenance and Preservation of Documents and Archival Policy	https://sparkminda.com/wp-content/uploads/2020/04/Policy-for-Maintenance-and-Preservation-of-Documents.pdf
Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information	https://sparkminda.com/wp-content/uploads/2020/07/Code-of-Practices-Procedures-for-fair-disclosure-of-UPSI.pdf
Whistle Blower Policy	https://sparkminda.com/wp-content/uploads/2020/04/Whistle-Blower-Policy.pdf
Code of conduct of Employees	https://sparkminda.com/wp-content/uploads/2020/05/Code-of-Conduct-of-Employees.pdf

In constant efforts to strengthen and benchmark our policies, we continuously review, revisit and realign them with best practices.

VI DISCLOSURES

a) Disclosures on materially significant related party transactions that may have potential conflict with the interest of the Company at large.

During the year, the Company has not entered into any materially significant transaction with the Directors, their relatives or management which is in conflict with the interest of the Company.

The transactions with the related parties, namely its promoters, its subsidiaries and associate companies etc. of routine nature have been reported elsewhere in the annual report as per IND-AS-24 issued by the Institute of Chartered Accountants of India (ICAI).

b) Details of any non-compliance by the Company: There were no instances of non-compliances by the Company on any matter related to capital market. The Company has complied with the requirements of Listing Agreement as well as regulations and guidelines prescribed by the Securities and Exchange Board of India (SEBI). There were no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any Statutory Authority on any matter related to capital markets for non-compliance by the Company during the last three years on any matter related to capital market. However Pursuant to Regulation 44(3) of SEBI LODR, BSE has imposed penalty of ₹ 11,800 (Eleven Thousand Eight Hundred only) for Non-submission of voting results within forty eight hours of conclusion of general meeting. A penalty of ₹ 10,000 was also imposed by NSE, which was subsequently waived by NSE vide its letter dated March 18, 2020 upon request from the Company based on the facts that Company was given 2 weeks' time by Hon'ble NCLT to submit the report of voting results i.e. by March 11, 2019. Accordingly, Company had submitted the voting results to Exchange on March 11, 2019. Now BSE has imposed penalty under Regulation 44(3) of SEBI LODR, 2015, for the same violation. The Company has filed its waiver request to BSE as well.

c) Vigil Mechanism and Whistle Blower Policy

The Company is committed to develop a culture of highest standards of ethical, moral and legal business conduct wherein it is open for communication regarding the Company's business practices, avenues for employees to raise concerns about any poor or unacceptable practice and to protect employees from unlawful victimization, retaliation or discrimination for their having disclosed or reported fraud, unethical behavior, violation of Code of Conduct, questionable accounting practices, grave misconduct etc.

To enforce the above, the Board of Directors has laid down Whistle Blower Policy for Directors and employees of the Company, to report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy. Further, the Company affirms that no personnel have been denied access to Audit Committee on any issue related thereto.

A complaint under the policy may be made to the designated officials and to the Audit Committee in terms of the Policy. During the year, no employee of the Company has been denied access to the Audit Committee.

d) Policy against Prevention of Sexual and Workplace Harassment

The Company values the dignity of individuals and is committed to provide an environment, which is free of discrimination, intimidation and abuse.

The Company has put in place a policy on redressal of Sexual Harassment and a Policy on redressal of Workplace Harassment as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Sexual Harassment Act"). As per the policy, any employee may report his / her complaint to the Redressal Committee formed for this purpose or their Manager or HR personnel. We affirm that adequate access was provided to any complainant who wished to register a complaint under the policy, during the year. Details of the Complaint as follows:-

Number of complaints filed during the financial year	Number of complaints disposed of during the financial year	Number of complaints pending as on end of the financial year
NIL	NIL	NIL

e) Insider Trading Code in Terms of SEBI (Insider Trading) Regulations, 2015

The Board has formulated the Code of Practice for Fair Disclosure of Un-Published Price Sensitive Information and the Code of Conduct for regulating, monitoring and reporting of Trading of Shares by Insiders in terms of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time ("Regulation"). The Board has also formulated and adopted a Policy on Determination of Legitimate Purpose as per the provisions of the Regulation. The above code lays down guidelines, procedures to be followed and disclosures to be made while dealing with shares of the Company and cautioning them on consequences of non-compliances. The copy of the same is available on the website of the Company at https://sparkminda.com/wp-content/uploads/2020/04/Code-of-Conduct-under-Insider-Trading.pdf

f) Details of compliance with mandatory requirements and adoption of non-mandatory requirements

The Company has complied with all the mandatory requirements of the Securities and Exchange Board of India (Listing Obligations and Requirements) Regulations, 2015. The Company has also adopted some of the discretionary requirements as stated bellow:

i. Reporting of Internal Auditor

In accordance with the provisions of Section 138 of the Companies Act, 2013, the Company has appointed two Internal Auditor(s), who reports to the Audit Committee. Internal audit report(s) are submitted to the Audit Committee which reviews the audit reports and suggests necessary action.

ii. Lead Independent Director

There is a Lead Independent Director to liaise on their behalf and ensure the Board's effectiveness to maintain high-quality governance of the organisation and effective functioning of the Board.

iii. Live Web casting

Company is proving facility of live webcast of proceedings of the Annual General Meeting to the shareholders of the Company through Company's website and YouTube from last 3 years.

iv. Tablet Based Electronic Voting Facility

The company is providing tablet based electronic voting system to its shareholders at the Annual General Meeting from last two years to avoid invalidity of votes due to clerical mistakes in filling the physical ballot form and non-matching of signature etc. It is helps to save papers and environment friendly also.

g) Modified opinion(s) in Audit report:

During the year under review, there was no audit qualification on your Company's financial statements.

h) Subsidiary Companies

Your Company has subsidiaries as disclosed in AOC-1, attached with the financial statements. The Board of Directors of the Company formulated a policy for determining "material" subsidiaries. The said Policy has been placed on the website of the Company.

i) Related Party Transactions

The Company had formulated a policy on materiality of Related Party Transactions and also on dealing with such Related Party Transactions.

All related party transactions entered by the Company including material significant related party transactions, if any, are being disclosed in the Notes to Accounts forming part of the Annual Report The transactions during the financial year 2019-20, with the related parties has been done in accordance with the provisions as laid down under the Companies Act, 2013 and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The necessary approvals from the Audit Committee were obtained, wherever required.

The Policy on Related party transaction is available at our website www.sparkminda.com.

j) Reconciliation of Share Capital Audit

As stipulated by Securities and Exchange Board of India (SEBI), a Qualified Practicing Company Secretary carried out audit on a quarterly basis to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and physical and the total issued and listed capital.

During the last quarter, the reconciliation of share capital audit report illustrate that ₹ 45,44,44,570/- is the issued Capital and ₹ 45,44,44,570 /- is the listed Capital.

k) Material Subsidiary

Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 defines a 'material subsidiary a subsidiary, whose income or net worth exceeds 10% (ten percent) of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

During the year under review, the Company has "Minda KTSN Plastic Solutions GmbH & Co. KG, Germany" and Minda Stoneridge Instruments Limited as its 'material subsidiaries'.

l) Disclosure of Accounting Treatment: The Company has prepared its financial statement as per the IND-AS prescribed by the Institute of Chartered Accountants of India (ICAI). There is no deviation in the Accounting Treatment & disclosers.

m) Risk Management: The Company has Risk Management Committee for the risk assessment and to decide on minimization procedures. These procedures are periodically reviewed by the Risk Management Committee to ensure that executive management controls risk through means of a properly defined framework.

n) Certificate from a Company Secretary in practice: Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has received certificate from a Company Secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority. Certificate from Practicing Company Secretary is annexed with this report.

o) Declaration as required under Regulation 34(3) and Schedule V of the Listing Regulations: All Directors and senior management personnel of the Company have affirmed compliance with Company's Code of Conduct for the financial year ended March 31, 2020.

p) Secretarial Audit pursuant to Regulation 24A SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018: Pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read along with SEBI Circular CIR/CFD/CMD1/27/2019 dated February 8, 2019, the Company has obtained certificate and shall be filed with the Stock Exchange within the statutory timeline as prescribed by the SEBI in this regard vide its notification dated 25.06.2020.

q) CEO/CFO Certificate: The Executive Director and Chief Financial Officer of the Company have provided compliance certificate to the Board in accordance with Regulation 17 (8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)

Regulations, 2015.

r) Compliance

i. The Company is in the compliance with corporate governance requirements specified in regulation 17 to 27 and clause (b) to (i) of sub- regulation 2 of regulation 46 of Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has also obtained a compliance certificate from M/s Sanjay Grover & Associates, Practicing Company Secretaries regarding compliance of the conditions of Corporate Governance as stipulated in regulation 17 to 27 and clause (b) to (i) of sub-regulation 2 of regulation 46 read with schedule V (E) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has submitted the quarterly compliance report to the stock exchanges within the prescribed time limit. The compliance certificate is also sent annually to all the shareholders of the Company.

ii. There is no non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) of part C of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

DECLARATION BY CHAIRMAN & GROUP CEO REGARDING ADHERENCE TO THE CODE OF BUSINESS CONDUCT AND ETHICS

To
The Members of the Company
Minda Corporation Limited
A-15, Ashok Vihar, Phase-1
Delhi - 110052

I hereby declare that all the Board Members and the Senior Management Personnel are aware of the provisions of the Code of Conduct laid down by the Board. Pursuant to Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management Personnel have affirmed compliance with the said Code of Conduct.

Sd/-
Ashok Minda
Chairman & Group CEO
DIN No. 00054727

Place: Gurugram
Date: July 15, 2020

CEO AND CFO CERTIFICATION

We, Ashok Minda, Chairman & Group CEO and Laxman Ramnarayan, Executive Director & Group CFO of Minda Corporation Limited to the best of our knowledge and belief, certify that:

A. We have reviewed financial statements and the cash flow statement for the year ended on March 31, 2020 and that to the best of our knowledge and belief:

   1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct;

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit committee:

   1. significant changes in internal control over financial reporting during the year;

   2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   3. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-
Ashok Minda
Chairman & Group CEO
DIN No. 00054727

Sd/-
Laxman Ramnarayan
Executive Director & Group CFO
DIN: - 03033960

Place: Gurugram
Date: July 15, 2020

Corporate Governance Certificate

To
The Members
Minda Corporation Limited

We have examined the compliance of conditions of Corporate Governance by Minda Corporation Limited ("the Company"), for the financial year ended March 31, 2020, as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Sanjay Grover & Associates**
Company Secretaries
Firm Registration No.: P2001DE052900

Sd/-
Devesh Kumar Vasisht
Partner
CP No.: 13700
UDIN: F008488B000455594

Date: July 15, 2020
Place: New Delhi

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
MINDA CORPORATION LIMITED
A-15, Ashok Vihar, Phase – 1,
New Delhi - 110052.

That Minda Corporation Limited (CIN: L74899DL1985PLC020401) is having its registered office at A-15, Ashok Vihar, Phase – 1, New Delhi - 110052(hereinafter referred as "the Company"). The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited.

1. We have examined the relevant disclosures received from the Directors, registers, records, forms, and returns maintained by the Company and produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. In our opinion and to the best of our information and according to the verifications and examination of the disclosures under section 184/189, 170, 164, 149 of the Companies Act, 2013 (the Act) and DIN status at the portal, www.mca.gov.in, as considered necessary and explanations furnished to us by the Company and its officers, we certify that none of the below named Directors on the Board of the Company as on March 31, 2020 have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority:

Sr. No.	Name of Director	Director Identification Number (DIN)	Date of Appointment in Company
1.	Mr. Ashok Minda	00054727	22/07/1987
2.	Mr. Rakesh Chopra	00032818	27/05/2010
3.	Mr. Avinash Parkash Gandhi	00161107	28/01/2006
4.	Mr. Ashok Kumar Jha	00170745	14/11/2014
5.	Mr. Laxman Ramnarayan	03033960	24/05/2017
6.	Mrs. Pratima Ram	03518633	10/11/2016

3. Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

4. This certificate is based on the information and records available up to this date and we have no responsibility to update this certificate for the events and circumstances occurring after the date of the certificate.

For Sanjay Grover & Associates
Company Secretaries
Firm Registration No.: P2001DE052900

Sd/-
Devesh Kumar Vasisht
Partner
CP No.:13700
FCS No. F8488
UDIN: F008488B000455539

Place: New Delhi
Date: July 15, 2020

BUSINESS RESPONSIBILITY REPORT 2019-20

Section-A

1	Corporate Identity Number (CIN) of the Company	L74899DL1985PLC020401
2	Name of the Company	Minda Corporation Limited
3	Registered address	A-15, Ashok Vihar, Phase-I, Delhi-110052
4	Website	www.sparkminda.com
5	E-mail id	investor@mindacorporation.com
6	Financial Year reported	2019-20
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	
	Product Description	**NIC Code of the Product of the Services**
	1. Lock Kits & Lock Sets for Automobiles	25934
	2. Wiring harness & components for Automobiles	27320
	3. Starter Motor & Alternator	2710 & 29304
	4. Aftermarket- Trading in Automotive Component	4530
	5. Casting of non-ferrous metals	24320
8	List three key products/services that the Company manufactures/ provides (as in balance sheet)	Wiring Harness, Lock Kits, & Lock Sets and Casting of non-ferrous metals
9	Total number of locations where business activity is undertaken by the Company	
	a) Number of International Locations	5 (Five) including subsidiaries
	b) Number of National Locations	19 (Nineteen) including Group Corporate Office
10	Markets served by the Company – Local/State/National/ International	Asia (including all over India), Europe, North America and South America

SECTION B

FINANCIAL DETAILS OF THE COMPANY

S. No	Financial Details of the Company	FY 2019-20 (₹ in Million)	FY 2018-19 (₹ in Million)
1	Paid up Capital	454	454
2	Total Turnover	21305	23708
3	Total profit/(loss) after taxes	(2411)	1606
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Our total spend on CSR for FY2019-20 is ₹ 36.94 Million which is more than 2% of average net profits of the last 3 financial years.	
5	List of activities in which expenditure in 4 above has been incurred in the FY 2019-20	- Promoting Women Empowerment, - Empowerment of persons with disabilities, - Education & Skilling, - Community infrastructure project	

SECTION C

OTHER DETAILS

1	Does the Company have any Subsidiary Company/ Companies?	Yes
2	Do the Subsidiary Company/Companies participate in the (Business Responsibility) BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	The subsidiary companies are not required to comply with the Business Responsibility in initiatives as per the laws applicable to them.
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? Less than 30% 30%-60% More than 60%	The company actively engages with its suppliers through its BR initiatives. Currently percentage of suppliers covered under this initiative is less than 30%

SECTION D

BR INFORMATION

1 Details of Director/Directors responsible for BR:

(a) Details of the Director responsible for implementation of the BR policy/policies

DIN	03033960
Name	Mr. Laxman Ramnarayan
Designation	Executive Director & Group CFO

(b) Details of the BR Head

Particulars	Details
Name	Mr. Ajay Sancheti
Designation	Company Secretary & Compliance officer
Telephone number	0124-4698400
E-mail id	asancheti@mindacorporation.com

Principle 1
Business should conduct and govern themselves with Ethics, Transparency and Accountability

Principle 2
Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

Principle 3
Business should promote the well-being of all employees

Principle 4
Businesses should respect the interest of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable & marginalised

Principle 5
Business should respect and promote human rights

Principle 6
Business should respect, protect and make efforts to restore the environment

Principle 7
Businesses when engaged in influencing public and regulatory policy should do so in a responsible manner

Principle 8
Business should support inclusive growth and equitable development

Principle 9
Business should engaged with and provide value to their customers and consumers in a responsible manner

2. Principle-wise Business Responsibility Policy/ Policies

S. No	Questions	Principle (Yes / No)								
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for....	Yes								
2	Has the policy being formulated in consultation with the relevant stakeholders?	Yes								
3	Does the policy conform to any national / international standards? If yes, specify?	Yes								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Yes								
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Yes								
6	Indicate the link for the policy to be viewed online?	https://sparkminda.com/wp-content/uploads/2020/04/Business-Responsibility-Policy.pdf								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes								
8	Does the company have in-house structure to implement the policy/ policies?	Yes								
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes								
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Yes								

*The whistle blower policy, code of conduct, Code of Conduct under Insider Trading, prevention of sexual harassment policy and Corporate Social Responsibility Policy are framed as per the requirements of the respective legislations of India.

b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options):

- Not Applicable

3 Governance related to Business Responsibility

S. No	Particulars	
a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	Regular monitoring is being done of BR initiatives and complete assessment is done on need basis, from time to time.
b)	Does the Company publish a BR or a Sustainability Report? What is the hyper-link for viewing this report? How frequently it is published?	Company has published Business Responsibility Report annually as part of the annual report. The same can be accessed at our website www.sparkminda.com at https://sparkminda.com/wp-content/uploads/2018/07/Business-Responsibility-Policy.pdf

SECTION-E

PRINCIPLE-WISE PERFORMANCE

Principle 1

1	Does the policy relating to ethics, bribery and corruption cover only the company? Yes/No.	No.
	Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others	Our policy under this principle include : (a) Code of Conduct (b) Whistle Blower mechanism/policy (c) Business Responsibility Policy. (d Code of Conduct under Insider Trading While the above mentioned policies/codes are currently applicable to its subsidiaries but not applicable on joint-ventures/ suppliers/contractors. It is available on the intranet and on the Company's webpage.
2	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	No complaints were received during the year 2019-20, from various stakeholders.

Principle 2

1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities.	The company is engaged in the manufacturing of: - Wiring Harnesses, - Automotive Locks -Lock-Kits including spares - Die casted parts for Automotive & Non-Automotive products These products have insignificant social or environmental concern or risk.
2	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):	The Company always take efforts for optimum utilization of natural resources like solar energy consumption, reduction in water consumption, hazardous waste reduction, A4 Paper consumption reduction. In plants located in West India and in North India our company is under the process of implementation of Solar Power Projects to become more environments friendly.
	a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?	Not Applicable
	b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?	Not Applicable
3	Does the company have procedures in place for sustainable sourcing (including transportation)?	Yes, The company has a procurement policy in place for purchase of goods and raw material. The company has identified the regional vendors for different components/materials based on QCDDS (Quality, Cost, Development, Deliver & Services) criteria.
	(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so	It is difficult to ascertain the percentage of inputs sourced from these suppliers accounting towards total inputs due to different kind of materials being used by the Company.
4	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?	Yes, the company's effort to procure the material from local sources to avoid lead time & transportation.

	(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	Localization is paramount to sourcing strategy and the company is procuring goods and services from local suppliers (regional) which include large, mid-size and small scale industries which meets our criteria of QCDDS. The SQA (Supplier Quality Assurance) works along with suppliers to improve the capability & quality.
5	Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as 10%). Also, provide details thereof, in about 50 words or so.	Considering the nature of business there are no significant emissions or process wastes. The company recycle materials wherever it is usable within the company which cannot be reused is disposed off in a manner in compliance with applicable statutory provisions.

Principle-3

1	Please indicate the Total number of employees	There were 2987 number of permanent employees as on 31st March 2020 in the Company.
2	Please indicate the Total number of employees hired on temporary/contractual/casual basis.	There were 12076 numbers of employees hired on contractual / temporarily as on 31st March 2020 in the Company.
3	Please indicate the Number of permanent women employees.	There were 228 numbers of permanent female employees as on 31st March 2020.
4	Please indicate the Number of permanent employees with disabilities	There were 360 employees with disabilities as on 31st March 2020. (on-roll + contractual)
5	Do you have an employee association that is recognized by management?	Yes, we have employee union in Murbad and Pithampur Plants
6	What percentage of your permanent employees is members of this recognized employee association?	5.30%
7	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	NIL

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/Forced labour/involuntary labour	NIL	NIL
2	Sexual harassment	NIL	NIL
3	Discriminatory Employment	NIL	NIL
4	What percentage of your under mentioned employees were given safety & skill up gradation training in the last year?		
a	Permanent Employees	95%	
b	Permanent Women Employees	96%	
c	Casual/Temporary/Contractual Employees	85%	
d	Employees with Disabilities	95%	

Principle 4

1	Has the company mapped its internal and external stakeholders? Yes/No	Yes
2	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders? Yes/No	Yes
3	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.	Yes, the Company has identified people with disabilities (PWDs), as one of the most systematically disadvantaged groups in society, with less job opportunities due to lack of inclusive practices, opportunities and agency. We understand that inclusivity is paramount to a responsible business and collective growth of disadvantaged sections of society. Taking this into account, we have taken initiatives in the field of skilling, healthcare, artificial limb fitment and facilitating employment for PWDs.

		Women and children are also our key stakeholders as they lack agency, opportunities and autonomy in everyday life. We run skill centers in five states of India to facilitate trainings in essential soft, behavioral and technical skills that help in the overall growth of individuals. Regular health camps, menstrual health and family planning awareness workshops are also organized within the communities to strengthen overall health, hygiene and wellbeing.

Principle-5

1	Does the policy of the Company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?	The Company has adopted Code of conduct & ethics and whistle blower policy along with Business responsibility policies. These policies are applicable to the Directors and employees of the company, the underline principles are communicated to vendors, suppliers and distributors and other key business associates of the Company, which they are expected to adhere to while dealing with the company. For the foreign subsidiaries, the code and policy is applicable in line with the requirement of the respective countries of operations.
2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	During the past financial year, the company has not received any complaint except certain requests for providing copies of hard copies of annual reports, re-issuance of Demand draft of dividend, payment etc. which were provided to the satisfaction of the stakeholders.

Principle-6

1	Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others.	The Company continuously makes efforts to safeguard the environment. Steps are taken for optimal utilization of our resources in-lined with ISO-14001 standards requirement. The Company's environmental policy extend to its suppliers The Company's environmental policy extend to its suppliers/Group/ Contractors and all other stakeholders and also communicated through Visual displays in company premises..
2	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyper-link for web-page etc.	Yes, We have taken various initiatives to address global environmental issues. The emissions or waste generated by the Company are within the permissible limits specified by the Central Pollution Control Board (CPCB) and State pollution control Board (SPCB). The Business responsibility policy of the company specifies its approach towards protection of environment; the policy is applicable for all employees of the company and its subsidiaries. Web Link- http://csr.minda.co.in/tree-plantation-protection/
3	Does the company identify and assess potential environmental risks? Y/N	Yes, environmental risk is covered in the company principles that are based on ISO 14001 standards. One risk is identified and steps are taken to measures and mitigate the risk.
4	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	The Company continues to work towards development and implementation of climate change mitigation project mainly through energy saving projects across the company. However we do not have any registration of CDM projects. All the Units of the Company have filed environmental compliance reports as per the requirement of applicable environmental laws. In addition to this the Company runs the various programmes for environment protection such as Rooftop Solar Energy Generation, Plantation Drive, Water Conservation Drive.
5	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyper-link for web page etc	Covered under Board report which forms part of the Annual Report.
6	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Yes
7	Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	NIL

Principle-7

1	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	The company is member of : 1.Automotive Component Manufactures Association (ACMA) 2. Confederation of Indian Industries(CII) 3. Quality Circle Forum of India (QCFI)
2	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	No

Principle-8

1	Does the company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.	Yes, the company has a Corporate Social Responsibility Policy which has derived its core values from Companies Act 2013. The company undertakes purposeful activities for the welfare of society, which includes the following: **A. Education and Livelihood Promotion** i) Dual System of Training Programme ii) Business Integrated Prison Programme The above programmes are undertaken in five states of India- Tamil Nadu, Maharashtra, Uttarakhand, Haryana and Uttar Pradesh. **B. Empowerment of Persons with Disability** The programme "Saksham" is conducted in Maharashtra, Uttar Pradesh and Jammu & Kashmir. **C. Health & Well-being & safety Programme** This programme includes Women Empowerment, Menstrual Hygiene, Eye Healthcare Program, Blood Donation Programme and is being run in Uttar Pradesh, Tamilnadu, Uttrakhand, Haryana and Maharashtra. **D. Community Infrastructure** This Programme include Model School Development Program- digitization, sanitation, safe drinking water etc and the same is being run in Uttar Pradesh, Tamilnadu, Uttrakhand, Haryana and Maharashtra **E. Environment and Resource Protection** This programme includes the Solar Energy Generation, Plantation Drive, Water Conservation Drive and is being run both inside and outside the plant.
	Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?	The company has established its own foundation called "Spark Minda Foundation", which is a section 8 company and 100% subsidiary of Minda Corporation Limited. The foundation also engages like minded technical agencies and NGO's to implement specialized projects.
3	Have you done any impact assessment of your initiative?	Yes, we do structured assessment of our initiatives. The company has received positive feedback for its efforts from stakeholders.

<table>
<tr><td>4</td><td>What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken</td><td>
<table>
<tr><th>S. No</th><th>Projects or Activities</th><th>Amount (₹ in Million)</th><th>Amount spent: Direct or through implementing agency</th></tr>
<tr><td>1</td><td>Promoting Women Empowerment</td><td>0.50</td><td rowspan="4">Through Implementing Agency</td></tr>
<tr><td>2</td><td>Empowerment of the persons with disabilities</td><td>12.31</td></tr>
<tr><td>3</td><td>Education & Skilling</td><td>23.61</td></tr>
<tr><td>4</td><td>Community Infrastructure Project</td><td>0.52</td></tr>
<tr><td></td><td>Total</td><td>36.94</td><td>-</td></tr>
</table>
</td></tr>
<tr><td>5</td><td>Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.</td><td>Yes, the company regularly monitors the projects to ensures that they are adopted and continued within communities. For this purpose, our skilling centres are strategically located close to communities of intervention, which enables sustained and regular interaction of the team with the local population.

In addition, skill development, workshops on behavioural changes and sustained impact of projects ensures that the initiatives are successfully adapted by the community.</td></tr>
</table>

Principle-9

1	What percentage of customer complaints/consumer cases are pending as on the end of financial year.	As on the end of FY 19-20, 3.45% (45 out of 1304 case) complaints are pending
2	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)	Quality Yes (As per Legal Metrology Packaged Commodities Guideline)
3	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	No
4	Did your company carry out any consumer survey/ consumer satisfaction trends?	On Special requirement. Last Meet with Business Partners at Pune in Feb 2018 to take overview on 6 (Six) strategic points like People, Place, Product, Promotion, Process, & New Ideas / Suggestions.

INDEPENDENT AUDITOR'S REPORT

To the **Members of Minda Corporation Limited**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Minda Corporation Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2020, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (herein referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of matter

We draw attention to note 2.47 to the Standalone Financial Statements, which describes in detail that the Scheme of Amalgamation ("Scheme") of Minda SAI Limited, Minda Automotive Solutions Limited, Minda Management Services Limited, Minda Autoelektrik Limited and Minda Telematics and Electric Mobility Solutions Private Limited (formerly EI Labs India Private Limited) with the Company was approved by National Company Law Tribunal ("NCLT") vide its order dated 19 July 2019. All the assets, liabilities, reserves and surplus of the transferor companies were transferred to and vested in the Company without any consideration. Consequently, for the previous year, the Standalone Financial Statements were revised by the Company to give effect to the said Scheme of Amalgamation. This being a common control business combination under Ind AS 103 "Business Combination", comparatives were re-presented for amalgamation with effect from the beginning of the preceding period.

Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Description of Key Audit Matters

Revenue Recognition

See note 2.29 to the standalone financial statements

The key audit matter	How the matter was addressed in our audit
The Company's revenue is derived primarily from sale of products which comprises locks and wire harness for the automotive industry. Standards on Auditing presume that there is fraud risk with regard to revenue recognition. Also, revenue is one of key performance indicators of the Company which makes it susceptible to misstatement. In view of the above, we have identified revenue recognition as a key audit matter.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: – Assessed the appropriateness of the accounting policy for revenue recognition as per the relevant accounting standard; – Evaluated the design and implementation of key internal financial controls in relation to revenue recognition and tested the operating effectiveness of such controls for a sample of transactions; – Involved our IT specialists to assist us in testing of key IT system controls relating to revenue recognition; – Performed detailed testing by selecting samples of revenue transactions recorded during and after the year. For such sample, verified the underlying documents including customer acceptance, to assess whether these are recognised in the appropriate period in which control is transferred; – Tested sample journal entries for revenue recognised during the year, selected based on specified risk-based criteria, to identify unusual transactions; – Assessed the adequacy of the disclosures made in accordance with the relevant accounting standard.

Impairment in investments in a subsidiary which is under liquidation

See note 2.4 and 2.49 to the standalone financial statements

The key audit matter	How the matter was addressed in our audit
With respect to investments in subsidiaries, the Company assesses at the end of each reporting period whether there is any indication (based on either internal or external sources of information) of impairment and the consequential impairment loss, if any. During the current year, impairment indicators were identified by the Company in investment in one of its subsidiaries, since the subsidiary has filed for insolvency subsequent to the year end. As a result, an impairment assessment was performed by the Company and the carrying value of the investment in this subsidiary was compared to its recoverable amount to determine whether any impairment loss was required to be recognised. For the above purpose, the recoverable amount of the investment has been determined using fair value less costs of disposal which uses several key assumptions that are dependent on external factors. Given the significant level of judgement involved in evaluation of impairment indicators and making the estimates to determine recoverable value, we have determined this to be a key audit matter.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: – Assessed the appropriateness of accounting policy for impairment of investment in subsidiaries as per relevant accounting standard; – Evaluated the design and implementation of key internal financial controls in relation to impairment process including assessment of impairment indicators and determination of recoverable amount; and tested the operating effectiveness of such controls. – Tested the Company's budgeting procedures upon which the forecasts are based; – Where an impairment indicator was identified, we assessed the adequacy of level of impairment by: • Evaluating with the help of our valuation specialists appropriateness of Company's valuation methodology and key assumptions used in determining the recoverable amount; and • Performed sensitivity analysis of the key assumptions including the possible effects of Covid 19. – Evaluated the management's assessment for recoverable amount of investments in subsidiaries vis-a-vis carrying amount for their determination of impairment loss, if any; – Assessed the adequacy of the disclosures made in accordance with the relevant accounting standards.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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 and Board of Directors' Responsibility for the Standalone 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 standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements

regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

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 the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.

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

   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:

i. The Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its standalone financial statements - Refer note 2.37 to the standalone financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There have been no delays in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and

iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.

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

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. 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
Firm's Registration No.:
101248W / W-100022

Shashank Agarwal
Partner
Membership No. 095109
UDIN: 20095109AAAAES6352

Place : Gurugram
Date: 15 July 2020

Annexure A referred to in our Independent Auditor's Report to the members of Minda Corporation Limited on the Standalone Financial Statements for the year ended 31 March 2020.

(i) (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets (property, plant and equipment).

(b) According to the information and explanations given to us, the Company has a regular programme of physical verification of its property, plant and equipment by which all fixed assets (property, plant and equipment) are verified over the period one to three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain fixed assets have been physically verified by the management during the current year. As informed to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the freehold immovable properties and lease deed of leasehold properties are held in the name of the Company, except for the following properties which are which are held in name of erstwhile subsidiaries companies which have now been merged:

Type of Immovable Property	Location of Immovable Property	Gross block as on 31 March 2020 (Rs. in million)	Net block as on 31 March 2020 (Rs. in million)	Existing name in title deed
Freehold land	Kakkalur, Chennai	0.32	0.32	Minda SAI Limited
Buildings	Kakkalur, Chennai	36.45	31.09	Minda SAI Limited
Leasehold land	Kakkalur, Chennai	24.15	20.25	Minda SAI Limited
Freehold land	Greater Noida, Uttar Pradesh	16.10	16.10	Minda SAI Limited
Freehold land	Murbad, Mumbai	2.97	2.97	Minda SAI Limited
Buildings	Murbad, Mumbai	76.19	57.94	Minda SAI Limited
Leasehold land	Haridwar, Uttrakhand	16.14	15.32	Minda SAI Limited
Buildings	Haridwar, Uttrakhand	28.38	26.64	Minda SAI Limited
Leasehold land	Pithampur, Madhya Pradesh	0.50	0.28	Minda SAI Limited
Buildings	Pithampur, Madhya Pradesh	63.86	55.55	Minda SAI Limited
Buildings	Pune, Maharashtra	11.99	-	Minda SAI Limited
Buildings	Noida, Uttar Pradesh	2.29	0.05	Minda SAI Limited
Freehold Land	Bawal, Haryana	22.61	22.61	Minda Autoelektrik Limited
Building	Bawal, Haryana	104.29	93.89	Minda Autoelektrik Limited

(ii) According to the information and explanations given to us, the inventories, except good-in-transit and stock lying with third parties, have been physically verified by the management at the year end. In our opinion, the frequency of such verification is reasonable having regard to the size of the Company and nature of its business. For stocks lying with third parties as at the year-end, written confirmations have been obtained. As informed to us, the discrepancies noticed on comparison of physical verification of inventories with book records were not material and have been properly dealt with in the books of account.

(iii) According to the information and explanations given to us, the Company has granted loans to two other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act'):

a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the other parties listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company;

b) In case of the loans granted to the other parties listed in the register maintained under Section 189 of the Act, the borrower has been regular in the repayment of the principal and payment of interest on such loans as and when demanded by the Company during the year, as stipulated;

c) There are no overdue amounts as at 31 March 2020 in respect of the loans granted to the other parties listed in the register maintained under Section 189 of the Act. Accordingly, para 3 (iii) (c) of the Order is not applicable.

Subsequent to the year end, pursuant to insolvency filed by one of the above parties, the Company has made provision for impairment loss on loan outstanding and interest receivable as at 31 March 2020 from such party (Refer note 2.49 to the standalone financial statements).

According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies and firms covered in the register maintained under section 189 of the Act. As informed to us, there are no limited liability partnerships covered in the register maintained under section 189 of the Act.

(iv) According to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans, investments, guarantees and security made.

(v) As per the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, para 3(v) of the Order is not applicable.

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

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Goods and Services Tax ('GST'), Duty of customs and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities, though there has been slight delays in deposit of Provident fund, Employees' State Insurance and Income-tax in a few cases.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, GST, Service tax, Duty of excise, Sales tax, Value added tax, Duty of customs and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

Also refer note 2.37, wherein, it is explained that on account of the uncertainty with respect to the applicability of the Hon'ble Supreme Court Judgement on the provident fund matter, management has not recognised and deposited any additional provident fund amount with respect to the previous years.

(b) According to the information and explanations given to us, there are no dues in respect of Income tax, GST, Sales-tax, Service tax, Duty of custom, Duty of excise and Value added tax which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the Statute	Nature of dues	Financial year to which amount relates	Forum where dispute is pending	Amount (Rs. in million)*	Amount paid under protest (Rs. in million)
Central Sales Tax Act, 1959	Sales tax	2014-15	Joint Commissioner of Sales Tax (Appeal)	0.72	0.05
Customs Act, 1962	Custom duty	2017-18	Commissioner Appeals, Customs Mumbai	0.45	0.04
Central Sales Tax Act, 1959	Sales tax	2011-12	Joint Commissioner of Commercial Taxes, Karnataka	0.90	0.26
Central Sales Tax Act, 1959	Sales tax	2012-13	Assistant Commissioner of Commercial Tax	0.51	0.51
Tamil Nadu General Sales Tax Act, 1956	Value Added Tax	2006-07	Appellate Deputy Commissioner, Kancheepuram	0.02	0.02
Uttar Pradesh Value Added Tax, 2008	Value Added Tax	2016-17	Assistant Commissioner, Sales Tax	0.23	0.23
Finance Act, 1994	Service tax	2016-18	Assistant Commissioner, Central Excise	0.60	-

Name of the Statute	Nature of dues	Financial year to which amount relates	Forum where dispute is pending	Amount (Rs. in million)*	Amount paid under protest (Rs. in million)
Central Excise Act, 1944	Excise duty	2011-12	Deputy Commissioner Excise, Pithampur	0.03	-
Central Excise Act, 1944	Excise duty	2013-18	Directorate General of Goods and Services Tax Intelligence	3.53	-
Customs Act, 1962	Custom duty	2018-20	Commissioner (Appeals) Customs	3.95	3.95
Central Sales Tax Act, 1959	Sales tax	2017-18	Assistant Commissioner Sales Tax, Chennai	0.06	0.02
Central Sales Tax Act, 1959	Sales tax	2015-16	Assistant Commissioner Sales Tax, Uttar Pradesh	0.12	-
Income Tax Act, 1961	Income tax	2016-17	Commissioner of Income Tax (Appeals)	15.66	-

*Amount as per demand orders, including interest and penalty wherever quantified in the Order.

(viii) According to the information and explanations given to us, there is no default existing at the balance sheet date in repayment of loans or borrowings to banks and a financial institution. The Company did not have any loans or borrowings from government and outstanding dues to any debenture holder during the year.

(ix) In our opinion and 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 shares or fully or partly convertible debentures during the year. However, during the year ended 31 March 2019, the Company had raised money by way of Qualified Institutional Placement (QIP). The proceeds from QIP were INR 3,056.36 million. The proceeds of the issue (net of related expense of INR 50.50 million) are to augment for growth and expansion, corporate general purpose, working capital requirement, repayment of outstanding loan, investment in subsidiaries and joint ventures. The proceeds of INR 3,056.36 million pending utilisation for the objects of QIP, have temporarily been invested in interest bearing liquid instrument.

(x) According to the information and explanations given to us, no fraud by the Company and neither any fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the managerial remuneration has been paid or provided by the Company in accordance with the provisions of Section 197 read with Schedule V of the Act.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanation given to us and on the basis of our examination of the records of the Company, all the transactions with related parties are in compliance with the provisions of Section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.

(xiv) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or person connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Shashank Agarwal
Partner
Membership No. 095109
UDIN: 20095109AAAAES6352

Place : Gurugram
Date: 15 July 2020

Annexure B to the Independent Auditor's report on the Standalone Financial Statements of Minda Corporation Limited for the year ended 31 March 2020

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

(Referred to in paragraph 1 (A) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to standalone financial statements of Minda Corporation Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to standalone 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 standalone 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 standalone 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 standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone 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 standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone 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 standalone 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 standalone financial statements.

Meaning of Internal Financial controls with Reference to Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements 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 Standalone Financial Statements

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

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

Shashank Agarwal
Partner
Membership No. 095109
UDIN: 20095109AAAAES6352

Place : Gurugram
Date: 15 July 2020

Standalone Balance Sheet

as at 31 March 2020

(₹ in Million)

	Notes	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	2.1	5,008	4,095
Capital work-in progress	2.1	275	146
Goodwill	2.2	204	204
Other intangible assets	2.3	109	152
Financial assets			
i. Investments	2.4	1,499	3,525
ii. Loans	2.5	215	203
iii. Other financial assets	2.6	87	221
Income tax assets	2.7	27	48
Other non-current assets	2.8	120	39
		7,544	**8,633**
Current assets			
Inventories	2.9	3,226	2,533
Financial assets			
i. Trade receivables	2.10	3,270	4,478
ii. Cash and cash equivalents	2.11	185	63
iii. Other bank balances	2.12	3,763	3,157
iv. Loans	2.13	7	238
v. Other financial assets	2.14	45	280
Other current assets	2.15	623	442
		11,119	**11,191**
TOTAL		**18,663**	**19,824**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	2.16	454	454
Other equity	2.17	8,209	10,918
		8,663	**11,372**
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
i. Borrowings	2.18	1,150	911
ii. Lease liabilities	2.38	376	-
iii. Other financial liabilities	2.19	-	12
Deferred tax liabilities (Net)	2.20	48	163
Provisions	2.21	225	150
Other non-current liabilities	2.22	34	30
		1,833	**1,266**
Current liabilities			
Financial Liabilities			
i. Borrowings	2.23	1,665	2,462
ii. Lease liabilities	2.38	168	-
iii. Trade payables	2.24		
- Total dues of micro and small enterprises		1,012	62
- Total dues of creditors other than micro and small enterprises		3,207	3,313
iv. Other financial liabilities	2.25	1,860	885
Other current liabilities	2.26	178	317
Provisions	2.27	49	91
Current tax liabilities	2.28	28	56
		8,167	**7,186**
TOTAL		**18,663**	**19,824**
Significant accounting policies	2		

The accompanying notes form an integral part of the standalone financial statements
As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022

Shashank Agarwal
Partner
Membership No.: 095109

Place : Gurugram
Date: 15 July 2020

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

Ashok Minda
Chairman and Group CEO
(DIN 00054727)

R. Laxman
Executive Director and Group CFO
(DIN:-03033960)

Ajay Sancheti
Company Secretary
Membership No.: F 5605

Place : Gurugram
Date: 15 July 2020

Statement of Standalone Profit and Loss

for the year ended 31 March 2020

(₹ in Million)

	Notes	For the year ended 31 March 2020	For the year ended 31 March 2019
Income			
Revenue from operations	2.29	21,305	23,708
Other income	2.30	479	410
Total income		**21,784**	**24,118**
Expenses			
Cost of materials consumed	2.31	12,377	14,560
Purchases of stock-in-trade		701	568
Changes in inventories of finished goods, stock-in-trade and work-in-progress	2.32	(195)	(425)
Employee benefits expense	2.33	3,353	3,408
Finance costs	2.34	389	344
Depreciation and amortisation expense	2.1 , 2.3	823	615
Other expenses	2.35	2,678	2,810
Total expenses		**20,126**	**21,880**
Profit before tax and exceptional items		**1,658**	**2,238**
Exceptional items	2.49, 2.48	(3,666)	43
(Loss)/Profit before tax		**(2,008)**	**2,281**
Current tax	2.20	485	648
Tax expense for earlier years	2.20	7	(20)
Deferred tax charge	2.20	(89)	47
(Loss)/Profit for the year		**(2,411)**	**1,606**
Other comprehensive income			
Item that will not be reclassified subsequent to profit or loss			
Remeasurement of defined benefit liabilities		(18)	(10)
Equity investment through other comprehensive income-net change in fair value			
Income tax relating to items that will not be reclassified to profit or loss		4	3
Net other comprehensive income not to be reclassified subsequently to profit or loss		**(14)**	**(7)**
Total comprehensive income for the year		**(2,425)**	**1,599**
Earnings per equity share of ₹ 2 per share	2.17.1		
Earnings per share (₹) (Basic)		(10.61)	7.15
Earnings per share (₹) (Diluted)		(10.61)	7.15
Significant accounting policies	2		

The accompanying notes form an integral part of these consolidated financial statements
As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022

Shashank Agarwal
Partner
Membership No.: 095109

Place : Gurugram
Date: 15 July 2020

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

Ashok Minda
Chairman and Group CEO
(DIN 00054727)

R. Laxman
Executive Director and Group CFO
(DIN:-03033960)

Ajay Sancheti
Company Secretary
Membership No.: F 5605

Place : Gurugram
Date: 15 July 2020

Standalone Statement of Cash Flows

for the year ended 31 March 2020

(₹ in million)

		For the year ended 31 March 2020	For the year ended 31 March 2019
A.	**Cash flow from operating activities**		
	(Loss)/profit before taxation	**(2,008)**	**2,281**
	Adjustments for:		
	Depreciation and amortisation expense	823	615
	Exceptional items	3,666	(43)
	Provision for doubtful trade receivables	8	8
	Interest expense	353	308
	Loss on sale / discard of fixed assets	15	9
	Warranty expenses	10	14
	Unrealised foreign exchange gain/ (loss) (including mark to market on forward contracts)	(4)	13
	Interest income	(352)	(275)
	Dividend income	(35)	(79)
	Liabilities / provision no longer required written back	(34)	(23)
	Financial assistance fees	(9)	(11)
	Employees stock compensation expense	3	17
	Operating cash flow before changes in following assets and liabilities	**2,436**	**2,834**
	Decrease/ (Increase) in trade receivables	1,262	(280)
	Increase in inventories	(694)	(592)
	(Increase)/ Decrease in loans, other financial assets and other assets	(302)	101
	(Decrease) / Increase in other financial liabilities and other liabilities	(99)	48
	Increase/ (Decrease) in provisions	6	(14)
	Increase in trade payables	834	400
	Cash generated from operations	**3,443**	**2,497**
	Income tax paid	(487)	(584)
	Net cash generated from operating activities (A)	**2,956**	**1,913**
B.	**Cash flows from investing activities**		
	Purchase of property, plant and equipment	(1,252)	(1,084)
	Sale of property, plant and equipment	23	116
	Dividend received	35	79
	Investment in subsidiaries	(197)	(602)
	Disposal of interest in Joint Venture	-	240
	Loan given to subsidiary company (net)	(152)	-
	Investment made in bank deposits	(467)	(3,151)
	Interest received	521	78
	Net cash used in investing activities (B)	**(1,489)**	**(4,324)**

(₹ in million)

		For the year ended 31 March 2020	For the year ended 31 March 2019
C.	**Cash flows from financing activities**		
	Payment of dividend (inclusive of dividend distribution tax)	(203)	(183)
	Fund raised through Qualified Institutional Placement (QIP)	-	3,056
	Repayment of current borrowings (net)	(797)	(15)
	Proceeds from /(Repayment) of non current borrowings (net)	152	(170)
	Interest paid (refer note 4 below)	(293)	(305)
	Repayment of lease liability	(204)	-
	Net cash (used in)/ generated from financing activities (C)	**(1,345)**	**2,383**
	Net increase / (decrease) in cash and cash equivalents (A + B + C)	**122**	**(28)**
	Cash and cash equivalents at the beginning of the year	**63**	**91**
	Cash and cash equivalents at the end of the year	**185**	**63**

Notes to Cash Flow Statement:

1. Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financial activities*:

(₹ in million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Opening balance	3,940	4,125
Cash flow during the year	(645)	(185)
Non cash changes	44	-
Closing balance	**3,339**	**3,940**

* includes current maturities of non-current borrowings and interest accrued thereon but does not include lease liability, Refer note 2.18, 2.23 & 2.25

2. The above Standalone statement of cash flow has been prepared under the indirect method set out in Ind-AS 7 "Statement of Cash Flow".

3. Cash and cash equivalents consists of cash in hand and balances with scheduled banks. Refer note 2.11

4. Includes interest on lease liabilities amounting to ₹ 59 million (Previous year ₹ Nil)

Significant accounting policies 2

The accompanying notes form an integral part of the standalone financial statements
As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022

Shashank Agarwal
Partner
Membership No.: 095109

Place : Gurugram
Date: 15 July 2020

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

Ashok Minda
Chairman and Group CEO
(DIN 00054727)

R. Laxman
Executive Director and Group CFO
(DIN:-03033960)

Ajay Sancheti
Company Secretary
Membership No.: F 5605

Place : Gurugram
Date: 15 July 2020

Standalone Statement of Changes in Equity

for the year ended 31 March 2020

A. Equity share capital

(₹ in million)

Particulars	Amount
Balance as at 1 April 2018	419
Changes in equity share capital during the year	35
Balance as at 31 March 2019	**454**
Changes in equity share capital during the year	-
Balance as at 31 March 2020	**454**

B. Other equity

(₹ in million)

	Reserves and surplus (1)							Items of Other Comprehensive Income (2)	Total
	Capital redemption reserve	Capital reserve on amalgamation	Securities premium reserve	General reserve	Employee stock compensation option outstanding	Equity component of compound financial instrument - Cumulative redeemable preference share	Retained earnings	Remeasurement of defined benefit obligations	
Balance as at 1 April 2018	**192**	**460**	**1,115**	**412**	**21**	**47**	**4,218**	**-**	**6,465**
Profit for the year	-	-	-	-	-	-	1,606	-	1,606
Other comprehensive income	-	-	-	-	-	-	-	(7)	(7)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**1,606**	**(7)**	**1,599**
Transfer to general reserve	-	-	-	106	-	-	(106)	-	-
Remeasurement of defined benefit liability/ (asset)	-	-	-	-	-	-	(7)	7	-
Premium on issue of shares - QIP	-	-	3,021	-	-	-	-		3,021
Interim dividend (including tax)	-	-	-	-	-	-	(68)	-	(68)
Final dividend (including tax)	-	-	-	-	-	-	(115)	-	(115)
Employee stock compensation expense	-	-	-	-	16	-	-	-	16
Balance as at 31 March 2019	**192**	**460**	**4,136**	**518**	**37**	**47**	**5,528**	**-**	**10,918**
Balance as at 1 April 2019	**192**	**460**	**4,136**	**518**	**37**	**47**	**5,528**	**-**	**10,918**
Loss for the year	-	-	-	-	-	-	(2,411)		(2,411)
Other comprehensive income	-	-	-	-	-	-	-	(14)	(14)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**(2,411)**	**(14)**	**(2,425)**
Impact on account of adoption of Ind AS 116	-	-	-	-	-	-	(84)	-	(84)
Remeasurement of defined benefit liability/(asset)	-	-	-	-	-	-	(14)	14	-
Interim dividend (including tax)	-	-	-	-	-	-	(96)	-	(96)
Final dividend (including tax)	-	-	-	-	-	-	(107)	-	(107)
Employee stock compensation expense	-	-	-	-	3	-	-	-	3
Balance as at 31 March 2020	**192**	**460**	**4,136**	**518**	**40**	**47**	**2,816**	**-**	**8,209**

Notes:

(1) During the year ended 31 March 2020 and 31 March 2019, the Company has paid dividend to its shareholders. This has resulted in payment of Dividend Distribution Tax (DDT) to the taxation authorities. The Company believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity.

(2) Refer note 2.17.2 for nature and purpose of other equity.

The accompanying notes form an integral part of the standalone financial statements
As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022

Shashank Agarwal
Partner
Membership No.: 095109

Place : Gurugram
Date: 15 July 2020

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

Ashok Minda
Chairman and Group CEO
(DIN 00054727)

R. Laxman
Executive Director and Group CFO
(DIN:-03033960)

Ajay Sancheti
Company Secretary
Membership No.: F 5605

Place : Gurugram
Date: 15 July 2020

Notes to the financial statements

for the year ended 31 March 2020

1. Reporting entity

Minda Corporation Limited (the 'Company') is a company domiciled in India, with its registered office situated at A-15, Phase -1 Ashok Vihar, Delhi - 110052. The principal place of business is 5th Floor, Plot no-404/405, Sector -20, Udyog Vihar, Phase-III, Gurugram, Haryana, 122016. The Company has been incorporated under the provisions of Indian Companies Act and its equity shares are listed on BSE Limited (BSE) and National Stock Exchange of India (NSE). The Company is primarily involved in manufacturing of Automobile Components and Parts thereof.

Pursuant to the Scheme of Amalgamation ('Scheme') under the provisions of Section 230 to 232 of the Companies Act, 2013, for amalgamation of Minda SAI Limited, Minda Automotive Solutions Limited, Minda Management Services Limited, Minda Autoelektrik Limited and Minda Telematics and Electric Mobility Solutions Private Limited (formerly EI Labs India Private Limited) (together referred to as "transferor companies"), into Minda Corporation Limited ("Transferee Company") as approved by the Hon'ble National Company Law Tribunal vide its order dated 19 July 2019, all the assets, liabilities, reserves and surplus of the transferor companies have been transferred to and vested in the Company without any consideration. Refer note 2.47 for detailed information on accounting of amalgamation.

2. Significant accounting policies

A. Basis of preparation

(i) Statement of compliance

These standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of Companies Act, 2013 (the 'Act'), read with Companies (Indian Accounting Standards) Rules as amended from time to time and other relevant provisions of the Act.

The financial statements were authorized for issue by the Company's Board of Directors on 15 July 2020.

(ii) Functional and presentation currency

The management has determined the currency of the primary economic environment in which the Company operates i.e., functional currency, to be Indian Rupees (Rs.). All amounts have been rounded-off to the nearest million Rupees unless otherwise indicated. Further, at some places '-' are also put up to values below Rs. 500,000 to make financials in round off to Rupees in millions.

(iii) Basis of measurement

These Standalone Financial Statements have been prepared on a historical cost basis, except for the following items which have been measured at fair value or revalued amount:

Items	Measurement Basis
Certain financial assets and liabilities (including derivatives instruments)	Fair Value
Liabilities for equity-settled share-based payment Arrangements	Fair Value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

(iv) Use of estimates and judgement

In preparation of these standalone financial statements, management has made judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized prospectively. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the Standalone Financial Statements is included in the following notes.

Assumptions and estimation uncertainties

- Recognition and estimation of tax expense including deferred tax– Note 2.20
- Estimated impairment of financial and non-financial assets – Note 2B(viii) and 2B(xxii)
- Assessment of useful life of property, plant and equipment and intangible asset – Note 2.1 and 2.2
- Estimation of obligations relating to employee benefits: key actuarial assumptions –Note 2.21.2
- Valuation of Inventories – Note 2.9
- Share based payments – Note 2.41
- Recognition and measurement of provisions and contingency: Key assumption about the likelihood and magnitude of an outflow of resources – Note 2.37
- Fair value measurement – Note 2.51
- Leases: point xvi (i) and Note 2.38

v) Measurement of fair values

A number of accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Company's audit committee

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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

Further information about the assumptions made in measuring fair values is included in Note 2.41 – Financial instruments.

B. Summary of significant accounting policies

i) Current and non current classification

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

Assets

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

a) it is expects to be realise the assets, or intends to sell or consume it, in its normal operating cycle;

b) it hold the asset primarily for the purpose of trading;

c) it is expects to realise the asset within 12 months after the reporting period; or

d) the asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

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

a) it is expects to settle in its normal operating cycle;

b) it hold primarily for the purpose of trading;

c) the liability is due to be settled within 12 months after the reporting period; or

d) it does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle being a period within 12 months for the purposes of classification of assets and liabilities as current and non-current.

ii) Foreign currency transactions and translations

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

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

equity investments (other than investment in subsidiaries and joint ventures) classified as FVOCI are recognized in other comprehensive income.

The derivative financial instruments such as forward exchange contracts to hedge its risk associated with foreign currency fluctuation are stated at fair value. Any gains or losses arising from changes in fair value are taken directly to the statement of profit or loss.

iii) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

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

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

Sale of goods

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

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

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

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

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

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

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

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

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

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

Use of significant judgements in revenue recognition:

a) The Company's contracts with customers could include promises to transfer products to a customer. The Company assesses the products promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

b) Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

c) The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract.

d) The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the

customer, acceptance of delivery by the customer, etc.

Export benefits

Export incentive entitlements are recognized as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made, and where there is no uncertainty regarding the ultimate collection of the relevant export proceeds.

Other operating income

Service income including job work income is recognized as per the terms of contracts with customers when the related services are rendered. Income from royalty, technical know-how arrangements is recognized on an accrual basis in accordance with the terms of the relevant agreement.

Dividend and interest income

Dividend income is recognized when the right to receive the income is established. Income from interest on deposits, loans and interest bearing securities is recognized using the effective interest method.

iv) Property, plant and equipment

(a) Recognition and measurement

Item of property, plant and equipment are carried at cost, which includes capitalized borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment includes its purchase price, import duties and non-refundable purchase taxes, duties or levies, after deducting trade discounts and rebates, any other directly attributable cost of bringing the asset to its working condition for its intended use and estimated cost of dismantling and removing the items and restoring the site on which it is located. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer to note 2(A)(iv)regarding significant accounting judgements, estimates and assumptions.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Standalone Statement of Profit and Loss when the asset is derecognized.

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

A property, plant and equipment is eliminated from the Standalone Financial Statements on disposal or when no further benefit is expected from its use and disposal. Assets retired from active use and held for disposal are generally stated at the lower of their net book value and net realizable value. Any gain or losses arising disposal of property, plant and equipment is recognized in the Standalone Statement of Profit and Loss.

Once classified as held-for-sale, property, plant and equipment are no longer depreciated.

Gains or losses arising from de-recognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Standalone Statement of Profit and Loss when the asset is derecognized.

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

Advance paid towards the acquisition of fixed assets are shown under non-current asset and tangible fixed assets under construction are disclosed as capital work-in-progress. Capital work in progress includes cost of assets at site, direct and indirect expenditure incidental to construction and interest on the funds deployed for construction..

(c) Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. The costs of the day to day servicing of property, plant and equipment are recognised in the standalone statement of profit and loss as incurred.

(d) Depreciation

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

The identified components are depreciated over their useful life, the remaining asset is depreciated over the life of the principal asset. Leasehold improvements are depreciated over the shorter of the lease term and their useful lives. Freehold land is not depreciated.

The Company has used the following rates to provide depreciation which coincides with the rates indicated in

Schedule II of the Act on its property, plant and equipment, except for Non – commercial vehicles.

Asset category	Life
Factory Buildings	30 years
Plant and Machinery	5 – 15 years
Electrical Installations	10 years
Office Equipment	5 years
Furniture & Fixtures	10 years
Computer hardware	3 years

The management has estimated, supported by independent assessment by technical experts, professionals, the useful lives vehicles as 4 years which is lower than those indicated in Schedule II.

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

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

v) Goodwill and other intangible assets

a) Recognition and measurement

Intangible assets comprise of goodwill, computer software, brands and trademarks acquired for internal use and are recorded at the consideration paid for acquisition of such assets are carried at cost less accumulated amortization and accumulated impairment, if any. Goodwill represents the excess of purchase consideration over the fair value of net assets/liabilities purchased.

The useful lives of intangible assets are assessed as either finite or indefinite

b) Subsequent costs

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

c) Amortisation

The intangible (except goodwill) assets are amortised over the period of five years, which in the management's view represent the economic useful life. Amortisation expense is charged on a pro-rata basis for assets purchased during the year. The amortization period and the amortization method for an intangible asset are reviewed at the end of each reporting period. Goodwill is tested for impairment on an annual basis.

Intangible assets are derecognised on disposal or when no future economic benefits are expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the standalone statement of profit and loss.

vi) Borrowing Cost

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

vii) Inventories

Inventories which includes raw materials, components, stores, work in progress, finished goods and spares are valued at lower of cost and net realizable value. However, raw materials, components and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost or in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value. The basis of determination of cost for various categories of inventory is as follows:

Raw materials, components and stores and spares and stock in trade	:	Cost is determined on weighted average basis.
Finished goods	:	Material cost plus appropriate share of labour and production overheads. Cost of finished goods includes excise duty, wherever applicable.
Work in progress	:	Material cost plus appropriate share of the labour and production overheads depending upon the stage of completion, wherever applicable.
Tools, moulds and dies	:	Material cost plus appropriate share of the labour and production overheads, depending upon the stage of completion and includes excise duty, wherever applicable.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of

completion and the estimated costs necessary to make the sale. The net realizable value of work-in-progress is determined with reference to the selling prices of related finished products.

The comparison of cost and net realizable value is made on an item-by-item basis

viii) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest Group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

An asset's recoverable amount is the higher of an individual asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

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

The Company's corporate assets do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses, if any, are recognized in the Standalone Statement of Profit and Loss. Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognized in OCI up to the amount of any previous revaluation surplus.

In regard to assets for which impairment loss has been recognized in prior period, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

An assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the Standalone Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

ix) Cash flow statement

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

x) Research and Development

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

Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses, if any. Property, plant and equipment used for research and development are depreciated in accordance with the Company's policy as stated above. Expenditure incurred at development phase, where it is reasonably certain that outcome of development will be commercially exploited to yield economic benefits to the Company, is considered as an intangible asset and amortized over the estimated life of the assets.

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

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

xii) Government Grant and Subsidies

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

Government grant relating to income are deferred and recognised in the standalone statement of profit and loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income other than export benefits which are accounted for in the year of export based on eligibility and there is no uncertainty in receiving the same.

Government grants relating to purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to the standalone statement of profit and loss on a straight line basis over the expected lives of the related assets and presented within income.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

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

The Company recognizes a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

xiv) Employee Benefits

Short – term employee benefits

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

Defined contribution plan:

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

Eligible employees of certain overseas entities receive benefits from the social security contribution plans, which is a defined contribution plan. These entities have no further obligations under the plan beyond its monthly contributions.

Defined benefit plan:

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

Other long term employee benefit:

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

Other employee benefit plans:

Actuarial valuation:

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

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

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

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in 'other equity' in the standalone statement of Changes in Equity and in the standalone Balance Sheet.

xv) Accounting for warranty

Provision for warranty related costs are recognized when the product is sold or service provided and is based on historical experience. The provision is based on technical evaluation/ historical warranty data and after weighting of all possible outcomes by their associated probabilities. The estimate of such warranty related costs is revised annually. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

xvi) Leases

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

Policy applicable from 1 April 2019

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assess whether:

the contract involves the use of an identified asset - this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

the Company has the right to obtain substantially all of the economic benefits from use of the asset through the period of use; and

the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases, where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:

- the Company has the right to operate the asset; or
- the Company designed the asset in a way that predetermines how and for what purpose it will be used

An entity shall reassess whether a contract is, or contains, a lease only if the terms and conditions of the contract are changed.

This policy is applicable to contracts entered into, or changed, on or after 1 April 2019.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

Company as lessee

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

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

The right of use asset is subsequently depreciated using the straight line method from the commencement date to the end of the lease term. The estimated useful lives of right-of-use assets are determined on the basis of remaining lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low value assets. The Company recognises the lease payments

associated with these leases as an expense on a straight-line basis over the lease term.

Policy applicable before 1 April 2019

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

Finance leases

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

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

Operating leases

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

xvii) Segment reporting

Basis for segmentation

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. The Company is primarily engaged in the manufacturing and assembling of safety and security systems and its associated components for the automotive industry. All operating segments' operating results are reviewed regularly by the Company's Chief Operating Decision Maker ("CODM") to make decisions about resources to be allocated to the segments and assess their performance. CODM believes that these are governed by same set of risk and returns hence CODM reviews as one balance sheet component.

xviii) Income taxes

Income Income tax expense comprises current and deferred tax. It is recognised in standalone statement of profit and loss except to the extent that it relates to items recognised directly in equity.

(a) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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

(b) Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets unrecognised or recognised, are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised. Significant management judgement is required to determine the probability of deferred tax asset. Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items

are recognized in correlation to the underlying transaction either in OCI or directly in equity

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

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

xix) Earnings per Share

Basic earnings/ (loss) per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, if any, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings/ (loss) per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares except where the results will be anti-dilutive.

xx) Provisions, contingent liabilities and contingent assets

A provision is created when there is a present obligation as a result of a past event and it is more likely than not that there will be an outflow of resources embodying economic benefits to settle such obligation and the amount of such obligation can be reliably estimated. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value money and risks specific to the liability. When discounting is used, the increase in the provision due to passage of time is recognised as finance cost. These are reviewed at each Balance Sheet date and adjusted to reflect current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that have arisen from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of future events not wholly within the control of the Company. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provision for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

The Company does not recognise assets which are of contingent nature until there is virtual certainty of realisability of such assets. However, subsequently, if it becomes virtually certain that an inflow of economic benefits will arise, asset and related income is recognised in the standalone financial statements of the period in which the change occurs.

xxi) Cash and cash equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash at bank, cash on hand and cheques on hand as they are considered an integral part of the Company's cash management

xxii) Financial instruments

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

i. Recognition and initial measurement

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

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

ii. Classification and subsequent measurement

Financial assets

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

- Amortized cost;
- Fair Value through Other Comprehensive Income ('FVOCI') – debt instrument;
- FVOCI – equity investment; or
- FVTPL

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

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

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

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables. Company has recognized financial assets viz. security deposit, trade receivables, employee advances at amortized cost.

A debt instrument is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On de-recognition of the asset, cumulative gain or loss previously recognized in OCI is re-classified from the equity to Standalone Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the Standalone Statement of Profit and Loss.

Investments in joint ventures/ associate

Investments in joint ventures are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in joint ventures, the difference between net disposal proceeds and the carrying amounts are recognized in the Standalone Statement of Profit and Loss.

Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the Standalone Statement of Profit and Loss.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on

earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

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

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Company considers:

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

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

Financial assets: Subsequent measurement and gains and losses

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

Financial liabilities: Classification, subsequent measurement and gains and losses

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

iii. Derecognition

Financial assets

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

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

Financial liabilities

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

iv. Offsetting

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

v. Derivative financial instruments

The Company uses derivative instruments such as foreign exchange forward contracts and currency swaps to hedge its foreign currency and interest rate risk exposure. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value and changes therein are generally recognized in profit and loss.

Impairment of financial assets

The Company recognizes loss allowances for expected credit losses on:

- Financial assets measured at amortized cost; and
- Financial assets measured at FVOCI – debt instruments.

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

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

For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

Measurement of expected credit losses

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

Presentation of allowance for expected credit losses in the balance sheet

Loss allowance for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to the Standalone Statement of the Profit and Loss and is recognized in OCI.

Write-off

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

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

a. Financial assets that are debt instruments, and are measured at amortized cost e.g., deposits and advances

b. Trade receivables that result from transactions that are within the scope of Ind AS 115

c. Financial guarantee contracts which are not measured as at FVTPL.

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not

increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Standalone Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Standalone Statement of Profit and Loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortized cost and contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

xxiii) Employee stock option schemes

The Company has adopted the policy to account for Employees Welfare Trust as a legal entity separate from the company but as a subsidiary of the company. Any loan from the company to the trust is accounted for as a loan in accordance with its term. The cost is calculated based on the fair value method i.e. the excess of fair value of underlying equity shares as of the date of the grant of options over the exercise price of such options is regarded as employee compensation and in respect of the number of options that are expected to ultimately vest, such cost is recognised on a straight line basis over the period over which the employees would become unconditionally entitled to apply for the shares. The grant date fair value of options granted to employees of the Company is recognized as an employee expense, and those granted to employees of subsidiaries is considered as the Company's equity contribution and is added to the carrying value of investment in the respective subsidiaries, with a corresponding increase in share option outstanding account, over the period that the employees become unconditionally entitled to the options. The cost recognised at any date at least equals the fair value of the vested portion of the option at that date. Adjustment, if any, for difference in initial estimate for number of options that are expected to ultimately vest and related actual experience is recognised in the Statement of Profit and Loss of that period. In respect of vested options expire unexercised, the related cumulative cost is credited to the General Reserve. Note – 2.41.

The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognized in connection with share based payment transaction is presented as a separate component in equity under "employee stock option outstanding account". The amount recognized as an expense is adjusted to reflect the actual number of stock options that vest. For the option awards, grant date fair value is determined under the option-pricing model (BlackScholes Merton). Corresponding balance of a share based payment reserve is transferred to general reserve upon expiry of grants or upon exercise of stock options by an employee, as the Company is operating the Employee Stock Option schemes through Minda Corporation Ltd. Employee Stock Option Scheme Trust, which has purchased share from the company.

xxiv) Business Combinations

Business combinations (other than business combinations between common control entities) are accounted for using the purchase (acquisition) method. The cost of an acquisition is measured as the fair value of the consideration transferred, equity instruments issued, and liabilities incurred or assumed at the date of exchange. The consideration transferred does not include amounts related to the settlement of pre-existing relationships; such amounts are generally recognised in the standalone statements of profit or loss and other comprehensive

income. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair value at the date of acquisition. Transaction costs incurred in connection with a business combination are expensed as incurred. The excess of the consideration transferred over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase.

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Company are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognized at their carrying amounts. The identity of the reserves is preserved, and they appear in the financial statements of the Company in the same form in which they appeared in the financial statement of the acquired entity. The differences, if any, between the consideration and the amount of share capital of the acquired entity is transferred to capital reserve.

xxv) Exceptional items

When an item of income or expense within Statement of profit and loss from ordinary activity is of such size, nature or incidence that their disclosure is relevant to explain the performance of the Company for the year, the nature and amount of such items is disclosed as exceptional.

C. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2020.

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

(₹ in million)

	Gross block					Accumulated depreciation					Net block
	Balance as at 1 April 2019	Additions	Reclassified on account of adoption of Ind AS 116	Disposals	Balance as at 31 March 2020	Balance as at 1 April 2019	Depreciation for the year	Reclassified on account of adoption of Ind AS 116	On disposals	Balance as at 31 March 2020	Balance as at 31 March 2020
	(a)	(b)	(c)	(d)	(e) = (a+b-c-d)	(f)	(g)	(h)	(i)	(j) = (f+g-h-i)	(k) = (e-j)
Freehold land	45	4	-	-	49	-	-	-	-	-	49
Leasehold land	286	-	286	-	-	9	-	9	-	-	-
Buildings	1,005	17	-	5	1,017	118	41	-	3	156	861
Leasehold improvements	109	27	-	-	136	30	13	-	-	43	93
Plant and equipment	3,357	1,044	-	20	4,381	909	453	-	15	1,347	3,034
Furniture and fixtures	121	14	-	2	133	39	16	-	2	53	80
Vehicles	205	29	-	39	195	61	45	-	13	93	102
Office equipment	146	6	-	6	146	67	18	-	5	80	66
Computer hardware	113	10	-	7	116	64	22	-	6	80	36
Assets under finance lease											
Plant and equipment	9	-	9	-	-	4	-	4	-	-	-
Total (A)	**5,396**	**1,151**	**295**	**79**	**6,173**	**1,301**	**608**	**13**	**44**	**1,852**	**4,321**
Capital work-in-progress	146	827	-	698	275	-	-	-	-	-	275
Total (B)	**146**	**827**	**-**	**698**	**275**	**-**	**-**	**-**	**-**	**-**	**275**
Total (A+B)	**5,542**	**1,978**	**295**	**777**	**6,448**	**1,301**	**608**	**13**	**44**	**1,852**	**4,596**

Notes :-

(i) Refer to note 2.18 and 2.23 for information on Property, plant and equipment pledged as security by the Company.

(₹ in million)

	Gross block				Accumulated depreciation				Net block
	Balance as at 1 April 2018	Additions	Disposals	Balance as at 31 March 2019	Balance as at 1 April 2018	Depreciation for the year	On disposals	Balance as at 31 March 2019	Balance as at 31 March 2019
	(a)	(b)	(c)	(d) = (a+b-c)	(e)	(f)	(g)	(h) = (e+f-g)	(i) = (d-h)
Freehold land	26	19	-	45	-	-	-	-	45
Leasehold land	265	21	-	286	6	3	-	9	277
Buildings	986	21	2	1,005	68	51	1	118	887
Leasehold improvements	98	11	-	109	20	10	-	30	79
Plant and equipment	2,621	756	20	3,357	525	396	12	909	2,448
Furniture and fixtures	112	11	2	121	26	15	2	39	82
Vehicles	183	49	27	205	29	42	10	61	144
Office equipment	131	20	5	146	51	20	4	67	79
Computer hardware	95	22	4	113	41	26	3	64	49
Assets under finance lease									
Plant and equipment	9	-	-	9	4	-	-	4	5
Total (A)	**4,526**	**930**	**60**	**5,396**	**770**	**563**	**32**	**1,301**	**4,095**
Capital work-in-progress	113	130	97	146	-	-	-	-	146
Total (B)	**113**	**130**	**97**	**146**	**-**	**-**	**-**	**-**	**146**
Total (A+B)	**4,639**	**1,060**	**157**	**5,542**	**770**	**563**	**32**	**1,301**	**4,241**

2.1 (b) Right of use assets

(₹ in million)

	Gross block					Accumulated depreciation					Net block	
	Balance as at 1 April 2019	Transition impact of Ind AS 116	Additions	Reclassified on account of adoption of Ind AS 116	Disposals	Balance as at 31 March 2020	Balance as at 1 April 2019	Depreciation	Reclassified on account of adoption of Ind AS 116	On disposals	Balance as at 31 March 2020	Balance as at 31 March 2020
	(a)	(b)	(c)	(d)	(e)	(f) = (a+b+c+d-e)	(g)	(h)	(i)	(j)	(k) = (g+h+i-j)	(l) = (f-k)
Leasehold land	-	3	3	286	-	292	-	7	9	-	16	276
Building	-	536	37	-	7	566	-	157	-	-	157	409
Plant and equipment	-	-	-	9	3	6	-	-	4	-	4	2
Total	**-**	**539**	**40**	**295**	**10**	**864**	**-**	**164**	**13**	**-**	**177**	**687**

2.2 Goodwill

(₹ in million)

	Gross block				Accumulated impairment				Net block
	Balance as at 1 April 2019	Additions	Disposals	Balance as at 31 March 2020	Balance as at 1 April 2019	Impairment for the year	On disposals	Balance as at 31 March 2020	Balance as at 31 March 2020
	(a)	(b)	(c)	(d) = (a+b-c)	(e)	(f)	(g)	(h) = (e+f-g)	(i) = (h-d)
Goodwill	204	-	-	204	-	-	-	-	204
Total (A)	**204**	**-**	**-**	**204**	**-**	**-**	**-**	**-**	**204**

(₹ in million)

	Gross block				Accumulated impairment				Net block
	Balance as at 1 April 2018	Additions	Disposals	Balance as at 31 March 2019	Balance as at 1 April 2018	Impairment for the year	On disposals	Balance as at 31 March 2019	Balance as at 31 March 2019
	(a)	(b)	(c)	(d) = (a+b-c)	(e)	(f)	(g)	(h) = (e+f-g)	(i) = (h-d)
Goodwill	204	-	-	204	-	-	-	-	204
Total (A)	204	-	-	204	-	-	-	-	204

Impairment testing of goodwill

For the purposes of impairment testing, goodwill is allocated to the Cash Generating Unit (CGU) which represents the lowest level at which the goodwill is monitored for internal management reporting purposes.

The recoverable amount of the cash generating unit was based on its value in use. The value in use of this unit was determined to be higher than the carrying amount and an analysis of the calculation's sensitivity towards change in key assumptions did not identify any probable scenarios where the CGU recoverable amount would fall below their carry amount.

Value in use was determined by discounting the future cash flows generated from the continuing use of the CGU. The calculation was based on the following key assumptions:

i. The anticipated annual revenue growth and margin included in the cash flow projections are based on past experience, actual operating results and the 5-year business plan in all periods presented.

ii. The terminal growth rate ranges from 4% to 5% representing management view on the future long-term growth rate.

iii. Discount rate ranging from 11% to 14% for all periods presented was applied in determining the recoverable amount of the CGU. The discount rate was estimated based on past experience and companies average weighted average cost of capital.

The values assigned to the key assumptions represent the management's assessment of future trends in the industry and based on both internal and external sources.

2.3 Intangible assets

(₹ in million)

	Gross block				Accumulated amortisation				Net block
	Balance as at 1 April 2019	Additions	Additions	Balance as at 31 March 2020	Balance as at 1 April 2019	Amortisation for the year	On disposals	Balance as at 31 March 2020	Balance as at 31 March 2020
	(a)	(b)	(c)	(d) = (a+b-c)	(e)	(f)	(g)	(h) = (e+f-g)	(i) = (d-h)
Brands/trademarks	134	-	-	134	61	23	-	84	50
Computer software	143	9	1	151	65	28	1	92	59
Total (B)	**277**	**9**	**1**	**285**	**126**	**51**	**1**	**176**	**109**
Total (A+B)	**481**	**9**	**1**	**489**	**126**	**51**	**1**	**176**	**313**

(₹ in million)

	Gross block				Accumulated amortisation				Net block
	Balance as at 1 April 2018	Additions	Additions	Balance as at 31 March 2019	Balance as at 1 April 2018	Amortisation for the year	On disposals	Balance as at 31 March 2019	Balance as at 31 March 2019
	(a)	(b)	(c)	(d) = (a+b-c)	(e)	(f)	(g)	(h) = (e+f-g)	(i) = (d-h)
Brands/trademarks	134	-	-	134	37	24	-	61	73
Computer software	122	27	6	143	41	28	5	65	79
Total (B)	**256**	**27**	**6**	**277**	**78**	**52**	**5**	**126**	**152**
Total (A+B)	**460**	**27**	**6**	**481**	**78**	**52**	**5**	**126**	**356**

2.4 Investments

(₹ in million)

Particulars	As at 31 March 2020		As at 31 March 2019	
Investment in Preference Shares				
- 520,000 (31 March 2019: 520,000) 0.001% Cumulative Redeemable preference shares of ₹ 100 each in Minda Capital Private Limited		14		13
Investment in equity instruments of subsidiaries at cost				
Unquoted equity instruments				
- 3,000 (31 March 2019: 3,000) equity shares of Euro 100 each fully paid up in Minda Europe B.V., Netherlands	17	-	17	-
Less: Provision for impairment loss (refer to note 2.49)	(17)		-	17
- 28,180,001 (31 March 2019: 28,180,001) investment in Minda KTSN Plastic Solutions GmbH & Co. KG, Germany	2,207	-	2,011	-
Less: Provision for impairment loss (refer to note 2.49)	(2,207)	-	-	2,011
- 10,000 (31 March 2019: 10,000) equity shares of ₹ 10 each fully paid up in Spark Minda Foundation #		-		-
- 2,834,938 (31 March 2019: 2,834,938) equity shares of USD 1 each fully paid up in Almighty International Pte Limited		560		560
Investment in equity instruments of joint ventures at cost				
- 21,332,700 (31 March 2019: 21,332,700) equity shares of ₹ 10 each fully paid up in Minda Vast Access Systems Private Limited *		-		-
- 6,069,000 (31 March 2019: 6,069,000) equity shares of ₹ 10 each fully paid up in Minda Stoneridge Instruments Limited		652		651
Investment in equity instruments of associate at cost				
Unquoted equity instruments				
- 29,375,000 (31 March 2019: 29,375,000) equity shares of ₹ 10 each fully paid up in Furukawa Minda Electric Private Limited (Formerly known as Minda Furukawa Electric Private Limited) (refer to note 2.48)		273		273
		1,499		**3,525**

amount in absolute is ₹ 100,000 (31 March 2019: ₹ 100,000)

* amount in absolute is ₹ 901 (31 March 2019: ₹ 901)

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
Aggregate amount of unquoted investments (Gross of impairment)	3,723	3,525
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of impairment in value of investments (refer note 2.49)	2,224	-

2.5 Loans

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
- Non Current		
Loans to related parties (refer to note 2.39 and 2.5.1)	102	102
Security deposits	74	67
Security deposits to related parties (refer to note 2.39)	39	34
	215	**203**

2.5.1 Details of loans given to related parties

(₹ in million)

Name of subsidiary	Rate of interest	Nature of loan / advance	As at 31 March 2020	As at 31 March 2019
Minda Corporation limited - Employee stock option scheme trust	10%	Unsecured long term loan	102	102

2.6 Other financial assets

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
-Non Current		
Balances with banks		
- Deposits due to mature after 12 months from the reporting date*	1	141
Interest accrued on loans and advances to related party	86	80
Interest accrued on fixed deposits	-	-
Advances to employees	-	-
	87	**221**

* ₹ Nil million (31 March 2019: ₹ 1 million) is held as margin money against letter of credit and bank guarantees.

2.7 Income tax assets

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
Advance income tax (net of provision)	27	48
	27	**48**

2.8 Other non-current assets

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
Capital advances	100	32
Prepaid expenses	2	7
Others	18	-
	120	**39**

2.9 Inventories

(Valued at lower of cost or net realisable value)

(₹ in million)

Particulars	As at 31 March 2020		As at 31 March 2019	
Raw materials (including packing materials)	1,595		1,231	
Add: materials-in-transit	168	1,763	49	1,280
Work-in-progress		583		390
Finished goods and stock in trade	555		509	
Add: goods-in-transit	279	834	323	832
Stores and spares		46		31
		3,226		**2,533**

Refer to note 2.18 and 2.23 for information on inventories pledged as security by the Company.

2.10 Trade receivables

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured		
- Considered good	3,095	4,102
- Considered doubtful	21	22
Less: Provision for expected credit loss	(21)	(22)
Receivables from related parties (refer note 2.39)	175	376
	3,270	**4,478**

Refer to note 2.18 and 2.23 for information on trade receivables pledged as security by the Company.

2.11 Cash and cash equivalents

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
Cash and cash equivalents		
- Cash on hand	3	3
- Cheques, drafts on hand	-	-
Balances with banks		
- Deposits with original maturity of 3 months or less	36	37
- On current accounts	144	22
- Other bank balances	2	1
	185	**63**

2.12 Other bank balances

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
Balance with bank		
- Deposits due to mature within 12 month on the reporting date**	3,763	3,157
	3,763	**3,157**

** Deposits include ₹ 2 million (31 March 2019: ₹ 2 million) being fixed deposits held as margin money or security against borrowings, guarantee.

2.13 Loans

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
Current		
Loans to related parties (refer to note 2.39 and 2.13.1)	414	230
Less: Loss allowance for doubtful loan (refer to note 2.49)	(414)	-
Security deposits	7	8
	7	**238**

2.13.1 Details of loans given to related parties

(₹ in million)

Name of subsidiary	Rate of interest	Nature of loan / advance	As at 31 March 2020	As at 31 March 2019
Minda KTSN Plastic Solution GMBH & Co.KG, Germany (refer note 2.13)	12%	Unsecured short term loan	-*	230

* Net of provision for loss allowance amounting to ₹ 414 million (previous year ₹ Nil)

(₹ in million)

Movement in loss allowance on loans	As at 31 March 2020	As at 31 March 2019
Opening balance	-	-
Add : Created during the year	414	-
Less : Utilisation during the year	-	-
Closing balance	**414**	**-**

2.14 Other financial assets

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
-Current		
Interest accrued on fixed deposits and loans to related parties	134	199
Unbilled revenue	2	18
Advances to employees (refer to note 2.14.1)	19	21
Receivable from related parties	47	42
Sub total	**202**	**280**
Less: Loss allowance for interest accrued on loan to related parties (refer to note 2.49)	(110)	-
Less: Loss allowance for receivable from related parties (refer to note 2.49)	(47)	-
	45	**280**

(₹ in million)

Movement in loss allowance for interest accrued on loan to related parties and receivable from related parties	As at 31 March 2020	As at 31 March 2019
Opening balance	-	-
Add : Created during the year	157	-
Less : Utilisation during the year	-	-
Closing balance	**157**	**-**

2.14.1 Loans and advances due by officers of the Company

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
Dues from officers of the Company (either severally or jointly)	-	1
	-	**1**

2.15 Other current assets

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
Balances with government authorities	283	252
Prepaid expenses	88	40
Advances to suppliers	237	103
Forward cover receivable [net of forward payable of ₹ 224 million (31 March 2019: ₹ 142 million)]	10	20
Other receivable	5	27
	623	**442**

2.16 Share capital

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
2.16.1 Authorised		
250,000,000 (31 March 2019: 250,000,000) equity shares of ₹ 2 each	500	500
240,000 (31 March 2019: 240,000) 0.001% cumulative redeemable preference shares of ₹ 800 each	192	192
	692	**692**
2.16.2 Issued, subscribed and fully paid- up shares		
Equity shares of ₹ 2 each (previous year ₹ 2 each)		
227,222,285 (31 March 2019: 227,222,285) equity shares of ₹ 2 each	454	454
	454	**454**

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

Equity shares of ₹ 2 each (31 March 2019: ₹ 2 each) fully paid up

(₹ in million)

	As at 31 March 2020		As at 31 March 2019	
	Number of shares	Amount	Number of shares	Amount
Balance as at the beginning of the year (face value ₹ 2 per share)	227,222,285	454	209,311,640	419
Add: Issued during the year (face value ₹ 2 per share)	-	-	17,910,645	35
Balance as at the end of the year [face value of ₹ 2 each (31 March 2019: ₹ 2 each)]	**227,222,285**	**454**	**227,222,285**	**454**

Pursuant to the approval of the shareholders on 23 December 2014, the Company had allotted Bonus shares in the ratio of 1:1 and the nominal value of shares of the Company has been sub-divided from ₹ 10 (Rupees Ten) per share to ₹ 2 (Rupees Two) per share. Consequent to the same, the number of the equity shares of the Company has increased from 20,931,164 equity shares of ₹ 10 each to 209,311,640 shares of ₹ 2 each.

2.16.4 Rights, preferences and restrictions attached to each class of shares

Equity shares of ₹ 2 each (31 March 2019: ₹ 2 each) fully paid up

The Company has one class of equity shares having a par value of ₹ 2 per share (31 March 2019: ₹ 2 each). Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

2.16.5 Details of shareholders holding more than 5% shares as at year end

a) Equity shares of ₹ 2 each (31 March 2019: ₹ 2 each) fully paid up

Name of shareholders	As at 31 March 2020		As at 31 March 2019	
	% of holdings	Number of shares held	% of holdings	Number of shares held
(i) Ashok Minda	35.9%	81,466,380	35.9%	81,466,380
(ii) Sarika Minda	14.7%	33,394,900	14.7%	33,394,900
(iii) Minda Capital Private Limited	17.0%	38,581,298	17.0%	38,581,298
		153,442,578		**153,442,578**

b) Shares held by subsidiary

Name of subsidiary	As at 31 March 2020		As at 31 March 2019	
	% of holdings	Number of shares held	% of holdings	Number of shares held
(i) Almighty International PTE Limited, Singapore	-	-	0.14%	300,000

2.16.6 Shares allotted as fully paid up by way of bonus issue (during five years immediately preceding 31 March 2020)

Particulars	Years (number and aggregate number of shares)					
	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
Fully paid up equity shares of ₹ 2 each	-	-	-	-	-	104,655,820
Cumulative number of shares of ₹ 2 each	192,508,430	192,508,430	192,508,430	192,508,430	192,508,430	192,508,430

2.16.7 Issue of shares to Minda Corporation Limited Employees' Stock Option Scheme

Pursuant to the Board of Director's approval in Board meeting held on 29 September 2011, the Company has constituted a trust under the name "Minda Corporation Limited Employee Stock Option Scheme Trust" (MCL ESOS Trust), with the objective of acquiring and holding of shares, warrants or other securities of the Company for the purpose of implementing the Company's ESOP Scheme. The Company has contributed a sum of - million towards initial trust fund and later on advanced a sum or ₹ 134 Million to fund the purchase of Company's equity shares by MCL ESOS trust. The Company had issued and allotted, 267,092 equity shares of the Face Value ₹ 10 each at the premium of ₹ 490 per equity share to the MCL ESOS Trust, as approved in the Extra ordinary general meeting dated 24 October 2011. Further, the Company had issued bonus shares in proportion of one equity share for one share held on 29 March 2012, as decided in Extra ordinary general meeting held on 16 March 2012.

During the Financial year 2016-17, the members of the Company had approved 'Employee Stock Option Scheme, 2017' through Postal Ballot on February 10, 2017. The plan envisaged grant of stock options to eligible employees at an exercise price equal to the latest available closing price discounted by 50% or such other percentage as may be decided by the Nomination and Remuneration Committee (Refer note 2.41).

2.16.8 Qualified Institutional Placement (QIP) of equity shares

During the year ended 31 March 2019, the Company has raised funds amounting to ₹ 3,056 million (net of expenses of ₹ 50 million) by way of Qualified Institutional Placement (QIP) of equity shares for the objects of working capital requirement, repayment of outstanding loan, investment in subsidiaries and joint ventures, to fund growth and expansion and towards corporate general purpose. The Company has issued 17,910,645 shares at a price of ₹ 173.47 per share whereby equity share capital has increased by ₹ 36 million and securities premium is increased by ₹ 3,020 million (net of expenses).

Details of utilization of QIP proceeds are as follows:

(₹ in million)

Objects of the issue as per prospectus	Proceeds from QIP	Utilized upto 31 March 2020	Unutilized amount as at 31 March 2020
Working capital requirement, repayment of outstanding loan, investment in subsidiaries and joint ventures, to fund growth and expansion and towards corporate general purpose	3,056	-	3,056

The unutilized amount of the issue as at 31 March 2020 has been temporarily deployed in bank accounts.

2.17 Other Equity

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
Capital reserve on amalgamation (Refer note: 2.47)		
Opening balance	460	460
Closing balance	**460**	**460**
Securities premium		
Opening balance	4,136	1,115
Add: Premium on issue of shares	-	3,071
Less: Amount utilised towards expenses for increase in share capital	-	(50)
Closing balance	**4,136**	**4,136**
Capital redemption reserve		
Opening balance	192	192
Closing balance	**192**	**192**
Equity component of compound financial instrument - Cumulative redeemable preference share		
Opening balance	47	47
Closing balance	**47**	**47**
Employee stock compensation option outstanding		
Opening balance	37	21
Add: Amount transferred to Employee stock compensation during the year	3	16
Closing balance	**40**	**37**
General reserve		
Opening balance	518	412
Add: Amount transferred from surplus during the year	-	106
Closing balance	**518**	**518**
Remeasurement of defined benefit obligation, net		
Opening balance	-	-
Add / (less) : Remeasurement of define benefit obligation	(14)	(7)
Transferred to retained earning	14	7
Closing balance	**-**	**-**
Retained earnings		
Opening balance	5,528	4,218
Add: Net profit for the year	(2,411)	1,606
	3,117	**5,824**
Less: Impact on account of adoption of Ind AS 116 (including tax)	(84)	-
Less : Interim dividend (including dividend distribution tax)		
- equity shares at ₹ 0.35 per share (31 March 2019: ₹ 0.25 per share)]	(96)	(68)
Less : Final dividend (including dividend distribution tax)		
- equity shares at ₹ 0.45 per share (31 March 2019: ₹ 0.45 per share)]	(107)	(115)
Add : Remeasurement of define benefit obligation	(14)	(7)
Less: Amount transferred to general reserve during the year	-	(106)
Closing balance	**2,816**	**5,528**
	8,209	**10,918**

The Board of Directors, in their meeting held on 15 July 2020 has not recommended any final dividend .The total dividend declared on equity shares of the Company for the year 2019-20 is ₹ 0.35 per equity share (face value of ₹ 2 per share).

2.17.1 Earning per share

(₹ in million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Net profit attributable to equity shareholders		
(Loss)/Profit after tax	(2,411)	1,606
Number of weighted average equity shares		
Basic	227,222,285	224,719,702
Diluted	227,222,285	224,719,702
Nominal value of equity share (₹)	2.00	2.00
Earnings per share (₹) (Basic)	(10.61)	7.15
Earnings per share (₹) (Diluted)	(10.61)	7.15

2.17.2 Nature and purpose of other equity

- **Securities premium**

  The unutilized accumulated excess of issue price over face value on issue of shares. This reserve is utilised in accordance with the provisions of the Act.

- **Capital redemption reserve**

  This represents the unutilised accumulated amount set aside at the time of redemption of preference share. This reserve is utilised in accordance with the provisions of the Act.

- **General reserve**

  This represents appropriation of profit by the Company and is available for distribution of dividend.

- **Employee stock compensation option outstanding**

  The fair value of the equity settled share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to ESOP outstanding. Further, equity settled share based payment transaction with employees of subsidiary is recognised in investment of subsidiaries with corresponding credit to ESOP outstanding. Corresponding balance of a ESOP outstanding is transferred to general reserve upon expiry of grants or upon exercise of stock options by an employee, as the Company is operating the Employee Stock Option scheme.

- **Remeasurements of defined benefit obligation, net**

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

- **Equity component of compound financial instrument - Cumulative redeemable preference share**

  The Company had issued compulsory redeemable preference shares @0.001% (below market rate). The same were recorded at cost under previous GAAP. The Company has redeemed such preference shares during the current year. Under Ind As, the preference shares is treated as compound financial instruments and accordingly, classified as financial liability and equity. The same is recognised at amortized cost and is discounted using market rate. The differential between Fair Value and Book Value is considered as equity portion of compound financial instrument.

- **Capital Reserve on amalgamation**

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

2.18 Borrowings

(₹ in Million)

Particulars	Footnote	Non-current maturities		Current maturities	
		As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Secured					
Term loans					
from banks	[1]	1,129	875	500	532
Vehicle Loan	[2]	19	29	18	26
Deferred sales tax liabilities					
State Industrial and Investment Corporation of Maharashtra Limited (SICOM)	[3]	2	7	6	8
		1,150	**911**	**524**	**566**
Less: Amount shown under other current financial liabilities (refer to note 2.25)		-	-	524	566
		1,150	**911**	**-**	**-**

Footnotes:

(₹ in million)

No.	Detail of Loan	As at 31 March 2020*	As at 31 March 2019*	Details of security / guarantee#
1	Term loan from banks(In INR)	1,255	915	Entire term loan is secured by first pari passu charge on all existing and future moveable fixed assets (excluding assets exclusively charged to other lenders) of the Company. Further, out of total loans (a) Loans aggregating to ₹ 507 million (Previous Year: ₹ 659 million) are secured by first pari passu charge on the immoveable properties of the Company situated at Sector 59, Noida (Uttar Pradesh) and Sector 32, Gurugram (Haryana). (b) Loans aggregating to ₹ 548 million (Previous Year: ₹ 105 million) are secured by first pari passu charge on the immoveable properties of the Company situated at Sector 59, Noida (Uttar Pradesh), Sector 32, Gurugram (Haryana), Plot No. D-225/1+D-226+227, Chakan Industrial Area, Bhamboli & Dhanivalli village, Murbad, (Maharashtra), Plot No 9 & 9A, Sector 10-Pantnagar (Uttrakhand), SIDCO Industrial Estate, Kakkalur (Chennai) and with by way of equitable mortage on land & building located at IMT, Bawal (Haryana) along with second pari passu charge on all the existing and future current assets of the Company. (c.) Loans aggregating to ₹ 200 million (Previous Year: ₹ 151 millions) are secured by immovable properties located at Sector 59, Noida (Uttar Pradesh), Sector 32, Gurugram (Haryana), Plot No. D-225/1+D-226+227, Chakan Industrial Area, Bhamboli (Maharashtra), Plot No 9 & 9A, Sector 10-Pantnagar (Uttrakhand) along with second pari passu charge on all the existing and future current assets of the Company.

No.	Detail of Loan	As at 31 March 2020*	As at 31 March 2019*	Details of security / guarantee#
	Term loan from banks-ECB (In USD)	374	492	Entire term loan is secured by first pari passu charge on all existing and future moveable fixed assets (excluding assets exclusively charged to other lenders) along with second pari passu charge on all the existing and future current assets of the Company. Further, out of total loans (a) Loans aggregating to ₹ 225 million (Previous Year: ₹ 327 million) are secured by first pari passu charge on the immoveable properties of the Company situated at Sector 59, Noida (Uttar Pradesh), Plot No. D-225/1+D-226+227, Chakan Industrial Area, Bhamboli (Maharashtra), Plot No 9 & 9A, Sector 10-Pantnagar (Uttrakhand), Sector 32, Gurugram (Haryana). (b) Loans aggregating to ₹ 149 million (Previous Year: ₹ 165 millions) are secured by First pari passu charge on the immoveable properties of the Company situated at Dhanivalli village, Murbad, (Maharashtra),SIDCO Industrial Estate, Kakkalur (Chennai).
2	Vehicle Loan from Kotak Mahindra Prime Ltd.	37	55	Vehicle loan is secured by way of hypothecation of respective vehicles.
3	Deferred sales tax liabilities (SICOM)	8	15	Unsecured
	Total	**1,674**	**1,477**	

*Net of transaction cost

Certain immovable properties considered as security against above borrowings have been transferred to the Company pursuant to scheme of amalgamation vide order dated 19 July 2019 are pending for registration in the name of the Company.

Terms of repayment:

(₹ in million)

Loan Category	Frequency of principal repayments	Interest rates	As at 31 March 2020		As at 31 March 2019	
			No. of Installments due	Amount	No. of Installments due	Amount
Term loan from banks (denominated in INR)	Quarterly repayments	7.95% to 9.95% (PY 9.00% to 10.00%)	20	500	-	-
			16	150	-	-
			4	44	8	89
			2	50	6	150
			2	4	6	13
			-	-	1	2
	Monthly repayments	8.15% to 8.75% (PY 8.75% to 10.10%)	40	26	49	29
			39	182	51	137
			25	75	37	111
			19	168	31	277
			18	30	30	50
			18	24	30	41
			1	1	13	15

Loan Category	Frequency of principal repayments	Interest rates	As at 31 March 2020		As at 31 March 2019	
			No. of Installments due	Amount	No. of Installments due	Amount
ECB loans (denominated in USD)	Quarterly repayments	Floating rate of 3 month-Libor plus spread ranging from 1.75% to 2.25%	2	18	6	49
			4	36	8	65
			11	171	15	213
			14	149	17	165
Vehicle Loan	Quarterly repayments	8.00% - 9.50% (PY 9.00% to 9.50%)	9-16	37	9-16	55

Maturity profile for the year ended 31 March 2020:

(₹ in Million)

Loan Category	Frequency of principal repayments	Up to 31 March 2021	Up to 31 March 2022	Up to 31 March 2023	Up to 31 March 2024	Up to 31 March 2025	Remaining tenure after 1 April 2025
Term loan from banks (INR denominated)	Quarterly repayments	99	113	138	138	138	124
	Monthly repayments	243	179	67	17	-	-
ECB loans (USD denominated)	Quarterly repayments	158	105	89	21	-	-
Deferred sales tax liabilities	Annual repayments	6	2				
Total		**506**	**399**	**294**	**176**	**138**	**124**
Vehicle Loan	Quarterly repayments	18	12	7	1	-	-

Maturity profile for the year ended 31 March 2019:

(₹ in Million)

Loan Category	Frequency of principal repayments	Up to 31 March 2020	Up to 31 March 2021	Up to 31 March 2022	Up to 31 March 2023	Up to 31 March 2024	Remaining tenure after 1 April 2024
Term loan from banks (INR denominated)	Quarterly repayments	155	99	-	-	-	-
	Monthly repayments	234	229	155	35	7	-
ECB loans (USD denominated)	Quarterly repayments	151	145	96	82	19	-
Deferred sales tax liabilities	Annual repayments	8	7	-	-	-	-
Total		**548**	**480**	**251**	**117**	**26**	**-**
Vehicle Loan	Quarterly repayments	18	18	12	7	-	-

2.19 Other financial liabilities

(₹ in Million)

Particulars	As at 31 March 2020	As at 31 March 2019
Deferred consideration payable	-	12
	-	**12**

2.20 Deferred tax liabilities (Net)

A. Amounts recognised in statement of profit and loss

(₹ in Million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Current tax		
Current tax	485	648
Adjustments in respect of current income tax of previous years	(5)	(20)
	480	**628**
Deferred tax		
Origination and reversal of temporary differences	(89)	47
Adjustments in respect of deferred tax of previous years	12	-
	(77)	**47**
Income tax expense reported in the statement of profit and loss	**403**	**675**

B. Unrecognised deferred tax assets:

(₹ in Million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Deferred tax assets have not been recognised in respect of following items, because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom		
Impairment loss on investments	2,225	-
Loss allowance on loans and receivable from related parties	571	-
Provision for corporate guarantee	870	-
	3,666	**-**
Unrecognised tax effect:		
The deductible temporary difference do not expire under current tax legislation	923	-

C. The Company has elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognized provision for income tax for the year ended 31 March 2020 and re-measured its deferred tax liability basis the rate prescribed in the said section. The full impact of this change amounting to Rs. 72 million has been recognized in the Statement of Profit and Loss.

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

(₹ in Million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Remeasurement of post employment benefit obligation	4	3
Income tax recognised in other comprehensive income/(expense)	**4**	**3**

E. Reconciliation of effective tax rate

Reconciliation of tax expense and the accounting profit/ (loss) multiplied by India's domestic tax rate for the year ended 31 March 2020 and 31 March 2019:

(₹ in Million)

Particulars	For the year ended 31 March 2020		For the year ended 31 March 2019	
	Rate	Amount	Rate	Amount
Profit before tax from continuing operations		**(2,008)**		**2,281**
Tax using the Company's domestic tax rate	25.17%	(505)	34.94%	797
Tax effect of:				
Provision for impairment of investments and receivables [refer note 2.20(B) above]	45.97%	923	-	-
Non-deductible expenses	0.96%	19	0.38%	9
Incremental allowance for research and development expenditure	-	-	-1.74%	(40)
Tax-exempt income - Dividend income	-0.44%	(9)	-0.61%	(14)
Tax incentives - 80IC, 80IA and 80JJAA deduction	-0.03%	(1)	-1.90%	(43)
Tax adjustment for earlier years	0.33%	7	-0.88%	(20)
Effect of change in tax rate	-2.22%	(45)	-	-
Others	0.69%	14	-0.61%	(14)
Effective tax rate	**20.05%**	**403**	**29.59%**	**675**

F. Movement of temporary differences

(₹ in Million)

Particulars		As at 1 April 2019	Recognised in profit or loss during 2019-20	Recognised in OCI during 2019-20	Impact of change in tax rate	Recognised in retained earnings during 2019-20	As at 31 March 2020
Deferred Tax Assets							
Accrued expense deductible on payment		12	10	-	(3)	-	19
Provision for gratuity and compensated absences		71	(4)	4	(20)	-	51
Loss allowance for trade receivables and advances		6	3	-	(2)	-	7
Ind AS 116 impact		-	-	-	-	33	33
	A	**89**	**9**	**4**	**(25)**	**33**	**110**
Deferred Tax Liabilities							
Difference in book written down value and tax written down value of property, plant and equipment		252	(23)	-	(70)	-	158
	B	**252**	**(23)**	**-**	**(70)**	**-**	**158**
Net deferred tax	**(A)-(B)**	**(163)**	**32**	**4**	**45**	**33**	**(48)**

(₹ in Million)

Particulars		As at 31 March 2018 Re-presented (Refer Note 2.47)	Recognised in profit or loss during 2018-19	Recognised in OCI during 2018-19	Creation/ (adjustment) of MAT from/ to advance tax	As at 31 March 2019
Deferred Tax Assets						
Accrued expense deductible on payment		13	(1)	-	-	12
Provision for gratuity and compensated absences		66	2	3	-	71
Loss allowance for trade receivables and advances		5	1	-	-	6
MAT credit entitlement		65	-	-	(65)	-
Brought forward losses		11	(11)	-	-	-
Others		10	(10)	-	-	-
	A	**170**	**(19)**	**3**	**(65)**	**89**
Deferred Tax Liabilities						
Difference in book written down value and tax written down value of property, plant and equipment		224	28	-	-	252
	B	**224**	**28**	**-**	**-**	**252**
Net deferred tax	**(A)-(B)**	**(54)**	**(47)**	**3**	**(65)**	**(163)**

2.21 Provisions

(₹ in Million)

Particulars	As at 31 March 2020	As at 31 March 2019
Non-current		
Provision for employee benefits		
- Gratuity*	106	44
- Compensated absence*	112	101
Other provisions		
- Provision for warranties (refer to note 2.21.1 below)	7	5
	225	**150**

*refer to note 2.21.2

2.21.1 Movement in warranty cost provision

The Company warrants that its products will perform in all material respects in accordance with the Company's standard specifications for the warranty period. Accordingly based on specific warranties, claims history, the Company provides for warranty claims. The activity in the provision for warranty costs is as follows:

(₹ in Million)

Particulars	As at 31 March 2020	As at 31 March 2019
At the beginning of the year	26	23
Provided during the year	10	14
Utilised during the year	(6)	(11)
At the end of the year	**30**	**26**
Current portion	23	21
Non- current portion	7	5

2.21.2 Employee benefits

a) Defined contribution plans

The Company's employee provident fund and Employee's state insurance schemes are defined contribution plans. The following amounts have been recognised as expense for the year and shown under Employee benefits expense in note 2.33.

(₹ in Million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Contribution towards		
-Provident fund	128	120
-Employee state insurance	9	13
	137	**133**

b) Defined benefit plans - Gratuity

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

(₹ in Million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Changes in the present value of the defined benefit obligation is as follows:		
Present value of defined benefit obligation at the beginning of the year	291	259
Interest cost	21	20
Acquisition Adjustment	(6)	8
Current service cost	42	33
Benefits paid	(41)	(39)
Actuarial loss / (gain) on obligation	19	10
Present value of defined benefit obligation at the end of the year	**326**	**291**
Changes in the present value of the plan asset is as follows:		
Fair value of plan asset at the beginning of the year	187	146
Return on plan asset	14	12
Contributions	4	31
Benefits paid	(2)	(2)
Actuarial gain / (loss) on obligation	1	-
Fair value of plan asset at the end of the year	**204**	**187**
Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets:		
Present value of defined benefit obligation at the end of the year	326	291
Fair value of plan asset at the end of the year	204	187
Net liability as at the close of the year	**(122)**	**(104)**
Expenses recognised in the statement of profit and loss:		
Current service cost	42	33
Interest cost	21	20
Expected return on plan assets	(14)	(12)
Expenses recognised in the statement of profit and loss:	**49**	**41**
Remeasurements income recognised in other comprehensive income:		
Actuarial loss/(gain) loss on defined benefit obligation	18	10
Expenses recognised in other comprehensive income:	**18**	**10**

	As at 31 March 2020	As at 31 March 2019
Actuarial assumptions:		
Discount rate	6.80%	6.95% to 7.71%
Expected salary increase rates	5.5% to 10%	5.5% to 10%
Mortality	100% of IALM 2012-14	100% of IALM 2006-08
Employee attrition rate		
-Up to 30 years of age	3% to 30%	3% to 30%
-From 31 years of age to 44 years of age	2% to 20%	2% to 20%
-Above 44 years of age	1% to 10%	1% to 10%

Note:

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

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

Sensitivity analysis:

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

(₹ in Million)

Particulars	For the year ended 31 March 2020		For the year ended 31 March 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (- / + 1%)	(25)	40	(23)	26
Future salary growth (- / + 1%)	37	(23)	23	(21)

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

Maturity profile:

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

(₹ in Million)

Particulars	As at 31 March 2020	As at 31 March 2019
1 year	17	22
2 to 5 years	70	81
More than 5 years	239	408

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

c) Other long term benefit - Compensated absences

The Company operates compensated absences plan, where in every employee is entitled to the benefit as per the policy of the Company in this regard. The salary for calculation of earned leave is last drawn salary. The same is payable during the service, early retirement, withdrawal of scheme, resignation by employee and upon death of employee.

The other long- term benefit of compensated absence in respect of employees of the Company as at 31 March 2020 amounts to ₹ 122 million (31 March 2019: ₹ 111 million) and the expense recognised in the statement of profit and loss during the year for the same amounts to ₹ 34 million (31 March 2019: ₹ 24 million) [Gross payment of ₹ 22 million (31 March 2019: ₹ 19 million)].

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

a) Asset volatility

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

b) Changes in discount rate

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

c) Inflation risks

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

d) Life expectancy

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

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

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

2.22 Other non-current liabilities

(₹ in Million)

Particulars	As at 31 March 2020	As at 31 March 2019
Security deposit	33	26
Others	1	4
	34	**30**

2.23 Borrowings

(₹ in Million)

Particulars	Footnote	As at 31 March 2020	As at 31 March 2019
Current			
Secured			
Cash credit and working capital demand loan			
from banks	[1]	1,169	1,422
Unsecured			
Purchase order financing facility			
from others parties	[2]	245	494
from banks	[3]	251	546
		1,665	**2,462**

Footnotes:

(₹ in million)

No.	Particulars*	As at 31 March 2020	As at 31 March 2019	Details of security
1	Cash Credit & working capital demand loan - from banks	1,153	1,422	Facility amounting to ₹ 1,146 million (Previous Year: ₹ 735 million) is secured by first pari passu charge on all the existing and future current assets of the company & facility amounting to ₹ 7 million (Previous Year: ₹ 29 million) is secured by first pari passu charge on all the existing and future stock & book debts of the company. Further amount aggregating to ₹ 637 million (Previous Year: ₹ 764 million) is secured by second pari-passu charge on all existing and future movable fixed assets (excluding assets exclusively charged to other lenders) of the company. Further, out of total amount (a) Amount aggregating to ₹ 510 million (Previous Year: ₹ 636 million) is secured by second pari passu charge on immovable properties of the company situated at Sector 59, Noida (Uttar pradesh), Sector 32, Gurugram (Haryana), Plot No. D-225/1+D-226+227, Chakan Industrial Area, Bhamboli & Dhanivalli village, Murbad, (Maharashtra), Plot No 9 & 9A, Sector 10-Pantnagar (Uttarakhand), SIDCO Industrial Estate, Kakkalur (Chennai) and equitable mortgage on land & building located IMT, Bawal (Haryana) (b) Amount aggregating to ₹ 7 million (Previous Year: ₹ 29 million) is secured by second pari passu charge on immovable properties of the company situated at Sector 59, Noida (Uttar pradesh), Sector 32, Gurugram (Haryana), Plot No. D-225/1+D-226+227, Chakan Industrial Area, Bhamboli & Dhanivalli village, Murbad, (Maharashtra), Plot No 9 & 9A, Sector 10-Pantnagar (Uttarakhand), SIDCO Industrial Estate, Kakkalur (Chennai). (c) Amount aggregating to ₹ 120 millions(Previous Year - ₹ 99 millions) is secured by second pari passu charge on immovable properties of the company situated at Sector 59, Noida (Uttar pradesh), Sector 32, Gurugram (Haryana), Plot No. D-225/1+D-226+227, Chakan Industrial Area, Bhamboli (Maharashtra), Plot No 9 & 9A, Sector 10-Pantnagar (Uttarakhand).
	Overdraft facility from banks	16	-	Secured by 100% margin on fixed deposits of the company
2	Purchase order financing facility from other parties	245	494	Unsecured
3	Purchase order financing facility from bank	251	546	Unsecured
	Total	**1,665**	**2,462**	

*Current borrowings are either payable in one installment within one year or repayable on demand. All current borrowings are denominated in rupee and interest rate is at 7.20% to 9.40% (31 March 2019: 8.40% to 11.00%)

2.24 Trade payables

(₹ in Million)

Particulars	As at 31 March 2020	As at 31 March 2019
- Total outstanding dues of micro enterprises and small enterprises (refer to note 2.24.1)	1,012	62
- Total outstanding dues of creditors other than micro enterprises and small enterprises	3,126	3,052
- Trade payables to related parties (refer to note 2.39)	81	261
	4,219	**3,375**

2.24.1 Details of dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006

Based on the information available, there are certain vendors who have confirmed that they are covered under the Micro, Small and Medium Enterprises Development Act, 2006. Disclosures as required by section 22 of 'The Micro, Small and Medium Enterprises Development Act, 2006, are given below:

(₹ in Million)

S. No.	Particulars	As at 31 March 2020	As at 31 March 2019
(i)	the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of year		
	- Principal amount	1,008	61
	- Interest thereon	4	1
		1,012	**62**
(ii)	the amount of interest paid in terms of section 16, along with the amounts of the payment made to the suppliers beyond the appointed day:		
	- Principal amount	4,083	-
	- Interest thereon	-	-
		4,083	**-**
(iii)	the amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	35	-
		35	**-**
(iv)	the amount of interest accrued and remaining unpaid	39	1
		39	**1**

2.25 Other current financial liabilities

(₹ in Million)

Particulars	As at 31 March 2020	As at 31 March 2019
Current maturities of (refer note 2.18)		
- Term loans	500	532
- Vehicle loan	18	26
- Deferred payment liability	6	8
Interest accrued but not due on borrowings	15	14
Mark to market loss on derivatives	7	-
Salaries, wages and bonus payable	165	220
Creditors for capital items	178	74
Other payables	101	11
Payable against corporate guarantee (refer note 2.49)	870	-
	1,860	**885**

2.26 Other current liabilities

(₹ in Million)

Particulars	As at 31 March 2020	As at 31 March 2019
Statutory dues payable	66	193
Advances from customers	99	120
Deferred revenue	3	3
Others	10	1
	178	**317**

2.27 Provisions

(₹ in Million)

Particulars	As at 31 March 2020	As at 31 March 2019
Current		
Provision for employee benefits		
- Gratuity*	16	60
- Compensated absence*	10	10
Others		
- Provision for warranties (refer to note 2.21.1)	23	21
	49	**91**

*refer to note 2.21.2

2.28 Current tax liabilities

(₹ in Million)

Particulars	As at 31 March 2020	As at 31 March 2019
- Provision for income tax (net of advance income tax)	28	56
	28	**56**

2.29 Revenue from operations

(₹ in Million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Sale of products		
- Manufactured goods	19,795	22,393
- Traded goods	1,106	899
	20,901	**23,292**
Other operating revenues		
- Royalty	39	38
- Technical know-how and service income	226	190
- Job work income	14	41
- Sale of scrap	47	48
- Duty draw back and other export benefits	58	61
- Other operating income	20	38
Other operating revenues	**404**	**416**
Revenue from operations	**21,305**	**23,708**

2.30 Other income

(₹ in Million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest income :		
-on fixed deposits	286	207
-on loans	63	63
-on others	2	2
-on income tax refund	-	4
Financial assistance fee	9	11
Provisions/liabilities no longer required, written back	34	23
Rental income (refer to note 2.38)	6	-
Dividend income	35	79
Exchange fluctuations (net)	28	-
Miscellaneous income	16	21
	479	**410**

2.31 Cost of materials consumed

(₹ in Million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Raw materials consumed (includes packing material and components)		
Opening stock	1,280	1,117
Add: Purchases during the year	12,860	14,723
	14,140	15,840
Less: Closing stock	1,763	1,280
	12,377	**14,560**

2.32 Changes in inventories of finished goods, stock in trade and work in progress

(₹ in Million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Finished goods and stock in trade		
Opening stock	832	568
Less: Closing stock	834	832
	(2)	**(265)**
Work in progress		
Opening stock	390	230
Less: Closing stock	583	390
	(193)	**(160)**
Decrease in inventories	**(195)**	**(425)**

2.33 Employee benefits expense

(₹ in Million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries and wages	3,031	3,026
Contribution to		
- Provident fund and other funds	138	144
- Gratuity fund (refer to note 2.21.2)	49	41
Employees stock compensation expense	3	17
Staff welfare	132	180
	3,353	**3,408**

2.34 Finance Costs

(₹ in Million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest expense :		
on borrowings from banks	264	300
on borrowings from others	30	8
on lease liabilities	59	-
Other borrowing costs	36	36
	389	**344**

2.35 Other Expenses

(₹ in Million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Job work charges	482	479
Consumption of stores and spare parts	227	265
Power and fuel	456	432
Rent (refer to note 2.38)	22	207
Repairs - buildings	43	43
Repairs - plant and machinery	118	125
Repairs - others	105	90
Travelling and conveyance	268	332
Legal and professional (refer to note 2.40)	254	160
Communication	40	39
Charity and donations	2	2
Allowance for expected credit loss	7	8
Insurance	30	28
Rates and taxes, excluding taxes on income	14	17
Exchange fluctuations (net)	-	2
Warranty expenses	10	14
Loss on sale/discard of fixed assets (net)	15	9
Advertisement and business promotion	72	85
Freight and forwarding	325	305
Bank charges	23	12
Corporate social responsibility (refer to note 2.43)	37	26
Bad debts/amounts written off	1	-
Miscellaneous	127	130
	2,678	**2,810**

2.35.1 Research and development expenses **

The Company has incurred following expenditure on its in-house Research and Development Center :

(₹ in Million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Raw material consumed	2	2
Salaries	148	147
Contribution to provident fund and other funds	14	14
Staff welfare	5	6
Rent	-	-
Repair and maintenance	7	8
Travelling and conveyance	22	22
Legal and professional	2	2
Communication	2	2
Insurance	1	1
Miscellaneous	18	30
Other operating revenue	(125)	(46)
	96	**188**

** Excluding finance costs, depreciation, amortisation and impairment. Capital expenditure incurred on approved Research and Development center during current financial year is ₹ 16 million (31 March 2019: ₹ 39 million).

2.36 Capital and other commitments

Capital Commitments: Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 596 million (31 March 2019: ₹ 105 million)

2.37 Contingent liabilities

(₹ in Million)

Particulars	As at 31 March 2020	As at 31 March 2019
Claims against the Company not acknowledged as debts*		
a) Income-tax	16	5
b) Sales tax/ VAT {Amount paid under protest ₹ 1 million (previous year: ₹ 2 million)}	3	8
c) Excise duty / Service tax / Custom duty {Amount paid under protest ₹ 4 million (previous year: ₹ 1 million)}	9	6

* Including claims in respect of transferor companies merged into Minda Corporation Limited, pursuant to scheme of merger (refer note 2.47), though the litigations may be continuing in the name of transferor companies, however any liability arising in future relating to these disputes will be borne by the Company.

1. The above matters are subject to legal proceedings in the ordinary course of business. The legal proceedings, when ultimately concluded will not, in the opinion of the management, have a material effect on the results of the operations or financial position.

2. It is not practical for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements / decisions pending with various forums/ authorities.

3. Pursuant to recent judgement by the Hon'ble Supreme Court dated 28 February 2019, it was held that basic wages for the purpose of provident fund, to include special allowances which are common for all employees. However there is uncertainty with respect to the applicable of the judgement and period from which the same applies. The Company has estimated the impact of the same from based on a prospective approach- w.e.f. 1 March 2019 and has recognized the same in the financial statements.

   Owing to the aforesaid uncertainty and pending clarification from the authority in this regard, the Company has not recognised any provision for the previous years. Further management also believes that the impact of the same on the Company will not be material.

4. During the year ended 31 March 2017, one party raised a damage claim against the Company by filing a request with International Chamber of Commerce in Paris. The claim is based on Letter of Comfort ("LOC") signed between party and the Company. At the time of entering into the above mentioned LOC, the Company also obtained indemnity letter from ultimate parent of party, indemnifying the Company against any loss arising from the LOC. Based on legal opinion and the indemnification from ultimate parent of party, the management is of the view that there is no financial implication on the Company in respect of this damage claim.

Others

Corporate guarantees given by company

(₹ in Million)

Particulars	As at 31 March 2020	As at 31 March 2019
Furukawa Minda Electric Private Limited, India	-	207
Minda KTSN Plastic Solutions GmbH & Co. KG, Germany (refer note 2.49)	44	1,935

Movement of guarantees given to related parties

(₹ in Million)

Particulars	Minda KTSN Plastic Solutions GmbH & Co. KG, Germany	Furukawa Minda Electric Private Limited, India
Balance as at 31 March 2018	**1,718**	**609**
Given during the year	1,320	-
Settled / adjusted during the year	1103	402
Balance as at 31 March 2019	**1,935**	**207**
Given during the year	60	-
Settled / adjusted during the year	1,081	207
Liability recognised during the year #	870	-
Balance as at 31 March 2020*	**44**	**-**

Purpose of Guarantees: Working capital requirement

* These corporate guarantees include guarantees given in foreign currency and closing value has been calculated at year end exchange rate.

Refer note 2.49

2.38 Leases

As a Lessee

The Company has adopted Ind AS 116 'Leases' with the date of initial application being 1 April 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The Company has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 April 2019. As a result, the comparative information has not been restated. In adopting Ind AS 116, the Company has applied the below practical expedients:

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

The Company has discounted lease payments using the applicable incremental borrowing rate as at 1 April 2019, which is 9.5% for measuring the lease liability.

Information about leases for which the Company is a lessee is presented in note 2.1(b).

(₹ in Million)

Lease liabilities	As at 31 March 2020
Balance at 1 April 2019	-
Transition impact of Ind AS 116	689
Add: Interest	59
Less: Repayment	204
Balance at 31 March 2020	**544**
Current	168
Non-current	376

(₹ in Million)

Particulars	For the year ended 31 March 2020
Amounts recognised in Statement of Profit and Loss	
Interest on lease liabilities	59
Depreciation expense	164
Expenses relating to short-term leases and leases of low-value assets	22
Amounts recognised in Cash Flow Statement	
Repayment of lease liabilities	204
Interest paid on lease liabilities	59

The impact on the statement of profit and loss for the year ended 31 March 2020 is as follows:

(₹ in Million)

Particulars	For the year ended 31 March 2020
Rental expense is lower by	204
Depreciation is higher by	(164)
Finance cost is higher by	(59)
Profit before tax is higher/ (lower) by	**(19)**

The difference between the future minimum lease rental commitments towards non-cancellable operating leases and finance leases reported as at 31 March 2019 compared to the lease liability as accounted as at 1 April 2019 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases and reduction due to discounting of the lease liabilities as per the requirement of Ind AS 116.

Most of the leases entered by the Company are long term in nature and the underlying leased properties are being used as manufacturing plants. The Company doesn't foresee any major changes in lease terms or the leases in the foreseeable future as per current business projections after considering the impact of COVID-19.

As a Lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

(₹ in Million)

The future minimum lease rentals income in respect of non-cancellable operating leases	As at 31 March 2020
-Within one year	17
-Later than one year and not later than five years	50
-Later than five years	-

(₹ in Million)

Particulars	For the year ended 31 March 2020
Lease rent income recognised in the Statement of profit and loss (Refer note 2.30)	6

Operating lease commitments under Ind AS 17

(₹ in Million)

Non-cancellable operating lease commitments	As at 31 March 2019
-Within one year	18
-Later than one year and not later than five years	36
-Later than five years	-

(₹ in Million)

Particulars	For the year ended 31 March 2019
Lease rent recognised in the Statement of profit and loss (Refer note 2.35)	207

2.39 Related Party Disclosures

A) Related parties where control exists

Related parties and nature of related party relationships

	Description of relationship	Name of the party
(i)	Subsidiary	Minda Europe B.V., Netherlands
		Minda KTSN Plastic Solution GMBH & Co.KG, Germany
		Spark Minda Foundation
		P T Minda Automotive, Indonesia
		Minda Vietnam Automotive Co. Ltd., Vietnam
		P T Minda Automotive Trading, Indonesia
		Almighty International PTE Limited, Singapore
		Minda KTSN Plastic Solutions Mexico, S. de R.L. de C.V, Mexico
		Minda KTSN Plastic Solutions S.R.O., Czech Republic
		Minda KTSN Plastic and Tooling Solutions Sp. Z.o.o, Poland,
		KTSN Kunststoffechnik Sachsen Beteiligung, Germany
		Minda Corporation limited - Employee Stock Option Scheme trust

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

	Description of relationship	Name of the party
(i)	Jointly control entity / Associate	Minda Stoneridge Instruments Limited, India
		Minda Vast Access Systems Private Limited, India
		Furukawa Minda Electric Private Limited, India (Formerly Known as Minda Furukawa Electric Private Limited) (Refer note : 2.48)
(ii)	Key Managerial Personnel	Mr. Ashok Minda - Chairman
		Mr. Sudhir Kashyap - Executive Director and CEO (Till 15 October 2019)
		Mr. R. Laxman - Executive Director and Group CFO (W.e.f. 26 September 2019)
		Mr. Sanjay Aneja - CFO (Till 25 September 2019)
		Mr. Ashim Vohra - COO
		Mr. Ajay Sancheti - Company Secretary
(iii)	Relative of Key Managerial Personnel	Mrs. Sarika Minda-Relative of Mr. Ashok Minda
		Mr. Aakash Minda - Relative of Mr. Ashok Minda
(iv)	Enterprise in which directors of the Company and their relatives are able to exercise significant influence:	Minda Capital Private Limited, India
		Minda S.M. Technocast Private Limited , India (Amalgamated with Minda Capital Private Limited w.e.f March 15, 2019)
		Minda Silca Engineering Private Limited, India
		Minda Spectrum Advisory Limited, India

C) Details of transactions and balances with related parties

(₹ in Million)

Party name	Year	Sale of goods	Job work/ Service income recovered during the year	Other income / expenses recovered during the year	Purchase of goods during the year	Management fees Income	Lease liability (including interest)/ Rent Payment	Remuneration paid	Other expenses paid / reimbursed during the year	Investments made during the year	Dividend Income
Subsidiary Companies											
Minda KTSN Plastic Solution GMBH & Co.KG, Germany	2019-20	-	-	55	-	-	-	-	1	197	-
	2018-19	-	-	67	-	20	-	-	3	622	-
P T Minda Automotive, Indonesia	2019-20	140	-	32	-	10	-	-	-	-	-
	2018-19	170	-	31	-	13	-	-	-	-	-
P T Minda Automotive Trading, Indonesia	2019-20	15	-	-	-	-	-	-	-	-	-
	2018-19	21	-	-	-	-	-	-	-	-	-
Minda Vietnam Automotive Co. Ltd., Vietnam	2019-20	17	-	8	1	2	-	-	-	-	-
	2018-19	9	-	7	1	2	-	-	-	-	-
Almighty International Private Limited	2019-20	-	-	-	-	-	-	-	-	-	35
	2018-19	-	-	-	-	-	-	-	-	-	79
Spark Minda Foundation	2019-20	-	-	-	-	-	-	-	37	-	-
	2018-19	-	-	-	-	-	-	-	25	-	-
Joint Venture											
Minda VAST Access System Private Limited	2019-20	141	8	12	27	12	-	-	4	-	-
	2018-19	243	4	19	15	16	-	-	-	-	-
Minda Stoneridge Instruments Limited	2019-20	5	-	24	114	43	-	-	4	-	-
	2018-19	1	8	5	136	54	-	-	6	-	-
Furukawa Minda Electric Private Limited	2019-20	37	13	-	-	-	-	-	-	-	-
	2018-19	44	36	-	2	-	-	-	-	-	-
Enterprise in which directors of the Company and their relatives exercise significant influence:											
Minda Silca Engineering Limited	2019-20	36	-	-	99	4	-	-	-	-	-
	2018-19	27	-	-	92	4	-	-	-	-	-
Minda Capital Limited	2019-20	-	-	-	-	-	150	-	-	-	-
	2018-19	-	-	-	-	6	142	-	4	-	-
Minda Spectrum Advisory Limited	2019-20	-	-	-	-	-	-	-	-	-	-
	2018-19	-	-	-	-	-	-	-	-	-	-

(₹ in Million)

Party name	Year	Sale of goods	Job work/ Service income recovered during the year	Other income / expenses recovered during the year	Purchase of goods during the year	Management fees Income	Lease liability (including interest)/ Rent Payment	Remuneration paid	Other expenses paid / reimbursed during the year	Investments made during the year	Dividend Income
Key Managerial Personnel:											
Mr. Ashok Minda*	2019-20	-	-	-	-	-	-	34	-	-	-
	2018-19	-	-	-	-	-	-	48	-	-	-
Mr. Sudhir Kashyap	2019-20	-	-	-	-	-	-	19	-	-	-
	2018-19	-	-	-	-	-	-	34	-	-	-
Mr. Laxman Ramnarayan*	2019-20	-	-	-	-	-	-	21	-	-	-
	2018-19	-	-	-	-	-	-	27	-	-	-
Mr. Sanjay Aneja	2019-20	-	-	-	-	-	-	7	-	-	-
	2018-19	-	-	-	-	-	-	10	-	-	-
Mr Ashim Vohra*	2019-20	-	-	-	-	-	-	11	-	-	-
	2018-19	-	-	-	-	-	-	16	-	-	-
Mr. Ajay Sancheti*	2019-20	-	-	-	-	-	-	6	-	-	-
	2018-19	-	-	-	-	-	-	7	-	-	-
Relative of Key Managerial Personnel:											
Mr. Aakash Minda	2019-20	-	-	-	-	-	1	-	-	-	-
	2018-19	-	-	-	-	-	-	-	-	-	-

* Does not include provisions for gratuity and compensated absences liabilities, since the provisions are based on actuarial valuations for the Company as a whole.

C) Details of transactions and balances with related parties (Cont.):

(₹ in Million)

Party name	Year	Loan given during the year	Loan recovered or adjusted during the year	Purchase of Property plant and equipment during the year	Security Deposit as at the year end	Trade Receivable as at the year end	Other Receivable as at the year end	Lease liability payable as at the year end	Payable as at the year end	Loan receivable at the year end	Investments as at the year end	Guarantee Outstanding as at the year end
Subsidiary Companies												
Minda Europe B.V. Netherlands	2019-20	-	-	-	-	-	-	-	-	-	-*	-
	2018-19	-	-	-	-	-	-	-	-	-	17	-
Minda KTSN Plastic Solution GMBH & Co.KG, Germany	2019-20	414	235	-	-	-*	-*	-	4	-*	-*	44
	2018-19	761	1,039	-	-	-	133	-	1	230	2,011	1,935
P T Minda Automotive, Indonesia	2019-20	-	-	-	-	62	-	-	-	-	-	-
	2018-19	-	-	-	-	67	-	-	-	-	-	-
P T Minda Automotive Trading, Indonesia	2019-20	-	-	-	-	-	-	-	-	-	-	-
	2018-19	-	-	-	-	6	-	-	-	-	-	-
Minda Vietnam Automotive Co. Ltd., Vietnam	2019-20	-	-	-	-	8	-	-	1	-	-	-
	2018-19	-	-	-	-	6	-	-	-	-	-	-
Almighty International Private Limited	2019-20	-	-	-	-	-	-	-	-	-	560	-
	2018-19	-	-	-	-	-	-	-	-	-	560	-
Spark Minda Foundations	2019-20	-	-	-	-	-	-	-	-	-	-	-
	2018-19	-	-	-	-	-	-	-	-	-	-	-
Minda Corporation Limited-Employee Stock Option Scheme Trust	2019-20	-	-	-	-	-	86	-	-	102	-	-
	2018-19	-	21	-	-	-	80	-	-	102	-	-
Joint Venture												
Minda VAST Access System Private Limited	2019-20	-	-	-	-	48	-	-	4	-	-	-
	2018-19	-	-	-	-	60	-	-	8	-	-	-
Minda Stoneridge Instruments Limited	2019-20	-	-	-	-	14	-	-	25	-	651	-
	2018-19	-	-	-	-	17	-	-	23	-	651	-
Furukawa Minda Electric Private Limited	2019-20	-	-	-	-	35	-	-	15	-	273	-
	2018-19	-	-	-	-	37	-	-	17	-	273	207

(₹ in Million)

Party name	Year	Loan given during the year	Loan recovered or adjusted during the year	Purchase of Property plant and equipment during the year	Security Deposit as at the year end	Trade Receivable as at the year end	Other Receivable as at the year end	Lease liability payable as at the year end	Payable as at the year end	Loan receivable at the year end	Investments as at the year end	Guarantee Outstanding as at the year end
Enterprise in which directors of the Company and their relatives exercise significant influence:												
Minda Silca Engineering Limited	2019-20	-	-	-	-	4	-	-	31	-	-	-
	2018-19	-	-	4	-	3	-	-	14	-	-	-
Dorset Kaba Security Systems Private Limited	2019-20	-	-	-	-	-	-	-	-	-	-	-
	2018-19	-	-	-	-	-	-	-	-	-	-	-
Minda Capital Limited	2019-20	-	-	-	39	4	-	304	2	-	15	-
	2018-19	-	-	-	37	4	-	-	-	-	13	-
Minda Spectrum Advisory Limited	2019-20	-	-	-	-	-	-	-	-	-	-	-
	2018-19	-	-	-	-	-	-	-	-	-	-	-
Key Managerial Personnel:												
Mr. Ashok Minda	2019-20	-	-	-	-	-	-	-	5	-	-	-
	2018-19	-	-	-	-	-	-	-	1	-	-	-
Mr. Sudhir Kashyap	2019-20	-	-	-	-	-	-	-	-	-	-	-
	2018-19	-	-	-	-	-	-	-	-	-	-	-
Mr. Laxman Ramnarayan	2019-20	-	-	-	-	-	-	-	-	-	-	-
	2018-19	-	-	-	-	-	-	-	1	-	-	-
Mr. Sanjay Aneja	2019-20	-	-	-	-	-	-	-	-	-	-	-
	2018-19	-	-	-	-	-	-	-	-	-	-	-
Mr Ashim Vohra	2019-20	-	-	-	-	-	-	-	-	-	-	-
	2018-19	-	-	-	-	-	1	-	-	-	-	-
Relative of Key Managerial Personnel:												
Mr. Aakash Minda	2019-20	-	-	-	-	-	-	-	-	-	-	-
	2018-19	-	-	-	-	-	-	-	-	-	-	-

* Refer note 2.49

2.40 Auditor's Remuneration (including payment for erstwhile subsidiary Companies, excluding taxes)

Legal and professional expense includes auditor's remuneration as follows: (₹ in Million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Statutory audit	6	8
Limited reviews includes consolidation	4	4
Others	2	8
Reimbursement of expenses	2	1
	14	**21**

2.41 Employee Share-Based Payment Plans

The members of the Company had approved 'Employee Stock Option Scheme, 2017' through Postal Ballot on February 10, 2017. The plan envisaged grant of stock options to eligible employees at an exercise price equal to the latest available closing price discounted by 50% or such other percentage as may be decided by the Nomination and Remuneration Committee.

Under the Plan, upto 5,341,840 stock options can be issued to eligible employees of the Company and its subsidiaries, whether working in India or out of India, including any Director of the Company and its subsidiaries, whether whole time or otherwise excluding the Independent Directors. Options are to be granted at price equal to the latest available closing price discounted by 50% or such other percentage as may be decided by the Nomination and Remuneration Committee. Under the Plan, each option, upon vesting, shall entitle the holder to acquire one equity share of ₹ 2 each. The options granted will vest gradually over a period not earlier than one year and not later than five years from the date of Grant of such Options. Vesting of Options is a function of achievement of performance criteria or any other criteria, as specified by the Committee and communicated in the grant letter.

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

Sr. No.	Vesting Schedule		
	% of options scheduled to vest	Vesting date	Lock-in period
1	20%	April 01, 2018	Nil
2	20%	April 01, 2019	Nil
3	20%	April 01, 2020	Nil
4	40%	April 01, 2021	Nil

The movement in the stock options under the Plan, during the year, is set out below:

Particulars	For the year ended 31 March 2020		For the year ended 31 March 2019	
	Number of options	Weight average Excise Price (₹)	Number of options	Weight average Excise Price (₹)
Outstanding at the beginning of the year	1,376,000	50	1,830,000	50
Granted during the year	30,000	50	-	-
Exercised during the year	(282,000)	50	(346,200)	50
Forfeit during the year	(536,000)	50	(107,800)	50
Outstanding at the end of the year	588,000	50	1,376,000	50
Exercisable at the end of the year	-	-	-	-

Stock compensation expense in relation to stock options granted to employee of subsidiaries / step-down subsidiaries/ Jointly controlled entities and associates is ₹ 0.09 million (Previous year ₹ Nil)

Stock compensation expense under the Fair Value Method has been determined based on fair value of the stock options. The fair value of stock options was determined using the Black Scholes option pricing model with the following assumptions:

Particulars	Employee stock option scheme 2017
Expected volatility	48%
Risk free interest rate	7%
Exercise price (₹)	50
Expected dividend yield	1%
Life of options (years)	4
Weighted average fair value of options as at the grant date (₹)	93

2.42 Information pursuant to clause 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Loans and advances in the nature of loans / advances to wholly-owned subsidiary companies is as under:

(₹ in Million)

Particulars	As at		Maximum balance during the year ended	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Minda KTSN Plastic Solution GMBH & Co.KG, Germany	-*	230	522	784
Minda Corporation Ltd. Employees Stock Option Scheme	102	102	102	122

* Refer note 2.49

2.43 During the current year, as required under section 135 of the Act, the Company has spent ₹ 37 million (previous year ₹ 26 million) towards the corporate social responsibility (CSR activity). Relevant disclosures for amount to be spent vis a viz amount spent during the year are as below :

(₹ in Million)

Particulars		For the year ended 31 March 2020	For the year ended 31 March 2019
A.	Gross amount required to be spent	30	26

B. Amount spent during the year ended 31 March 2020

S. No.	Project/ Activity	Paid in cash	Yet to be paid	Total
1	Contribution to Company formed under section 8 of Companies Act 2013 for the purpose, including promoting and preventing Health care & sanitation	37	-	37
	Total	37	-	37

C. Amount spent during the year ended 31 March 2019

(₹ in Million)

S. No.	Project/ Activity	Paid in cash	Yet to be paid	Total
1	Kshatriya Maratha Samaj, Shrivardhan	1	-	1
2	Contribution to Company formed under section 8 of Companies Act 2013 for the purpose, including promoting and preventing Health care & sanitation	25	-	25
	Total	26	-	26

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

2.45 As per Ind-AS 108, Operating segments have been defined based on the regular review by the Company's Chief Operating Decision Maker to assess the performance of each segment and to make decision about allocation of resources. The Company's business activities fall within single primary business segment, viz, manufacturing of Automobile Components and Parts thereof. Accordingly, disclosures under Ind AS 108, Operating Segments are not required to be made.

2.46 The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and noted that there are no foreseeable losses on long term contracts. Accordingly, no provision is required to be created in the books of account under any law / accounting standards.

2.47 (a) For the year ended 31 March 2019 Pursuant to the Scheme of Amalgamation ('Scheme') under the provisions of Section 230 to 232 of the Companies Act, 2013, for amalgamation of Minda SAI Limited, Minda Automotive Solutions Limited, Minda Management Services Limited, Minda Autoelectrik Limited and Minda Telematics and Electric Mobility Solutions Private Limited (formerly EI Labs India Private Limited) (together referred to as "transferor companies"), into Minda Corporation Limited ("Transferee Company") as approved by the Hon'ble National Company Law Tribunal vide its order dated 19 July 2019, all the assets, liabilities, reserves and surplus of the transferor companies have been transferred to and vested in the Company without any consideration. The Company has received the certified copy of the order and has filed the order copy with ROC, Delhi. The Transferor Companies being wholly owned subsidiaries of the Company neither any shares are required to be issued nor any consideration was paid. For certain subsidiaries, an amount of ₹ 460 million, being difference between the amount of investment in the Equity shares of the Transferor companies appearing in the books of account of the Transferee Company and the amount of issued, subscribed and paid-up share capital standing credited in the book of account of the Transferor Companies is transferred to capital reserve in the books of account of the Transferee Company. Further, for certain other subsidiaries, an amount of ₹ 204 million being excess of difference between Investment in equity shares of the Transferor companies and paid-up share capital of all the transferor companies were presented under Goodwill. Consequently during the previous year, the Standalone Financial Statements for the year ended 31 March 2019 which were earlier approved by Board of Directors at their meeting held on 28 May 2019 have been revised only to give effect to the aforesaid Scheme of Amalgamation.

(b) Accordingly, in the previous year, the amalgamation has been accounted under the 'pooling of interests' method in accordance with Appendix C of Ind AS 103 'Business Combinations' and comparatives were re-presented for amalgamation with effect from the beginning of the preceding period.

2.48 The Board of Directors of the Company vide their meeting held on 20 November 2018 approved the Share Purchase Agreement ('SPA') for sale of 20,860,000 fully paid up equity shares in Minda Furukawa Electric Private Limited ('MFEPL') to its JV partners, namely Furukawa Electric Co., Ltd. and Furukawa Automotive Systems Inc. ('together referred to as FEC entities') and also approved the restated JV agreement between Minda Corporation Limited and FEC entities. In accordance with said SPA, the Company has sold said equity shares on 28 December 2018 which has resulted in reduction in its investment from 51% to 30%. Further, as per the said SPA, MFEPL has issued 19,000,000 equity shares of ₹ 10 each for cash at par on 7 January 2019, thereby diluting the equity share holding of Company to 25%. Pursuant to sale of shares, the Company has recognised gain of ₹ 43 million as exceptional item in the statement of standalone profit and loss.

2.49 The Board of Directors of the Company, subsequent to the year-end, in their meeting held on 09 June 2020 have decided to withdraw the financial support to its material wholly owned subsidiary Minda KTSN Plastic Solutions GmbH Co. & KG, Germany (MKTSN) (including its step down subsidiaries), pursuant to which MKTSN has filed for insolvency. Accordingly, MKTSN has prepared its financial statements for the year ended 31 March 2020 on the assumption that the fundamental accounting assumption of going concern is no longer appropriate. Accordingly, management has assessed the recoverability of investment, loans and other receivables given to MKTSN based on the financial statements of MKTSN and has recorded impairment loss of ₹ 2,796 million in respect of its investments, loans and other receivables from MKTSN. Further, the management has also provided for ₹ 870 million pursuant to guarantee given by the Company to banks in respect of loans taken by MKTSN. The total charge of ₹ 3,666 million has been presented as exceptional items in the Statement of Profit and Loss. Break up is as follows :-

(₹ in Million)

Particulars	For the year ended 31 March 2020
Loss allowance for doubtful loans	414
Loss allowance for interest accrued on loan to related parties and receivable from related parties	157
Provision for impairment loss for investment in Minda KTSN Plastic Solutions GmbH & Co. KG, Germany and Minda Europe B.V., Netherlands	2,225
Provision for corporate guarantee	870
Total	**3,666**

2.50 In March 2020, the World Health Organisation declared the COVID-19 to be a pandemic. Consequent to this, Government of India declared a nationwide lockdown on 25 March 2020, which has impacted the business activities of the Company. The Company has assessed the impact that may result from this pandemic on its liquidity position, carrying amount of receivables, inventories, tangible and intangible assets, investment and other assets / liabilities. In developing the assumptions relating to the possible future uncertainties in the global economic condition because of this pandemic, the company has considered internal and external information available till the date of approval of these financial statements and has assessed its situation. In that context and based on the current estimates the Company believes that COVID-19 is not unlikely to have any material impact on financial statements, liquidity or ability to service its debt or other obligations. However the overall economic environment, being uncertain due to COVID-19, may affect the underlying assumptions and estimates in future, which may differ from those considered as at the date of approval of these financial statements. The Company would closely monitor such developments in future economic conditions and consider their impact on financial statement of the relevant periods.

2.51 Financial instruments – Fair values and risk management

a. Financial instruments – by category and fair values hierarchy

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

i. As on 31 March 2020

(₹ in Million)

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets							
Non-current							
(i) Investments excluding investment in subsidiaries, jointly controlled entities and associate	-	-	14	14	-	-	-
(ii) Loans	-	-	215	215	-	-	-
(iii) Other financial assets	-	-	87	87	-	-	-
Current							
(i) Trade receivables	-	-	3,270	3,270	-	-	-
(ii) Cash and cash equivalents	-	-	185	185	-	-	-
(iii) Other bank balances	-	-	3,763	3,763	-	-	-
(iv) Loans	-	-	7	7	-	-	-
(v) Other financial assets	-	-	45	45	-	-	-
Total	**-**	**-**	**7,586**	**7,586**			
Financial liabilities							
Non-current							
(i) Borrowings	-	-	1,150	1,150	-	-	-
(ii) Lease Liability	-	-	376	376	-	-	-
(iii) Other financial liabilities	-	-	-	-			
Current					**-**	**-**	**-**
(i) Borrowings	-	-	1,665	1,665	-	-	-
(ii) Lease Liability	-	-	168	168	-	-	-
(ii) Trade payables	-	-	4,220	4,220			
(iii) Other financial liabilities	-	-	1,860	1,860			
Total	**-**	**-**	**9,439**	**9,439**			

ii. As on 31 March 2019

(₹ in Million)

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets							
Non-current							
(i) Investments excluding investment in subsidiaries, jointly controlled entities and associate	-	-	13	13	-	-	-
(ii) Loans	-	-	203	203	-	-	-
(iii) Other financial assets	-	-	221	221	-	-	-
Current							
(i) Trade receivables	-	-	4,478	4,478	-	-	-
(ii) Cash and cash equivalents	-	-	63	63	-	-	-
(iii) Other bank balances	-	-	3,157	3,157	-	-	-
(iv) Loans	-	-	238	238	-	-	-
(v) Other financial assets	-	-	280	280	-	-	-
Total	**-**	**-**	**8,653**	**8,653**	-	-	-
Financial liabilities							
Non-current							
(i) Borrowings	-	-	911	911	-	-	-
(ii) Other financial liabilities	-	-	12	12	-	-	-
Current					**-**	**-**	**-**
(i) Borrowings	-	-	2,462	2,462	-	-	-
(ii) Trade payables	-	-	3,375	3,375	-	-	-
iiii) Other financial liabilities	-	-	885	885	-	-	-
Total	**-**	**-**	**7,645**	**7,645**	-	-	-

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

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

There have been no transfers between Level 1, Level 2 and Level 3 for the years ended 31 March 2020 and 31 March 2019.

Valuation technique used to determine fair value

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

Valuation processes

The Company has an established control framework with respect to the measurements of the fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements and reports to Senior Management. The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

b. Financial risk management

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

- Credit risk ;

- Liquidity risk ; and

- Market risk - Foreign exchange

- Market risk - Interest rate

Risk management framework

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

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

b. Financial risk management (continued)

(i) Credit risk

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

(₹ in Million)

Particulars	As at 31 March 2020	As at 31 March 2019
Investments	1,499	3,525
Trade receivables	3,270	4,478
Cash and cash equivalents	185	63
Other bank balances	3,763	3,157
Loans	222	440
Other financial assets	132	501

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, loans.

Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies.

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Trade receivables are unsecured and are derived from revenue earned from customers primarily located in India. The Company does monitor the economic environment in which it operates. The Company manages its credit risk through credit approvals, establishing credit limits and continuously monitoring credit worthiness of customers to which the Company grants credit terms in the normal course of business.

Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. As per Ind AS 109, the Company uses expected credit loss (ECL) model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors such as Company's historical experience for customers.

Movement in the loss allowance in respect of trade receivables: (₹ in Million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Balance at the beginning of the year	(22)	(16)
Amount written off	8	2
Provided during the year	(7)	(8)
Balance at the end of the year	**(21)**	**(22)**

a) Expected credit loss for loans and security deposits

As at 31 March 2020

(₹ in Million)

Particulars		Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit loss	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition	Loans to employee	-	0%	-	-
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition	Security Deposits	120	0%	-	120
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition	Loan to related parties and interest accrued on such loans	188	0%	-	188
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition	Loan to related parties and interest accrued on such loans	524	100%	524	-
Loss allowance measured at life-time expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition	NA	NA	NA	NA	NA
	Financial assets for which credit risk has not increased significantly since initial recognition	NA	NA	NA	NA	NA

As at 31 March 2019

(₹ in Million)

Particulars		Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit loss	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition	Loans to employee	-	0%	-	-
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition	Security Deposits	109	0%	-	109
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition	Loan to related parties and interest accrued on such loans	332	0%	-	332
Loss allowance measured at life-time expected credit loss	Financial assets for which credit risk has increased significantly and not credit -impaired	NA	NA	NA	NA	NA
	Financial assets for which credit risk has increased significantly and credit -impaired	NA	NA	NA	NA	NA

b) Expected credit loss for trade receivables under simplified approach

The Company's exposure to credit risk for trade receivables is as follows: (₹ in Million)

Particulars	Gross carrying amount	
	As at 31 March 2020	As at 31 March 2019
Current (not past due)	2,277	3,480
1 to 30 days past due	589	524
31 to 60 days past due	171	186
61 to 90 days past due	66	100
More than 90 days past due *	188	210
Expected credit losses (Loss allowance provision)	(21)	(22)
Carrying amount of trade receivables (net of impairment)	**3,270**	**4,478**

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

b. Financial risk management (continued)

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company believes that its liquidity position, including total cash and cash equivalent and bank balances other than cash and cash equivalent of ₹ 3,948 million as at 31 March 2020 (31 March 2019 ₹ 3,220 million), anticipated future internally generated funds from operations, and its fully available, revolving undrawn credit facility will enable it to meet its future known obligations in the ordinary course of business. However, if a liquidity needs were to arise, the Company believes it has access to financing arrangements, value of unencumbered assets, which should enable it to meet its ongoing capital, operating, and other liquidity requirements. The Company will continue to consider various borrowing or leasing options to maximize liquidity and supplement cash requirements as necessary.

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

- Day to day funding, managed by monitoring future cash flows to ensure that requirements can be met.

- Maintaining rolling forecasts of the Company's liquidity position on the basis of expected cash flows.

- Maintaining diversified credit lines.

I. Financing arrangements

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

(₹ in Million)

Particulars	As at 31 March 2020	As at 31 March 2019
From banks - Current	4,402	1,254
From banks - Non current	150	875
From others - Current	253	6

II. Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted:

(₹ in Million)

As at 31 March 2020	Carrying amount	Contractual cash flows			
		0-1 years	1-5 years	More than 5 years	Total
Non-current liabilities					
Financial liabilities - Borrowings	1,150	-	1,150	-	1,150
Lease liabilities *	376	-	421	357	778
Current liabilities					
Financial liabilities - Borrowings	1,665	1,665	-	-	1,665
Lease liabilities *	168	212	-	-	212
Trade payables	4,219	4,219	-	-	4,219
Other financial liabilities	1,860	1,860	-	-	1,860
Total	**9,438**	**7,956**	**1,571**	**357**	**9,884**

* Carrying value represents discounted value as at 31 March 2020

(₹ in Million)

As at 31 March 2019	Carrying amount	Contractual cash flows			
		0-1 years	1-5 years	More than 5 years	Total
Non-current liabilities					
Financial liabilities - Borrowings	911	-	911	-	911
Other financial liabilities	12	-	12	-	12
Current liabilities					
Financial liabilities - Borrowings	2,462	2,462	-	-	2,462
Trade payables	3,375	3,375	-	-	3,375
Other financial liabilities	885	885	-	-	885
Total	**7,645**	**6,722**	**923**	**-**	**7,645**

(iii) Market risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Company's operating, investing and financing activities.

Exposure to currency risk

The summary of quantitative data about the Company's exposure to currency risk, as expressed in Indian Rupees, as at 31 March 2020 and 31 March 2019 are as below:

(₹ in Million)

Particulars	As at 31 March 2020				
	USD	EURO	GBP	CHF	JPY
Financial assets					
Trade receivables	253	477	-	-	-
	253	**477**	**-**	**-**	**-**
Financial liabilities					
Borrowings	374	-	-	-	-
Trade payables	124	128	-	2	70
	498	**128**	**-**	**2**	**70**

Particulars	As at 31 March 2019				
	USD	EURO	GBP	CHF	JPY
Financial assets					
Trade receivables	201	708	-	-	-
	201	**708**	**-**	**-**	**-**
Financial liabilities					
Borrowings	492	-	-	-	-
Trade payables	66	52	-	1	-
	558	**52**	**-**	**1**	**-**

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against below currencies at 31 March 2020 (previous year ended as on 31 March 2019) would have affected the measurement of financial instruments denominated in functional currency and affected equity and profit or loss by the amounts shown below. This analysis is performed on foreign currency

denominated monetary financial assets and financial liabilities outstanding as at the year end. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(₹ in Million)

Particulars	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
1% depreciation / appreciation in Indian Rupees against following foreign currencies:				
For the year ended 31 March 2020				
USD	(2)	2	(2)	2
EUR	3	(3)	3	(3)
GBP	-	-	-	-
CHF	-	-	-	-
JPY	(1)	1	(1)	1
	-	-	-	-
For the year ended 31 March 2019				
USD	1	(1)	1	(1)
EUR	7	(7)	4	(4)
GBP	-	-	-	-
CHF	-	-	-	-
JPY	-	-	-	-
	8	**(8)**	**5**	**(5)**

USD: United States Dollar, EUR: Euro, , GBP: Great Britain Pound, CHF: Swiss Franc, JPY: Japanese Yen

Exposure to currency risk

The Company uses derivative financial instruments exclusively for hedging financial risks that arise from its commercial business or financing activities.

The following table details the foreign currency derivative contracts outstanding at the end of the reporting period:

(₹ in Million)

Outstanding Contracts	No. of Deals		Contract value of foreign Currency (In Million)		Maturity			
					Up to 12 months Nominal Amount (In Million)		More than 12 months Nominal Amount (In Million)	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
INR/USD Sell forward	17	7	2	1	158	51	-	-
INR/EUR Sell forward	11	6	2	1	146	84	-	-
INR/USD Buy forward	2	2	1	2	46	61	-	46
INR/USD Call Option	2	2	4	5	96	85	200	296
Interest rate swap#								
INR/USD Buy	2	2	4	5	96	85	200	296

Represent principal amount of loan hedged

Sensitivity analysis

The following table details the group's sensitivity to a 1% increase and decrease in the ₹ against the relevant foreign currency. The sensitivity analysis includes only outstanding forward exchange contracts as tabulated above and adjusts their translation at the period end for 1% change in foreign currency rates. A positive number below indicates an increase in profit before tax or vice-versa.

(₹ in Million)

Particulars	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
1% depreciation / appreciation in Indian Rupees against following foreign currencies:				
For the year ended 31 March 2020				
INR/USD Sell forward	2	(2)	1	(1)
INR/EUR Sell forward	1	(1)	1	(1)
INR/USD Buy forward	-	-	-	-
INR/USD Call option	3	(3)	2	(2)
	6	**(6)**	**4**	**(4)**
For the year ended 31 March 2019				
INR/USD Sell forward	1	(1)	1	(1)
INR/EUR Sell forward	1	(1)	1	(1)
INR/USD Buy forward	1	(1)	1	(1)
INR/USD Call option	4	(4)	2	(2)
	7	**(7)**	**5**	**(5)**

USD: United States Dollar, EUR: Euro

(iii) Market risk

Interest rate risk

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

Exposure to interest rate risk

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

(₹ in Million)

Variable-rate instruments	As at 31 March 2020	As at 31 March 2019
Non current borrowings	932	618
Current borrowings	1,665	2,090
Current maturities of non-current borrowings	360	528
Total	**2,957**	**3,236**

Cash flow sensitivity analysis for variable-rate instruments

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

(₹ in Million)

Particulars	Profit or loss		Equity, net of tax	
	50 bps increase	50 bps decrease	50 bps increase	50 bps decrease
Interest on term loans from banks				
For the year ended 31 March 2020	(15)	15	(11)	11
For the year ended 31 March 2019	(16)	16	(11)	11

2.52 Capital management

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

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

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

(₹ in Million)

Variable-rate instruments	As at 31 March 2020	As at 31 March 2019
Current borrowings (including lease liabilities)	1,833	2,462
Non current borrowings (including current maturity & lease liabilities)	2,050	1,477
Less : Cash and cash equivalents	(185)	(63)
Adjusted net debt (A)	3,698	3,876
Total equity (B)	8,663	11,372
Adjusted net debt to adjusted equity ratio (A/B)	**43%**	**34%**

2.53 Previous years figures have been regrouped/ reclassified wherever necessary to correspond with the current years classification/ disclosure.

For **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022

Shashank Agarwal
Partner
Membership No.: 095109

Place : Gurugram
Date: 15 July 2020

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

Ashok Minda
Chairman and Group CEO
(DIN 00054727)

R. Laxman
Executive Director and Group CFO
(DIN:-03033960)

Ajay Sancheti
Company Secretary
Membership No.: F 5605

Place : Gurugram
Date: 15 July 2020

INDEPENDENT AUDITOR'S REPORT

To the **Members of Minda Corporation Limited**

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Minda Corporation Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associate and its joint ventures, which comprise the consolidated balance sheet as at 31 March 2020, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries, associate, joint ventures and joint operations as were audited by the other auditors, the aforesaid consolidated 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 consolidated state of affairs of the Group, its associate and joint ventures as at 31 March 2020, of its consolidated loss and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

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 Consolidated Financial Statements section of our report. We are independent of the Group, its associate and joint ventures in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Emphasis of matters

1. We draw attention to note 2(A)(ii) and 2.46 of the consolidated financial statements, which describes that the going concern basis of preparing the financial statements has not been used for its wholly owned subsidiary, Minda KTSN Plastic Solutions Gmbh & Co. KG, Germany (including its step down subsidiaries) because the Board of Directors of the Company, subsequent to year-end, have decided to withdraw the financial support, pursuant to which Minda KTSN Plastic Solutions Gmbh & Co. KG, Germany has filed for insolvency.

2. We draw attention to note 2.49 to the Consolidated Financial Statements, which describes in detail that the Scheme of Amalgamation ("Scheme") of Minda SAI Limited, Minda Automotive Solutions Limited, Minda Management Services Limited, Minda Autoelektrik Limited and Minda Telematics and Electric Mobility Solutions Private Limited (formerly EI Labs India Private Limited) with the Company was approved by National Company Law Tribunal ("NCLT") vide its order dated 19 July 2019. All the assets, liabilities, reserves and surplus of the transferor companies were transferred to and vested in the Company without any consideration. Consequently, for the previous year, the Consolidated Financial Statements were revised by the Company to give effect to the said Scheme of Amalgamation. This being a common control business combination under Ind AS 103 "Business Combination", comparatives were re-presented for amalgamation with effect from the beginning of the preceding period.

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matters

Revenue Recognition

See note 2.29 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
The Group's revenue is derived primarily from sale of products which comprises locks and wire harness for the automotive industry. Standards on Auditing presume that there is fraud risk with regard to revenue recognition. Also, revenue is one of key performance indicators of the Group which makes it susceptible to misstatement. In view of the above, we have identified revenue recognition as a key audit matter.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: – Assessed the appropriateness of the accounting policy for revenue recognition as per the relevant accounting standard; – Evaluated the design and implementation of key internal financial controls in relation to revenue recognition and tested the operating effectiveness of such controls for a sample of transactions; – Involved our IT specialists to assist us in testing of key IT system controls relating to revenue recognition; – Performed detailed testing by selecting samples of revenue transactions recorded during and after the year. For such sample, verified the underlying documents including customer acceptance, to assess whether these are recognised in the appropriate period in which control is transferred; – Tested sample journal entries for revenue recognised during the year, selected based on specified risk-based criteria, to identify unusual transactions. – Assessed the adequacy of the disclosures made in accordance with the relevant accounting standard.

Impairment of testing of goodwill ('Intangible')

See note 2.46 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
As at 31 March 2020 goodwill represents 1.3% of the Group's total assets which has been allocated to different Cash Generating Unit ('CGU's). Company performs impairment testing of goodwill at least annually. In performing such impairment assessment, the Company compares the carrying value of each of the identifiable cash generating units ("CGUs") to which goodwill has been allocated with its respective recoverable value, to determine whether any impairment loss should be recognised. The Group's assessment of impairment of goodwill is complex as it involves significant judgment in determining the assumptions used to estimate the recoverable amount. The recoverable amount of various CGU's has been based on one of the following models as appropriate: • Discounted forecast cash flow model which uses several key assumptions, including estimates of future sales volumes, prices, operating costs, terminal values, growth rates and the weighted average cost of capital.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: – Assessed the appropriateness of accounting policy for impairment of goodwill as per the relevant accounting standard. – Evaluated the design and implementation of key internal financial controls in relation to impairment process including determination of the recoverable amount and tested the operating effectiveness of such controls. – Tested the Group's budgeting procedures upon which the forecasts are based. – We assessed the adequacy of level of impairment by: • Evaluating with the help of our valuation specialists, wherever necessary, appropriateness of the valuation methodology and of key assumptions, specifically those relating to revenue projections, operating costs, discount rates and terminal growth rates based on historical trends, underlying business strategies and growth plans and on our knowledge of the Group and the industry;

- Fair value less costs of disposal method (where a significant subsidiary has filed for insolvency subsequent to the year-end). This method involves several key assumptions which is dependent on external factors.

Given the significant level of judgement involved in making the above estimates and the quantitative significance of the carrying amount of goodwill, we have determined this to be a key audit matter.

- Performed sensitivity analysis of the key assumptions including the possible effects of Covid 19.

– Evaluated the management's assessment for recoverable amount of the CGU vis-à-vis carrying amount for their determination of impairment loss, if any.

– Assessed the adequacy of the disclosures made in accordance with the relevant accounting standards.

Other Information

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

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, 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 and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associate and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its associate and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its associate and joint ventures are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate and joint ventures is responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 consolidated 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 Group and its associate and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its associate and joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matters

We did not audit the financial statements/ financial information of twelve subsidiaries, whose financial statements/financial information reflect total assets (before consolidation adjustments) of ₹5,163 million as at 31 March 2020, total revenues (before consolidation adjustments) of ₹7,303 million and net cash flows (before consolidation adjustments) amounting to ₹521 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (and other comprehensive income) of ₹ 40 million for the year ended 31 March 2020, in respect of one associate, whose financial statements/financial information have not been audited by us. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, and associate is based solely on the audit reports of the other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries, associate and joint ventures as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate company and joint ventures incorporated in India, none of the directors of the Group companies, its associate company, and joint ventures incorporated in India is disqualified as on 31 March 2020 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 Holding Company, its subsidiary companies, associate company and joint ventures incorporated in India and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"**.

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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, associate and joint ventures, as noted in the 'Other Matters' paragraph:

   i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2020 on the consolidated financial position of the Group, its associate and joint ventures. Refer Note 2.38 to the consolidated financial statements.

   ii. The Group, its associate and joint ventures did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2020.

   iii. There have been no delays in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies, associate company and joint ventures incorporated in India during the year ended 31 March 2020.

   iv. The disclosures in the consolidated 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 the financial statements since they do not pertain to the financial year ended March 2020.

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

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies and associate company, the remuneration paid during the current year by the Holding Company, its subsidiary companies, associate company and joint ventures to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company, its subsidiary companies, associate company and joint ventures is not in excess of the limit laid down under Section 197 of the Act. 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
Firm's Registration No.:
101248W / W-100022

Shashank Agarwal
Partner
Membership No. 095109
UDIN: 20095109AAAAET1659

Place : Gurugram
Date: 15 July 2020

Annexure A to the Independent Auditors' report on the Consolidated Financial Statements of Minda Corporation Limited for the year ended 31 March 2020

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

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

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2020, we have audited the internal financial controls with reference to consolidated financial statements of Minda Corporation Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary company, its associate company and its joint venture companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary company, its associate company and joint venture companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls 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 respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective 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 the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated 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 consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls 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 consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies and associate company in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

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

regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Consolidated Financial Statements

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

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to one subsidiary company and one associate company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

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

Shashank Agarwal
Partner
Membership No. 095109
UDIN: 20095109AAAAET1659

Place : Gurugram
Date: 15 July 2020

Consolidated Balance Sheet

as at 31 March 2020

(₹ in Million)

	Notes	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	2.1	5,292	6,117
Capital work-in-progress	2.1	284	210
Goodwill	2.2	299	1,010
Intangible assets	2.3	110	189
Financial assets			
i. Investments	2.4	1,761	1,650
ii. Loans	2.5	115	121
iii. Other financial assets	2.6	2	523
Deferred tax assets (net)	2.20	17	98
Income-tax assets	2.7	27	67
Other non-current assets	2.8	120	40
Total non-current assets		**8,027**	**10,025**
Current assets			
Property, plant and equipment	2.1	1,928	-
Capital work-in-progress	2.1	1	-
Inventories	2.9	3,949	4,464
Financial assets			
i. Trade receivables	2.10	3,898	5,464
ii. Cash and cash equivalents	2.11	947	303
iii. Other Bank balances	2.12	3,777	3,227
iv. Loans	2.13	14	22
v. Other financial assets	2.14	50	281
Other current assets	2.15	694	732
Total current assets		**15,258**	**14,493**
Total assets		**23,285**	**24,518**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	2.16	453	453
Other equity	2.17	9,297	11,498
Total equity		**9,750**	**11,951**
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
i. Borrowings	2.18	1,150	1,456
ii Lease Liability	2.36	376	-
iii Other financial liabilities	2.19	-	12
Deferred tax liabilities (net)	2.20	48	182
Provisions	2.21	252	175
Other non-current liabilities	2.22	34	31
Total non-current liabilities		**1,860**	**1,856**
Current liabilities			
Financial liabilities			
i. Borrowings	2.23	3,124	3,873
ii Lease Liability	2.36	506	-
iii. Trade payables	2.24		
- Total dues of micro and small enterprises		1,012	62
- Total dues of creditors other than micro and small enterprises		4,081	4,041
iv. Other financial liabilities	2.25	1,654	1,944
Other current liabilities	2.26	362	541
Provisions	2.27	903	170
Current tax liabilities	2.28	33	80
Total current liabilities		**11,675**	**10,711**
Total liabilities		**13,535**	**12,567**
Total equity and liabilities		**23,285**	**24,518**
Significant accounting policies	2		

The accompanying notes form an integral part of the consolidated financial statements
As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022

Shashank Agarwal
Partner
Membership No.: 095109

Place : Gurugram
Date: 15 July 2020

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

Ashok Minda
Chairman and Group CEO
(DIN 00054727)

Place : Gurugram
Date: 15 July 2020

R. Laxman
Executive Director and Group CFO
(DIN:-03033960)

Ajay Sancheti
Company Secretary
Membership No.: F 5605

Consolidated Statement of Profit and Loss

for the year ended 31 March 2020

(₹ in Million)

	Notes	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue from operations	2.29	28,131	30,920
Other income	2.30	443	355
Total revenue		**28,574**	**31,275**
Expenses			
Cost of materials consumed (including packing material)	2.31	15,377	18,303
Purchase of stock-in-trade		753	617
Change in inventories of finished goods, work-in-progress and stock-in-trade	2.32	861	112
Employee benefits expense	2.33	5,027	5,092
Finance costs	2.34	499	490
Depreciation and amortization expense	2.1, 2.2	1,179	883
Other expenses	2.35	3,614	3,872
Total expenses		**27,310**	**29,369**
Profit from operations before share of profit/(Loss) of joint ventures/ associate and taxes		**1,264**	**1,906**
Share of profits/ (loss) of joint ventures/associate (net of taxes)		125	280
Profit from operations before exceptional item and taxes		**1,389**	**2,186**
Exceptional item (refer note 2.46 & 2.41)		(2,933)	175
Profit from operations after exceptional item and before taxes		**(1,544)**	**2,361**
Tax expense			
Current tax	2.20	520	686
Income tax for earlier year	2.20	7	(19)
Deferred tax charge/ (credit)	2.20	(73)	2
Profit after taxes		**(1,998)**	**1,692**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit liabilities for holding & subsidiaries		(16)	(10)
Income tax relating to items that will not be reclassified to profit or loss		4	3
Joint Ventures share of remeasurement of defined benefit liabilities (net of tax)		(6)	2
Items that will be reclassified to profit or loss			
Exchange difference in translating financial statements of foreign operations		72	(93)
Other comprehensive income for the year (net of tax)		**54**	**(98)**
Total comprehensive income for the year		**(1,944)**	**1,594**
Earnings per equity share [Par value of ₹ 2 per equity share]	2.17.11		
Basic		(8.98)	7.69
Diluted		(8.98)	7.52
Significant accounting policies	2		

The accompanying notes form an integral part of these consolidated financial statements
As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022

Shashank Agarwal
Partner
Membership No.: 095109

Place : Gurugram
Date: 15 July 2020

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

Ashok Minda
Chairman and Group CEO
(DIN 00054727)

R. Laxman
Executive Director and Group CFO
(DIN:-03033960)

Ajay Sancheti
Company Secretary
Membership No.: F 5605

Place : Gurugram
Date: 15 July 2020

Consolidated Statement of Cash Flows

for the year ended 31 March 2020

(₹ in million)

		For the year ended 31 March 2020	For the year ended 31 March 2019
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	(Loss)/Profit before taxes	**(1,544)**	**2,361**
	Adjustments for :-		
	Exceptional item	2,933	(175)
	Depreciation and amortisation expense	1,179	883
	Share of profits of joint ventures and associate (net of taxes)	(125)	(280)
	Bad debts and provision for doubtful trade receivables	76	42
	Interest expense	462	454
	Loss on sale/discard of fixed assets (net)	15	10
	Interest income	(298)	(192)
	Liabilities / provisions no longer required written back	(34)	(73)
	Unrealised foreign exchange (loss) / profit (including mark to market on derivative contracts)	(60)	14
	Warranty expenses	108	59
	Employee stock compensation expense	3	19
	Operating Cash flow before changes in following assets and liabilities	**2,715**	**3,122**
	Decrease in trade receivables	1,187	179
	Decrease in inventories	322	1
	Decrease / (Increase) in loans, other financial assets and other assets	8	(259)
	Increase/ (Decrease) in trade payables	915	(313)
	Decrease in other financial liabilities and other liabilities	(66)	(22)
	Decrease in provisions	(59)	(8)
	Cash generated from operations	**5,022**	**2,700**
	Income tax paid	(518)	(606)
	Net cash generated from operating activities (A)	**4,504**	**2,094**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment	(1,485)	(1,201)
	Sale of property, plant and equipment	23	19
	Disposal of interest in Joint Venture	-	240
	Investment made in bank deposits (held for initial maturity of more than 3 months) (net)	(413)	(3,158)
	Proceeds from sale of treasury shares	31	-
	Interest received	472	81
	Net cash used in investing activities (B)	**(1,372)**	**(4,019)**

(₹ in million)

		For the year ended 31 March 2020	For the year ended 31 March 2019
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Fund raised through Qualified Institutional Placement (QIP)	-	3,056
	Payment of dividend (inclusive of dividend distribution tax)	(199)	(175)
	Repayment of non current borrowings (net)	(814)	(1,218)
	(Repayment)/ proceeds of / from current borrowings (net)	(753)	771
	Interest paid (refer note 4 below)	(404)	(401)
	Repayment of lease liability	(320)	-
	Net cash (used in)/generated from financing activities (C)	**(2,490)**	**2,033**
	Net increase in cash and cash equivalents (A + B + C)	**642**	**108**
	Cash and cash equivalents as at the beginning of the year	**303**	**193**
	Translation adjustment on cash balance	**2**	**2**
	Cash and cash equivalents as at the end of the year	**947**	**303**
	Significant accounting policies 2		

1. The above cash flow statement has been prepared under the indirect method set out in Indian Accounting Standard (Ind AS)- 7 "Statement of cash Flow".
2. Cash and cash equivalents consists of cash in hand and balances with banks. Refer note 2.11
3. Refer note no. 2.18(a) for change in financing activities.
4. Includes interest on lease liabilities amounting to ₹ 82 million (Previous year ₹ Nil)

The accompanying notes form an integral part of these consolidated financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022

Shashank Agarwal
Partner
Membership No.: 095109

Place : Gurugram
Date: 15 July 2020

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

Ashok Minda
Chairman and Group CEO
(DIN 00054727)

R. Laxman
Executive Director and Group CFO
(DIN:-03033960)

Ajay Sancheti
Company Secretary
Membership No.: F 5605

Place : Gurugram
Date: 15 July 2020

Consolidated Statement of Changes in Equity

for the year ended 31 March 2020

A. Equity share capital

(₹ in million)

Particulars	Amount
Balance as at 1 April 2018	416
Changes in equity share capital during the year	37
Balance as at 31 March 2019	**453**
Equity share capital issued during the year	-
Balance as at 31 March 2020	**453**

B. Other equity

(₹in million)

	Attributable to owners of the Company									Total
	Reserves and surplus (2)							Items of Other Comprehensive Income (2)		
	Capital reserve	Capital redemption reserve	Securities premium reserve	General reserve	Employee stock compensation option outstanding	Equity component of compound financial instrument-Cumulative redeemable preference share	Retained earnings	Foreign currency translation reserve	Remeasurement of defined benefit obligations	
Balance as at 1 April 2018	**567**	**192**	**984**	**412**	**21**	**47**	**5,161**	**(393)**	**-**	**6,991**
Profit for the year	-	-	-	-	-	-	1,692	-	-	1,692
Other comprehensive income	-	-	-	-	-	-	-	(92)	(5)	(97)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**1,692**	**(92)**	**(5)**	**1,595**
Transfer to General Reserve	-	-	-	106	-	-	(106)	-	-	-
Remeasurement of defined benefit liability/(asset)	-	-	-	-	-	-	(5)	-	5	-
Premium on issue of shares - QIP	-	-	3,021	-	-	-	-	-	-	3,021
Premium on issue of shares by ESOP trust	-	-	6	-	-	-	-	-	-	6
Employee stock compensation expense	-	-	-	-	17	-	-	-	-	17
Profit on dilution of stake in joint venture	-	-	-	-	-	-	43	-	-	43
Dividend on cumulative redeemable preference shares	-	-	-	-	-	-	-	-	-	-
Interim dividend	-	-	-	-	-	-	(57)	-	-	(57)
Tax on interim dividend	-	-	-	-	-	-	(16)	-	-	(16)
Final dividend	-	-	-	-	-	-	(79)	-	-	(79)
Tax on final dividend	-	-	-	-	-	-	(23)	-	-	(23)
Balance as at 31 March 2019	**567**	**192**	**4,011**	**518**	**38**	**47**	**6,610**	**(485)**	**-**	**11,498**
Balance as at 1 April 2019	**567**	**192**	**4,011**	**518**	**38**	**47**	**6,610**	**(485)**	**-**	**11,498**
Profit for the year		-	-	-	-	-	(1,998)	-	-	(1,998)
Other comprehensive income		-	-	-	-	-	-	72	(18)	54
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**(1,998)**	**72**	**(18)**	**(1,944)**
Premium on issue of shares by ESOP Trust	-	-	6	-	-	-	-	-	-	6
Profit on sale of treasury shares	-	-	-	-	-	-	31	-	-	31
Transfer to General Reserve	-	-	-	-	-	-	-	-	-	-
Remeasurement of defined benefit liability/(asset)	-	-	-	-	-	-	(18)	-	18	-
Equity component of compound financial instrument-Cumulative redeemable preference share	-	-	-	-	-	-	-	-	-	-
Employee stock compensation expense	-	-	-	-	3	-	-	-	-	3
Ind AS 116 impact	-	-	-	-	-	-	(98)			(98)
Interim dividend	-	-	-	-	-	-	(76)	-	-	(76)
Tax on interim dividend	-	-	-	-	-	-	(16)	-	-	(16)
Final dividend	-	-	-	-	-	-	(102)	-	-	(102)
Tax on final dividend	-	-	-	-	-	-	(5)	-	-	(5)
Balance as at 31 March 2020	**567**	**192**	**4,017**	**518**	**41**	**47**	**4,328**	**(413)**	**-**	**9,297**

Notes:

(1) During the year ended 31 March 2020 and 31 March 2019, the Company has paid dividend to its shareholders. This has resulted in payment of Dividend Distribution Tax (DDT) to the taxation authorities. The Company believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity.

(2) Refer note 2.17 for nature and purpose of other equity.

Significant accounting policies (note 2)
The accompanying notes form an integral part of the consolidated financial statements
As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022

Shashank Agarwal
Partner
Membership No.: 095109

Place : Gurugram
Date: 15 July 2020

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

Ashok Minda
Chairman and Group CEO
(DIN 00054727)

R. Laxman
Executive Director and Group CFO
(DIN:-03033960)

Ajay Sancheti
Company Secretary
Membership No.: F 5605

Place : Gurugram
Date: 15 July 2020

Notes to the consolidated financial statements

for the year ended 31 March 2020

1. Reporting entity

Minda Corporation Limited (the 'Company' or the 'Parent Company') is a Company domiciled in India, with its registered office situated at A-15, Phase -1 Ashok Vihar, Delhi - 110052. The principal place of business is 5th Floor, Plot no-404/405, Sector -20, Udyog Vihar, Phase-III, Gurugram, Haryana, 122016. The Company has been incorporated under the provisions of Indian Companies Act and its equity shares are listed on BSE Limited (BSE) and National Stock Exchange of India (NSE). The Company has wholly owned subsidiaries in India, Germany, Indonesia and Vietnam. The Company, its subsidiaries (together referred to as "the Group"), its joint ventures and associate are primarily involved in manufacturing of Automobile Components and Parts thereof.

Pursuant to the Scheme of Amalgamation ('Scheme') under the provisions of Section 230 to 232 of the Companies Act, 2013, for amalgamation of Minda SAI Limited, Minda Automotive Solutions Limited, Minda Management Services Limited, Minda Autoelektrik Limited and Minda Telematics and Electric Mobility Solutions Private Limited (formerly EI Labs India Private Limited) (together referred to as "transferor companies"), into Minda Corporation Limited ("transferee company") as approved by the Hon'ble National Company Law Tribunal vide its order dated 19 July 2019, all the assets, liabilities, reserves and surplus of the transferor companies have been transferred to and vested in the Company without any consideration. Refer note 2.49 for detailed information on accounting of amalgamation.

2. Significant accounting policies

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

A. Basis of preparation

(i) Statement of compliance

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

The consolidated financial statements were authorized for issue by the Group's Board of Directors on 15 July 2020.

(ii) Going Concern

The Board of Directors of the Company, subsequent to the year end, in their meeting dated 9 June 2020 have decided to withdraw the financial support to its material wholly owned subsidiary Minda KTSN Plastic Solutions GmbH Co. & KG, Germany (MKTSN) (including its step down subsidiaries), pursuant to which MKTSN has filed for insolvency. Accordingly, the financial statements of MKTSN included in these consolidated financial statements have been prepared on the basis that the fundamental accounting assumption of going concern is no longer appropriate. Consequently, all assets have been valued at net realizable value or carrying value, whichever is low, and all liabilities have been reflected at the values at which they are expected to be discharged. Refer Note 2.46.

(iii) Functional and presentation currency

The management has determined the currency of the primary economic environment in which the group operates i.e., functional currency, to be Indian Rupees (₹). All amounts have been rounded-off to the nearest million Rupees unless otherwise indicated. Further, at some places '-' are also put up to values below ₹ 500,000 to make financials in round off to Rupees in millions.

(iv) Basis of measurement

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

Items	Measurement Basis
Certain financial assets and liabilities (including derivatives instruments)	Fair value
Share-based payments	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

(v) Use of estimates and judgement

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

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

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

Assumptions and estimation uncertainties

- Recognition and estimation of tax expense including deferred tax – Note 2.20
- Estimated impairment of financial and non-financial assets – Note 2 (E)(vii) and 2(E)(xviii).

- Assessment of useful life of property, plant and equipment and intangible asset – Note 2.1
- Estimation of obligations relating to employee benefits: key actuarial assumptions – Note 2.21
- Valuation of Inventories – Note 2.9
- Share based payments – Note 2.42
- Recognition and measurement of provisions and contingency: Key assumption about the likelihood and magnitude of an outflow of resources – Note 2.38
- Fair value measurement – Note 2.44

(vi) Measurement of fair values

A number of accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Also, fair value of financial instruments measured at amortised cost is disclosed in Note 2.44.

B. Current-non-current classification

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

Assets:

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

1. It is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;
2. It is held primarily for the purpose of being traded;
3. It is expected to be realised within 12 months after the reporting date; or
4. It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

The Group classifies all other assets as non-current.

Liabilities:

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

(1) It is expected to be settled in the Group's normal operating cycle;

(2) It is held primarily for the purpose of being traded;

(3) It is due to be settled within 12 months after the reporting date; or

(4) The Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

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

C. Principles of Consolidation

(i) Subsidiaries:

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Inter Group transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed wherever necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

(ii) Equity method:

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in the Consolidated Statement of Profit and Loss, and the Group's share of other comprehensive income of the investee in other comprehensive income.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, then unless it has incurred obligations or made payments on behalf of the other entity, Group does not recognise further losses, Unrealised gains on transactions between the Group and its equity accounted investees are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The details of the consolidated entities are as follows:

Name of the Company	Country of Incorporation	Nature of Interest	% of Ownership	
			31 March 2020	31 March 2019
Subsidiaries / Step-Subsidiaries				
Minda KTSN Plastic Solutions GmbH & Co. KG ('Minda KTSN')	Germany	Subsidiary	100	100
Minda KTSN Plastic and Tooling Solutions Sp Z.O.O	Poland	Subsidiary of 'Minda KTSN'	100	100
KTSN Kunststofftechnik Sachsen Beteiligungs- GmbH	Germany	Subsidiary of 'Minda KTSN'	100	100
Minda KTSN Plastic Solutions Mexico, S. de R.L. de C.V	Mexico	Subsidiary of 'Minda KTSN'	100	100
Minda Europe B.V.	Netherlands	Subsidiary	100	100
Minda KTSN Plastic Solutions S.R.O	Czech Republic	Subsidiary of 'Minda KTSN'	100	100
Almighty International PTE Ltd. ('Almighty')	Singapore	Subsidiary	100	100
PT Minda Automotive Indonesia ('PT Minda')	Indonesia	Subsidiary of 'Almighty'	100	100
PT Minda Automotive Trading Indonesia	Indonesia	Subsidiary of 'PT Minda'	100	100
Minda Vietnam Automotive Company Limited	Vietnam	Subsidiary of 'Almighty'	100	100
Minda Corporation Ltd. Employees Stock Option Scheme	India	Subsidiary	100	100
Spark Minda Foundation	India	Subsidiary	100	100
Jointly Controlled Entities/Associates				
Minda Vast Access Systems Private Limited	India	Jointly Controlled Entity	50	50
Furukawa Minda Electric Private Limited (formerly Minda Furukawa Electric Private Limited)	India	Associate	25	25
Minda Stoneridge Instruments Limited	India	Jointly Controlled Entity	51	51

D. Business Combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the

- fair value of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group.
- fair value of any asset or liability resulting from contingent consideration arrangement

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at their fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition related costs are expenses as incurred.

The excess of the

- consideration transferred;
- amount of any non-controlling interest in the acquired entity; and
- acquisition date fair value of any previous equity interest in the acquired entity

Over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets acquired, the difference is recognized in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognized directly in equity as capital reserve.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest is remeasured to fair value at the acquisition date. Any gains arising from such remeasurement are recognized in the Consolidated Statement of Profit and Loss or Other Comprehensive Income, as appropriate.

E. Summary of significant accounting policies

i) Foreign currency transactions and translations

Transactions and Balances

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

Foreign exchange differences regarded as an adjustment to borrowing cost are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income or other expenses.

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

The derivative financial instruments such as forward exchange contracts to hedge its risk associated with foreign currency fluctuation are stated at fair value. Any gains or losses arising from changes in fair value are taken directly to the statement of profit or loss.

Foreign Operations

The assets and liabilities of foreign operations (subsidiaries, associates, joint arrangements) including goodwill and fair value adjustments arising on acquisition, are translated into INR, the functional currency of the Group, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at 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.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation recognised in OCI is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes off part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is re-allocated to NCI. When the Group disposes off only a part of its interest in an associate or a joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss, are translated into the functional currency using the exchange rates at the dates of transactions and monetary assets and liabilities denominated in foreign currencies as at the balance sheet

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

ii) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

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

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

Sale of goods

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

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

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

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

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

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

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

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

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

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

Use of significant judgements in revenue recognition:

a) The Group's contracts with customers could include promises to transfer products to a customer. The Group assesses the products promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

b) Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Group allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

c) The Group uses judgement to determine an appropriate standalone selling price for a performance obligation. The Group allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract.

d) The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Export benefits

Export incentive entitlements are recognized as income when the right to receive credit as per the terms of the scheme is established in respect of the exports

made, and where there is no uncertainty regarding the ultimate collection of the relevant export proceeds.

Other operating income

Service income including job work income is recognized as per the terms of contracts with customers when the related services are rendered. Income from royalty, technical know-how arrangements is recognized on an accrual basis in accordance with the terms of the relevant agreement.

Dividend and interest income

Dividend income is recognized when the right to receive the income is established. Income from interest on deposits, loans and interest-bearing securities is recognized using the effective interest method.

iii) Property, plant and equipment

(b) Recognition and measurement

Item of property, plant and equipment are carried at cost, which includes capitalized borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment includes its purchase price, import duties and non-refundable purchase taxes, duties or levies, after deducting trade discounts and rebates, any other directly attributable cost of bringing the asset to its working condition for its intended use and estimated cost of dismantling and removing the items and restoring the site on which it is located. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer to note 2.A.iv regarding significant accounting judgements, estimates and assumptions.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Consolidated Statement of Profit and Loss when the asset is derecognized.

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

A property, plant and equipment is eliminated from the Consolidated Financial Statements on disposal or when no further benefit is expected from its use and disposal. Assets retired from active use and held for disposal are generally stated at the lower of their net book value and net realizable value. Any gain or losses arising disposal of property, plant and equipment is recognized in the Consolidated Statement of Profit and Loss.

Once classified as held-for-sale, property, plant and equipment are no longer depreciated.

Gains or losses arising from de-recognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Consolidated Statement of Profit and Loss when the asset is derecognized.

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

Advance paid towards the acquisition of fixed assets are shown under non-current asset and tangible fixed assets under construction are disclosed as capital work-in-progress. Capital work in progress includes cost of assets at site, direct and indirect expenditure incidental to construction and interest on the funds deployed for construction.

(c) Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. The costs of the day to day servicing of property, plant and equipment are recognised in the consolidated statement of profit and loss as incurred.

(d) Derecognition

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized in the consolidated statement of profit and loss.

(e) Depreciation

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

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

provided upto the date of sale, deduction as the case may be.

Leasehold Improvements are amortised on the straight-line basis over the lower of primary period of lease.

iv) Goodwill and other intangible assets

a) Recognition and measurement

Intangible assets comprise of goodwill, computer software, brands/trademarks and technical know-how acquired for internal use and are recorded at the consideration paid for acquisition of such assets are carried at cost less accumulated amortization and accumulated impairment, if any.

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

Goodwill on consolidation represents the excess of purchase consideration over the net book value of the assets acquired of the subsidiary companies as on the date of acquisition. Other goodwill represents the excess of purchase consideration over the fair value of net assets/liabilities purchased.

b) Subsequent costs

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

c) Derecognition

Gains and losses on disposal of an item of intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and are recognized in the consolidated statement of profit and loss.

d) Amortisation

The intangible assets (except goodwill on consolidation) are amortized over a period of five years, which in the management's view represents the economic useful life. Amortization expense is charged on a pro-rata basis for assets purchased during the year. The appropriateness of the amortization period and the amortization method is reviewed at each financial year-end. Goodwill on consolidation is tested for impairment on an annual basis.

A property, plant and equipment and intangible assets is derecognised on disposal or when no future economic benefits are expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal of a tangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of profit and loss.

v) Borrowing Cost

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

vi) Inventories

Inventories are valued at lower of cost and net realizable value. The basis of determination of cost for various categories of inventory is as follows:

Finished goods	Material cost plus appropriate share of labour and production overheads.
Work in progress	Material cost plus appropriate share of the labour and production overheads depending upon the stage of completion, wherever applicable.
Tools, moulds and dies	Material cost plus appropriate share of the labour and production overheads, depending upon the stage of completion and includes excise duty, wherever applicable.

vii) Impairment of non-financial assets

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

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that

cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU").

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

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

viii) Research and Development

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

Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses, if any. Property, plant and equipment used for research and development are depreciated in accordance with the Group's policy as stated above. Expenditure incurred at development phase, where it is reasonably certain that outcome of development will be commercially exploited to yield economic benefits to the Group, is considered as an intangible asset and amortized over the estimated life of the assets.

ix) Government Grant and Subsidies

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

Government grant relating to income are deferred and recognized in the consolidated statement of profit and loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income other than export benefits which are accounted for in the year of export based on eligibility and there is no uncertainty in receiving the same.

Government grants relating to purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to the consolidated statement of profit and loss on a straight-line basis over the expected lives of the related assets and presented within income.

x) Employee Benefits

Short – term employee benefits

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

Defined contribution plan:

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

Eligible employees of certain overseas entities receive benefits from the social security contribution plans, which is a defined contribution plan. These entities have no further obligations under the plan beyond its monthly contributions.

Defined benefit plan:

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

Other long-term employee benefit:

Compensated absence: Un-availed leaves for the year are accumulated and allowed to carried over to the next year and are within service period of the employees in accordance with the service rules of the Group. Provision for compensated absence is made by the Indian entities based on the amount payable as per the above service, based on actuarial valuation as at the balance sheet date. Eligible employees of certain overseas entities receive vacation pay, being other long term employee benefit.

Other employee benefit plans:

Actuarial valuation:

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

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

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

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in 'other equity' in the consolidated statement of Changes in Equity and in the consolidated Balance Sheet.

xi) Accounting for warranty

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

xii) Leases

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

Policy applicable from 1 April 2019

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assess whether:

the contract involves the use of an identified asset - this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

the Company has the right to obtain substantially all of the economic benefits from use of the asset through the period of use; and

- the Company has the right to direct the use of the asset. The Company has this right when it has the decision- making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases, where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:

- the Company has the right to operate the asset; or
- the Company designed the asset in a way that predetermines how and for what purpose it will be used

An entity shall reassess whether a contract is, or contains, a lease only if the terms and conditions of the contract are changed.

This policy is applicable to contracts entered into, or changed, on or after 1 April 2019.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

Company as lessee

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

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

The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. The estimated useful lives of right-of-use assets are determined on the basis of remaining lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if

the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Policy applicable before 1 April 2019

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

Finance leases

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

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

Operating leases

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

xiii) Investments

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as noncurrent investments. However, that part of long-term investments which is expected to be realised within 12 months after the reporting date is also presented under 'current assets' as "current portion of long-term investments" in consonance with the current/ non-current classification scheme.

xiv) Income taxes

Income Income tax expense comprises current and deferred tax. It is recognised in consolidated statement of profit and loss except to the extent that it relates to items recognised directly in equity.

a. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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

b. Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets unrecognised or recognised, are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised. Significant management judgement is required to determine the probability of deferred tax asset. Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at

the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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

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

xv) Earnings per Share

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

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

xvi) Provisions, contingent liabilities and contingent assets

A provision is created when there is a present obligation as a result of a past event and it is more likely than not that there will be an outflow of resources embodying economic benefits to settle such obligation and the amount of such obligation can be reliably estimated. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value money and risks specific to the liability. When discounting is used, the increase in the provision due to passage of time is recognised as finance cost. These are reviewed at each Balance Sheet date and adjusted to reflect current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that have arisen from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of future events not wholly within the control of the Group. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provision for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

The Group does not recognise assets which are of contingent nature until there is virtual certainty of realisability of such assets. However, subsequently, if it becomes virtually certain that an inflow of economic benefits will arise, asset and related income is recognized in the consolidated financial statements of the period in which the change occurs.

xvii) Cash and cash equivalents

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

xviii) Financial instruments

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

Initial recognition and measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

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

Classification and subsequent measurement

Financial assets

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

- Amortized cost;
- Fair Value through Other Comprehensive Income ('FVOCI') – debt instrument;
- FVOCI – equity investment; or
- FVTPL

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

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

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

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables. Group has recognized financial assets viz. security deposit, trade receivables, employee advances at amortized cost.

A debt instrument is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On de-recognition of the asset, cumulative gain or loss previously recognized in OCI is re-classified from the equity to Consolidated Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the Consolidated Statement of Profit and Loss.

Investments in joint ventures/ associate

Investments in joint ventures are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in joint ventures, the difference between net disposal proceeds and the carrying amounts are recognized in the Consolidated Statement of Profit and Loss.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

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

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

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

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

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

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. However, see Note 2.46 for derivatives designated as hedging instruments.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investment at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investment at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

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

Derecognition

Financial Assets

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

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

Financial liabilities

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

Offsetting

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

Derivative financial instruments and hedge accounting

The Company uses derivative instruments such as foreign exchange forward contracts and currency swaps to hedge its foreign currency and interest rate risk exposure. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value and changes therein are generally recognized in profit and loss.

Compound financial instruments - convertible preference shares

Compound financial instruments issued by the Group comprise of convertible preference shares that can be converted to equity shares of the Group. Convertible preference shares are bifurcated into liability and equity components based on the terms of the contract.

The liability component of convertible preference shares is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of convertible preference shares is not remeasured subsequently.

Interest related to the liability component is recognised in Consolidated Statement of Profit and Loss. On conversion, the liability component is reclassified to equity and no gain or loss is recognised.

Impairment of financial assets

The Group recognizes loss allowances for expected credit losses on:

- Financial assets measured at amortized cost; and
- Financial assets measured at FVOCI – debt instruments.

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

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

For recognition of impairment loss on financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Measurement of expected credit losses

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

Presentation of allowance for expected credit losses in the balance sheet

Loss allowance for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is

charged to the Consolidated Statement of the Profit and Loss and is recognized in OCI.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group 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 Group's procedures for the recovery of amount due.

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for the measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a. Financial assets that are debt instruments, and are measured at amortized cost e.g., deposits and advances

b. Trade receivables that result from transactions that are within the scope of Ind AS 115

c. Financial guarantee contracts which are not measured as at FVTPL.

The Group follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Consolidated Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Consolidated Statement of Profit and Loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortized cost and contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Group does not have any purchased or originated credit impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

xix) Employee stock option schemes

The Group has adopted the policy to account for Employees Welfare Trust as a legal entity separate from the Group but as a subsidiary of the Group. Any loan from the Group to the trust is accounted for as a loan in accordance with its term. The cost is calculated based on the fair value method i.e. the excess of fair value of underlying equity shares as of the date of the grant of options over the exercise price of such options is regarded as employee compensation and in respect of the number of options that are expected to ultimately vest, such cost is recognised on a straight line basis over the period over which the employees would become unconditionally entitled to apply for the shares. The grant date fair value of options granted to employees of the Group is recognized as an employee expense, and those granted to employees of subsidiaries is considered as the Group's equity contribution and is added to the carrying value of investment in the respective subsidiaries, with a corresponding increase in share option outstanding account, over the period that the employees become unconditionally entitled to the options. The cost recognised at any date at least equals the fair value of the vested portion of the option at that date. Adjustment, if any, for difference in initial estimate for number of options

that are expected to ultimately vest and related actual experience is recognised in the Statement of Profit and Loss of that period. In respect of vested options expire unexercised, the related cumulative cost is credited to the General Reserve. Note – 2.42.

The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognized in connection with share-based payment transaction is presented as a separate component in equity under "employee stock option outstanding account". The amount recognized as an expense is adjusted to reflect the actual number of stock options that vest. For the option awards, grant date fair value is determined under the option-pricing model (Black Scholes Merton). Corresponding balance of a share-based payment reserve is transferred to general reserve upon expiry of grants or upon exercise of stock options by an employee, as the Group is operating the Employee Stock Option schemes through Minda Corporation Limited Employee Stock Option Scheme Trust, which has purchased share from the Group.

xx) Treasury shares

The Company has created an Employee Stock Option Plan Trust ('Minda Corporation Limited Employee Stock Option Scheme Trust' or 'ESOP trust') for providing share-based payment to its employees. The Company uses ESOP trust as a vehicle for transferring shares to employees under the employee remuneration schemes. ESOP Trust buys shares of the Company, for giving shares to the Company's employees as part of ESOP scheme. The shares held by ESOP Trust are treated as treasury shares.

Own equity instruments (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized In Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration is recognized in reserves. Share options exercised during the year are satisfied with treasury shares.

xxi) Exceptional items

When an item of income or expense within Statement of profit and loss from ordinary activity is of such size, nature or incidence that their disclosure is relevant to explain the performance of the Company for the year, the nature and amount of such items is disclosed as exceptional items.

F. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2020.

2.1 Property, plant and equipment

(₹ in million)

	Gross block							
	Balance as at 1 April 2019	Additions	Reclassified on account of adoption of Ind AS 116	Disposals	Fair Valuation (gain)/ loss *	Translation Adjustment	Reclassified as current	Balance as at 31 March 2020
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h) = (a+b-c-d-e-f-g)
Freehold land	144	4	-	-	(118)	3	125	138
Leasehold land	285	-	285	-	-	-	-	-
Buildings	1,328	43	-	5	(674)	(77)	984	1,133
Leasehold improvements	165	27	-	-	49	(5)	8	140
Plant and equipment	4,851	1,208	-	20	298	(254)	1,379	4,616
Furniture and fixtures	140	21	-	2	-	9	5	145
Vehicles	214	29	-	39	(1)	-	1	204
Office equipment	278	33	-	6	83	(18)	81	159
Computer hardware	140	10	-	7	2	(1)	11	131
Assets under finance lease								
Land	384	-	-	-	384	-	-	-
Plant and equipment	223	-	223	-	-	-	-	-
Office equipment	12	-	12	-	-	-	-	-
Total (A)	**8,164**	**1,375**	**520**	**79**	**23**	**(343)**	**2,594**	**6,666**
Capital work-in-progress	210	849	-	769	4	1	1	284
Total (B)	**210**	**849**	**-**	**769**	**4**	**1**	**1**	**284**
Total (A+B)	**8,374**	**2,224**	**520**	**848**	**27**	**(342)**	**2,595**	**6,950**

* Also refer note 2.46, Group has recorded impairment loss pursuant to filing of insolvency by one of the subsidiary (including its step down subsidiaries) of the Group. The subsidiary is considered as a separate Cash Generating Unit.

(₹ in million)

	Accumulated depreciation							Net block	
	Balance as at 1 April 2019	Depreciation	Reclassified on account of adoption of Ind AS 116	On disposals	Translation Adjustment	Reclassified as current	Balance as at 31 March 2020	Reclassified as current	Balance as at 31 March 2020
	(i)	(j)	(k)	(l)	(m)	(n)	(o) = (i-j-k-l-m-n)	(p) = (g-n)	(q) = (h-o)
Freehold land	-	-	-	-	-	-	-	125	138
Leasehold land	15	-	9	-	6	-	-	-	-
Buildings	206	84	-	3	(22)	129	180	855	953
Leasehold improvements	38	16	-	-	(1)	8	47	-	92
Plant and equipment	1,424	613	-	16	(91)	631	1,481	748	3,135
Furniture and fixtures	52	18	-	2	-	5	63	-	82
Vehicles	67	48	-	13	-	1	100	-	105
Office equipment	129	38	-	5	(13)	81	93	-	65
Computer hardware	85	26	-	6	(1)	11	95	-	36
Assets under finance lease								-	-
Plant and equipment	24	-	24	-	-	-	-	-	-
Office equipment	7	-	7	-	-	-	-	-	-
Total (A)	**2,047**	**843**	**40**	**45**	**(121)**	**866**	**2,060**	**1,728**	**4,606**

Notes :-

(i) Refer to note 2.18 and 2.23 for information on Property , plant and equipment pledged as security by the Company.

(₹ in million)

	Gross block					Accumulated depreciation					Net block
	Balance as at 1 April 2018	Additions	Disposals	Translation Adjustment	Balance as at 31 March 2019	Balance as at 1 April 2018	Depreciation	On disposals	Translation Adjustment	Balance as at 31 March 2019	Balance as at 31 March 2019
	(a)	(b)	(c)	(d)	(e) = (a+b-c-d)	(f)	(g)	(h)	(i)	(j) = (f+g-h-i)	(k) = (e-j)
Freehold land	125	19	-	-	144	-	-	-	-	-	144
Leasehold land	257	21	-	(7)	285	7	4	-	(4)	15	270
Buildings	1,268	24	4	(39)	1,328	111	68	4	(31)	206	1,122
Leasehold improvements	153	14	-	2	165	25	13	-	-	38	127
Plant and equipment	3,931	903	55	(72)	4,851	845	584	49	(44)	1,424	3,427
Furniture and fixtures	128	11	4	(5)	140	33	18	4	(5)	52	88
Vehicles	188	49	29	(6)	214	29	44	11	(5)	67	147
Office equipment	239	42	5	(2)	278	93	40	5	(1)	129	149
Computer hardware	114	23	9	(12)	140	50	30	7	(12)	85	55
Assets under finance lease					-						
Land	399	-	-	15	384	-	-	-	-	-	384
Plant and equipment	293	10	-	80	223	34	17	-	27	24	199
Office equipment	16	-	-	4	12	6	1	-	-	7	5
Total (A)	**7,111**	**1,116**	**106**	**(42)**	**8,164**	**1,233**	**819**	**80**	**(75)**	**2,047**	**6,117**
Capital work-in-progress	161	170	120	1	210	-	-	-	-	-	210
Total (B)	**161**	**170**	**120**	**1**	**210**	**-**	**-**	**-**	**-**	**-**	**210**
Total (A+B)	**7,272**	**1,287**	**226**	**(41)**	**8,374**	**1,233**	**819**	**80**	**(75)**	**2,047**	**6,327**

2.1.1 Right of Use Assets

(₹ in million)

	Gross block							
	Transition impact of Ind AS 116	Additions	Reclassified on account of adoption of Ind AS 116	Disposals	Fair Valuation (gain)/ loss*	Translation Adjustment	Reclassified as current	Balance as at 31 March 2020
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h) =(a+b+c-d-e-f-g)
Leasehold land	3	3	285	-	-	-	-	291
Building	758	37	-	7	156	-	66	566
Plant and equipment	168	-	223	14	110	(2)	263	6
Office equipment	-	-	12	-	4	-	8	-
Total	**929**	**40**	**520**	**21**	**270**	**(2)**	**337**	**863**

* Also refer note 2.46, Group has recorded impairment loss pursuant to filing of insolvency by one of the subsidiary (including its step down subsidiaries) of the Group. The subsidiary is considered as a separate Cash Generating Unit.

(₹ in million)

	Accumulated depreciation						Net block	
	Depreciation	Reclassified on account of adoption of Ind AS 116	On disposals	Translation Adjustment	Reclassified as current	Balance as at 31 March 2020	Reclassified as current	Balance as at 31 March 2020
	(i)	(j)	(k)	(l)	(m)	(n) = (i+j-k-l-m)	(o) = (g-m)	(p) = (h-n)
Leasehold land	7	9	-	-	-	16	-	275
Building	224	-	-	-	66	158	-	408
Plant and equipment	43	24	1	(1)	64	3	199	3
Office equipment	-	7	-	-	7	-	1	-
Total	**274**	**40**	**1**	**(1)**	**137**	**177**	**200**	**686**

2.2 and 2.3 Goodwill and Intangible Assets

(₹ in million)

	Gross block						Accumulated impairment					Net block
	Balance as at 1 April 2019	Additions	Disposals	Translation Adjustment	Impairment*	Balance as at 31 March 2020	Balance as at 1 April 2019	Impairment for the year	On disposals	Translation Adjustment	Balance as at 31 March 2020	Balance as at 31 March 2020
	(a)	(b)	(c)	(d)	(e)	(f) = (a+b-c-d-e)	(g)	(h)	(i)	(j)	(k) = (g+h-i-j)	(l) = (f-k)
Goodwill on consolidation	1,010	-	-	-	711	299	-	-	-	-	-	299
Total (A)	**1,010**	**-**	**-**	**-**	**711**	**299**	**-**	**-**	**-**	**-**	**-**	**299**

(₹ in million)

	Gross block								Accumulated impairment					Net block
	Balance as at 1 April 2019	Additions	Reclassified on account of adoption of Ind AS 116	Disposals	Translation Adjustment	Impairment*	Balance as at 31 March 2020	Balance as at 1 April 2019	Amortisation for the year	Reclassified on account of adoption of Ind AS 116	On disposals	Translation Adjustment	Balance as at 31 March 2020	Balance as at 31 March 2020
	(a)	(b)	(c)	(d)	(e)	(f)	(g) = (a+b-c-d-e-f)	(h)	(i)	(j)	(k)	(l)	(m) = (h+i-j-k-l)	(n) = (g-m)
Other goodwill	2	-	-	-	-	-	2	-	-	-	-	-	-	2
Brands/trademarks	136	-	-	-	-	-	136	67	24	-	-	-	91	45
Computer software	187	27	-	5	13	30	166	72	38	-	1	4	105	61
Technical knowhow	17	-	-	-	-	-	17	15	-	-	-	-	15	2
Assets under finance lease														
Software Installation	4	-	-	4	-	-	-	3	-	-	3	-	-	-
Total (B)	**346**	**27**	**-**	**9**	**13**	**30**	**321**	**157**	**62**	**-**	**4**	**3**	**212**	**110**
Total (A+B)	**1,356**	**27**	**-**	**9**	**13**	**741**	**619**	**157**	**62**	**-**	**4**	**3**	**212**	**409**

Impairment testing of goodwill

For the purposes of impairment testing, goodwill is allocated to the Cash Generating Unit (CGU) which represents the lowest level at which the goodwill is monitored for internal management reporting purposes.

The recoverable amount of the cash generating unit was based on its value in use. The value in use of this unit was determined to be higher than the carrying amount and an analysis of the calculation's sensitivity towards change in key assumptions did not identify any probable scenarios where the CGU recoverable amount would fall below their carry amount.

Value in use was determined by discounting the future cash flows generated from the continuing use of the CGU. The calculation was based on the following key assumptions:

i. The anticipated annual revenue growth and margin included in the cash flow projections are based on past experience, actual operating results and the 5-year business plan in all periods presented.

ii. The terminal growth rate ranges from 4% to 5% representing management view on the future long-term growth rate.

iii. Discount rate ranging from 11% to 14% for all periods presented was applied in determining the recoverable amount of the CGU. The discount rate was estimated based on past experience and companies average weighted average cost of capital.

The values assigned to the key assumptions represent the management's assessment of future trends in the industry and based on both internal and external sources.

* Also refer note 2.46, Group has recorded impairment loss pursuant to filing of insolvency by one of the subsidiary (including its step down subsidiaries) of the Group. The subsidiary is considered as a separate Cash Generating Unit.

(₹ in million)

	Gross block					Accumulated amortisation					Net block
	Balance as at 1 April 2018	Additions	Disposals	Translation Adjustment	Balance as at 31 March 2019	Balance as at 1 April 2018	Impairment for the year	On disposals	Translation Adjustment	Balance as at 31 March 2019	Balance as at 31 March 2019
	(a)	(b)	(c)	(d)	(e) = (a+b-c-d)	(f)	(g)	(h)	(i)	(j) = (f+g-h-i)	(k) = (e-j)
Goodwill on consolidation	1,010	-	-	-	1,010	-	-	-	-	-	1,010
Total (A)	**1,010**	**-**	**-**	**-**	**1,010**	**-**	**-**	**-**	**-**	**-**	**1,010**

(₹ in million)

	Gross block					Accumulated amortisation					Net block
	Balance as at 1 April 2018	Additions	Disposals	Translation Adjustment	Balance as at 31 March 2019	Balance as at 1 April 2018	Amortisation for the year	On disposals	Translation Adjustment	Balance as at 31 March 2019	Balance as at 31 March 2019
	(a)	(b)	(c)	(d)	(e) = (a+b-c-d)	(f)	(g)	(h)	(i)	(j) = (f+g-h-i)	(k) = (e-j)
Other goodwill	2	-	-	-	2	-	-	-	-	-	2
Brands/trademarks	136	-	-	-	136	39	24	-	(4)	67	69
Computer software	179	12	6	(2)	187	54	24	6	-	72	115
Technical knowhow	-	17	-	-	17	-	15	-	-	15	2
Assets under finance lease										-	
Software Installation	4	-	-	-	4	2	1	-	-	3	1
Total (B)	**321**	**29**	**6**	**(2)**	**346**	**95**	**64**	**6**	**(4)**	**157**	**189**
Total (A+B)	**1,331**	**29**	**6**	**(2)**	**1,356**	**95**	**64**	**6**	**(4)**	**157**	**1,199**

2.4 Investments

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
Investment in Preference Shares		
520,000 (31 March 2019: 520,000) 0.001% Cumulative redeemable preference shares of ₹ 100 each in Minda Capital Private Limited	14	13
Investment in equity instruments of equity investee		
Interest in joint ventures		
21,332,700 (31 March 2019: 21,332,700) equity shares of ₹ 10 each fully paid up in Minda Vast Access Systems Private Limited	446	478
6,069,000 (31 March 2019: 6,069,000) equity shares of ₹ 10 each fully paid up in Minda Stoneridge Instruments Limited	1,119	1,015
Interest in associate		
29,375,000 (31 March 2019: 29,375,000) equity shares of ₹ 10 each fully paid up in Furukawa Minda Electric Private Limited (formerly known as Minda Furukawa Electric Private Limited)*	182	144
	1,761	**1,650**

* Refer note 2.41

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
Aggregate amount of unquoted investments	1,761	1,650
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of impairment in value of investments	-	-

2.5 Loans

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
- Non Current		
(unsecured, considered good)		
Security deposits	76	87
Security deposits to related parties (refer note 2.39)	39	34
	115	**121**

2.6 Other financial assets

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
- Non Current		
Balances with banks		
- Deposits due to mature after 12 months from the reporting date*	1	141
Others	1	382
	2	**523**

* ₹ Nil (31 March 2019: ₹ 1 million) is held as margin money against letter of credit and bank guarantees.

2.7 Income tax assets

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
Advance income tax (net of provision)	27	67
	27	**67**

2.8 Other non-current assets

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
Capital advances	100	32
Prepaid expenses	2	8
Others	18	-
	120	**40**

2.9 Inventories

(Valued at lower of cost or net realisable value)

(₹ in million)

Particulars	As at 31 March 2020		As at 31 March 2019	
Raw Material (including packing materials, tools and dies)	1,954		1,606	
Add: Material-in-transit	204	2,158	82	1,688
Work-in-progress		797		1,731
Finished goods and stock in trade	759		665	
Add: Goods-in-transit	183	942	336	1,001
Stores and spares		52		44
		3,949		**4,464**

Refer to note 2.18 and 2.23 for information on inventories pledged as security.

2.10 Trade receivables

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured		
- Considered good	3,794	5,344
- Considered doubtful	21	26
Less: Provision for expected credit loss	(21)	(26)
Receivable from related parties (refer note 2.39)	104	120
	3,898	**5,464**

Refer to note 2.18 and 2.23 for information on trade receivables pledged as security.

2.11 Cash and cash equivalents

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
Cash and cash equivalents		
Cash on hand	4	3
Cheques, drafts on hand	-	-
Balance with banks		
- Deposits with original maturity of 3 months or less	188	42
- On current accounts	733	247
- Other bank balance	22	11
	947	**303**

2.12 Other bank balances

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
Deposits due to mature within 12 months of the reporting date*	3,777	3,227
	3,777	**3,227**

*Deposits include ₹ 2 million (31 March 2019: ₹ 2 million) being fixed deposits held as margin money or security against borrowings, guarantee.

2.13 Loans

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
- Current		
Security deposits	14	19
Loan to employees	-	-
Loans to related parties (refer note 2.39)	-	3
	14	**22**

2.14 Other financial assets

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
- Current		
Interest accrued on fixed deposits and others	25	199
Unbilled revenue	2	18
Advance to employees (refer 2.14.1 below)	20	22
Others receivable	3	42
	50	**281**

2.14.1 Loans and advances due by officers of the Company

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
Dues from officers of the Company (either severally or jointly)	-	1
	-	**1**

2.15 Other current assets

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
Prepaid expenses	92	120
Balance with government authorities	213	269
Advances to suppliers	273	216
Export benefit/rebate claims receivables	92	65
Forward cover receivable [net of forward payable of ₹ 224 million (31 March 2019: ₹ 122 million)]	10	20
Others	14	42
	694	**732**

2.16 Equity share capital

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
2.16.1 Authorised		
250,000,000 (31 March 2019: 250,000,000) equity shares of ₹ 2 each.	500	500
240,000 (31 March 2019: 240,000) 0.001% cumulative redeemable preference shares of ₹ 800 each.	192	192
	692	**692**
2.16.2 Issued, subscribed and fully paid up		
a) Equity shares of ₹ 2 each (previous year ₹ 2 each)		
226,515,025 (31 March 2019: 226,233,025) equity shares of ₹ 2 each*	453	453
	453	**453**

* Excluding shares held by Minda Corporation limited - Employee Stock Option Scheme trust

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

a) Equity shares of ₹ 2 each (31 March 2019: ₹ 2 each) fully paid up

(₹ in million)

	As at 31 March 2020		As at 31 March 2019	
	Number of shares	Amount	Number of shares	Amount
Balance as at the beginning of the year (face value ₹ 2 per share)	226,233,025	453	207,976,180	416
Add: Issued during the year (face value ₹ 2 per share) (refer to note 2.16.8)	282,000	-	17,910,645	36
Add: Issue of shares under Company's employee share option scheme (face value ₹ 2 per share) (refer to note 2.42)	-	-	346,200	1
Balance as at the end of the year [face value of ₹ 2 each (31 March 2019: ₹ 2 each)]	**226,515,025**	**453**	**226,233,025**	**453**

Pursuant to the approval of the shareholders on 23 March 2014, the Company had allotted Bonus shares in the ratio of 1:1 and the nominal value of shares of the Company has been sub-divided from ₹ 10 (Rupees Ten) per share to ₹ 2 (Rupees Two) per share. Consequent to the same, the number of the equity shares of the Company has increased from 20,931,164 equity shares of ₹ 10 each to 209,311,640 shares (including shares held by Minda Corporation limited - Employee Stock Option Scheme trust) of ₹ 2 each.

2.16.4 Rights, preferences and restrictions attached to each class of shares

a) Equity shares of ₹ 2 each (31 March 2019: ₹ 2 each) fully paid up

The Company has one class of equity shares having a par value of ₹ 2 per share (31 March 2019 : ₹ 2 per share). Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

b) 0.001% cumulative redeemable preference shares of ₹ 800 each fully paid up

The Company had 240,000 cumulative redeemable preference shares of ₹ 800 each. The shares carry right of fixed preferential dividend at a rate of 0.001%. The holders of these shares do not have the right to vote and are compulsorily redeemable at par on or before the expiry of 20 years from the date of allotment. The dividend on the shares shall be cumulated and any unpaid dividend shall be added to the amount payable as dividend in the following year and no dividend can be paid on equity shares until the entire backlog of unpaid dividends on these shares is cleared. In the event of liquidation, these share holders are entitled to get their capital after satisfaction of dues for secured creditors, but they get preference over equity share capital. The shares have been redeemed during the year ended 31 March 2018.

2.16.5 Details of shareholder holding more than 5% shares as at year end

Equity shares of ₹ 2 each fully paid up

Name of shareholders	As at 31 March 2020		As at 31 March 2019	
	% of holdings	Number of shares held	% of holdings	Number of shares held
(i) Ashok Minda	35.9%	81,466,380	35.9%	81,466,380
(ii) Sarika Minda	14.7%	33,394,900	14.7%	33,394,900
(iii) Minda Capital Private Limited	17.0%	38,581,298	17.0%	38,581,298
		153,442,578		**153,442,578**

2.16.6 Shares allotted as fully paid up by way of bonus shares (during five years immediately the reporting date)

Particulars	Years (number and aggregate number of shares)					
	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
Fully paid up equity shares of ₹ 2 each	-	-	-	-	-	104,655,820
Cumulative number of shares of ₹ 2 each	192,508,430	192,508,430	192,508,430	192,508,430	192,508,430	192,508,430

2.16.7 Issue of shares to Minda Corporation Limited Employees' Stock Option Scheme

Pursuant to the Board of Director's approval in Board meeting held on 29 September 2011, the Company has constituted a trust under the name "Minda Corporation Limited Employee Stock Option Scheme Trust" (MCL ESOS Trust), with the objective of acquiring and holding of shares, warrants or other securities of the Company for the purpose of implementing the Company's ESOP Scheme. The Company has contributed a sum of ₹ 0.1 million towards initial trust fund and later on advanced a sum of ₹ 134 million to fund the purchase of Company's equity shares by MCL ESOS trust. The Company had issued and allotted, 267,092 equity shares of the Face Value ₹ 10 each at the premium of ₹ 490 per equity share to the MCL ESOS Trust, as approved in the Extra ordinary general meeting dated 24 October 2011. Further, the Company had issued bonus shares in proportion of one equity share for one share held on 29 March 2012, as decided in Extra ordinary general meeting held on 16 March 2012. During the financial year ended 31 March 2017, the members of the Company had approved 'Employee Stock Option Scheme, 2017' through Postal Ballot on 10 February 2017. The plan envisaged grant of stock options to eligible employees at an exercise price equal to the latest available closing price discounted by 50% or such other percentage as may be decided by the Nomination and Remuneration Committee. Refer note 2.42.

2.16.8 Qualified Institutional Placement (QIP) of equity shares

During the year ended 31 March 2019, the Company has raised funds amounting to ₹ 3,056 million (net of expenses of ₹ 50 million) by way of Qualified Institutional Placement (QIP) of equity shares for the objects of working capital requirement, repayment of outstanding loan, investment in subsidiaries and joint ventures, to fund growth and expansion and towards corporate general purpose. The Company has issued 17,910,645 shares at a price of ₹ 173.47 per share whereby equity share capital has increased by ₹ 36 million and securities premium is increased by ₹ 3,020 million (net of expenses).

Details of utilization of QIP proceeds are as follows:

(₹ in million)

Objects of the issue as per prospectus	Proceeds from QIP	Utilized upto 31 March 2020	Unutilized amount as at 31 March 2020
Working capital requirement, repayment of outstanding loan, investment in subsidiaries and joint ventures, to fund growth and expansion and towards corporate general purpose	3,056	-	3,056

The unutilized amount of the issue as at 31 March 2020 has been temporarily deployed in bank accounts.

2.17 Other Equity

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
2.17.1 Capital reserve		
Opening balance	567	567
Closing balance	**567**	**567**
2.17.2 Securities premium		
Opening balance	4,011	984
Add: Premium on issue of shares	-	3,071
Less: Amount utilised towards expenses for increase in share capital	-	(50)
Add: Premium on issue of shares issued by ESOP Trust	6	6
Closing balance	**4,017**	**4,011**
2.17.3 Equity component of compound financial instrument-Cumulative redeemable preference share		
Opening balance	47	47
Closing balance	**47**	**47**
2.17.4 Employee stock compensation outstanding		
Opening balance	38	21
Add: Employee stock compensation expense	3	17
Closing balance	**41**	**38**
2.17.5 General reserve		
Opening balance	518	412
Add: Amount transferred from surplus during the year	-	106
Closing balance	**518**	**518**
2.17.6 Retained earnings		
Opening balance	6,610	5,161
Add: Profit on sale of treasury shares	31	-
Less: Impact on account of adoption of Ind AS 116 (including tax)	(98)	-
Add: Profit on dilution of stake in joint venture	-	43
Add: Net (loss)/profit for the year	(1,998)	1,692
	4,545	**6,896**
Less : Interim dividend		
- on equity shares at ₹ 0.35 per share (31 March 2019: ₹ 0.25 per share)]	(76)	(57)
Tax on interim dividend	(16)	(16)
Less : Final dividend		
- on equity shares at ₹ 0.45 per share (31 March 2019: ₹ 0.30 per share)]	(102)	(79)
Tax on final dividend	(5)	(23)
Less: Amount transferred to general reserves during the year	-	(106)
Remeasurement of defined benefit obligation	(18)	(5)
Closing balance	**4,328**	**6,610**
2.17.7 Remeasurement of define benefit obligation		
Opening balance	-	-
(Less)/ Add : Remeasurement of define benefit obligation	(18)	(5)
Transferred to retained earnings	18	5
Closing balance	**-**	**-**
2.17.8 Capital redemption reserve		
Opening balance	192	192
Closing balance	**192**	**192**
2.17.9 Foreign currency translation reserve		
Opening balance	(485)	(393)
Add: Amount transferred during the year	72	(92)
Closing balance	**(413)**	**(485)**
	9,297	**11,498**

2.17.10 The Board of Directors, in their meeting held on 15 July 2020 has not recommended any final dividend .The total dividend declared on equity shares of the Company for the year 2019-20 is ₹ 0.35 per equity share (face value of ₹ 2 per share).

2.17.11 Earning per share

(₹ in million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Net profit attributable to equity shareholders		
(Loss) / profit after tax	(1,998)	1,692
Number of weighted average equity shares		
Basic	222,508,645	219,728,994
Diluted	227,222,285	224,742,944
Nominal value of equity share (₹)	2	2
Earnings per share (₹) (Basic)	(8.98)	7.69
Earnings per share (₹) (Diluted)	(8.98)*	7.52

* As the potential equity shares are anti-dilutive, the effect of same is ignored in calculating diluted earnings per share as per the requirements of Ind AS 33.

2.17.12 Nature and purpose of other equity

- **Securities premium**

  The unutilized accumulated excess of issue price over face value on issue of shares. This reserve is utilised in accordance with the provisions of the Companies Act, 2013.

- **General reserve**

  This represents appropriation of profit by the Company and is available for distribution of dividend.

- **Employee stock compensation outstanding**

  The fair value of the equity settled share based payment transactions with employees of the Company and its subsidiary is recognised in Consolidated Statement of Profit and Loss with corresponding credit to Employee stock compensation outstanding account. Corresponding balance of a ESOP outstanding is transferred to general reserve upon expiry of grants or upon exercise of stock options by an employee, as the Company is operating the Employee Stock Option scheme.

- **Remeasurements of defined benefit obligation**

  Remeasurements of defined benefit obligation comprises actuarial gains and losses.

- **Equity component of compound financial instrument - Cumulative redeemable preference share**

  The Company had issued compulsory redeemable preference shares @0.001% (below market rate). The same were recorded at cost under previous GAAP. The Company has redeemed such preference shares during the current year. Under Ind As, the preference shares is treated as compound financial instruments and accordingly, classified as financial liability and equity. The same is recognised at amortized cost and is discounted using market rate. The differential between Fair Value and Book Value is considered as equity portion of compound financial instrument.

- **Foreign currency translation reserve**

  Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the Group dispose or partially dispose off its interest in a foreign operation through sale, liquidation, repayment of share capital or abandonment of all, or part of, that entity.

- **Capital reserve**

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

- **Capital redemption reserve**

  This represents the unutilised accumulated amount set aside at the time of redemption of preference share. This reserve is utilised in accordance with the provisions of the Companies Act, 2013.

2.18 Non current borrowings

(₹ in Million)

Particulars	Footnote	Non-current maturities		Current maturities	
		As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
2.18.1 Secured					
Term loans					
from banks	[1]	1,129	1,362	1,021	1,337
Vehicle loan	[2]	19	29	18	26
2.18.2 Unsecured					
Finance lease obligations					
for land, building and plant and machinery	[3]	-	57	-	34
Term loans					
from others	[4]	-	-	-	72
Deferred sales tax liabilities					
State Industrial and Investment Corporation of Maharashtra Limited (SICOM)	[5]	2	8	6	8
		1,150	**1,456**	**1,045**	**1,477**
Less: Amount shown under other current liabilities [refer to note 2.25]		-	-	1,045	1,477
		1,150	**1,456**	**-**	**-**

Footnotes:

(₹ in Million)

No.	Detail of Loan	Loan outstanding as at 31 March 2020*	Loan outstanding as at 31 March 2019*	Details of security / guarantee#
1	Term loan from banks (denominated in INR)	1,255	915	Entire term loan is secured by first pari passu charge on all existing and future moveable fixed assets (excluding assets exclusively charged to other lenders) of the Company. Further, out of total loans (a) Loans aggregating to ₹ 507 million (Previous Year: ₹ 659 million) are secured by first pari passu charge on the immoveable properties of the Company situated at Sector 59, Noida (Uttar Pradesh) and Sector 32, Gurugram (Haryana). (b) Loans aggregating to ₹ 548 million (Previous Year: ₹ 105 million) are secured by first pari passu charge on the immoveable properties of the Company situated at Sector 59, Noida (Uttar Pradesh), Sector 32, Gurugram (Haryana), Plot No. D-225/1+D-226+227, Chakan Industrial Area, Bhamboli & Dhanivalli village, Murbad, (Maharashtra), Plot No 9 & 9A, Sector 10-Pantnagar (Uttrakhand), SIDCO Industrial Estate, Kakkalur (Chennai) and with by way of equitable mortage on land & building located at IMT, Bawal (Haryana) along with second pari passu charge on all the existing and future current assets of the Company. (c) Loans aggregating to ₹ 200 million (Previous Year: ₹ 151 million) are secured by immovable properties located at Sector 59, Noida (Uttar Pradesh), Sector 32, Gurugram (Haryana), Plot No. D-225/1+D-226+227, Chakan Industrial Area, Bhamboli (Maharashtra), Plot No 9 & 9A, Sector 10-Pantnagar (Uttrakhand) along with second pari passu charge on all the existing and future current assets of the Company.

(₹ in Million)

No.	Detail of Loan	Loan outstanding as at 31 March 2020*	Loan outstanding as at 31 March 2019*	Details of security / guarantee#
	Term loan from banks-ECB (denominated in USD)	374	492	Entire term loan is secured by first pari passu charge on all existing and future moveable fixed assets (excluding assets exclusively charged to other lenders) along with second pari passu charge on all the existing and future current assets of the Company. Further, out of total loans (a) Loans aggregating to ₹ 225 million (Previous Year: ₹ 327 million) are secured by first pari passu charge on the immoveable properties of the Company situated at Sector 59, Noida (Uttar Pradesh), Plot No. D-225/1+D-226+227, Chakan Industrial Area, Bhamboli (Maharashtra), Plot No 9 & 9A, Sector 10-Pantnagar (Uttrakhand), Sector 32, Gurugram (Haryana). (b) Loans aggregating to ₹ 149 million (Previous Year: ₹ 165 million) are secured by First pari passu charge on the immoveable properties of the Company situated at Dhanivalli village, Murbad, (Maharashtra),SIDCO Industrial Estate, Kakkalur (Chennai).
	Term loan from banks- (denominatd in Euro)	521	1,292	(a) Loans aggregating to ₹ 291 million (Previous Year: ₹ 381 million) are secured by first Pari-passu charge on building and plant & machinery and entire current assets of Minda KTSN Plastic Solutions GmbH & Co. KG (b) Loans aggregating to ₹ Nil (Previous Year: ₹ 621 million) are secured by assignment of the receivables related to the contracts between VW/Audi for the project Q3/Q6 and Q8 of Minda KTSN Plastic Solutions GmbH and Co. KG. c) Loans aggregating to ₹ 224 million (Previous Year: ₹ 281 million) are secured by fixed charge over all the current asset and fixed assets purchased out bank finance and pari-passu charge on the entire fixed assets of the Minda KTSN Pirna. d) Loan aggregating to ₹ 6 million (Previous Year: ₹ 12 million) are secured by power of attorney to the borrower's Current Account and the accounts held with the bank and blank bills of exchange together with B/E declaration of Minda KTSN Plastic and Tooling Solutions Sp. Z o.o, Poland and joint mortgage over specified amount. Further secured by land described in the land mortgage books KW no. BY1B/00066470/2, KW no. BY1B/00066480/5, Poland.
2	Vehicle Loan from Kotak Mahindra Prime Limited	37	55	Vehicle loan is secured by way of hypothecation of respective vehicles.
3	Finance lease obligations	-	91	Unsecured
4	Term loan from Others (denominated in Euro)	-	72	Unsecured
5	Deferred sales tax liabilities (SICOM)	8	16	Unsecured
	Total	**2,195**	**2,933**	

*Net of transaction cost

Certain immovable properties considered as security against above borrowings have been transferred to the Company pursuant to scheme of amalgamation vide order dated 19 July 2019 are pending for registration in the name of the Company.

Repayment Terms:

(₹ in million)

Loan Category	Frequency of principal repayments	Interest rates	As at 31 March 2020		As at 31 March 2019	
			No. of Installments due	Amount	No. of Installments due	Amount
Term loan from banks (denominated in Euro)	Half yearly repayments	3.93% (PY 3.93%)	5	291	7	381
			6	224	8	281
	Monthly repayments	3.50 % to 3.61%% (PY 3.50% to 3.61%)	-	-	3	621
			10	6	23	12
Term loan from others (denominated in Euro)	Quarterly repayment		-	-	1	72
Term loan from banks (denominated in INR)	Quarterly repayments	7.95% to 9.95% (PY 9.00% to 10.00%)"	20	500	-	-
			16	150	-	-
			4	44	8	89
			2	50	6	150
			2	4	6	13
			-	-	1	2
	Monthly repayments	8.15% to 8.75% (PY 8.75% to 10.10%)	40	26	49	29
			39	182	51	137
			25	75	37	111
			19	168	31	277
			18	30	30	50
			18	24	30	41
			1	1	13	15
ECB loans (denominated in USD)	Quarterly repayments	Floating rate of 3 month-Libor plus spread ranging from 1.75% to 2.25%	2	18	6	49
			4	36	8	65
			11	171	15	213
			14	149	17	165
Vehicle Loan	Quarterly repayments	8.00% - 9.50% (PY 9.00% to 9.50%)	9-16	37	9-16	55

Maturity profile for the year ended 31 March 2020:

(₹ in Million)

Loan Category	Frequency of principal repayments	Up to 31 March 2021	Up to 31 March 2022	Up to 31 March 2023	Up to 31 March 2024	Up to 31 March 2025	Remaining tenure after 1 April 2025
Term loan from banks (INR denominated)	Quarterly repayments	99	113	138	138	138	124
	Monthly repayments	244	179	67	17	-	-
ECB loans (USD demoninated)	Quarterly repayments	158	105	89	20	-	-
Term loan from banks (Euro denominated)	Half yearly repayments	515	-	-	-	-	-
	Monthly repayments	6	-	-	-	-	-
Total Term loans		**1,022**	**397**	**294**	**175**	**138**	**124**
Deferred sales tax liabilities (SICOM)	Annual repayments	6	2	-	-	-	-
Vehicle Loan	Quarterly repayments	18	12	7	-	-	-
	Grand Total	**1,046**	**411**	**301**	**175**	**138**	**124**

Maturity profile for the year ended 31 March 2019:

(₹ in Million)

Loan Category	Frequency of principal repayments	Up to 31 March 2020	Up to 31 March 2021	Up to 31 March 2022	Up to 31 March 2023	Up to 31 March 2024	Remaining tenure after 1 April 2024
Term loan from banks (INR denominated)	Quarterly repayments	155	99	-	-	-	-
	Monthly repayments	234	229	154	35	8	-
ECB loans (USD demoninated)	Quarterly repayments	151	145	96	82	19	-
Term loan from banks (Euro denominated)	Half yearly repayments	179	179	179	122	-	-
	Monthly repayments	627	6	-	-	-	-
Term loan from Others (Euro denominated)	Half yearly repayments	72	-	-	-	-	-
Total Term loans		**1,418**	**658**	**429**	**239**	**27**	**-**
Deferred sales tax liabilities (SICOM)	Annual repayments	8	8	-	-	-	-
Vehicle Loan	Quarterly repayments	18	18	12	7	-	-
Finance lease obligation	Quarterly repayments	91	-	-	-	-	-
	Grand Total	**1,535**	**684**	**441**	**246**	**27**	**-**

2.18 (a) Movement in current and non current borrowings

(₹ in Million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Borrowings at the beginning of the year	6,806	7,232
Movement due to cash transactions per the statement of cash flows	(1,157)	371
Movement due to non-cash transactions:		
- Foreign exchange movement	(330)	(797)
Borrowings at the end of the year	5,319	6,806

2.19 Other financial liabilities

(₹ in Million)

Particulars	As at 31 March 2020	As at 31 March 2019
Deferred consideration payable	-	12
	-	12

2.20 Income tax

A. Amounts recognised in statement of profit and loss

The major components of income tax expense for the years ended 31 March 2020 and 31 March 2019 are:

(₹ in Million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Current tax		
Current year	520	686
Adjustments in respect of current income tax of previous years	(5)	(19)
	515	667
Deferred tax		
Origination and reversal of temporary differences	(73)	2
Adjustments in respect of deferred tax of previous years	12	-
	(61)	2
Income tax expense reported in the statement of profit and loss	454	669

B. Amounts recognised in other comprehensive Income

The major components of income tax expense for the years ended 31 March 2020 and 31 March 2019 are:

(₹ in Million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Income tax		
Remeasurement of post employment benefit obligation	(4)	(3)
Income tax charges to other comprehensive (income)/expense	(4)	(3)

C. The Company has elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognized provision for income tax for the year ended 31 March 2020 and re-measured its deferred tax liability basis the rate prescribed in the said section. The full impact of this change amounting to ₹ 72 million has been recognized in the Statement of Profit and Loss.

D. Reconciliation of effective tax rate

Reconciliation of tax expense and the accounting profit/ (loss) multiplied by India's domestic tax rate for the year ended 31 March 2020 and 31 March 2019:

(₹ in Million)

Particulars	For the year ended 31 March 2020		For the year ended 31 March 2019	
	Rate	Amount	Rate	Amount
(Loss) / Profit before tax from continuing operations excluding share of profit / (loss) of joint venture and including exceptional items	**25.17%**	**(1,669)**	**34.95%**	**2,081**
Tax using the Company's domestic tax rate		(420)		727
Tax effect of:				
Provision for impairment of assets and receivables	-33.51%	559	-	-
Permanent difference	-10.72%	179	-	-
Effect of non deductible expense and exempt income	-1.99%	33	1.26%	26
Incremental allowance for research and development expenditure	-	-	-1.91%	(40)
Tax incentives	-	-	-6.32%	(131)
Tax adjustment for earlier years	-0.42%	7	-	-
Change/ difference in tax rates	2.70%	(45)	-0.20%	(4)
Changes in estimates related to prior years	-	-	-0.93%	(19)
Current year losses on which deferred tax asset is not recognised	-4.31%	72	-	-
Derecognition of previously recognised deferred tax assets	-3.18%	53	-	-
Difference in tax rate in foreign jurisdiction	-3.00%	50	0.69%	14
Others	2.04%	(34)	4.62%	96
Effective tax rate	**-27.22%**	**454**	**32.15%**	**669**

E. Movement of temporary differences

(₹ in Million)

Particulars		As at 1 April 2018	Credited/ (charge) in profit or loss during 2018-19	MAT of Previous year(s) utilised during the year	Foreign currency translation	Credited/ (charge) in OCI during 2018-19	As at 31 March 2019	Credited/ (charge) in profit or loss during 2019-20	Reversal	Impact of change in tax rate	Recognised in retained earnings during 2019-20	Foreign currency translation	Credited/ (charge) in OCI during 2019-20	As at 31 March 2020
Deferred tax assets														
Accrued expense deductible on payment		15	15	-	(1)	-	29	(2)	(4)	(5)	-	-	-	18
Provision for gratuity and compensated absences		81	4	-	-	3	88	1	(4)	(20)	-	-	4	69
Loss allowance for trade receivables		6	4	-	-	-	10	28	(24)	(2)	-	(5)	-	7
MAT credit entitlement		65	-	(65)	-	-	-	-	-	-	-	-	-	-
Employees Stock Compensation Expense		2	(2)	-	-	-	-	-	-	-	-	-	-	-
Brought forward losses		32	15	-	1	-	48	(48)	-	-	-	-	-	-
Impact of Ind AS 116		-	-	-	-	-	-	-	6	-	28	-	-	34
Others		9	(28)	-	1	-	(18)	19	-	-	-	(1)	-	-
	A	**210**	**8**	**(65)**	**1**	**3**	**157**	**(2)**	**(26)**	**(27)**	**28**	**(6)**	**4**	**128**

Particulars		As at 1 April 2018	Credited/ (charge) in profit or loss during 2018-19	MAT of Previous year(s) utilised during the year	Foreign currency translation	Credited/ (charge) in OCI during 2018-19	As at 31 March 2019	Credited/ (charge) in profit or loss during 2019-20	Reversal	Impact of change in tax rate	Recognised in retained earnings during 2019-20	Foreign currency translation	Credited/ (charge) in OCI during 2019-20	As at 31 March 2020
Deferred tax liabilities														
Difference in book written down value and tax written down value of property, plant and equipment		237	10	-	-	-	247	(25)	9	(70)	-	(1)	-	160
Others		(6)	-	-	-	-	(6)	8	(3)	-		-	-	(1)
	B	**231**	**10**	**-**	**-**	**-**	**241**	**(17)**	**6**	**(70)**	**-**	**(1)**	**-**	**159**
Net deferred tax	**(A)-(B)**	**(21)**	**(2)**	**(65)**	**1**	**3**	**(84)**	**15**	**(32)**	**43**	**28**	**(5)**	**4**	**(31)**

Reflected in Balance Sheet as follows:

(₹ in Million)

Particulars	As at 31 March 2020	As at 31 March 2019
Deferred tax assets	17	98
Deferred tax liabilities	48	182
Deferred tax liabilities (net)	**(31)**	**(84)**

2.21 Non current provisions

(₹ in Million)

Particulars	As at 31 March 2020	As at 31 March 2019
Provision for employee benefits (refer to note 2.21.2)		
- Gratuity	106	44
- Compensated absence	112	100
- Other retirement benefits	27	26
Others		
- Provision for warranties (refer to note 2.21.1)	7	5
	252	**175**

2.21.1 Movement in warranty cost provision

The Group warrants that its products will perform in all material respects in accordance with the Group's standard specifications for the warranty period. Accordingly based on specific warranties, claims history, the Group provides for warranty claims. The activity in the provision for warranty costs is as follows:

(₹ in Million)

Particulars	As at 31 March 2020	As at 31 March 2019
At the beginning of the year	29	30
Provided during the year	108	59
Utilised during the year	(69)	(63)
At the end of the year	**68**	**26**
Current portion	61	21
Non- current portion	7	5
	68	**26**

2.21.2 Employee benefits

2.21.2.1 For Indian entities

a) Defined contribution plans

The Company's employee provident fund and employee's state insurance schemes are defined contribution plans. The following amounts have been recognised as expense for the year and shown under Employee benefits expense in note 2.33.

(₹ in Million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Contribution towards		
-Provident fund	128	120
-Employee state insurance	9	13
	137	**133**

b) Defined benefit plans - Gratuity

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

(₹ in Million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Changes in the present value of the defined benefit obligation is as follows:		
Present value of defined benefit obligation at the beginning of the year	291	259
Interest cost	21	20
Acquisition adjustment	(6)	8
Current service cost	42	33
Benefits paid	(41)	(39)
Actuarial (gain)/ loss on obligation	19	10
Present value of defined benefit obligation at the end of the year	**326**	**291**
Changes in the present value of the plan asset is as follows:		
Fair value of plan asset at the beginning of the year	187	146
Return on plan asset	14	12
Contributions	4	31
Benefits paid	(2)	(2)
Actuarial (gain) / loss on obligation	1	-
Fair value of plan asset at the end of the year	**204**	**187**
Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets:		
Present value of defined benefit obligation at the end of the year	326	291
Fair value of plan asset at the end of the year	204	187
Net (liability) as at the close of the year	**(122)**	**(104)**
Current portion	16	60
Non- current portion	106	44
Expenses recognized in the statement of profit and loss:		
Current service cost	42	33
Interest cost	21	20
Expected return on plan assets	(14)	(12)
Expenses recognized in the statement of profit and loss:	**49**	**41**
Remeasurements income recognised in other comprehensive income:		
Actuarial loss on defined benefit obligation	18	10
	18	**10**

Particulars	As at 31 March 2020	As at 31 March 2019
Actuarial assumptions:		
Discount rate	6.80%	6.95% to 7.66%
Expected salary increase rates	5.5% to 10%	5.5% to 10%
Mortality	100% of IALM 2012-14	100% of IALM 2006-08
Employee attrition rate		
- Up to 30 years of age	3% to 30%	3% to 30%
- From 31 years of age to 44 years of age	2% to 20%	2% to 20%
- Above 44 years of age	1% to 10%	1% to 10%

Note:

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

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

Sensitivity analysis:

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

(₹ in Million)

Particulars	For the year ended 31 March 2020		For the year ended 31 March 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (- / + 1%)	(25)	40	(23)	26
Future salary growth (- / + 1%)	37	(23)	23	(21)

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

Maturity profile:

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

(₹ in Million)

Particulars	As at 31 March 2020	As at 31 March 2019
1 year	17	22
2 to 5 years	70	81
More than 5 years	239	408

c) Other long term benefit - Compensated absences

The Company operates compensated absences plan, where in every employee is entitled to the benefit as per the policy of the Company in this regard. The salary for calculation of earned leave is last drawn salary. The same is payable during the service, early retirement, withdrawal of scheme, resignation by employee and upon death of employee.

The other long- term benefit of compensated absence in respect of employees of the Company as at 31 March 2020 amounts to ₹ 122 million (previous year: ₹ 110 million) and the expense recognised in the statement of profit and loss during the year for the same amounts to ₹ 34 million (31 March 2019: ₹ 24 million) [Gross payment of ₹ 22 million (31 March 2019: ₹ 19 million)].

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

a) Asset volatility

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

b) Changes in discount rate

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

c) Inflation risks

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

d) Life expectancy

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

The Group ensures that the investment positions are managed within an asset- liability matching (ALM) framework that has been developed to achieve long term investments that are in line with the obligations under the employee benefit plans. Within this framework, the Group's ALM objective is to match assets to the obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency. The Group 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 Group has not changed the processes used to manage its risks from previous periods.

2.21.1.2 For overseas entities

a) Social security contributions

The Group's employee social security contributions are defined contributions plans. The following amounts have been recognised as expense for the year and shown under employee benefits expense in note 2.33.

(₹ in Million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Contribution towards		
-Social security	178	213
	178	**213**

b) Vacations

The Group pays for vacations, wherein every employee entitled to the benefit as per the policy of the Group in this regard. The liability of vacation in respect of employees of the Group as at 31 March 2020 amounts to ₹ 63 million (31 March 2019: ₹ 54 million) and the expense recognised in the consolidated statement of profit and loss during the year for the same amounts to ₹ 11 million (31 March 2019: ₹ 11 million).

c) Retirement and service anniversary

Employees of certain entities in the Group are entitled to retirement benefits, which provides for a lump sum payment to the employees at the time of separation from service and long service awards on completion of vested period of employment. The liability on account of such benefits is based on actuarial valuation as at the end of the financial year.

(₹ in Million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Changes in the present value of the benefit obligation is as follows:		
Opening balance	32	28
Actuarial (Gain) / Loss on Obligation	(2)	(2)
Service cost	3	4
Interest cost	3	2
Net balance	36	32
Translation adjustment	-	-
Closing balance	**36**	**32**
Current portion	9	7
Non- current portion	27	25
Expenses recognized in the statement of profit and loss:		
Current service cost	3	4
Interest cost	3	2
Expenses recognized in the statement of profit and loss:	**6**	**6**
Remeasurements income recognised in other comprehensive income:		
Actuarial gain on defined benefit obligation	(2)	(2)
Actuarial assumptions:		
Discount rate		
-Others	7.00%	8.33%
Expected salary increase rates		
- for PT Minda Automotive Indonesia	10.00%	10.00%
- for Minda KTSN Plastic Solutions GmbH & Co. KG	5.00%	1.00%
- for Minda Vietnam Automotive Company Limited	Year 1 to 3: 10% Year 4 & 5: 8% Thereafter: 6.5%	Year 1 to 3: 10% Year 4 & 5: 8% Thereafter: 6.5%
Mortality	TMI 2011	TMI 2011
Employee attrition rate		
- for PT Minda Automotive Indonesia and Minda Vietnam Automotive Company Limited		
- Up to 30 years of age	12.00%	12.00%
- From 31 years of age to 44 years of age	8.00%	8.00%
- Above 44 years of age	5.00%	5.00%
- for Minda KTSN Plastic Solutions GmbH & Co. KG		
- Up to 40 years of age	5.00%	5.00%
- From 41 years of age to 45 years of age	4.00%	4.00%
- From 46 years of age to 50 years of age	3.00%	3.00%
- Above 50 years of age	1.00%	1.00%

The impact of sensitivity analysis on actuarial assumptions for overseas entities is considered insignificant, hence the same has not been disclosed

2.22 Other non-current liabilities

(₹ in Million)

Particulars	As at 31 March 2020	As at 31 March 2019
Security deposit	33	26
Others	1	5
	34	**31**

2.23 Short term borrowings

(₹ in Million)

Particulars	Footnote	As at 31 March 2020	As at 31 March 2019
2.23.1 Secured			
Cash credit and working capital demand loan			
from banks	[1]	2,628	2,833
		2,628	**2,833**
2.23.2 Unsecured			
Purchase order financing facility			
from banks	[2]	251	546
from others	[3]	245	494
		496	**1,040**
		3,124	**3,873**

Footnotes:

(₹ in Million)

No.	Details of Loan*	Outstanding as at 31 March 2020	Outstanding as at 31 March 2019	Details of security/Guarantee
1	Cash Credit & working capital demand loan - from banks	1,153	1,422	Facility amounting to ₹ 1,146 million (Previous Year: ₹ 735 million) is secured by first pari passu charge on all the existing and future current assets of the company & facility amounting to ₹ 7 million (Previous Year: ₹ 29 million) is secured by first pari passu charge on all the existing and future stock & book debts of the company. Further amount aggregating to ₹ 637 million (Previous Year: ₹ 764 million) is secured by second pari-passu charge on all existing and future movable fixed assets (excluding assets exclusively charged to other lenders) of the company. Further, out of total amount (a) Amount aggregating to ₹ 510 million (Previous Year: ₹ 636 million) is secured by second pari passu charge on immovable properties of the company situated at Sector 59, Noida (Uttar pradesh), Sector 32, Gurugram (Haryana), Plot No. D-225/1+D-226+227, Chakan Industrial Area, Bhamboli & Dhanivalli village, Murbad, (Maharashtra), Plot No 9 & 9A, Sector 10-Pantnagar (Uttarakhand), SIDCO Industrial Estate, Kakkalur (Chennai) and equitable mortgage on land & building located IMT, Bawal (Haryana) (b) Amount aggregating to ₹ 7 million (Previous Year: ₹ 29 million) is secured by second pari passu charge on immovable properties of the company situated at Sector 59, Noida (Uttar pradesh), Sector 32, Gurugram (Haryana), Plot No. D-225/1+D-226+227, Chakan Industrial Area, Bhamboli & Dhanivalli village, Murbad, (Maharashtra), Plot No 9 & 9A, Sector 10-Pantnagar (Uttarakhand), SIDCO Industrial Estate, Kakkalur (Chennai). (c) Amount aggregating to ₹ 120 millions(Previous Year - ₹ 99 millions) is secured by second pari passu charge on immovable properties of the company situated at Sector 59, Noida (Uttar pradesh), Sector 32, Gurugram (Haryana), Plot No. D-225/1+D-226+227, Chakan Industrial Area, Bhamboli (Maharashtra), Plot No 9 & 9A, Sector 10-Pantnagar (Uttarakhand).

No.	Details of Loan*	Outstanding as at 31 March 2020	Outstanding as at 31 March 2019	Details of security/Guarantee
		1,459	1,411	Facility amounting to ₹ 159 million (Previous Year: ₹ 149 million) is secured by standby letter of credit given by Minda Corporation Limited. Facility amount to ₹ 374 million (Previous Year: ₹ 350 million) is secured by first pari-passu charge over UBI Bank of Euro 4.5 million and all fixed assets of Minda KTSN plastic solution GmBH & Co., KG, Germany. Facility amount to ₹ 466 million (Previous Year: ₹ 496 million) is secured by standby letter of credit given by Minda Corporation Limited. Facility amount to ₹ 374 million (Previous Year: ₹ 350 million) is secured by standby letter of credit given by Minda Corporation Limited. Facility amount to ₹ 54 million (Previous Year: ₹ 75 million) is secured by power of attorney to the borrower's current sccount and the accounts held with the bank and blank promissory note together with a promissory note declaration, issued by the borrower. Joint capped rate mortgage over specified amount. Further secured by land described in the land mortgage books KW no. BY1B/00066470/2, KW no. BY1B/00066480/5, Poland. Facility amount to ₹ Nil (Previous Year - ₹ 20 million) is secured by Promissory Note.
	Overdraft facility-from banks	16	-	Secured by 100% margin on fixed deposits of the company
2	Purchase order financing facility from bank	251	546	Unsecured
3	Purchase order financing facility from other parties	245	494	Unsecured
	Total	**3,124**	**3,873**	

*Current borrowings are either payable in one installment within one year or repayable on demand. All current borrowings are denominated in rupee and interest rate is at 7.20% to 9.40%. (PY 8.40% to 11.00%).

2.24 Trade payables

(₹ in Million)

Particulars	As at 31 March 2020	As at 31 March 2019
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	1,012	62
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,998	3,963
Trade payable to related parties (refer note 2.39)	83	78
	5,093	**4,103**

2.25 Other financial liabilities

(₹ in Million)

Particulars	As at 31 March 2020	As at 31 March 2019
Current maturities of long term borrowings (refer note 2.18)		
- Term loans	1,021	1,409
- Financial lease obligation	-	60
- Deferred payment liability	6	8
- Vehicle loan	18	-
Interest accrued but not due on borrowings	27	64
Mark to market loss on derivative contracts	7	1
Creditors for capital items	177	74
Salaries, wages and bonus payable	291	314
Unpaid dividend	-	-
Other payables	107	14
	1,654	**1,944**

2.26 Other current liabilities

(₹ in Million)

Particulars	As at 31 March 2020	As at 31 March 2019
Statutory dues payable	118	294
Advances from customers	222	236
Deferred revenue	3	3
Others	19	8
	362	**541**

2.27 Current Provision

(₹ in Million)

Particulars	As at 31 March 2020	As at 31 March 2019
Provision for employee benefits [refer to note 2.21.2]		
Gratuity	17	59
Compensated absence	10	10
Vacations	63	54
Other retirement benefits	9	7
Others		
Provision for warranty (refer to note 2.21.1)	61	21
Provision for severance cost	743	-
Provision for others	-	19
	903	**170**

2.28 Current tax liabilities

(₹ in Million)

Particulars	As at 31 March 2020	As at 31 March 2019
Provision for income tax (net of advance income tax)	33	80
	33	**80**

2.29 Revenue from operations

(₹ in Million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Sale of products		
- Manufactured goods	26,579	29,608
- Traded goods	1,178	959
Sale of products	**27,757**	**30,567**
Other operating revenues		
- Technical know how and service income	214	154
- Scrap sales	56	58
- Job work income	15	40
- Duty drawback and other export incentives	59	61
- Subsidy received	1	1
- Other operating income	29	-
- Exchange fluctuations (net)	-	39
Other operating revenues	**374**	**353**
Revenue from operations	**28,131**	**30,920**

2.30 Other income

(₹ in Million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest income		
- on fixed deposits	296	211
- on others	3	2
- on income tax refund	-	4
Financial assistance fee	-	5
Liabilities / provisions no longer required written back	34	73
Exchange fluctuations (net)	61	-
Rental income	6	-
Miscellaneous income	43	60
	443	**355**

2.31 Cost of materials consumed

(₹ in Million)

Particulars	For the year ended 31 March 2020		For the year ended 31 March 2019	
Raw materials consumed (includes packing material and components)				
Opening stock	1,688		1,593	
Add: Translation adjustment	(55)	1,633	5	1,598
Add: Purchases during the year		15,876		18,337
		17,509		**19,935**
Less: Closing stock	2,158		1,688	
Add: Provision for impairment loss	103		-	
Add: Translation adjustment	(129)	2,132	(56)	1,632
		15,377		**18,303**

2.32 Changes in inventories of finished goods, stock in trade and work in progress

(₹ in Million)

Particulars	For the year ended 31 March 2020		For the year ended 31 March 2019	
Finished goods (including stock in trade)				
Opening stock	1,001		703	
Add/ (less): Translation adjustment	(28)	973	(50)	653
Closing stock	942		1,001	
Add: Provision for impairment loss	31		-	
Add/ (less): Translation adjustment	(68)	905	(28)	973
		68		**(320)**
Work in progress				
Opening stock	1,731		2,153	
Add/ (less): Translation adjustment	(221)	1,510	(211)	1,942
Closing stock	797		1,731	
Add: Provision for impairment loss	72		-	
Add/ (less): Translation adjustment	(152)	717	(221)	1,510
		793		432
Decrease in inventories		**861**		**112**

2.33 Employee benefits expense

(₹ in Million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries, wages and bonus	4,419	4,420
Contribution to		
- Provident fund and other funds (refer note 2.21.2)	363	369
- Gratuity (refer note 2.21.2)	49	40
Employee stock compensation expense	3	17
Staff welfare expense	193	246
	5,027	**5,092**

2.34 Finance Costs

(₹ in Million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest expense		
on borrowings from banks	343	422
on borrowings from others	30	32
on lease liabilities	82	-
Other borrowing costs	44	36
	499	**490**

2.35 Other Expenses

(₹ in Million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Jobwork charges	505	498
Consumption of stores and spare parts	259	296
Power and fuel	637	621
Rent (refer note 2.36)	58	357
Repair and maintenance		
- buildings	49	64
- plant and machinery	184	189
- others	170	150
Travelling and conveyance	305	381
Legal and professional	326	254
Communication	53	51
Charity and donations	2	2
Bad debts/amounts written off	1	16
Allowance for expected credit loss	75	26
Rates and taxes	27	28
Exchange fluctuations (net)	-	6
Warranty expenses	108	59
Corporate social responsibility expenses	36	35
Loss on sale/discard of fixed assets	15	10
Advertisement and business promotion	78	95
Freight and forwarding	377	377
Insurance	68	67
Bank charges	41	17
Security expense	7	9
Miscellaneous expense	233	264
	3,614	**3,872**

2.36 Leases

As a Lessee

The Group has adopted Ind AS 116 'Leases' with the date of initial application being 1 April 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The Group has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 April 2019. As a result, the comparative information has not been restated. In adopting Ind AS 116, the Group has applied the below practical expedients:

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

The Group has discounted lease payments using the applicable incremental borrowing rate as at 1 April 2019, ranging from 2.1% to 15.4% for measuring the lease liability.

Information about leases for which the Group is a lessee is presented in note 2.1(b).

(₹ in Million)

Lease liabilities	As at 31 March 2020
Balance at 1 April 2019	-
Transition impact of Ind AS 116	1,054
Add: Interest	82
Less: Repayment	(320)
Less: Impairment/ restatement	21
Less: Translation adjustments	45
Balance at 31 March 2020	**882**
Current	506
Non-current	376

(₹ in Million)

Particulars	For the year ended 31 March 2020
Amounts recognised in Statement of Profit and Loss	
Interest on lease liabilities	82
Depreciation expense	274
Expenses relating to short-term leases and leases of low-value assets	58
Amounts recognised in Cash Flow Statement	
Repayment of lease liabilities	320
Interest paid on lease liabilities	82

The impact on the statement of profit and loss for the year ended 31 March 2020 is as follows:

(₹ in Million)

Particulars	For the year ended 31 March 2020
Rental expense is lower by	320
Depreciation is higher by	(274)
Finance cost is higher by	(82)
Profit before tax is higher/ (lower) by	**(36)**

The difference between the future minimum lease rental commitments towards non-cancellable operating leases and finance leases reported as at 31 March 2019 compared to the lease liability as accounted as at 1 April 2019 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases and reduction due to discounting of the lease liabilities as per the requirement of Ind AS 116.

Most of the leases entered by the Group are long term in nature and the underlying leased properties are being used as manufacturing plants. The Group doesn't foresee any major changes in lease terms or the leases in the foreseeable future as per current business projections after considering the impact of COVID-19.

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

(₹ in Million)

The future minimum lease rentals income in respect of non -cancellable operating leases	As at 31 March 2020
-Within one year	17
-Later than one year and not later than five years	50
-Later than five years	-

(₹ in Million)

Particulars	For the year ended 31 March 2020
Lease rent income recognised in the Statement of profit and loss (Refer note 2.30)	6

Operating lease commitments under Ind AS 17

(₹ in Million)

Non-cancellable operating lease commitments	As at 31 March 2019
-Within one year	18
-Later than one year and not later than five years	36
-Later than five years	-

(₹ in Million)

Particulars	For the year ended 31 March 2019
Lease rent recognised in the Statement of profit and loss (Refer note 2.35)	357

2.37 Capital and other commitments

(₹ in Million)

Particulars	As at 31 March 2020	As at 31 March 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	597	106
Commitment pertaining to interest in joint ventures	6	16
	603	**122**

2.38 Contingent liabilities

(₹ in Million)

Particulars	As at 31 March 2020	As at 31 March 2019
Claims against the Group not acknowledged as debts		
a) Income tax	16	5
b) Sales tax/ VAT (Amount paid under protest ₹ 1 million (previous year ₹ 2 million)	3	9
c) Excise duty/Service tax/ Custom Duty (Amount paid under protest ₹ 4 million (previous year ₹ 1 million))	9	4
Others		
Corporate guarantees given by the Company		
- Furukawa Minda Electric Private Limited	-	49
Contingent liabilities related to joint ventures/ associate	29	15

1. The above matters are subject to legal proceedings in the ordinary course of business. The legal proceedings, when ultimately concluded will not, in the opinion of the management, have a material effect on the results of the operations or financial position.

2. It is not practical for the Group to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements / decisions pending with various forums/ authorities.

3. Pursuant to recent judgement by the Hon'ble Supreme Court dated 28 February 2019, it was held that basic wages for the purpose of provident fund, to include special allowances which are common for all employees. However there is uncertainty with respect to the applicable of the judgement and period from which the same applies and accordingly, the Group has not estimated the impact of the same till previous year.

   Owing to the aforesaid uncertainty and pending clarification from the authority in this regard, the Group has not recognised any provision for the previous years. Further management also believes that the impact of the same on the Group will not be material.

4. During the year ended 31 March 2017, one party raised a damage claim against the Company by filing a request with International Chamber of Commerce in Paris. The claim is based on Letter of Comfort ("LOC") signed between party and the Company. At the time of entering into the above mentioned LOC, the Company also obtained indemnity letter from ultimate parent of party, indemnifying the Company against any loss arising from the LOC. Based on legal opinion and the indemnification from ultimate parent of party, the management is of the view that there is no financial implication on the Company in respect of this damage claim.

2.39 Related party disclosures as required under India Accounting Standard (Ind AS) – 24 "Related party disclosure":

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

	Description of relationship	Name of the party
(i)	Key Managerial Personnel	Mr. Ashok Minda - Chairman
		Mr. Sudhir Kashyap - Executive Director and CEO (Till 15 October 2019)
		Mr. R. Laxman - Executive Director and Group CFO (W.e.f 26 September 2019)
		Mr. Sanjay Aneja - CFO (Till 25 September 2019)
		Mr. Ashim Vohra - COO
		Mr. Ajay Sancheti - Company Secretary
(ii)	Relative of Key Managerial Personnel	Mrs. Sarika Minda - Relative of Mr. Ashok Minda
		Mr. Aakash Minda - Relative of Mr. Ashok Minda
(iii)	Jointly controlled entities / associate	Minda Stoneridge Instruments Limited
		Minda Vast Access Systems Private Limited
		Furukawa Minda Electric Private Limited (formerly known as Minda Furukawa Electric Private Limited, India (w.e.f. 28 December 2018) (refer to note 2.41)
(iv)	Other entities over which key management personnel and their relatives are able to exercise significant influence	Minda Capital Private Limited, India
		Minda S.M. Technocast Private Limited , India (Amalgamated with Minda Capital Private Limited w.e.f 15 March 2019)
		Minda Silca Engineering Private Limited, India
		Minda Spectrum Advisory Limited, India

b) Details of transactions and balances with related parties:

(₹ in Million)

Party name	Year	Sale of goods	Job work/ Service income recovered during the year	Contribution towards CSR activities	Other incomes / expenses recovered during the year	Purchase of goods during the year	Management fee Income	Lease Liability (including interest)/Rent Payment	Remuneration paid	Other expenses paid / reimbursed during the year
Joint Venture/Associate										
Minda Vast Access System	2019-20	141	8	3	12	71	12	-	-	4
Private Limited	2018-19	243	4	3	19	138	16	-	-	-
Minda Stoneridge	2019-20	5	-	6	24	135	43	-	-	4
Instruments Limited	2018-19	1	8	3	5	169	54	-	-	6
Furukawa Minda Electric	2019-20	37	13	-	-	-	-	-	-	-
Private Limited	2018-19	17	36	-	-	2	-	-	-	-
Enterprise in which directors of the Company and their relatives exercise significant influence:										
Minda Silca Engineering	2019-20	36	-	1	-	99	4	-	-	-
Limited	2018-19	27	-	2	-	92	4	-	-	-
Minda Capital Private	2019-20	-	-	-	-	-	-	150	-	-
Limited	2018-19	-	-	-	-	-	6	142	-	4
Key Managerial Personnel:										
Mr. Ashok Minda*	2019-20	-	-	-	-	-	-	-	34	-
	2018-19	-	-	-	-	-	-	-	48	-
Mr. Sudhir Kashyap	2019-20	-	-	-	-	-	-	-	19	-
	2018-19	-	-	-	-	-	-	-	34	-
Mr. Laxman Ramnarayan*	2019-20	-	-	-	-	-	-	-	21	-
	2018-19	-	-	-	-	-	-	-	27	-
Mr. Sanjay Aneja	2019-20	-	-	-	-	-	-	-	7	-
	2018-19	-	-	-	-	-	-	-	10	-
Mr. Ajay Sancheti*	2019-20	-	-	-	-	-	-	-	6	-
	2018-19	-	-	-	-	-	-	-	7	-
Mr Ashim Vohra*	2019-20	-	-	-	-	-	-	-	11	-
	2018-19	-	-	-	-	-	-	-	16	-
Relative of Key Managerial Personnel:										
Mrs. Sarika Minda	2019-20	-	-	-	-	-	-	-	-	-
	2018-19	-	-	-	-	-	-	-	-	-
Mr. Aakash Minda	2019-20	-	-	-	-	-	-	1	-	-
	2018-19	-	-	-	-	-	-	-	-	-

* Does not include provisions for gratuity and compensated absences liabilities, since the provisions are based on actuarial valuations for the Company as a whole.

b) Details of transactions and balances with related parties (continued)

(₹ in Million)

Party name	As at	Guarantee Given	Purchase of Fixed Assets	Security Deposit as at the year end	Other receivables	Trade Receivable as at the year end	Payable as at the year end	Lease liability payable as at the year end	Loan/ Advances receivable at the year end
Minda VAST Access System Private Limited	31 March 2020	-	-	-	-	48	4	-	-
	31 March 2019	-	-	-	-	60	10	-	-
Minda Stoneridge Instruments Limited	31 March 2020	-	-	-	-	14	32	-	-
	31 March 2019	-	-	-	-	17	33	-	-
Furukawa Minda Electric Private Limited	31 March 2020	-	-	-	-	35	15	-	-
	31 March 2019	207	-	-	-	37	17	-	-
Minda Silca Engineering Limited	31 March 2020	-	-	-	-	4	31	-	-
	31 March 2019	-	4	-	-	3	14	-	-
Minda Capital Private Limited	31 March 2020	-	-	39	-	4	2	304	-
	31 March 2019	-	-	34	-	4	-	-	3
Key Managerial Personnel:									
Mr. Ashok Minda	31 March 2020	-	-	-	-	-	5	-	-
	31 March 2019	-	-	-	-	-	1	-	-
Mr. Sudhir Kashyap	31 March 2020	-	-	-	-	-	-	-	-
	31 March 2019	-	-	-	-	-	-	-	-

(₹ in Million)

Party name	As at	Guarantee Given	Purchase of Fixed Assets	Security Deposit as at the year end	Other receivables	Trade Receivable as at the year end	Payable as at the year end	Lease liability payable as at the year end	Loan/ Advances receivable at the year end
Mr Laxman Ramnarayan	31 March 2020	-	-	-	-	-	-	-	-
	31 March 2019	-	-	-	-	-	1	-	-
Mr. Sanjay Aneja	31 March 2020	-	-	-	-	-	-	-	-
	31 March 2019	-	-	-	-	-	-	-	-
Mr. Ajay Sancheti	31 March 2020	-	-	-	-	-	-	-	-
	31 March 2019	-	-	-	-	-	-	-	-
Mr Ashim Vohra	31 March 2020	-	-	-	-	-	-	-	-
	31 March 2019	-	-	-	1	-	-	-	-
Relative of Key Managerial Personnel:									
Mrs. Sarika Minda	31 March 2020	-	-	-	-	-	-	-	-
	31 March 2019	-	-	-	-	-	-	-	-
Mr. Aakash Minda	31 March 2020	-	-	-	-	-	-	-	-
	31 March 2019	-	-	-	-	-	-	-	-

2.40 As per Ind-AS 108, Operating segments have been defined based on the regular review by the Group's Chief Operating Decision Maker to assess the performance of each segment and to make decision about allocation of resources. The group's business activities fall within single primary business segment, viz, manufacturing of Automobile Components and Parts thereof. Accordingly, disclosures under Ind AS 108, Operating Segments are not required to be made.

Details of sales, year end assets and tangible fixed assets and intangible fixed assets are as follows:

(₹ in Million)

Location	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue		
Domestic	18,865	21,464
Overseas		
Asia (excluding domestic)	1,357	1,467
America	1,203	2,120
Europe	6,706	5,869
Total	**28,131**	**30,920**

Carrying amount of assets

(₹ in Million)

Location	For the year ended 31 March 2020	For the year ended 31 March 2019
Domestic	18,723	17,611
Overseas		
Asia (excluding domestic)	1,031	945
America	887	1,566
Europe	2,644	4,396
Total	**23,285**	**24,518**
Additions of property, plant and equipment and intangible fixed assets		
Domestic		
- Property, plant and equipment	1,152	930
- Intangible fixed assets	9	27
	1,161	957
Overseas		
Europe		
- Property, plant and equipment	216	102
- Intangible fixed assets	15	2
	231	104
America		
- Property, plant and equipment	1	63
- Intangible fixed assets	2	-
	3	63
Asia (excluding domestic)		
- Property, plant and equipment	7	21
- Intangible fixed assets	1	-
	8	21

Segment revenue in the geographical segments considered for disclosure is as follows:-

- Revenue within India (Domestic) include sale to customers located within India; and
- Revenue outside India (Overseas) include sale of products manufactured in India and outside India to customers located outside India

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

Besides the normal accounting policies followed as described in Note 1, segment revenues and assets include the respective amounts directly identified to each of the segments and amounts / or allocated on a reasonable basis.

2.41 The Board of Directors of the Group vide their meeting held on 20 November 2018 approved the Share Purchase Agreement ('SPA') for sale of 20,860,000 fully paid up equity shares in Minda Furukawa Electric Private Limited ('MFEPL') to its JV partners, namely Furukawa Electric Co., Ltd. and Furukawa Automotive Systems Inc. ('together referred to as FEC entities') and also approved the restated JV agreement between Minda Corporation Limited and FEC entities. In accordance with said SPA, the Group has sold said equity shares on 28 December 2018 which has resulted in reduction in its investment from 51% to 30%.

Further, as per the said SPA, MFEPL has issued 19,000,000 equity shares of ₹ 10 each for cash at par on 7 January 2019, thereby diluting the equity share holding of Group to 25%. Pursuant to sale of shares, the Group has recognised gain of ₹ 175 million as an 'exceptional item' in the statement of consolidated profit and loss.

2.42 Employee share-based payment plans

The members of the Group had approved 'Employee Stock Option Scheme, 2017' through Postal Ballot on February 10, 2017. The plan envisaged grant of stock options to eligible employees at an exercise price equal to the latest available closing price discounted by 50% or such other percentage as may be decided by the Nomination and Remuneration Committee.

Under the Plan, upto 5,341,840 stock options can be issued to eligible employees of the Group, whether working in India or out of India, including any Director of the Group, whether whole time or otherwise excluding the Independent Directors. Options are to be granted at price equal to the latest available closing price discounted by 50% or such other percentage as may be decided by the Nomination and Remuneration Committee. Under the Plan, each option, upon vesting, shall entitle the holder to acquire one equity share of ₹ 2 each. The options granted will vest gradually over a period not earlier than one year and not later than five years from the date of Grant of such Options. Vesting of Options is a function of achievement of performance criteria or any other criteria, as specified by the Committee and communicated in the grant letter.

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

Sr. No.	Vesting Schedule		
	% of options scheduled to vest	Vesting date	Lock-in period
1	20%	April 01, 2018	Nil
2	20%	April 01, 2019	Nil
3	20%	April 01, 2020	Nil
4	40%	April 01, 2021	Nil

The movement in the stock options under the Plan, during the year, is set out below:

Particulars	For the year ended 31 March 2020		For the year ended 31 March 2019	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	1,376,000	50	1,830,000	50
Granted during the year	30,000	50	-	-
Exercised during the year	(282,000)	50	(346,200)	50
Forfeited during the year	(536,000)	50	(107,800)	50
Outstanding at the end of the year	588,000	50	1,376,000	50
Exercisable at the end of the year	-	-	-	-

Stock compensation expense under the Fair Value Method has been determined based on fair value of the stock options. The fair value of stock options was determined using the Black Scholes option pricing model with the following assumptions:

Particulars	Employee stock option scheme 2017
Expected volatility	48%
Risk free interest rate	7%
Exercise price (₹)	50
Expected dividend yield	1%
Life of options (years)	4
Weighted average fair value of options as at the grant date (₹)	93

2.43 Additional information as required under schedule III to the Companies Act, 2013 of the Companies consolidated as Subsidiary and Joint Ventures/Associate

(₹ in Million)

Name of the entity	Net Assets i.e. total assets minus total liabilities		Share in Profit or loss	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount
Parent Company				
Minda Corporation Limited	88.89%	8,665	120.63%	(2,411)
Subsidiaries				
Indian				
Spark Minda Foundation	0.08%	7	-0.43%	9
Minda Corporation limited - Employee Stock Option Scheme trust	-0.65%	(64)	0.38%	(8)
Foreign				
PT Minda Automotive Indonesia, Indonesia	3.61%	352	0.29%	(6)
Almighty International PTE Limited, Singapore	4.70%	458	0.09%	(2)
PT Minda Automotive Trading, Indonesia	0.28%	28	-0.25%	5
Minda Vietnam Automotive Co. Limited , Vietnam	3.12%	304	-2.57%	51
Minda Europe BV	0.20%	20	-	-
KTSN Kunststofftechnik Sachsen Beteiligungs- GmbH, Germany	0.02%	2	-	-
Minda KTSN Plastic and Tooling Solutions Sp Z.O.O, Poland	0.18%	18	1.60%	(32)
Minda KTSN Plastic Solutions GmbH & Co. KG, Germany	-11.65%	(1,135)	115.88%	(2,315)
Minda KTSN Plastic Solutions S.R.O, Czech Republic	-0.43%	(42)	4.09%	(82)
Minda KTSN Plastic Solutions Mexico, S. de R.L. de C.V, Mexico	-1.39%	(135)	38.76%	(774)
Associate (Investment as per equity method)				
Indian				
Furukawa Minda Electric Private Limited (formerly known as Minda Furukawa Electric Private Limited (Jointly controlled entity upto 27 December 2018)	-	-	-2.03%	41
Jointly controlled entity (Investment as per equity method)				
Indian				
Minda Stoneridge Instruments Limited	-	-	-5.70%	114
Minda Vast Access Systems Private Limited	-	-	1.49%	(30)
Elimination	13.04%	1,272	-172.23%	3,442
Total	**100.00%**	**9,750**	**100.00%**	**(1,998)**

2.44 Financial instruments – Fair values and risk management

a. Financial instruments – by category and fair values hierarchy

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

i. As on 31 March 2020

(₹ in Million)

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets							
Non-current							
(i) Investments (excluding investment in jointly controlled entities/associate)	-	-	14	14	-	-	-
(ii) Loans	-	-	115	115	-	-	-
(iii) Other financial assets	-	-	2	2	-	-	-
Current							
(i) Trade receivables	-	-	3,898	3,898	-	-	-
(ii) Cash and cash equivalents	-	-	947	947	-	-	-
(iii) Bank balances other than (ii) above	-	-	3,777	3,777	-	-	-
(iv) Loans	-	-	14	14	-	-	-
(v) Other financial assets	-	-	50	50	-	-	-
Total	**-**	**-**	**8,817**	**8,817**			
Financial liabilities							
Non-current							
(i) Borrowings	-	-	1,150	1,150	-	-	-
(ii) Lease Liability	-	-	376	376	-	-	-
(iii) Other financial liabilities	-	-	-	-	-	-	-
Current							
(i) Borrowings	-	-	3,124	3,124	-	-	-
(ii) Lease Liability	-	-	506	506	-	-	-
(iii) Trade payables	-	-	5,093	5,093	-	-	-
(iv) Other financial liabilities	-	-	1,654	1,654	-	-	-
Total	**-**	**-**	**11,903**	**11,903**			

ii. As on 31 March 2019

(₹ in Million)

	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets							
Non-current							
(i) Investments (excluding investment in jointly controlled entities)	-	-	13	13	-	-	-
(ii) Loans	-	-	121	121	-	-	-
(iii) Other financial assets	-	-	523	523	-	-	-
Current							
(i) Trade receivables	-	-	5,464	5,464	-	-	-
(ii) Cash and cash equivalents	-	-	303	303	-	-	-
(iii) Bank balances other than (ii) above	-	-	3,227	3,227	-	-	-
(iv) Loans	-	-	22	22	-	-	-
(v) Other financial assets	-	-	281	281	-	-	-
Total	**-**	**-**	**9,954**	**9,954**			
Financial liabilities							
Non-current							
(i) Borrowings	-	-	1,456	1,456	-	-	-
(ii) Other financial liabilities	-	-	12	12	-	-	
Current							
(i) Borrowings	-	-	3,873	3,873	-	-	-
(ii) Trade payables	-	-	4,103	4,103	-	-	-
(iii) Other financial liabilities	-	-	1,944	1,944	-	-	-
Total	**-**	**-**	**11,388**	**11,388**			

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

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

There have been no transfers between Level 1, Level 2 and Level 3 for the years ended 31 March 2020 and 31 March 2019

Valuation technique used to determine fair value

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

Valuation processes

The Group has an established control framework with respect to the measurements of the fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements and reports to Senior Management. The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

b. Financial risk management

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

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

Risk management framework

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

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

b. Financial risk management (continued)

(i) Credit risk

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

(₹ in Million)

Particulars	As at 31 March 2020	As at 31 March 2019
Investments	1,761	1,650
Trade receivables	3,898	5,464
Cash and cash equivalents	947	303
Other bank balances	3,777	3,227
Loans	129	143
Other financial assets	52	804

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, loans.

Credit risk on cash and cash equivalents is limited as the Group generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies.

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Trade receivables are unsecured and are derived from revenue earned from customers. The Group does monitor the economic environment in which it operates. The Group manages its credit risk through credit approvals, establishing credit limits and continuously monitoring credit worthiness of customers to which the Group grants credit terms in the normal course of business.

Credit risk has always been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. As per Ind AS 109, the Group uses expected credit loss (ECL) model to assess the impairment loss or gain. The Group uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors such as Group's historical experience for customers.

Movement in the loss allowance in respect of trade receivables: (₹ in Million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Balance at the beginning of the year	(26)	(16)
Impairment loss recognised/ (reversed), net	(75)	(26)
Amount written off	80	16
Balance at the end of the year	**(21)**	**(26)**

a) Expected credit loss for loans and security deposits

As at 31 March 2020

(₹ in Million)

Particulars		Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit loss	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition	Loans to employee	-	0%	-	-
		Security Deposits	129	0%	-	129
Loss allowance measured at life-time expected credit loss	Financial assets for which credit risk has increased significantly and not credit -impaired	NA	NA	NA	NA	NA
	Financial assets for which credit risk has increased significantly and credit -impaired	NA	NA	NA	NA	NA

As at 31 March 2019

(₹ in Million)

Particulars		Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit loss	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition	Loans to employee	-	0%	-	-
		Security Deposits	140	0%	-	140
Loss allowance measured at life-time expected credit loss	Financial assets for which credit risk has increased significantly and not credit -impaired	NA	NA	NA	NA	NA
	Financial assets for which credit risk has increased significantly and credit -impaired	NA	NA	NA	NA	NA

b) Expected credit loss for trade receivables under simplified approach

The Company's exposure to credit risk for trade receivables is as follows: (₹ in Million)

Particulars	Gross carrying amount	
	As at 31 March 2020	As at 31 March 2019
Current (not past due)	2,728	4,274
1 to 30 days past due	717	643
31 to 60 days past due	205	223
61 to 90 days past due	69	104
More than 90 days past due	200	246
Expected credit losses (Loss allowance provision)*	(21)	(26)
Carrying amount of trade receivables (net of impairment)	**3,898**	**5,464**

*The Group believes that the unimpaired amounts that are past due by more than 90 days are still collectable in full, based on historical payment behaviour.

(ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group believes that its liquidity position, including total cash and cash equivalent and bank balances other than cash and cash equivalent of ₹ 4,724 million as at 31 March 2020 (31 March 2019: ₹ 3,530 million), anticipated future internally generated funds from operations, and its fully available, revolving undrawn credit facility will enable it to meet its future known obligations in the ordinary course of business. However, if a liquidity needs were to arise, the Group believes it has access to financing arrangements, value of unencumbered assets, which should enable it to meet its ongoing capital, operating, and other liquidity requirements. The Group will continue to consider various borrowing or leasing options to maximize liquidity and supplement cash requirements as necessary.

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

- Day to day funding, managed by monitoring future cash flows to ensure that requirements can be met.

- Maintaining rolling forecasts of the Group's liquidity position on the basis of expected cash flows.

- Maintaining diversified credit lines.

I. Financing arrangements

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

(₹ in Million)

Particulars	As at 31 March 2020	As at 31 March 2019
From banks - Current	4,402	1,254
From banks - Non current	150	875
From others	253	6

II. Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted:

(₹ in Million)

As at 31 March 2020	Carrying amount	Contractual cash flows			
		0-1 years	1-5 years	More than 5 years	Total
Non-current liabilities					
Borrowings	1,150	-	1,150	-	1,150
Lease Liability*	376	-	421	357	778
Other financial liabilities	-	-	-	-	-
Current liabilities					
Borrowings	3,124	3,124	-	-	3,124
Lease Liability*	506	506	-	-	506
Trade payables	5,093	5,093	-	-	5,093
Other financial liabilities	1,654	1,654	-	-	1,654
Total	**11,903**	**10,377**	**1,571**	**357**	**12,305**

* Carrying value represents discounted value as at 31 March 2020

(₹ in Million)

As at 31 March 2019	Carrying amount	Contractual cash flows			
		0-1 years	1-5 years	More than 5 years	Total
Non-current liabilities					
Borrowings	1,456	-	1,456	-	1,456
Other financial liabilities	12	-	12	-	12
Current liabilities					
Borrowings	3,873	3,873	-	-	3,873
Trade payables	4,103	4,103	-	-	4,103
Other financial liabilities	1,944	1,944	-	-	1,944
Total	**11,388**	**9,920**	**1,468**	**-**	**11,388**

(iii) Market risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Group's operating, investing and financing activities.

Exposure to currency risk

The summary of quantitative data about the Group's exposure to currency risk, as expressed in Indian Rupees, as at 31 March 2020 and 31 March 2019 are as below:

(₹ in Million)

Particulars	As at 31 March 2020			
	USD	EURO	CHF	JPY
Financial assets				
Trade receivables	527	477	-	-
	527	**477**	**-**	**-**
Financial liabilities				
Borrowings	516	-	-	-
Trade payables	194	129	2	70
	710	**129**	**2**	**70**

Particulars	As at 31 March 2019			
	USD	EURO	CHF	JPY
Financial assets				
Trade receivables	280	708	-	-
	280	**708**	**-**	**-**
Financial liabilities				
Borrowings	-	280	-	-
Trade payables	186	66	1	32
	186	**346**	**1**	**32**

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against below currencies at 31 March 2020 (previous year ended as on 31 March 2019) would have affected the measurement of financial instruments denominated in functional currency and affected equity and profit or loss by the amounts shown below. This analysis is performed on foreign currency denominated monetary financial assets and financial liabilities outstanding as at the year end. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(₹ in Million)

Particulars	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
1% depreciation / appreciation in Indian Rupees against following foreign currencies:				
For the year ended 31 March 2020				
USD	(2)	2	(1)	1
EUR	3	(3)	2	(2)
CHF	-	-	-	-
JPY	-	-	-	-
	1	**(1)**	**1**	**(1)**
For the year ended 31 March 2019				
USD	1	(1)	1	(1)
EUR	4	(4)	3	(3)
CHF	-	-	-	-
JPY	-	-	-	-
	5	**(5)**	**4**	**(4)**

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

Exposure to currency risk

The group uses derivative financial instruments exclusively for hedging financial risks that arise from its commercial business or financing activities. The following table details the foreign currency derivative contracts outstanding at the end of the reporting period:

(₹ in Million)

Outstanding Contracts	No. of Deals		Contract value of foreign Currency (In Million)		Maturity			
					Up to 12 months Nominal Amount (In Million)		More than 12 months Nominal Amount (In Million)	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
INR/USD Sell forward	17	7	2	1	158	51	-	-
INR/EUR Sell forward	11	6	2	1	146	84	-	-
INR/USD Buy forward	2	2	1	2	46	61	-	46
INR/USD Call option	2	2	4	5	96	85	200	296
Interest rate swap#								
INR/USD Buy	2	2	4	5	96	85	200	296

Represent principal amount of loan hedged

Sensitivity analysis

The following table details the group's sensitivity to a 1% increase and decrease in the ₹ against the relevant foreign currency. The sensitivity analysis includes only outstanding forward exchange contracts as tabulated above and adjusts their translation at the period end for 1% change in foreign currency rates. A positive number below indicates an increase in profit before tax or vice-versa.

(₹ in Million)

Particulars	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
1% depreciation / appreciation in Indian Rupees against following foreign currencies:				
For the year ended 31 March 2020				
INR/USD Sell forward	2	(2)	1	(1)
INR/EUR Sell forward	1	(1)	1	(1)
INR/USD Buy forward	-	-	-	-
INR/USD Call option	3	(3)	2	(2)
	6	**(6)**	**4**	**(4)**
For the year ended 31 March 2019				
INR/USD Sell forward	1	(1)	1	(1)
INR/EUR Sell forward	1	(1)	1	(1)
INR/USD Buy forward	1	(1)	1	(1)
INR/USD Call option	4	(4)	2	(2)
	7	**(7)**	**5**	**(5)**

USD: United States Dollar, EUR: Euro

(iii) Market risk

Interest rate risk

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

Exposure to interest rate risk

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

(₹ in Million)

Variable-rate instruments	As at 31 March 2020	As at 31 March 2019
Non current borrowings	1,150	1,163
Current borrowings	3,124	3,734
Current maturities of non-current borrowings	1,045	1,440
Total	**5,319**	**6,337**

Cash flow sensitivity analysis for variable-rate instruments

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

(₹ in Million)

Particulars	Profit or loss		Equity, net of tax	
	50 bps increase	50 bps decrease	50 bps increase	50 bps decrease
Interest on term loans from banks				
For the year ended 31 March 2020	(27)	27	(34)	34
For the year ended 31 March 2019	(32)	32	(22)	22

2.45 Capital management

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

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

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

(₹ in Million)

Particulars	As at 31 March 2020	As at 31 March 2019
Current borrowings (including lease liabilities)	3,630	3,873
Non-current borrowings (including current maturities and lease liabilities)	2,547	2,932
Less : Cash and cash equivalents	(947)	(303)
Adjusted net debt (A)	**5,230**	**6,502**
Total equity (B)	**9,750**	**11,951**
Adjusted net debt to adjusted equity ratio (A/B)	**53.6%**	**54.4%**

2.46 Impairment in Minda KTSN Plastic Solutions GmbH & Co. KG, Germany (including its subsidiaries)

The Board of Directors of the Company, subsequent to the year-end, in their meeting dated 09 June 2020 have decided to withdraw the financial support to its material wholly owned subsidiary Minda KTSN Plastic Solutions GmbH Co. & KG, Germany (MKTSN), pursuant to which MKTSN has filed for insolvency.

Pursuant to above, MKTSN along with its subsidiary companies has prepared its financial statements for the year ended 31 March 2020 on the assumption that the fundamental accounting assumption of going concern is no longer appropriate. Consequently, all assets have been valued at net realisable value or carrying value, whichever is lower, and liabilities have been reflected at the values at which they are expected to be discharged. The Group has recorded charge of ₹ 2,222 million in respect of reduction in carrying value of property, plant and equipment and other assets and recognition of liabilities

primarily related to severance costs which has been presented as exceptional items in the consolidated financial statements. Further, goodwill arising on consolidation relating to MKTSN amounting to ₹ 711 million has also been impaired.

The approach used to determine the Fair Value less Cost of Disposal ('FVLCD') were as follows:

Property, plant and equipment (except Land) has been valued using Depreciated Replacement Costs method and Land has been valued using Market Rent method. All other assets has been valued based on its net realisable value and liabilities have been reflected at the values at which they are expected to be discharged. Further, an appropriate of costs of disposals has been deducted from the above net realisable value.

The carrying value and fair value of assets and liabilities related to the MKTSN is mentioned below:

(₹ in Million)

Particulars	Carrying value	Adjustment to carrying value to fair value	Fair value less cost of disposal
Assets			
- Property, plant and equipment (including right-of-use assets)	2,221	(293)	1,928
- Capital work-in-progress	5	(4)	1
- Goodwill	711	(711)	-
- Other intangible assets	30	(30)	-
- Other Non-current assets	-	-	-
- Inventories	787	(216)	571
- Trade receivables	559	(64)	495
- Other financial assets	900	(395)	505
- Other current assets	501	(471)	30
Liabilities			
- Borrowings	1,874	-	1,874
- Other financials liabilities	657	-	657
- Lease liabilities	341	3	338
- Trade Payables	930	-	930
- Other current liabilities	169	(9)	178
- Provisions	72	(743)	815
Total	**9,757**	**(2,933)**	**8,322**

2.47 Jointly controlled entities/associate

(a) The following table summarises the financial information of Furukawa Electric Private Limited ('FEPL') (formerly known as Minda Furukawa Electric Private Limited (Joint venture upto 27 December 2018, associate w.e.f. 28 December 2018) based on the audited numbers (also refer note 2.41) and the carrying amount of the Group's interest in jointly controlled entity/ associate:

(₹ in Million)

Particulars	As at 31 March 2020	As at 31 March 2019
Percentage ownership interest	**25%**	**25%**
Cash and cash equivalents	308	287
Other current assets	969	1,246
Total current assets	1,277	1,533
Total non-current assets	881	858
Total assets	**2,158**	**2,391**
Current liabilities	934	880
Financial liabilities (excluding trade payables and provisions)	984	1,346
Other liabilities	28	118
Total current liabilities	1,946	2,344
Total non-current liabilities	24	17
Total liabilities	**1,970**	**2,361**
Net Assets	**188**	**30**
Group's share of net assets	**47**	**7**
Other adjustments	**135**	**136**
Carrying amount of interest in joint venture/associate	**182**	**144**

(₹ in Million)

Particulars	As at 31 March 2020	As at 31 March 2019
Revenue from operations	3,974	4,443
Other income	24	33
Depreciation and amortisation	128	125
Interest expense	119	78
Income tax expense	-	2
Profit for the year	162	188
Other comprehensive income	(4)	1
Total comprehensive income	**158**	**189**
Group's share of profit	**41**	**47**
Group's share of OCI	**(1)**	**-**
Group's share of total comprehensive income	**40**	**47**

(b) The following table summarises the financial information of Minda Stoneridge Instruments Limited ('MSIL') and the carrying amount of the Group's interest in jointly controlled entity:

(₹ in Million)

Particulars	As at 31 March 2020	As at 31 March 2019
Percentage ownership interest	**51%**	**51%**
Cash and cash equivalents	194	66
Other current assets	1,735	1,645
Total current assets	1,929	1,711
Total non-current assets	814	752
Total assets	**2,743**	**2,463**
Current liabilities	824	726
Financial liabilities (excluding trade payables and provisions)	67	137
Other liabilities	38	48
Total current liabilities	929	911
Total non-current liabilities	147	87
Total liabilities	**1,076**	**998**
Net Assets	**1,667**	**1,465**
Group's share of net assets	**850**	**747**
Other adjustments	**269**	**268**
Carrying amount of interest in joint venture	**1,119**	**1,015**

(₹ in Million)

Particulars	As at 31 March 2020	As at 31 March 2019
Revenue from operations	3,810	4,635
Other income	60	28
Depreciation and amortisation	160	142
Interest expense	22	7
Income tax expense	77	125
Profit for the year	223	324
Other comprehensive income	(5)	2
Total comprehensive income	**218**	**326**
Group's share of profit	**114**	**165**
Group's share of OCI	**(3)**	**1**
Group's share of total comprehensive income	**111**	**166**

(C) The following table summarises the financial information of Minda Vast Access System Private Limited (MVASPL) and the carrying amount of the Group's interest in jointly controlled entity:

(₹ in Million)

Particulars	As at 31 March 2020	As at 31 March 2019
Percentage ownership interest	**50%**	**50%**
Cash and cash equivalents	29	10
Other current assets	547	715
Total current assets	576	725
Total non-current assets	804	790
Total assets	**1,380**	**1,515**
Current liabilities	347	369
Financial liabilities (excluding trade payables and provisions)	23	88
Other liabilities	76	64
Total current liabilities	446	521
Total non-current liabilities	39	38
Total liabilities	**485**	**559**
Net Assets	**895**	**956**
Group's share of net assets (50%)	**447**	**478**
Other adjustments	**(1)**	**-**
Carrying amount of interest in joint venture	**446**	**478**

(₹ in Million)

Particulars	As at 31 March 2020	As at 31 March 2019
Revenue from operations	1,629	2,283
Other income	60	12
Depreciation and amortisation	81	74
Interest expense	2	1
Income tax expense	(28)	24
Profit for the year	(58)	69
Other comprehensive income	(3)	1
Total comprehensive income	**(61)**	**70**
Group's share of Profit	**(29)**	**35**
Group's share of OCI	**(2)**	**-**
Group's share of total comprehensive income	**(31)**	**35**

2.48 The Group has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year end, the Group has reviewed and noted that there are no foreseeable losses on long term contracts. Accordingly, no provision is required to be created in the books of account under any law / accounting standards.

2.49 (a) For the year ended 31 March 2019, pursuant to the Scheme of Amalgamation ('Scheme') under the provisions of Section 230 to 232 of the Companies Act, 2013, for amalgamation of Minda SAI Limited, Minda Automotive Solutions Limited, Minda Management Services Limited, Minda Autoelektrik Limited and Minda Telematics and Electric Mobility Solutions Private Limited (formerly EI Labs India Private Limited) (together referred to as "transferor companies"), into Minda Corporation Limited ("transferee company") as approved by the Hon'ble National Company Law Tribunal vide its order dated 19 July 2019, all the assets, liabilities, reserves and surplus of the transferor companies have been transferred to and vested in the Company without any consideration. The Company received the certified copy of the order and has filed the order copy with ROC, Delhi. The Transferor Companies being wholly owned subsidiaries of the Company, neither any shares were required to be issued nor any consideration was paid. For certain subsidiaries, an amount of ₹ 460 million, being difference between the amount of investment in the equity shares of the Transferor companies appearing in the books of account of the Transferee Company and the amount of issued, subscribed and paid-up share capital standing credited in the book of account of the Transferor Companies has been transferred to capital reserve in the books of account of the Transferee Company. Further, for certain other subsidiaries, an amount of ₹ 204 million being excess of difference between Investment in equity shares of the Transferor companies and paid-up share capital of all the transferor companies were presented under Goodwill. Consequently, during the previous year, the Standalone Financial Statements for the year ended 31 March 2019 which were earlier approved by Board of Directors at their meeting held on 28 May 2019 were revised only to give effect to the aforesaid Scheme of Amalgamation.

(b) Accordingly, in the previous year, the amalgamation was accounted under the 'pooling of interests' method in accordance with Appendix C of Ind AS 103 'Business Combinations' and comparatives were re-presented for amalgamation with effect from the beginning of the preceding period.

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

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

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

2.52 Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/ disclosure.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022

Shashank Agarwal
Partner
Membership No.: 095109

Place : Gurugram
Date: 15 July 2020

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

Ashok Minda
Chairman and Group CEO
(DIN 00054727)

R. Laxman
Executive Director and Group CFO
(DIN:-03033960)

Ajay Sancheti
Company Secretary
Membership No.: F 5605

Place : Gurugram
Date: 15 July 2020

FORM NO. AOC 1

Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

Pursuant to first proviso to sub-section(3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014

Part A - Subsidiaries

(₹ in Million)

Sl. No.	Name of the Subsidiary	Total Assets	Total Liabilities	Investments (1)	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	% of shareholding
1	Minda Stoneridge Instruments Limited	2,742.99	2,742.99	-	3,810.34	300.40	77.17	223.23	-	51%
2	Spark Minda Foundation	15.73	15.73	-	-	6.31	-	6.31	-	100%
3	Minda Europe B.V.	26.72	26.72	-	-	-	-	-	-	100%
4	Minda KTSN Plastic Solutions GmbH & Co. KG	3,783.56	3,783.56	-	4,710.69	(2,299.35)	48.78	(2,348.13)		100%
5	Minda KTSN Plastic & Tooling Solutions Sp.z.o.o.	321.05	321.05	-	462.46	(28.08)	5.46	(33.55)	-	100%
6	KTSN Kunststofftechnik Sachsen Beteilingungs GmbH	2.31	2.31	-	-		-	0.11	-	100%
7	Minda KTSN Plastic Solutions S.R.O, Czech Republic	4.98	4.98	-	33.40	(86.01)	-	(86.01)	-	100%
8	Minda KTSN Plastic Solutions Mexico, S. de R.L. de C.V	887.54	887.54	-	1,266.68	(804.38)	10.88	(815.26)	-	100%
9	Almighty International Pte. Ltd.	587.62	587.62	-	-	30.60	-	30.60	-	100%
10	PT Minda Automotive Indonesia	594.13	594.13	-	689.02	(6.21)	(0.81)	(5.40)	55.86	100%
11	PT Minda Automotive Trading	45.76	45.76	-	79.23	5.90	1.23	0.00	-	100%
12	Minda Vietnam Automotive Company Limited	372.02	372.02	-	476.07	63.80	10.14	53.67	-	100%
13	ESOP Trust	124.01	124.01	-	-	(7.54)	-	(7.54)	-	-

Part B- Associates and Joint Ventures

Sl. No.	Name of the Joint venture	Minda VAST Access Systems Private Limited	Furkawa Minda Electric Private Limited
1	Latest audited Balance Sheet Date	31st March 2020	31st March 2020
2	Shares of Associate/ Joint Ventures held by the company on the year end		
	No.	21,332,700	29,375,000
	Amount of investment in Assoiciates/ Joint Ventures	0*	272,584,430
	Extent of Holding %	50%	25%
3	Description of how there is significance influence	We have 50% control on Board.	We have 25% control on Board.
4	Reason why the associate/ Joint Venture is not consolidated	Ind AS 28 does not allow to consoldiate jointly contolled entity.	Ind AS 28 does not allow to consoldiate jointly contolled entity.
5	Net Worth attributable to Shareholding as per latest audited Balance Sheet	446	47
6	Profit/ Loss for the year	(60)	162
i	Considered in Consolidation	(30)	41
ii	Not considered in Consolidation	(30)	122

* Amount in absolute is Rs 901 (31 March 2019: Rs 901)

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

Ashok Minda
Chairman and Group CEO
(DIN 00054727)

Place : Gurugram
Date: 15 July 2020

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