

**Streamlining  
Optimising  
Strengthening**



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### Caution regarding forward-looking statements

In this annual report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report contains 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 realised, 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 materialise, 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



ASHOK MINDA GROUP

*Powered by Passion*

**The year under review was challenging for the automobile and auto component industry on multiple fronts.**

At Spark Minda, Ashok Minda Group, having a presence in the automobile component industry spanning over five decades, we have weathered many such ups and downs in the industry. As the growth of the automobile and auto component industry slowed down in 2012-13, rather than being apprehensive by the external factors which are not in our control, we looked inwards for internal strength. In doing so, we responded to the situation by **Streamlining, Optimising and Strengthening** our operations, costs and brand, respectively.



# Streamlining Operations



**In the automobile component manufacturing business, where quality of product is of utmost importance, the ability to provide products at competitive cost requires efficient and productive operations.**

At Spark Minda, Ashok Minda Group, we are keenly focused on making continuous improvements to our processes and procedures by striving to eliminate organisational redundancy and improve efficiency in every function, location and activity.

During the year, we have streamlined our operational activities by consolidating operations to reduce cost. Further, we have extensively implemented various improvement activities such as poka yoke to prevent defects, initiated lean manufacturing to ensure *Just In Time (JIT)* supply, installed automatic test equipment and improved cycle time to match customer take time.

In addition to this, we have enhanced our focus in the aftermarket segment by pursuing it aggressively in order to penetrate deeper into new markets and emerge as a market leader in our primary product segments.

“ We have enhanced our focus in the aftermarket segment by pursuing it aggressively in order to penetrate deeper into new markets and emerge as a market leader in our primary product segments. ”



# Optimising Costs



**In the automobile component manufacturing segment, where input and operating costs form a major part of the cost of production, profitability of a business depends on prudent cost management.**

At Spark Minda, Ashok Minda Group, we optimised the use of resources, strengthened cash, credit & capital management, upgraded technologies and enriched intellectual capital.

During the year, we have undertaken integration of activities at different levels, which helped us in rationalising fixed costs, centralising procurement, reducing inventory of raw materials across our manufacturing facilities and better working capital management. On the operational front, we undertook several cost reduction initiatives such as using Petroleum Natural Gas instead of Diesel/LPG, implementing power load balancing system and initiated several energy saving awareness programs for reducing energy consumption.

In addition, we strengthened our research and development by launching several new products such as magnetic module with auto shutter & push button type shutter, illumination ring on ignition switch to improve aesthetics of vehicle, flip key with remote & transponder, ignition switch cum steering lock, fuel tank caps and other peripheral locks with new concepts.

“ We have undertaken integration of activities at different levels, which helped us in rationalising fixed costs and reducing inventory of raw materials across our manufacturing facilities. ”

# Strengthening Brand





**In the automobile component manufacturing industry, where there are numerous players offering similar products at competitive prices, success of a business comes from the ability to earn premium on the product by investing in brand building initiatives and strengthening the brand recall.**

At Spark Minda, Ashok Minda Group, we improved our brand visibility, enhanced our brand recall and strengthened our brand equity for ensuring a sustainable growth.

This year was the first completed year of implementation of our new identity – Spark Minda, Ashok Minda Group. In order to standardise our brand identity across all our locations around the world, we created a new Corporate Identity Manual (CIM), which provides guidelines on the usage of our logo and corporate colours.

During the year, we set up a Product Display Centre at our new Corporate office, which showcases all our innovative products through static & digital images, audio & visual aid and brief product information adorned with innovative lights, sensory inputs, digital display and interactive installations. The purpose of the display centre is to make it a modern state-of-the-art facility to display our products and act as a one-stop Business to Business meeting centre where domestic and international customers can view & select the products and get consultancy on site.

Further, we enhanced our brand visibility by organising a group product display show at Tata Motors Limited, Lucknow, to showcase our current and potential technologies across various vehicles segments; sponsored the 3rd SAENIS Efficycle program held at University Institute of Engineering & Technology, Punjab, to inculcate sensitivity towards environment protection & depleting energy resources for young engineers; participated in the National Level Seminar on 'Emerging Trends in Brand Management' organised by IIMS, Pune; organised the 1st 'Spark Minda Star Club Business Partner Meet' at Shanghai, China in order to strengthen our business relationship with our customers and build the brand equity of the Company in the aftermarket segment.

“ We improved our brand visibility, enhanced our brand recall and strengthened our brand equity for ensuring a sustainable growth. ”

# Minda Corporation in Brief

Spark Minda, Ashok Minda Group, is one of the leading manufacturers of Automotive Components, having a presence of more than five decades in the Indian Automotive Component Industry. The Group caters to leading automobile manufacturers in India as well as global markets.



## Mission

To be an automotive system solution provider and build a brand recognised by vehicle manufacturers progressively all over the world, as an organisation providing products and systems unparalleled in Quality and Price.

## Vision

To be a dynamic, innovative and profitable global automotive organisation for emerging as the preferred supplier and employer, to create value for all stakeholders.

## Values

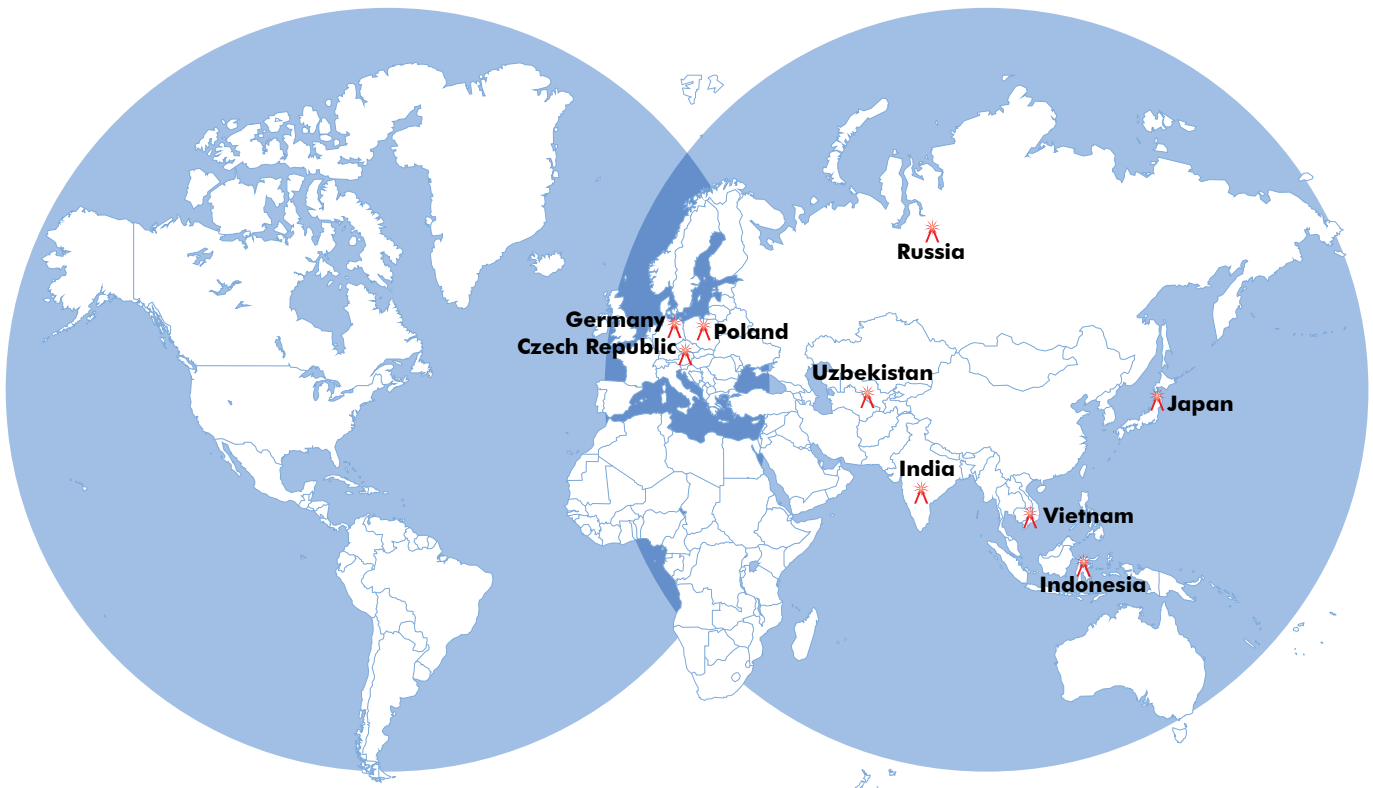
- **Passion for Excellence**
- **Nurture Talent, Competency & Willingness**
- **Respect & Humility**

## Product portfolio

Category	Products
Safety, Security and Restraint Systems	Electronic & Mechanical Security Systems; E-bike Controllers; Window Regulators; Door Checkers; Key (Mechanical & Electronic); Die Casting – Zn, Al & Gravity
Plastic Interior Systems	Kinematics; Premium Surfaces and Interior Module; Dashboard Consoles; Air Vent; Air Duct; Ash Tray; Arm Rest; Cup Holder; Fender; Cylinder Head Cover; Glove Box; Underhood Cover; Air Louvers; Coupling; Transmissions; Fans; Coolant Tanks; Interior Steering; Spare Wheel Wells; Engine Encapsulation; Frontend Carrier; Underbody lining; Seat Components; Battery Mount
Driver Information and Telematics Systems	Wiring Harness, Connectors, Terminals, Fuse Box, Cable Ties

## Spark Minda's global presence

The Group has a strong presence in India as well as the international market.

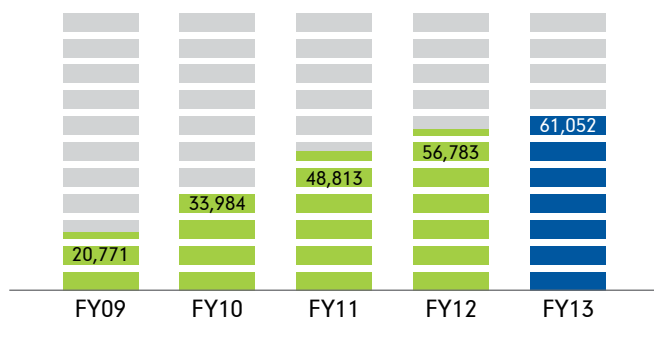


**Plants in India:** Bawal, Gurgaon (Haryana); Noida, Greater Noida (UP); Pantnagar (Uttarakhand); Aurangabad, Pune, Mumbai (Maharashtra); Pithampur (MP); Chennai (Tamil Nadu)

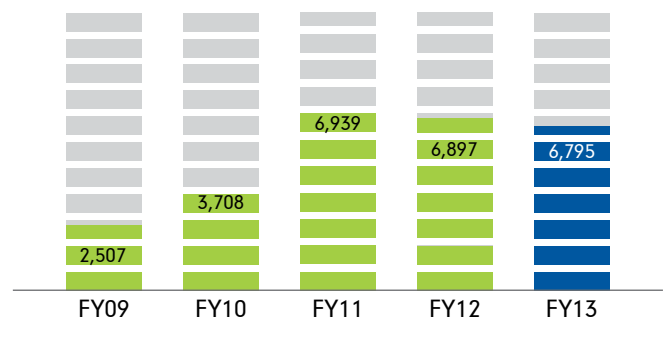
# Financial Highlights

MINDA CORPORATION LIMITED

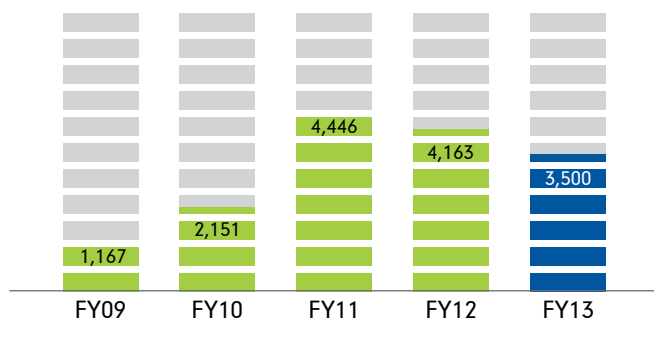
**Total Income** (₹ lacs)



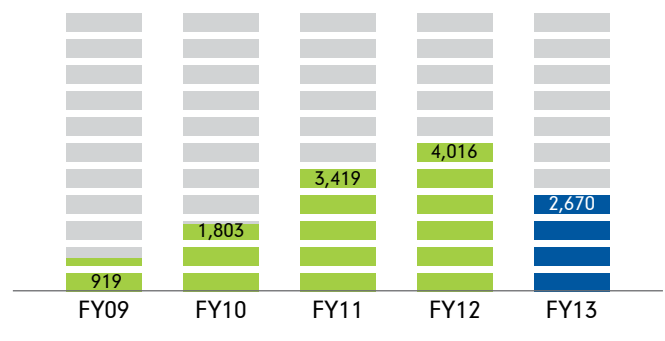
**EBITDA** (₹ lacs)



**PBT** (₹ lacs)

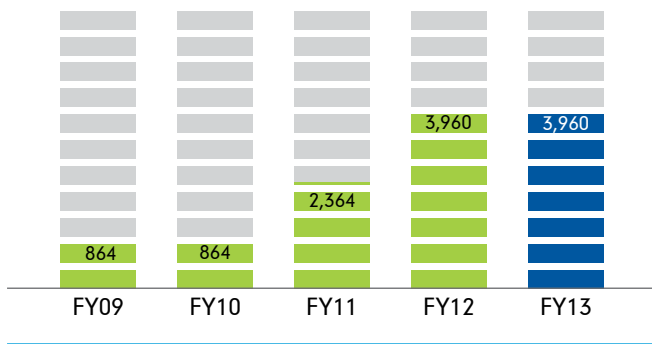


**PAT** (₹ lacs)

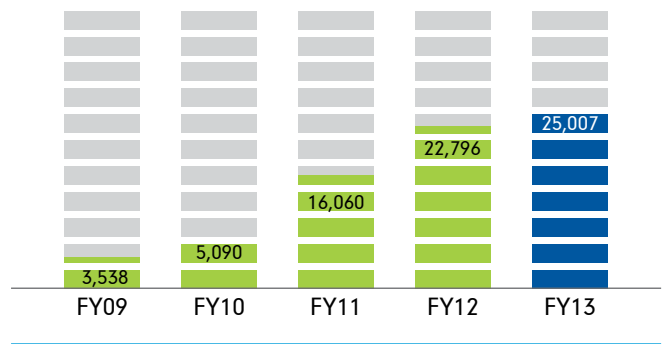




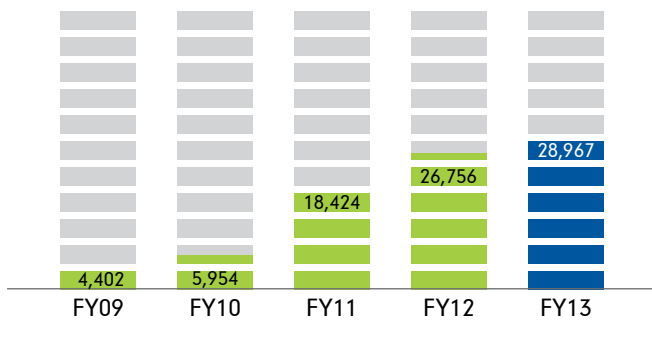
**Share Capital (₹ lacs)**



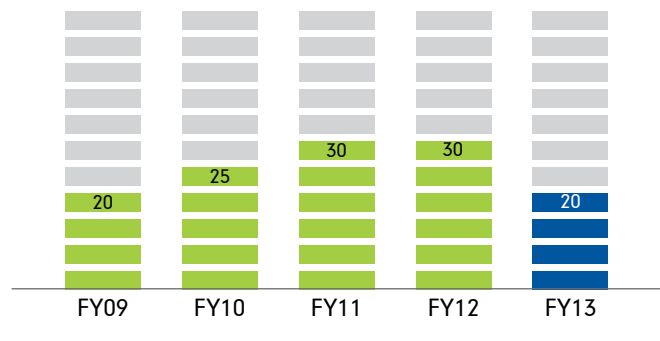
**Reserve & Surplus (₹ lacs)**



**Net Worth (₹ lacs)**



**Dividend (%)**



# Message from the Chairman



## Dear Shareholders,

This is the first full year of operations after the group acquired the new identity, Spark Minda, Ashok Minda Group. With our new identity, we have been able to sail smoothly in this testing time, overcoming the challenges deftly and progressing on the path of success.

The year 2012-13 was a challenging year for the global economy as the world registered a GDP growth of 3.2% in 2012 from 4% recorded in the previous year owing to the sovereign debt crisis in the Eurozone, which set-off the moderate growth in the US and rebound in Japan. This had a trickling effect on the Indian economy as the GDP of the country slipped from 6.2% in FY 12 to 5% in FY 13, the lowest ever growth in a decade.

The growth of the Indian automotive industry was arrested owing to high interest rates, weak macroeconomic indicators, shaky political climate and slowdown in developed economies. However, India has an edge over other developing countries in the automobile segment owing to its strong research & development prowess, cheap labour, favourable government policies, rising indigenisation and adherence to global quality standards. This has catapulted India in becoming the most favoured production hub for global automobile and auto component companies. Further, an ACMA study suggests that the size of entire auto components segment would expand to \$ 121 billion in 2021,

“With a diverse demographic profile, fast-growing rate of urbanisation, lower age of working population and influx of global MNC’s; the long-term growth story of the Indian automotive and ancillary sector is intact.”

from \$ 43 billion in 2012, which will create a plethora of opportunities for us. With a diverse demographic profile, fast-growing rate of urbanisation, lower age of working population and influx of global MNC’s; the long-term growth story of the Indian automotive and ancillary sector is intact. At Spark Minda, Ashok Minda Group, we are well positioned to grab opportunities that come our way and provide the best service to our customers.

With the establishment of our new identity, restructuring of our entities and consolidation of our subsidiaries, we managed to clock a revenue turnover of ₹2,210 crore in FY 13 compared to ₹1,406 crore in the previous year, registering a growth of 57% on consolidated basis. We believe that the entire consolidation regime will give Spark Minda, Ashok Minda Group, an access to different global market geographies, and augur well to achieve the group’s mission and vision of becoming a quality global auto components supplier to OEMs.

Our diverse range of products derisks the business on excessive dependence on any single segment and provides it with a secure foundation for capacity augmentation. In addition to this, our strong presence

across geographies, right from developed markets to emerging markets, position us well to utilise growth opportunities in whichever market they appear.

With the government now focusing on policy decisions, interest rates and growth, there is an expectation of an improvement in the automobile demand situation. The outlook of the Indian automobile industry looks positive in the medium to long-term in spite of the current dismal performance.

On behalf of the Board, I would like to commend the directors, management, our private equity partners and all employees of the Group for their dedication, resourcefulness, commitment and contribution to the Group in the past year. The Group values and looks forward to the support of all the stakeholders in future as well.

With Warm Regards,

**ASHOK MINDA**

Chairman & Group CEO

## Message from the Group CFO



### Dear Shareholders,

I welcome you all at a time when our Group is in a stage of pursuing its earlier perceived restructuring and reorganisation of group structure of several business lines.

The simplification of group structure, on the valued advice of our private equity partner, Kotak Private Equity Group, has gone a long way in improving shareholders' value, by optimising costs, streamlining operations and strengthening our brand equity. It has simplified the group structure and brought higher transparency within the group. The entire strategy has started showing healthy results, as Minda Corporation recorded a revenue turnover of ₹2,210 crores in FY 13, compared to ₹1,406 crores in FY 12, on a consolidated basis.

This strategic move has already given a head start, in improving the global presence of the entire Spark Minda,



“The simplification of group structure has gone a long way in improving shareholders’ value by optimising costs, streamlining operations and strengthening our brand equity.”

Ashok Minda Group by facilitating access to different global markets and segments for our wide range of products in our identified priority business areas. We have our plans to target certain ASEAN and European geographies, which could help us emerge stronger, once the automobile and auto component industry starts reviving.

Going forward, we will remain focused to create a leaner and simpler organisation, improve people productivity, enhance capacity utilisation, calibrate policies & procedures, introduce value added products, and improve our overall growth. We believe in retaining Minda Corporation, the flagship Company of the Group, as a cash rich Company with low gearing to gear up

for bigger expansion plans in domestic markets or the overseas markets, whenever the auto components segment starts showing a healthy pick up.

I would like to thank you, our shareholders, for the trust and confidence you have reposed in us at all times. We will continue creating value for all our stakeholders and look forward to strengthening our association further, in the years to come.

With Warm Regards,

**D. C. SHARMA**

Group CFO, Spark Minda, Ashok Minda Group

## Message from the CEO



### Dear Shareholders,

I am glad to report that Minda Corporation, flagship company of Spark Minda, Ashok Minda Group, has performed moderately with a revenue growth of 8% at ₹611 crore in 2012-13 as against ₹568 crore in 2011-12.

The entire exercise of restructuring of the group, taken up late in FY 12, has already started yielding positive results by using synergies of various domestic companies and the overseas ventures. This has augured well in improving the global footprint of the Company and strengthening its existing business lines, by consolidating operations of group companies involved in similar line of business. The Company has consolidated its operations in the domestic as well as global front by rationalising manpower and shifting some of its production capacities to other units in order to enhance capacity utilisation of the plants.

The Company regularly launches new products and technologies across its primary product segments by focusing on innovation. During the year, the Company launched various products in the mechanical security

“ We will continue focusing on developing new products around the three identified categories of Safety, Security & Restraint Systems; Driver Information & Telematics Systems; and Interior Systems.”

system and electronic security system, enabling it to expand its product portfolio, thereby enabling more business acquisition in this segment in the domestic and international market. It keeps a close eye on ASEAN and European markets while retaining its growth potential in domestic markets.

During the year under review, the Company has taken certain initiatives to ensure customer satisfaction and transform one time buyers into loyal patrons. A Customer Satisfaction Index Improvement was rolled out at the Group Level by Group Corporate Marketing Department to address the QCDDM (Quality, Cost, Delivery, Development and Management) issues. This was initiated in order to better understand customers' perceptions towards our services, and determine the actions required to meet customers' needs and convert it into customer delight.

Going ahead, we will continue focusing on developing new products around the three identified categories of

Safety, Security & Restraint Systems; Driver Information & Telematics Systems; and Interior Systems. Our priority will be on improving our geographical presence in those countries/regions where we are not present in any of these three product categories. With a continued focus on technology and new product development, our aim is to provide our customers with significant advantages by offering differentiated and highly value added products, which in turn ensure the competitive advantage and value addition of the Company.

I would take this opportunity to thank our valued customers and partners for their unstinted support to us at all times.

With Warm Regards,

**SUDHIR KASHYAP**

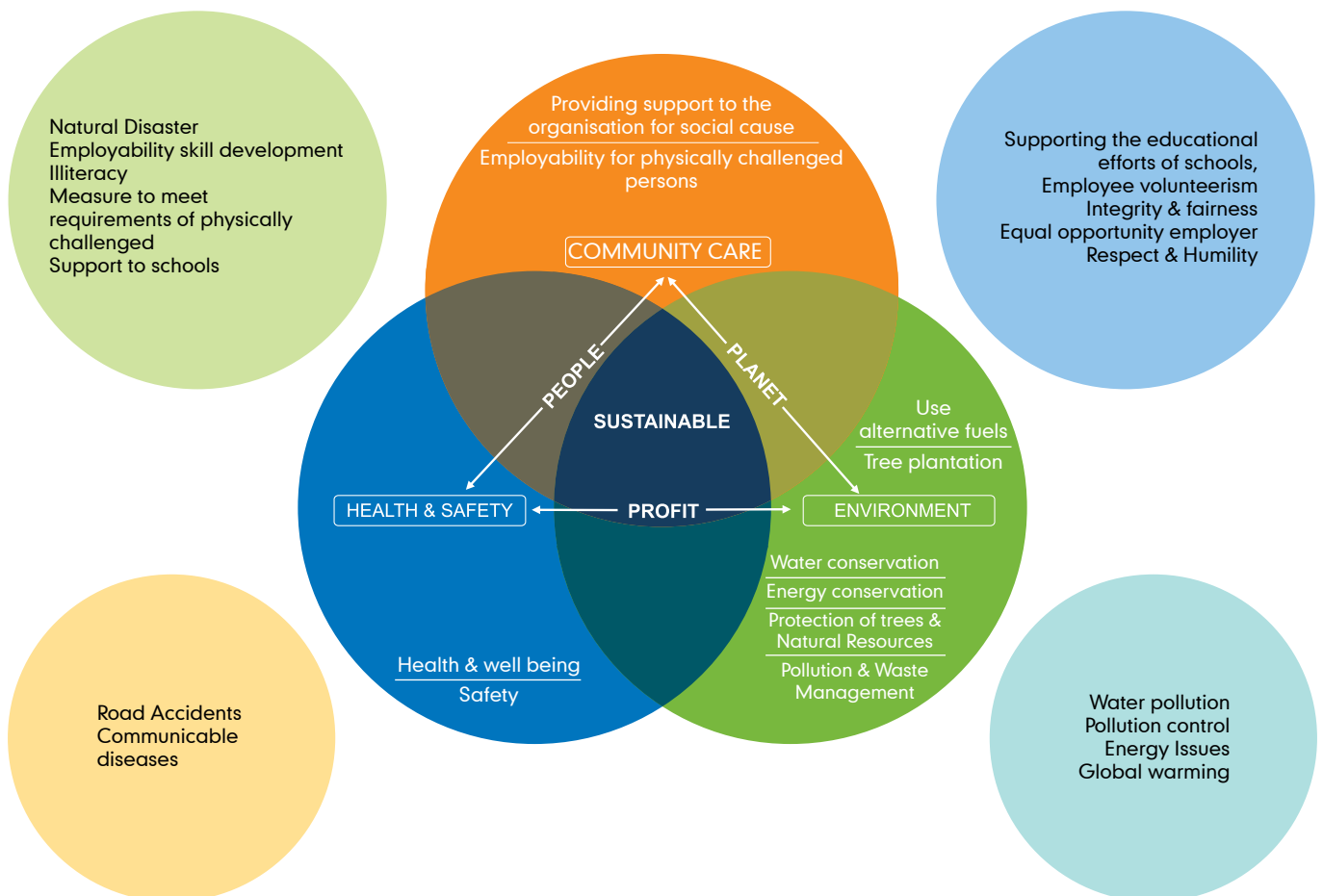
Executive Director & CEO,  
Minda Corporation Limited

# Beyond Business

The spirit of giving back to the society and its various stakeholder's viz. people, environment, various communities and nature, among others, runs deep in our conscience. Investing a part of our wealth and time for the larger good of the society is our way of building a progressive, self-dependent and developed India. Our focus is on the all-round development of the communities around our plants located mostly in distant rural areas.

To encourage a positive impact on the society and our surroundings, we at Minda Corporation undertake various programs to reach out to as many people as possible and encourage them to live a healthy and happy life. By helping the underprivileged and those belonging to weaker sections of the society we not only help them build their lives and those of their kin in a much better way but also encourage them to contribute to the economic and social development of the country. By way of sharing knowledge with them through basic education, providing facilities like books, stationery items for free, scholarship programs and organisation of vocational and skill training programs; we are endeavouring to provide a better and sustainable way of life to the weaker sections of the society. We have also tied up with various NGOs like Goonj, Divya Jyothi Jagarithi Sansthan and others to address challenges at community level.

## CSR Model







## Health & Safety

As a concerned and responsible organisation the concerns regarding the health and safety of the people working for us and their families, those residing in the vicinity of our plant sites and that of the environment is of great concern to us. To make sure our each and every employee gets a motivated and safe environment, we have taken various steps. Various training / workshops are arranged like meditation camp, yoga camp, stress management, acupressure therapy, health check-up, eye check-up, dental hygiene camps etc. Subsequently, we also conduct medical check-up camps at community level. Apart from this, we also conduct preventive awareness training programs on HIV/AIDS and other infectious communal diseases. Our main objective is to create EHS (Environment, Health, and Safety) culture at workplace and assimilate throughout the organisation. To inculcate this, we celebrate National Safety Week every year. It significantly contributes in creating wide spread safety awareness. Various functions, seminars and programmes are organised to highlight safety issues as a custom.

## Environment

Our objective is to reduce impact on the environment through committed and consistent improvement of the way we do our business and to achieve this, we carry out various meaningful and high-impact activities. As part of this drive, tree sapling plantation, energy conservation, water conservation and waste water management feature high on our list of priorities. By encouraging green areas around our installations and sensitising our employees on the importance of water and electricity conservation, we are doing our bit to protect the environment from further damages. We aspire to leave a healthy earth to our future generations and we are always taking steps to ensure it.

## Employees

Employee development is essential for the growth and prosperity of business. Our people are our assets and play a crucial role in the success of the organisation. All employees in unit are encouraged to participate in various programs and activities which are organised especially to keep the interest of the employees motivated and encourage them to foster the spirit of hard work and loyalty among their peers. Festivals and occasions like New Year, Holi, Diwali, etc., are celebrated with great enthusiasm. Family members of employees are also part of Minda family. Hence, we organise various activities to nurture and guide youngsters through Language Development classes, Career Guidance session and have interactive event program for primary kids like drawing and poster competition. And for spouses, activities are created to keep them involved in development of society.

## Board of Directors



### **ASHOK MINDA**

*Chairman & Group CEO*

Mr. Ashok Minda brings along a vast experience of more than 28 years in the Automotive Industry. He is holding the position of Chairman & Group CEO in the Company and is a Member of various Committees of the Company's Board.

The Group under the leadership of Mr. Ashok Minda comprises of various companies in India as well as abroad and broke new frontiers by joining hands with world renowned companies of USA, Germany, Japan, France etc.

### **AVINASH P. GANDHI**

*Director*

Mr. Avinash P. Gandhi holds a rich experience of around 50 years in various capacities as Special Advisor, President, CEO, Director and other senior managerial position in several organisations. A Mechanical Engineer from Birla Institute of Technology, he has completed Senior Management programs at IIM and Administration Staff College of India. He is presently holding the position of Director & Member/ Chairman of various committees on the Boards of Lumax Industries Ltd., Uniproducts (India) Ltd., Fairfield Atlas Ltd., FAG Bearings India Ltd., Indo Alusys Industries Ltd., Havells India Ltd., etc.



### **RAKESH CHOPRA**

*Director & Chairman of Audit Committee*

Mr. Rakesh Chopra has the experience of spearheading various industry groups at top management levels, including Escorts, till September 2006. A Chartered Accountant (England & Wales) and MBA from Cranfield University, U.K. He has rich experience of around 36 years and holds the position of Director in GPR Enterprises Pvt. Ltd., Kemptly Cottages Pvt. Ltd., Bharat Gears Ltd. and Fairfield Atlas Ltd. He is also a founder member and Chairman of Indraprastha Cancer Society (Rajiv Gandhi Cancer Hospital & Research Centre).





## S. B. MATHUR

*Director*

Mr. S. B. Mathur has served as the Chairman of LIC of India and Administrator of SUUTI. In the past, his name has also featured among top CEOs of India as reported by Economic Times. Among his many achievements include sponsorship by USAID for a training programme on housing finance at the Wharton Business School, USA. Currently he is the Non-Executive Chairman of the National Stock Exchange of India and serves on the Board of ITC, Cholamandalam and MS General Insurance Company Limited, Havells India Limited, Ultra Tech Cement Limited etc.

## LAXMAN RAMNARAYAN

*Director - Kotak Private Equity*

Mr. Laxman Ramnarayan is Non-Executive Independent Director of Minda Corporation Limited. He holds various academic and professional qualifications including B. COM, CWA and MMS. He has experience of over two decades in finance strategy. He is a Director in Kotak Investment Advisors Limited. Mr. Laxman is presently holding the position of a director and audit committee member of Mahindra Aerospace Private Limited and Mahindra Aerostructures Private Limited.



## SUDHIR KASHYAP

*Executive Director & CEO*

A Mechanical Engineer and MBA by qualification, he has an experience of over 24 years in auto component industry. He has been associated with the group for over 11 years and was responsible for the Joint overseas companies of Spark Minda and Uno Minda Group. He has been instrumental in setting up the first overseas Greenfield project for the group in Indonesia. Prior to joining Minda Group, he worked with the Anand Group.



# Management Discussion and Analysis



## Economic Overview

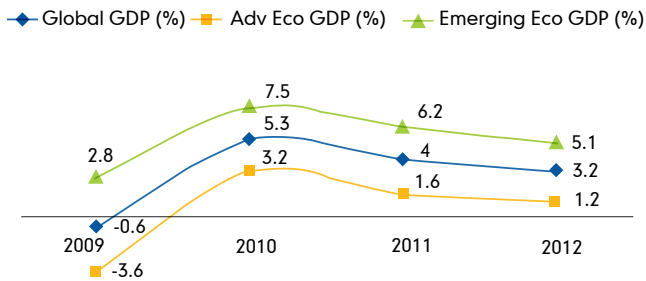
### Global Economy

Following two years of weak recovery from the global financial crisis, the economic growth continued to move at slow pace in 2012 also, especially in the developed countries. In mature markets, debt crises and issue of unemployment remained unresolved, while emerging markets were grappling to strike a balance between twin issues of high inflation and contraction in GDP growth. The effect of the sovereign debt crises in the Eurozone is taking time to fizzle out, making a dent in the growth of the region. The road to economic recovery in Eurozone could take at least one more year before picking up pace. Notwithstanding some promising recovery in growth shown by US of 2.2% and above expectation rebound of 2% growth in Japan, the global economy continued to face challenges in 2012. Global GDP growth perpetuated to 3.2% in 2012 as against 4% in 2011, according to International Monetary Fund (IMF).



Growth in the major developing countries and economies in transition also started showing some contraction, reflecting both, vulnerability to external and domestic challenges. Yet, the emerging economies continued to invite major FDIs and overseas capital inflows, propelling the growth to 5.1% in 2012-13.

**Global Economic Growth (%)**

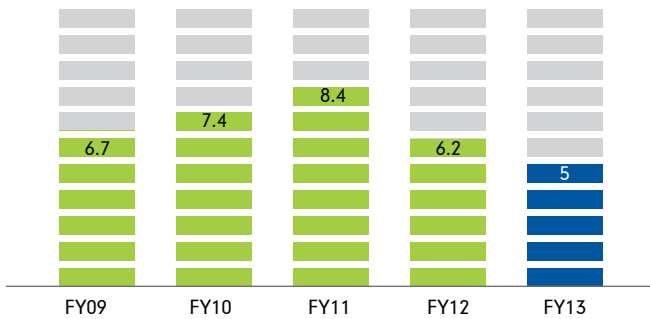


Source: IMF

**Indian Economy**

The vigour of growth in Indian economy was missing for the second successive financial year in FY 12-13, following the absence of fresh investments in capital projects and slow movement in completion of existing capital investments. The GDP growth in Indian economy remained sluggish due to slowdown across the global economy. The RBI, however, remained busy in achieving its twin objectives of balancing measures to push up the growth by monetary measures, while also keeping WPI inflation rates under check. Some aggressive measures to bring down bank lending rates and CRR, initiated by RBI, are likely to take some more time before impacting the country’s growth.

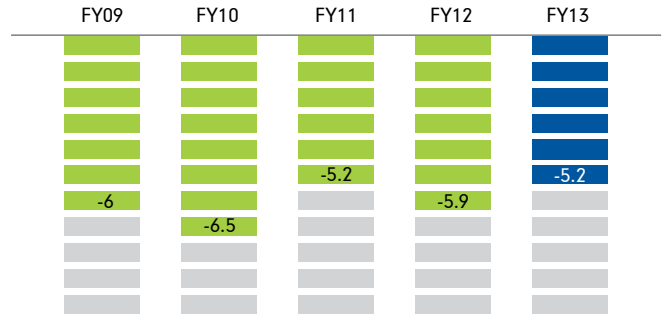
**Indian GDP Growth (%)**



(Source: CSO)

The government, however, rolled out some bold economic reforms late in the financial year, by easing out FDI in some sectors and also expedited divestment plans to raise nearly ₹24,000 crore. This acted as a catalyst to reduce the country’s fiscal deficit to 5.2% of GDP, as against 5.9% of GDP in FY 12.

**India’s Fiscal Deficit (%)**



(Source: The Union Budget of India 2013-14)

**Industry Overview**

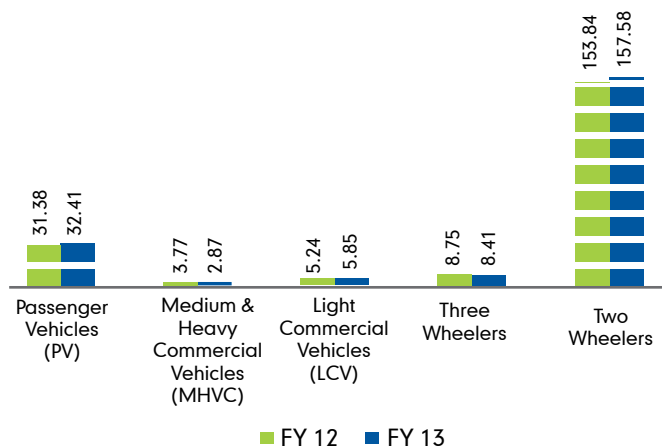
**Automobile Sector**

Indian automotive sector has been on a fast growth drive ever since the hyper active entry of a number of multinational auto producers in all vehicle segments in India. The easy absorption of their latest and high priced models has kept up the momentum since 2008, before the same showed signs of slowing down in FY 12. The size of Indian automotive sector had risen to a record ₹2,063 billion in FY 12 (Source: Ministry of Heavy Industries & Public Enterprises) and is still rising.

However, FY 13 turned out to be different tale for automotive sector in the country, with the growth remaining stagnant in nearly all segments of automobiles. High interest rate, inflation, rising fuel prices, weak macro-economic sentiments and volatile foreign exchange fluctuations perpetuated the challenges. During FY 13, automobile sales grew at a rate of 2.61% against 12.24% in FY 12.

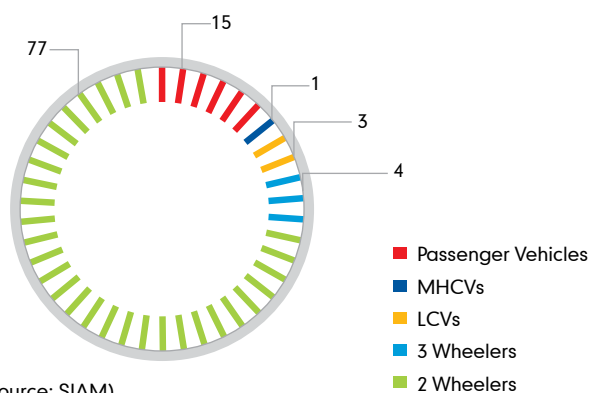
Even early signs of weakness in automobile exports were noticed in FY 13 due to weak links in global economy growth, with the number of vehicles exported from the country remaining nearly stagnant at 28.98 lakh vehicles. Apart from passenger vehicles, which clocked 9.02% growth in FY 13 over FY 12, exports in none of the other auto segments managed to move up in FY 13.

**Automobile Sales – Segment wise (nos. in lacs)**



(Source: SIAM)

**Automobile Sales Volume in FY 13 (%)**



(Source: SIAM)

**Growth Drivers**

The major growth drivers that have given a face lift to growth of automotive sector in the country include:

- **Rising consumer lifestyle of young population:** The demographic change in the country have reached an era wherein more number of working women are doing financial contribution, increasing spending power and raising lifestyles of the family. A rising number of nuclear families aspiring for their own vehicle and the rise in lifestyle and propensity to spend in tier II & III cities are amongst other factors propelling the sector’s growth.
- **Large distributor network in rural areas:** Auto producers from four wheelers, SUVs and down to two wheelers are betting on focussing on rural growth by

increasing their distributor and after sales network. Rapid urbanisation is another growth driver for rise of two and four wheelers’ demand in rural areas.

- **Easy availability of credit from Banks / NBFCs:** Buying automobiles on easy EMI schemes from Bank and NBFCs has become much simpler, accessible and usual. This is fuelling the growth of sales of all kind of vehicles.
- **Government’s boost to Automobile & Auto Component Sectors:** The Indian government is also encouraging Indian auto industry to increase its R&D efforts. One of the initiatives in this direction is the formation of the National Automotive Testing and R&D Infrastructure Project (NATRIP), set-up as part of the Automotive Mission Plan 2016.

Seven centres are proposed to be developed across the country, which would provide infrastructure to the automobile and automotive components industry for conducting R&D, testing and validation of components/ vehicles.

- **Improved Infrastructure:** Infrastructure spending of \$1 trillion proposed in Draft of 12th Five year Plan, which is indirectly expected to boost the demand for automotive and auto components simultaneously. This infrastructure boost will provide better road network evident from the already rolled-out and announced projects. These projects include National Highways, State Highways and roads in semi-urban and rural areas.

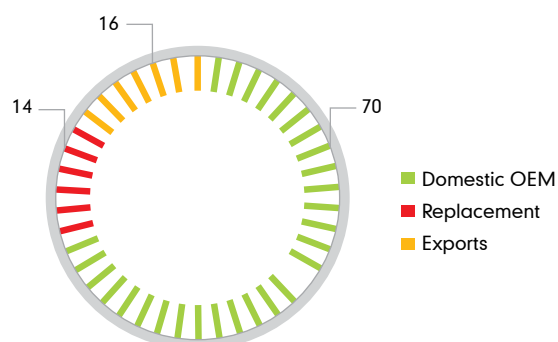
**Auto Component Sector**

The Indian auto component sector has transformed a long way over the past decade. A number of multinational automobile players have targeted India as a growth destination and made it a production hub, not only for India but for their global markets as well. The auto component sector in the country has not just become cost competitive on global landscape, but has become quality conscious to meet all the challenges. This has been mainly enabled by low labour and raw material cost and well-established base for production for OEM products. The rise in foreign exchange cost, compared to Indian Rupee, has also paved way for increased degree of indigenized auto components sourcing by multinationals. Large global automobile players, having manufacturing base in India are sourcing the components locally leading the sector’s fast track growth over past



five years. The market mainly comprises of domestic OEM market, replacement market and exports.

### Auto Components Market in FY 12 (%)

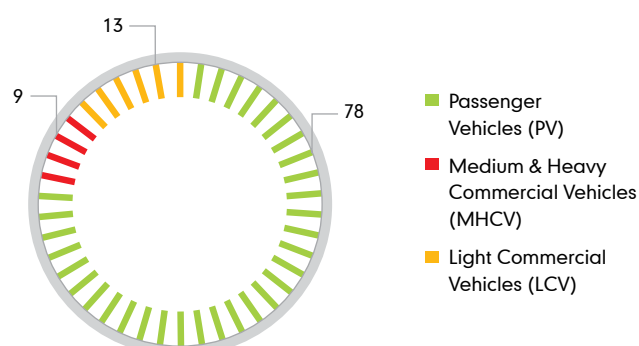


(Source: ACMA)

**Size & Growth of Auto Component Sector:** The size of auto components sector alone soared to around ₹2,11,000 crore in FY 12, from nearly ₹1,10,000 crore in FY 09, showing a high CAGR of 18.7% in three years, according to ACMA. However, the growth momentum has temporarily shown a pause in FY 13, essentially due to the near stagnant sales of automobiles. The primary reasons for high growth of auto components sector till FY 12 were led by:

- High domestic demand
- Formation of auto clusters having tax incentives
- Healthy growth in domestic GDP and per capita consumption
- Move towards increased degree of indigenisation by companies having presence in auto sector in India
- Growing popularity of India as a destination to become a production hub for auto sector

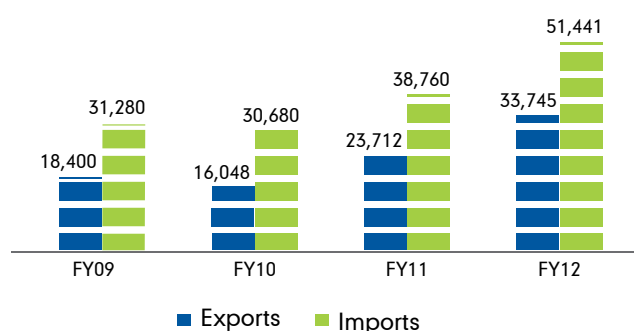
### Auto Components segment turnover in FY 12 (%)



(Source: ACMA)

**Exports & Imports:** Holding the twin advantages of being a globally cost competitive producer for most auto components and maintaining the quality standards, the country’s auto components exports have shown a robust growth at a CAGR of 21-22% from FY 09 to FY 12, to reach a size of ₹33,745 crore in FY 12. However, the gap between exports and imports within auto components sector continued to be an issue of concern, as the imports grew to a size of ₹51,441 crore in FY 12, from a much lower ₹31,280 crore. The same, however, may narrow down in the times to come, as producers are focussing on using new technologies to produce more complex auto components in the country.

### Auto Components: Exports & Imports (₹ crore)



(Source: ACMA)

### Growth Drivers for Auto Component Sector:

Some of the catalysts which are expected to provide fresh growth to auto components sector are:

- **Rising Indigenisation:** The domestic producers of auto components are fast trying to replace the input materials in automobiles, which are still imported by companies and already having their manufacturing base in India.
- **Loan subsidies:** The Department of Heavy Industries and Public Enterprises has created a USD 200 million fund to mobilise the auto components industry by providing an interest subsidy on loans and investments in new plants and equipment. It has also provided export benefits to intermediate suppliers of auto components against Duty Free Replenishment Certificate.
- **Industry’s Focus on R&D and Design:** Auto component manufacturers are increasing their R&D spends and investing in operations and laboratories. The growth of global OEM sourcing from India and the increased indigenization of global OEMs is turning India into a preferred designing and manufacturing base.

- **Global Quality Standards:** A rising percentage of revenue is being earmarked by auto components companies towards developing new technologies and for R&D to match the global requirements.
- **Growing After-market segment:** In near future it is expected that demand of components in after-market may increase in both - volume and frequency of demand. The same is likely to push up the growth in auto components sector.

## Review of Business Operations

### Building on the Brand Foundation

For Minda Corporation, FY13 was the first full year of operations post the Group Corporate restructuring and adopting new corporate identity - "Spark Minda". During FY 13, Minda Corporation continued on its journey to keep shining in the industry. To build on its strong foundations, the Spark Minda, Ashok Minda Group continued to consolidate its operations to maintain leadership in its product segments of strategic focus, comprising of:

- Safety, Security and Restraints Systems
- Driver Information & Telematics Systems
- Plastic Interior Systems

The Company has decided to capitalize on the growing demand of these three product segments on a global landscape, based on its existing core competencies.

### Focus on Innovation

In FY13 Minda Corporation continued on its journey of innovation and came up with new, improved and enhanced

products falling within the three products categories of business interest. The Company had its complete focus on filing and acquiring new patents in safety, security and restraint systems and aimed at new technologies to match global standards in auto components. Innovation has been the new growth mantra followed by the entire Group. The Company has filed 13 patent applications. During the year under review the Company has been granted 2 patents for developing protective device for cylinder locks.

### Poised for Growth

The Group has recently been facing a moderate growth in sales on the back of a slow growth of the auto component sector as a whole. The auto component sector growth moderation is linked with automobile sector's growth which itself had contracted substantially over the past two financial years. Also, the revenues from European operations, post acquisitions in recent past, have not yet fully started paying off. This happened due to a sovereign debt crisis in major parts of Europe, leading to a contraction in GDP growth in most of the Eurozone.

However, once the macro-economic sentiments start improving in Eurozone and domestic automobile growth also starts picking up, the Company is poised for growth. The Company will be able to leverage its various plants present across the globe and in major auto hubs in India, some of which carry tax incentives as well.

### Implementing our Strategic agenda

During FY 13, Minda Corporation continued to implement its strategic agenda. The new corporate structure that evolved from the Group restructuring in FY12 was further



strengthened during FY13. This objective of restructuring was to attain simplification of Group structure. The Company has continued to remain focussed on product areas of interest that were strategically decided during FY12. These product areas include Safety, Security and Restraints Systems, Driver Information & Telematics Systems and Plastic Interior Systems. The Company fully leveraged its inherent strengths in production of these three product categories and capitalized on their growing demand on a global scale. Apart from same, the Group also decided to rationalize the operations of several Group companies operating in Europe, to enable cost optimization and better capacity utilisation of existing facilities. The Company shifted operations of some of its subsidiaries and step down subsidiaries in Europe, to existing plants of some of its other European subsidiaries.

## Financial Review

**Operating Income:** The Company, managed to clock a net operating income of ₹598.21 crores in FY 13, up by 6.87% against FY 12 on standalone basis.

**Total Expenses:** The total expenses for the year stood at ₹573.19 crores, recording increase of 8.93% from ₹526.20 crores in FY 12. The increase in expense is mainly attributed to a 9.64% hike in raw material costs due to rise in raw material prices and different product mix. Secondly the employee benefit cost has registered 8.17% hike over previous year mainly on account of increased employee benefits.

**Net Profit:** In spite of showing a reasonable growth of 8.29% in sales turnover, profitability was impacted due to pause in automobile growth rate in domestic as well as European markets. The impact was visible and net profit of Minda Corporation posted a contraction of 33.52% at ₹26.70 crores in FY 13 against ₹40.16 crores in FY 12. Other factor affecting profitability was higher employee benefit costs and higher raw material costs.

**Reserves & Surplus:** Total Reserves & Surplus stood at ₹250.07 crore at the end of FY 13 against 227.96 crore in FY 12. The increase of 9.70% is on account of transfer of internal accruals out of profits made in the FY 13.

**Fixed Assets:** Total Fixed Assets for the year stood at ₹147.50 crore as against ₹113.21 crore in FY12. The change is on account of fresh start of some capital work in progress.

## Corporate Social Responsibility

At Spark Minda, Ashok Minda Group, inclusive growth remains at the core its business operations, towards being a responsible corporate citizen. The Group and its flagship Company, Minda Corporation, align their action



with the Group Corporate Social Responsibility policy. The Group's comprehensive CSR policy covers critical aspects of Environment & Resource Protection, Health & Safety, Community Care and guides the corporate action towards a greener, safer and sustainable future for the Company and the society.

The Company follows triple bottom line approach of People, Planet and Profit to fulfil its responsible business objectives at various levels and forums. The community development happens through the Group's charitable trust – Moga Devi Memorial Charitable Trust (MDMCT) where a host of activities like village development, education to underprivileged children and supporting NGOs are taken up.

At the corporate level, the Group has formed CSR Committee and a CSR Team at the execution level. Different aspects of sustainable development like environment & resource protection, Health & Safety, Water & Energy Conservation and Waste Management etc., are given due emphasis. The Company considers its human capital to be integral part of inclusive growth agenda and carries out various employee benefit activities, schemes and policies

## Human Resources

Minda Corporation firmly believes that its employees are amongst the key assets of the Company, who are key enablers that help towards the success and expansion of Company. The Company imparts due care in training all fresh recruits each year, to ensure that they join hands with the Company, towards taking collective responsibility in achieving the Company's goal to scale to new heights. Recruiting, retaining and motivating the best talent in the





industry, to ensure their development is one of the foremost challenges in today's business environment. The Company focuses on grooming the existing talent base as well as fresh recruits, to enable them to take them to positions of greater responsibility within the Company. All the recent recruits are trained to become socially, professionally and culturally integrated. The Company also follows a robust performance management system (PMS) to encourage all the employees to stay glued to achieve their targets and perform their responsibilities promptly.

During FY 13, the Company implemented personality assessment tools to achieve capability building objectives by deciphering human behaviour. Various health check-up and health awareness programs were also organized during the year. To encourage active participation and involvement of employees certain initiatives at corporate and plant level were introduced like Employee Voice, Darpan (Employee Display Board), Stress Management Camp and First Day Celebration to name a few.

## Risks & Concerns

### Foreign Currency Fluctuations

The Company has a large scale of operations which are spread over Europe and ASEAN countries apart from domestic operations. These operations are not confined only to OEM supplies worldwide, but also involve production facilities owned through Group companies in many European and ASEAN regions. The same increases the risks of volatile foreign exchange currency fluctuations vis-à-vis Indian Rupee, for the production and supply operations in these geographies. As a mitigation measure, the Company



continues to keep itself focused to have a proper balance of operations in domestic and overseas market.

### Geo-Economic Risks

The Company has a number of subsidiaries and step down subsidiaries in Europe. Of late, the entire Eurozone has been struggling to revive its economic growth, following the sovereign debt crisis faced by a major part of Europe in 2011 and 2012. The growth in consumer spending has also been on the defensive and the automobile growth is still not picking up. Apart from same, there could be some impact on operations of Group companies, in case of unforeseen changes in laws and regulations relating to presence of Indian/ other overseas producers in EU region. Also the social infrastructure is also becoming inadequate in many EU regions. The Company has a little control over these external risks. However, the Company has taken steps like manufacturing & business development in diversified geographies.

### Technological Challenges

In some of the product categories, where the Group is using its inherent strengths like wiring harness components and automotive wires, the technology is changing fast on a global scale and new products are coming up to replace the existing ones. As a mitigation measure, the Company remains updated with continuous R&D activities, to ensure that its products in this category remain in demand. Even in Safety, Security & Restraints Systems and Interior Systems, the Group continues on product innovation which has kept its product lines in continuous demand.

### R&D and Innovation Success

The Company is always on the lookout for technological value added changes in its product categories proactively or as per the requirement of its present or potential OEM clients, basis their demand for low input and advanced solutions. However, at times, the Company, despite making continuous R&D for such requirements, may not be successful in getting the due results. Even the patents filed need time before getting duly approved and at times may not get the desired results also. As a mitigation measure, the R&D team works closely with the OEM clients before going too far in carrying out R&D relating to innovative demands from them.

### Sourcing and Cost of Raw Material

The Company may face unexpected increase in sourcing of input materials used for its auto components. To ensure that, the Company remains well geared to take up this challenge, it has mitigated the risk of rising cost of raw materials, through back-to-back arrangement with OEMs. The Company also has arrangements with different vendors for timely sourcing of raw material to meet production requirement.

### Internal Controls & Systems

The Company follows a strong system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposition and that transaction are authorised, recorded and reported quickly. It keeps reviewing the adequacy of internal control systems from time-to-time. The internal control is well-designed to ensure

that financial and other records are reliable for preparing financial information and other data, and for maintaining accountability towards assets. The Audit Committees of group companies keep reviewing the internal audit reports of companies operating in domestic markets and those incorporated in Europe and operating primarily in overseas markets. Suggestions made by internal audit committees are reviewed and considered by audit committees on a quarterly basis for improvement of internal controls and systems within the Group.

### Outlook

After two years of continuous rise in inflation and bank lending rates, the liquidity and propensity to spend seems easing out now. However, with RBI changing its stance to relax the bank lending rates several times since then, it is likely that the GDP growth and the automobile sector growth may pick up yet again in FY 14 in domestic markets.

The Company has already restructured its group structure well and is fully geared to take advantage of fresh pickup in demand of auto components sector. Though the growth from Euro zone may still take some more time before picking up. The entire Group has already done a rationalization exercise in European zone to check costs in some of its subsidiaries and step down subsidiaries in FY 13, using it as a period of consolidation and restructuring. These factors are likely to show positive results and we foresee better times ahead for the entire Group as a whole.



# Directors' Report

Dear Members,

Your Directors have pleasure in presenting the 28th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended on March 31, 2013.

## 1. FINANCIAL RESULTS

(Amount ₹ in Lacs)

PARTICULARS	For the year ended on	
	31.03.2013	31.03.2012
Sales/ Income from Operations	59,821	55,975
Other Income	1,231	809
Profit before Interest, depreciation & exceptional items	6,795	6,897
Interest	1,378	1,299
Depreciation	1,684	1,435
Exceptional Items	233	-
Profit before Tax	3,500	4,163
Provision for Taxation	724	94
Deferred Tax Liability/ (Assets)	106	53
Net Profit	2,670	4,016
Brought forward Profit	9,285	6,415
Total Profit available for appropriation	11,955	10,431

## 2. ECONOMY AND COMPANY PERFORMANCE

India's economic growth rate this fiscal year is at 5%, lowest in a decade, on account of slowdown particularly in manufacturing, mining and farm sector.

In spite of slow down and lower economic growth rate, your Company has achieved sustainable growth in revenue compared to the last year. During the year under review your Company has achieved a turnover of ₹59,821 Lacs against ₹55,975 Lacs during 2011-12 registering a growth of 6.87% over the previous year.

However, the profit of the Company has gone down by ₹1,346 Lacs i.e. from ₹4,016 Lacs to ₹2,670 Lacs, which is mainly due to below par performance of Die-casting and Plastic Divisions of the Company. The management is in the process of taking corrective actions to overcome the slowdown and to improve the profitability of the Company across the board.

## 3. DIVIDEND

Your Directors recommend to transfer ₹267 Lacs to General Reserve Account from the profits of the year under report as against ₹416 Lacs transferred in the previous year.

Based on the Company's performance, your Directors have recommended dividend for the financial year 2012-13 for the approval of Shareholders in the forthcoming Annual General Meeting:

- a) On 2,40,000 – 0.001% Cumulative Redeemable Preference Shares @ 0.001%.

- b) On 2,09,31,164 Equity Shares @ 20% i.e. ₹ 2/- per equity share.

## 4. AWARDS AND RECOGNITION

During the year under review, your Company has been conferred with various awards and recognitions for its performance at different levels. These awards include the following:

- Pantnagar Unit has won the prestigious BAL TPM Excellence and BAL 'Q' Super Platinum award from Bajaj Auto Limited.
- Security Division, Greater Noida, has been conferred the Commendation Award for QCI –D.L. Shah National Awards on Economics of Quality in Manufacturing Sector. The Award was given at the 7th National Quality Conclave held in 2012.
- The Company won the Gold Award in the category of "Development of new Products" from India Yamaha Motor Private Limited.
- The 'Lakshay' Quality Circle Team from Security Division of Minda Corporation Ltd, Greater Noida won the Gold Category award in Chapter Convention on Quality Circle (CCQC)-12 Competition.
- During 52nd Annual Session and National Conference of ACMA held on September 2012 at New Delhi, Security Division, Noida, has been honoured with Bronze Award by Automotive Component Manufacturers Association, India (ACMA) for excellence in technology for the year 2011-12.

## 5. CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Financial Statements in accordance with Accounting Standard-21 (AS - 21) issued by The Institute of Chartered Accountants of India (ICAI) have been provided in the Annual Report. These Consolidated Financial Reports provide financial information about your Company and its subsidiaries as a single economic entity. The Consolidated Financial Statements form part of this Annual Report.

## 6. CORPORATE GOVERNANCE

A separate section on Corporate Governance forming a part of the Directors' Report and the certificate from M/s. Sanjay Grover & Associates, Practising Company Secretaries confirming compliance of conditions on Corporate Governance as stipulated in Clause 49 of the Listing Agreement is included in this Annual Report. The Executive Director & CEO and Chief Financial Officer of the Company have issued necessary certificate to the Board in terms of Clause 49(V) of Listing Agreement with Stock Exchanges for the financial year ended on March 31, 2013.

## 7. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report (MD&A) for the year under review, as stipulated under Clause 49



of the Listing Agreement with stock exchanges in India, is presented in a separate section forming part of the Annual Report.

#### 8. FIXED DEPOSITS

During the year under review, your Company has not accepted any deposit under Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975.

#### 9. BOARD OF DIRECTORS

The Board has co-opted Mr. S. B. Mathur and Mr. Sudhir Kashyap as Additional Directors w.e.f. September 21, 2012 and May 05, 2013 respectively.

In terms of Section 260 of the Companies Act, 1956, Mr. S. B. Mathur and Mr. Sudhir Kashyap will hold office upto the date of ensuing Annual General Meeting. The requisite notice along with required deposit has been received by the Company under Section 257 of the Companies Act, 1956 proposing the appointment of Mr. S. B. Mathur and Mr. Sudhir Kashyap as Directors of the Company. Mr. Sudhir Kashyap has also been appointed as Executive Director & CEO of the Company w.e.f. May 29, 2013.

The Board of Directors recommends the appointment of Mr. S. B. Mathur and Mr. Sudhir Kashyap in the best interest of the Company.

Further, Mr. Jeevan Mahaldar has resigned from the Directorship of the Company on May 29, 2013. The Board Members appreciate the contribution and support provided by Mr. Mahaldar during his tenure as Executive Director & CEO of the Company.

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. Avinash P. Gandhi and Mr. Rakesh Chopra, Directors of the Company retire by rotation and being eligible, offer themselves for re-appointment.

The detail of Directors being recommended for re-appointment pursuant to Clause 49 of the Listing Agreement is contained in the accompanying Notice of the ensuing Annual General Meeting.

#### 10. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, your Directors confirm:

- a) That in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departure was made for the same;
- b) That they 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 financial year and of

the profit of the Company for the year ended on March 31, 2013;

- c) That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) That they have prepared the annual accounts on a going concern basis.

#### 11. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 217(1) (e) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 are given in Annexure – I to this Report.

#### 12. PARTICULARS OF EMPLOYEES

Information as per Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 are given in Annexure – II to this Report.

#### 13. AUDITORS

- i) M/s B S R & Co., Chartered Accountants, Statutory Auditors of the Company who hold office up to the conclusion of the forthcoming Annual General Meeting of the Company have shown their unwillingness to continue as the Statutory Auditors of the Company after the conclusion of the said Annual General Meeting due to some other business occupancies.

In view of the unwillingness of the existing Statutory Auditors for re-appointment, the Audit Committee of the Company has recommended the appointment of M/s B S R & Associates, Chartered Accountants as Statutory Auditors of the Company for approval by the shareholders at the forthcoming Annual General Meeting.

The Company has received a certificate from M/s B S R & Associates, Chartered Accountants pursuant to Section 224(1B) of the Companies Act 1956, confirming their eligibility for appointment. The proposed resolution for the appointment of M/s B S R & Associates, Chartered Accountants is being placed in the notice of forthcoming Annual General Meeting of the Company.

- ii) M/s Chandra Wadhwa & Co. Cost and Works Accountants, New Delhi have been appointed as the Cost Auditors of the Company.
- iii) M/s Protiviti Consulting Private Limited, have been appointed as Internal Auditors of the Company.

**14. AUDITORS' REPORT**

All observations made in the Auditors' Report and notes to the accounts are self-explanatory and do not call for any further comments under Section 217 of the Companies Act, 1956.

**15. LISTING**

The Equity Shares of your Company are continued to be listed at Delhi Stock Exchange Limited and Madras Stock Exchange Limited and the Company has paid the listing fees for the year 2013-14.

**16. SUBSIDIARIES**

As on March 31, 2013, your Company has 10 (Ten) subsidiaries out of which 6 (Six) subsidiaries are registered outside India – 3 (Three) of them are in Germany; 1(One) in Netherlands; 1(One) in Czech Republic and 1 (One) in Poland.

A statement pursuant to Section 212 of the Companies Act, 1956 relating to subsidiaries for the year ended on March 31, 2013 is given in Annexure – III.

In terms of General Circular No. 2/2011 dated 8th February, 2011, the Balance Sheet and Profit & Loss Account of each subsidiary need not to be attached. The consolidated financial statements of the Company and all its subsidiaries as prepared in compliance with the applicable accounting standards and listing agreements are enclosed. The statement of statutory information in aggregate for each subsidiary is enclosed along with the consolidated financial statements.

The Annual Accounts of the subsidiaries shall be made available to the shareholders seeking such information and shall also be available for inspection at its Office at D-6-11, Sector - 59, Noida - 201301, U.P. (India) during business hours between 9:00 a.m. to 6:00 p.m. The Company shall also furnish a hard copy of the details of the accounts of the subsidiaries to any shareholder on demand.

**17. ACKNOWLEDGEMENT**

The Board of Directors admirably recognizes the continued confidence and support of all the stakeholders and the Company would like to place on record its appreciation for the good work done by the employees at all levels.

For and on behalf of the Board of  
Minda Corporation Limited

Ashok Minda

Chairman & Group CEO  
DIN: 00054727

Place: Gurgaon  
Date: May 29, 2013

**ANNEXURE I TO DIRECTORS' REPORT TO THE SHAREHOLDERS, INFORMATION PURSUANT TO SECTION 217(1) (e) OF THE COMPANIES ACT, 1956****A. CONSERVATION OF ENERGY:****a) Energy Conservation Measures taken**

1. Started using PNG instead of Diesel/LPG.
2. All Plant Lights converted in CFL.
3. Provide cyclic timer A/C for part running.
4. Replaced cold chamber furnace capacity from 250 kg to 100 kg.
5. Power load balancing system implemented.
6. Reduced delay time between two cycles of cold chamber machine from 20 second to 5 second to reduce the voltage consumption.
7. For drying the components at the end of shift, use of heat of baking oven has been started.
8. Various energy saving awareness programs imparted for reduction of energy consumption.

**b) Additional Investments and proposals if any being implemented for reduction of consumption of energy**

1. Investment of ₹15 Lacs required for implementation of PNG in Hot Chamber Holding furnace.
2. Applied for natural gas pipe line, in place of existing use of LPG, costing ₹5 Lac (approx.)

**c) Impact of the measures (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods**

The adoption of energy conservation measures indicated above has resulted in reasonable amount of saving in energy consumption.

**d) Total energy consumption per unit of production as per Form "A" of the Annexure in respect of industries specified in the schedule thereto**

Form "A" is not applicable, as the Company does not fall under the list of Industries specified in the Schedule amount of saving in energy consumption.

## B. TECHNOLOGY ABSORPTION:

### i) Research and Development (R & D) – FORM “B”

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

R&D was carried out by the Company in the following products segments:

**Mechanical Security System:**

Focus on Innovation continues by adding new features in existing product range and developed low cost products by proposing new concepts & use of alternate raw materials. Some of the products are as below:

  - Magnetic Module with Auto Shutter and Push Button type Shutter.
  - Illumination Ring on Ignition Switch to improve Aesthetics of the vehicle.
  - Flip Key with Remote & Transponder.
  - Ignition Switch cum Steering Lock, Fuel Tank Caps and other Peripheral Locks with new concepts and alternate raw material to reduce RMC.

**Electronic Security System:**

Focus on developing Mechatronic Security System for Global customers like Piaggio Italy, BRP Canada, Triumph UK, Royal Enfield India etc. Some of the examples of developed products are as below:

  - Active Antenna on LIN Bus.
  - Transponder Based Immobilizer for BRP.
  - RF based Immobilizer for Royal Enfield.
  - Concept developed for Smart Card Mechatronic Security System.

Company is not only focusing on Innovation in Products, but also on Manufacturing Processes. Different types of Semi Automatic assembly lines were developed with PLC Programming for Magnetic Modules to cater to different volumes.
2. Benefits derived as a result of above R&D
  - a. Development of Magnetic Shutter with different features will enable the Company to expand its product portfolio, thereby enabling more business acquisition in this segment in ASEAN and Domestic market.
  - b. Development of Smart Card Mechatronic Security System has increased Company's chances of acquiring business from European customers. Such products are already being used in High end Motorcycle in Europe, where Company did not have its presence.
  - c. Development of Low cost concept and using of alternate raw material is giving edge to compete with competition and increase the market share in this segment.
  - d. Development of E-lock has increased Company's chances of acquiring business from European customers. Such products are already being used in high end motorcycles in Europe, where Company did not have its presence.
  - e. Development of Immobilizers with different protocols will enable the Company to expand its product portfolio and business with OEMS in high end 2 wheeler segment.
3. Future Plan of Action
 

There is going to be continuous thrust on Innovations - both in product and process. Innovation culture is being spread out in all the departments at various levels. To protect our IPR, more patents will be filed in all segments. In the existing product range, focus will be on bringing the variants faster and simultaneously reducing the cost. To address futuristic requirements of customers, Electronic and Mechanical are working together to bring out Mechatronic products.

		(₹ In Lacs)	
		2012-13	2011-12
4	Expenditure on Research and Development		
	a. Capital Expenditure	438.87	261.18
	b. Recurring Expenditure	476.93	422.28
	c. Total	915.80	683.46
	d. Total R & D expenditure as a percentage of total turnover	1.57%	1.22%

ii) Technology absorption, adaptation and innovation

1. Efforts, in the brief, made towards technology absorption, adaptation and innovation.
  - a) Exposure given to Engineers to design Innovative products through guidance of expert Japanese consultants.
  - b) Exposure through visits to exhibition, plant visits of Group Companies
2. Benefit derived as a result of above efforts e.g. product improvement, cost reduction, product development, import substitution etc
  - a) Customer confidence has increased by offering Low cost and reliable products.
  - b) Competence of Engineers has been increased to Design Innovative products.
  - c) The motivation because of the advanced learning has resulted in retention of Key Resources.
  - d) Customer confidence has also increased due to the capability enhancement of Engineers at the Company.
- 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.
    - a. Design of immobilizer system for Motorcycle / two wheelers from Orbital Corporation of Australia
    - b. Design of controllers for BLDC Motors for electric bikes from NEC, Japan.
    - c. Technical Consultancy from Japanese Technical Advisors for Mechanical Security System especially for Magnetic Module.
    - d. Consultancy on IP&R from Japanese IPR consultants.
  - b) Year of Import.
    - a. 2009
    - b. 2009
    - c. 2008 onwards
    - d. 2010 onwards
  - c) Has technology been fully absorbed? Absorbed except minor clarifications
  - d) If not fully absorbed areas where this has not taken place, reasons there for and future plans of action. Although we have reduced dependency on Japanese Consultants in Mechanical Security System. However, support for Electronic Security System will still be required as productionisation of Electronic products like immobilizer, active antenna etc, has not yet started.  
  
There may be some minor modifications/upgradation required during productionisation phase.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

i) EXPORT ACTIVITIES

Activities relating to exports; initiative taken to increase exports; development of new export markets for products and services and export plans.

- a) Added many Two-wheeler customers in European & ASEAN market
- b) Addition of new customers in Europe through Subsidiary Companies

ii) TOTAL FOREIGN EXCHANGE USED AND EARNED

• Foreign Exchange Used

- a) Traveling & Conveyance - ₹17.28 Lacs (Previous Year ₹37.03 Lacs)
- b) CIF value of import ₹2681.13 Lacs (Previous Year ₹2955.10 Lacs)
- c) Sales Commission ₹26.97 Lacs (Previous Year ₹ Nil)
- d) Legal & Professional ₹ Nil (Previous Year ₹2.30 Lacs)
- e) Repair & Maintenance (Plant & Machinery) ₹3.54 Lacs (Previous Year ₹ Nil)
- f) Others ₹39.40 Lacs (Previous Year ₹54.23 Lacs)

• Foreign Exchange Earned

- a) FOB value of Exports ₹6617.54 Lacs (Previous Year ₹6016.40 Lacs)
- b) Royalty ₹556.73 Lacs (Previous Year ₹416.13 Lacs)
- c) Technical know-how and Service Income ₹115.16 Lacs (Previous Year ₹41.35 Lacs)

**ANNEXURE II TO THE DIRECTORS' REPORT**

INFORMATION AS PER SECTION 217 (2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975, AS AMENDED, AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED ON MARCH 31, 2013

**Full Time of the year:**

Name	Age (Yrs.)	Designation	Date of Commencement of Employment	Gross Remuneration (₹)	Qualifications	Experience (Yrs.)	Name of Previous Employer
Mr. Jeevan Mahaldar	54	Executive Director & CEO	04.01.2007	21,302,934	MBA, B. Tech (Mech.)	32	Tata Ficos Automotive Systems Ltd.
Mr. Ashok Minda	52	Chairman & Group CEO	01.08.2011	18,576,000	B. COM	29	Minda Management Services Limited

**Part of the year:**

Name	Age (Yrs.)	Designation	Date of Commencement of Employment	Gross Remuneration (₹)	Qualifications	Experience (Yrs.)	Name of Previous Employer
Mr. Vivek Bhatia*	45	CFO	24.05.2011	6,482,439	C.A, C.S.	21	Arcelor Mittal India Limited

\* ceased to be in employment w.e.f. 19.02.2013

**Notes:**

1. All appointments are contractual as per the rules and conditions of the Company.
2. Remuneration includes basic salary, allowances, rent paid for accommodation, reimbursement of medical and entertainment & attendant expenses to employees and employer's contribution to Provident Fund etc. In addition, the employees are entitled to leave encashment and gratuity/group insurance and other benefits in accordance with Company's Rules.
3. The above employees are not related to any Director of the Company except Mr. Ashok Minda and Mr. Jeevan Mahaldar who are on the Board of the Company.
4. Except Mr. Ashok Minda, None of the above stated employee own more than 2% of the outstanding shares of the Company as on March 31, 2013.

For and on behalf of the Board of  
Minda Corporation Limited

Place: Gurgaon  
Date: May 29, 2013

**Ashok Minda**  
Chairman & Group CEO  
DIN: 00054727

**ANNEXURE-III**  
Statement Pursuant to Section 212 of the Companies Act, 1956, relating to Subsidiary Company

Sr. No.	Name of the Subsidiaries	Country of Incorporation	Financial Year of the Subsidiary ended on	Extent of Interest of Holding Company in the Subsidiary as at March 31, 2013		The net aggregate amount of Subsidiary's Profit/(Loss) so far as it concerns the members of the Holding Company and is not dealt with in the Holding Company's accounts:		The Net Aggregate amount of the Subsidiary's Profit/(Loss) so far as it has been dealt with in the Holding Company's accounts	
				Nature of Interest : Subsidiary/Step-Subsidiary	Extent of Interest (%)	Current year	For the previous Financial year of the Subsidiary since it became a subsidiary	Current year	For the previous Financial year of the Subsidiary since it became a subsidiary
1	Minda KTSN Plastic Solutions GmbH & Co. KG	Germany	31.03.2013	Subsidiary	100%	(1,375.92)	(135.49)	-	-
2	Minda Europe B.V.	Netherlands	31.03.2013	Subsidiary	100%	(45.82)	7.56	-	-
3	Minda SAI Limited	India	31.03.2013	Subsidiary	100%	1,511.76	1,834.78	-	-
4	Minda Management Services Limited	India	31.03.2013	Subsidiary	100%	(57.91)	43.35	-	-
5	Minda Automotive Solutions Limited	India	31.03.2013	Subsidiary	100%	(21.65)	-	-	-
6	Mayank Auto Engineers Private Limited	India	31.03.2013	Step-Subsidiary	100%	209.30	394.03	-	-
7	Minda Schenk Plastic Solutions GmbH	Germany	31.03.2013	Step-Subsidiary	94%	(846.29)	15.34	-	-
8	Minda Schenk Plastic Solutions S.r.o.	Czech Republic	31.03.2013	Step-Subsidiary	94%	984.56	315.22	-	-
9	Minda Schenk Plastic Solutions S.p. Z.o.o.	Poland	31.03.2013	Step-Subsidiary	94%	18.63	20.68	-	-
10	KTSN Kunststofftechnik Sachsen Beteiligungs-GmbH	Germany	31.03.2013	Step-Subsidiary	100%	-	(0.81)	-	-

The above financial figures are based on standalone financial results of respective subsidiaries and does not include the impact of conversion at various stages during consolidation.

For and on behalf of the Board  
Minda Corporation Limited

Ashok Minda  
Chairman & Group CEO  
DIN No. 00054727

Place: Gurgaon  
Date: May 29, 2013



# Corporate Governance Report

## (PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT)

### COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Corporate Governance involves a set of relationships between a company's management, its board, its shareholders and other stakeholders. It also provides the structure through which the objectives of the Company are set and the means of attaining those objectives and monitoring performance are determined. It also refers to the way a corporation is governed. It is the technique by which companies are directed and managed. It means carrying the business as per the stakeholder's desires. It is actually conducted by the Board of Directors and concerned committees for the Company's stakeholder's benefit.

Corporate Governance is concerned with holding the balance between economic and social goals as well as between individual and communal goals. The governance framework is there to encourage the efficient use of resources and equally to require accountability for the stewardship of those resources. The aim is to align as nearly as possible the interests of individuals, corporations and society.

The Company through Corporate Governance encourages more transparency of the business, thereby attaining the trust of its stakeholders. Corporate Governance mechanisms and controls are designed to reduce the inefficiencies that arise from moral hazard and adverse selection. Internal Corporate Governance controls monitor activities and then take corrective action to accomplish organizational goals.

## I. BOARD OF DIRECTORS

The Board of the Company constantly endeavors to set goals and targets aligned to the Company's Vision – *"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 and Category of Directors

The Composition of Board of Directors of the Company is in conformity with the requirement of Clause 49 of the Listing Agreement. The Board has an optimum combination of Executive, Non-Executive and Independent Directors. As on March 31, 2013, the Board of Minda Corporation Limited comprises of 6 (Six) Directors, out of which 4 (Four) are Independent Directors and 2 (Two) are Executive Directors. The Board represents an optimal mix of professionalism, knowledge and experience.

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, 2013 are as follows:

Sl. No.	Name of the Director	Category	Designation	No. of Directorships held in other Companies	No. of Memberships/Chairmanships in various other Board Committees	
1.	Mr. Ashok Minda	Executive Director	Chairman & Group CEO	9	3	1
2.	Mr. Jeevan Mahaldar	Executive Director	Executive Director & CEO	-	-	-
3.	Mr. Laxman Ramnarayan	Independent Director	Director - Kotak Private Equity	-	-	-
4.	Mr. Rakesh Chopra	Independent Director	Director	2	3	-
5.	Mr. Avinash P. Gandhi	Independent Director	Director	8	3	4
6.	Mr. S. B. Mathur	Independent Director	Director	12	5	2

#### Notes:

- The directorships held by the Directors, as mentioned above do not include the Alternate directorships, directorships held in Private Limited Companies, Foreign Companies and Companies under Section 25 of the Companies Act, 1956.
- The committees considered for the purpose are those prescribed under Clause 49(I)(C)(ii) of the Listing Agreement(s) viz. audit committee and shareholders/ investors grievance committee of Indian Public Limited Companies and Private Limited Companies which are Public Limited Companies in terms of Section 3(1)(iv)(c) of the Companies Act, 1956.
- None of the Directors are related to each other.
- None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees (as specified in Clause 49 of the Listing Agreement) across all the public companies in which the person is a Director. Necessary disclosures regarding Committee positions in other public limited companies as on March 31, 2013 have been made by the Directors.

**b) Board Meetings & Attendance**

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

Details of attendance of Directors at various Board Meetings and at the Annual General Meeting held during the financial year 2012-13 are as under:

Name of the Director	No. of Board meetings attended	Whether attended last AGM
Mr. Ashok Minda (Chairman & Group CEO)	4	No
Mr. Jeevan Mahaldar (Executive Director & CEO)	4	Yes
Mr. Laxman Ramnarayan (Director - Kotak Private Equity)	4	No
Mr. Rakesh Chopra (Director)	4	Yes
Mr. Avinash P. Gandhi (Director)	4	Yes
Mr. S. B. Mathur (Director)	2	Yes

**c) Other provisions as to Board and Committees:-**

The Board meets at regular intervals to discuss and decide on Company/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, Quarterly Results, Quarterly Compliance Reports on all laws applicable to the Company and other material information. All the information relevant to the Company as required under Clause 49 of the listing agreement is also made available to the Board.

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.

During the financial year ended March 31, 2013, Four Board meetings were held as per the minimum requirement of four meetings prescribed in the Clause 49 of the Listing agreement. The intervening period between the Board Meetings were within the maximum time gap prescribed under Companies Act, 1956 and Clause 49 of the Listing Agreement.

The details of the Board meetings held during the financial year 2012-13 are as under:

Sl. No.	Date of Board meetings held	Board Strength	No. of Directors Present
1	May 29, 2012	5	5
2	August 14, 2012	5	5
3	November 09, 2012	6	6
4	February 12, 2013	6	6

**Information available to the Board**

During the year 2012-13, information as mentioned in Annexure 1A to Clause 49 of the Listing Agreement 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'.

**d) Code of Conduct:**

The Board of Directors has implemented a Code of Conduct applicable to all Directors and Senior Level Management of the Company.

The copy of the Code has been put on the Company's website [www.minda.co.in](http://www.minda.co.in)

**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 3 (three) Committees:

- 1) Audit Committee;
- 2) Remuneration Committee and
- 3) Shareholders' / Investors' Grievance Committee

## 1) AUDIT COMMITTEE

### a) Terms of Reference

The composition of audit committee meets the requirements of Section 292A of the Companies Act, 1956 and revised Clause 49 of the Listing Agreement. The terms of reference of this Committee covers the matters specified for Audit Committee under Clause 49(II)(C) & (D) of the Listing Agreement read with Section 292A of the Companies Act, 1956. The terms of reference of the Audit Committee inter- alia includes the following:

#### 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.
- d) To secure attendance of outsiders with relevant expertise, if it considers necessary.

#### Key responsibilities of Audit Committee:

Primarily, the Audit Committee is responsible for:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
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 before submission to the Board for approval, with particular reference to:
  - a. Matters required being included in the Director's Responsibility Statement to be included in the Board's Report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956.
  - 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
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, with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
8. 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.
9. Discussion with internal auditors of any significant findings and follow up there on.
10. 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.
11. 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.
12. 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.
13. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
14. Mandatorily reviews the following information:
  - a) Management Discussion and Analysis of financial condition and results of operations;
  - b) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- f. Disclosure of any related party transactions.
- g. Qualifications in the draft audit report.

- c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d) Internal audit reports relating to internal control weaknesses; and
- e) The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.

15. Carrying out any other role/ functions as may be specifically referred to the Committee by the Board of Directors and / or other committees of Directors of the Company.

**b) Composition, Meetings & Attendance of the Committee**

During the year under review, the Audit Committee was re-constituted on November 09, 2012 comprising of Mr. Rakesh Chopra as Chairman, Mr. Avinash P. Gandhi, Mr. S. B. Mathur and Mr. Laxman Ramnarayan as Members.

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) attended	Category	Date of Meetings held
Mr. Rakesh Chopra, Chairman	6	Independent Director	May 29, 2012
Mr. Avinash P. Gandhi, Member	6	Independent Director	July 11, 2012
Mr. S.B. Mathur, Member**	3	Independent Director	August 14, 2012
Mr. Laxman Ramnarayan, Member	6	Independent Director	November 09, 2012
Mr. Jeevan Mahaldar, Member*	3	Executive Director	December 18, 2012
			February 12, 2013

\* Ceased to be a Member w.e.f. November 09, 2012

\*\*Inducted as a Member w.e.f. November 09, 2012

In addition to the Members of the Audit Committee, these meetings are attended by the CFO and other respective functional heads and 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 20, 2012.

Mr. Ajay Sancheti, Company Secretary of the Company acts as the Secretary to the Audit Committee.

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

**2) REMUNERATION COMMITTEE**

**a) Terms of Reference**

The Remuneration Committee has been entrusted with the following responsibilities:

- i. To review and grant annual increments to Managing/ Executive Director.
- ii. To vary and/or modify the terms and conditions of appointment/ re-appointment including remuneration and perquisites, commission etc. payable to the Managing / Executive Director within the overall ceiling of remuneration as approved by the Members.
- iii. To suitably suggest changes based on changes in Schedule XIII of the Companies Act, 1956 and/or any amendments and/or modifications that may be made by the Central Government from time to time.
- iv. To do all such acts, deeds, things and execute all such documents, instruments and writings as may be considered necessary, expedient or desirable on this subject.

**b) Constitution and Composition of the Committee:**

The composition of the Remuneration Committee as at March 31, 2013 is as follows:

Name of the Member	Status	Category	No. of Meetings held	No. of Meetings Attended
Mr. Avinash P. Gandhi	Chairman	Independent Director	NIL	NIL
Mr. Rakesh Chopra	Member	Independent Director	NIL	NIL
Mr. Laxman Ramnarayan	Member	Independent Director	NIL	NIL

c) **Remuneration to Directors**

**All pecuniary relationships or transactions of the Non-Executive Directors with the Company:** There is no transaction with the associates or relatives of the Non-Executive Directors during the financial year under review.

**Number of shares held by Non-Executive Directors:** Non-Executive Directors of the Company do not hold any shares in the Company.

d) **Remuneration Policy**

The Remuneration Policy of the Company is to link the remuneration payable to the Directors and employees with the performance of the Company. Further no sitting fee is paid to the Executive Directors. The information/ details to be provided under Corporate Governance Code with regard to remuneration of Directors for the year 2012-13 are as follows:

i. **Executive Directors:**

(Amount in ₹)

Name	Salary	P. F. and other allowances	Benefits and linked services	Total
Mr. Ashok Minda	10,800,000	7,776,000	-	18,576,000
Mr. Jeevan Mahaldar	10,229,724	7,548,567	3,524,643	21,302,934

Mr. Ashok Minda was appointed as Chairman & Group CEO of the Company by the Board of Directors at their meeting held on July 05, 2011 for a period of 5 (Five) years w.e.f. August 01, 2011 subject to the approval of Central Government. The Company has obtained necessary approval from Central Government for paying remuneration to him.

Mr. Jeevan Mahaldar was appointed as an Executive Director by the Board of Directors at their meeting held on November 11, 2011 for a period of 3 (Three) years w.e.f. January 07, 2012

The tenure of office of the Executive Directors can be terminated by either party by giving three month's 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	Sitting Fees		Total
	Board Meetings	Committee Meetings	
Mr. Avinash P. Gandhi	40,000	60,000	1,00,000
Mr. Rakesh Chopra	40,000	60,000	1,00,000
Mr. Laxman Ramnarayan	40,000	60,000	1,00,000
Mr. S. B. Mathur	20,000	30,000	50,000

**3) SHAREHOLDERS'/INVESTORS' GRIEVANCES COMMITTEE**a) **Composition**

The Shareholders'/Investors' Grievance Committee has been constituted to specifically look into the redressal of Shareholder and Investor complaints and other Shareholders issues.

The composition of the Shareholder's Grievance Committee as on March 31, 2013 is as follows:

Name of the Member	Status	Category
Mr. Avinash P. Gandhi	Chairman	Independent Director
Mr. Ashok Minda	Member	Executive Director
Mr. Laxman Ramnarayan	Member	Independent Director

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

**b) Terms of Reference**

The functioning and terms of reference of the Committee are to oversee various matters relating to redressal of Shareholder's Grievances as given below:-

- i. Letters from Stock Exchanges, SEBI, etc.;
- ii. Non- Receipt of share certificates;
- iii. Matters relating to dematerialization / rematerialization of shares;
- iv. Non-receipt of Balance Sheet;
- v. Non-receipt of Dividend;
- vi. All other matters related to shares.

**c) Meetings**

During the year, the Committee held 1 (One) meeting. The attendance of Members at the meetings was as follows:-

Name of the Members	Committee Meetings attended during the year	Date of Meeting held
Mr. Avinash P. Gandhi, Chairman	1	November 09, 2012
Mr. Ashok Minda, Member	1	
Mr. Laxman Ramnarayan, Member	1	

**d) Shareholders complaints and disposal thereof**

During the year, the Company received 5 (five) grievances which were resolved expeditiously.

The complaints of the shareholders are either addressed to the Company Secretary or Share Transfer Agent of the Company i.e. M/s. Skyline Financial Services Pvt. Ltd. The status of pending shareholder's/ investor's complaints is regularly reviewed at the Shareholders'/ Investors' Grievance Committee Meeting as well as in 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, 2013. The Company generally attends to all queries of investors within a period of fortnight from the date of receipt.

The Board has delegated the powers to approve transfer of shares to a Transfer Committee of Executives.

**e) Name and Designation of the Compliance Officer**

Mr. Ajay Sancheti, Company Secretary is the Compliance Officer in terms of Clause 47 of the Listing Agreement.

**f) Secretarial Audit**

As stipulated by SEBI, a Qualified Practicing Company Secretary carried out secretarial 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 the total issued and listed equity capital.

During the last quarter, the secretarial audit report illustrate that ₹20,93,11,640/- is the issued equity capital and ₹20,93,11,640/- is the listed equity capital.

**g) Subsidiary Companies**

Clause 49 defines a 'material non-listed Indian subsidiary' as an unlisted subsidiary, incorporated in India, whose turnover or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

During the year under review, the Company has "Minda SAI Limited" as its 'material non-listed Indian subsidiary'. Mr. Avinash P. Gandhi, an Independent Director has been appointed as Director on the Board of Minda SAI Limited.



### III. GENERAL BODY MEETINGS:

#### 1) ANNUAL GENERAL MEETING

a) Location and time, where last 3 (Three) Annual General Meetings were held:

AGM	Financial Year	Venue	Date	Time
27th	2011-12	"Magnolia" Indian Habitat Centre, Lodhi Road, New Delhi – 110 003	September 20, 2012	11.00 A. M.
26th	2010-11	"Magnolia" Indian Habitat Centre, Lodhi Road, New Delhi – 110 003	August 06, 2011	9.30 A. M.
25th	2009-10	PHD Chamber of Commerce, PHD House, Opposite Asian Games Village, New Delhi-110016	September 10, 2010	2.30 P. M.

b) Whether special resolutions were put through postal ballot this year, details of voting pattern:

The Company has not proposed any special resolution through postal ballot.

c) Special Resolutions passed in the previous 3 (Three) Annual General Meetings:

Year	Subject Matter of Special Resolution	Date of AGM
2011-12	Nil	September 20, 2012
2010-11	Appointment & fixation of remuneration of Mr. Ashok Minda as Chairman & Group CEO	August 06, 2011
2009-10	Alteration of Articles of Association	September 10, 2010

#### 2) EXTRA-ORDINARY GENERAL MEETING

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

### IV. 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 transaction of material nature 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 Accounting Standard - 18 (AS 18) 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.

c) Disclosure of Accounting Treatment: The Company has prepared its financial statement as per the Accounting Standards prescribed by the Institute of

Chartered Accountants of India (ICAI). There is no deviation in the Accounting Treatment.

d) Risk Management: The Company has procedures to inform Board Members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management controls risk through means of a properly defined framework.

e) CEO/CFO Certificate: The Executive Director and Chief Financial Officer of the Company have certified to the Board in accordance with Clause 49(V) of the Listing Agreement pertaining to CEO/CFO certification for the financial year ended on March 31, 2013.

f) 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.

#### V. MEANS OF COMMUNICATION:

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

1. The quarterly results of the Company were announced within 45 days of end of quarter. In order to attain maximum shareholders reach, the financial results of the Company during the year 2012-13 were published in leading newspaper (English & Hindi).
2. Information relating to shareholding pattern, compliance with Corporate Governance norms etc.,

is available at our website [www.minda.co.in](http://www.minda.co.in)

3. "Limited Review" reports of the un-audited financial results for the respective quarter(s) were also obtained from the Company's website at [www.minda.co.in](http://www.minda.co.in)
4. Financial results are displayed on the website of the Company viz., [www.minda.co.in](http://www.minda.co.in).

**VI. GENERAL SHAREHOLDERS INFORMATION:**

**a) 28th Annual General Meeting**

Venue : Magnolia Hall, Indian Habitat Centre, Lodhi Road, New Delhi – 110003, India

Time : 11:00 A.M.

Day & Date : Tuesday, September 24, 2013

Book Closure Date : September 18, 2013 to September 24, 2013

**b) Calendar of financial year ended March 31, 2013**

The meetings of Board of Directors for approval of quarterly financial results during the financial year ended March 31, 2013 were held on the following dates:

First Quarter Results	August 14, 2012
Second Quarter and Half yearly Results	November 09, 2012
Third Quarter Results	February 12, 2013
Fourth Quarter and Annual Results	May 29, 2013

**c) Dividend**

The Board of Directors at their meeting held on 29.05.2013 recommended a final dividend @ 20% (₹ 2/- per equity share) on 20931164 number of fully paid -up Equity Shares of ₹ 10/- each and @ 0.001% on 240000 – 0.001% Cumulative Redeemable Preference Shares for Financial Year 2012-13.

**Unclaimed Dividends**

As per the Companies Act, 1956, dividends that are unclaimed for a period of seven years, statutorily get transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government and thereafter cannot be claimed by investors.

There is no unclaimed dividend for the year 2005-06.

As per Clause 5A of the Listing Agreement, no shares are lying in the suspense account of the Company.

**Dividend declared by the Company for the last 5 Years**

Financial Year	Dividend declared on	Dividend per Share*
2011-12	May 30, 2012	₹ 3.00
2010-11	August 06, 2011	₹ 3.00
2009-10	September 10, 2010	₹ 2.50
2008-09	September 11, 2009	₹ 2.00
2007-08	July 28, 2008	₹ 2.00

\* Shares of paid-up value of ₹ 10/- per share

**d) Listing on Stock Exchanges and Stock Codes:**

Sl. No.	Name & Address of the Stock Exchange	Stock Code
1	Delhi Stock Exchange Ltd. DSE House,3/1 Asaf Ali Road,New Delhi-110 002	4913
2	Madras Stock Exchange Ltd., Exchange Building, Post Box -183, 11, Second Line Beach, Chennai -600001	Minda HUF
3	ISIN allotted by Depositories (Company ID Number)	INE842C01013

The Annual Listing Fees for the listed equity shares of the Company, pertaining to the year 2013-14 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 2013-14, based on the folio/ISIN positions as on 31.03.2013.

The Company's securities have been allowed to dealings on the National Stock Exchange in terms of an agreement between the Madras Stock Exchange Limited and National Stock Exchange Limited.

**e) Market Price Data:**

There is no trading in Delhi and Madras Stock Exchange where the shares of the Company are listed. Further, there is not much trading of Company's shares at National Stock Exchange Limited also.

**f) Registrar and Transfer Agents:**

Skyline Financial Services Private Limited  
D-153/A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi-110020

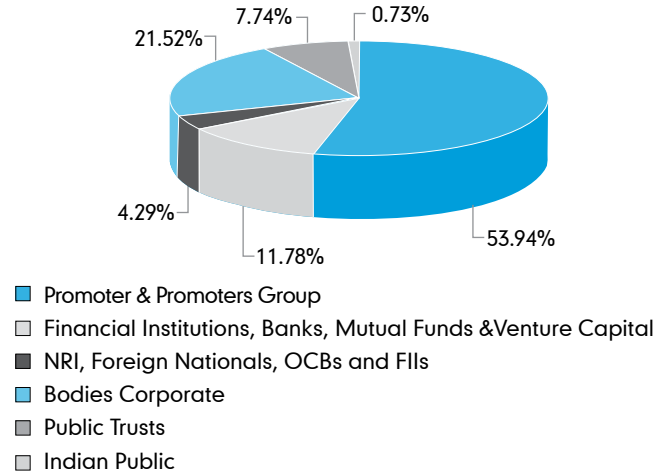
**g) Share Transfer System & RTA:**

The share transfer requests received in physical form by the Company or the Company's Registrar and Transfer Agent are registered within a period of 15 days from the date of receipt. Requests for dematerialization received from the shareholders are effected within an average period of 7 days.

**h) Details of shareholding as on March 31, 2013:**

Sl. No.	Category	No. of Shares Held	Shareholding (%)
1	Promoter & Promoters Group	11289528	53.94
2	Financial Institutions, Banks and Venture Capital	2464810	11.78
3	NRI, Foreign Nationals, OCBs and FIIs	897182	4.29
4	Bodies Corporate	4505269	21.52
5	Trusts	1619254	7.74
6	Indian Public	155121	0.73
	<b>TOTAL</b>	<b>20931164</b>	<b>100</b>

**Categories of Shareholders as on 31.03.2013**



**i) Details of Shareholding as on March 31, 2013**

Shareholding (Range)	No. of shares of ₹ 10/- each	% of Shares	No. of Members	% of Members
Up to 500	9076	0.04	187	66.31
501 - 1000	15320	0.07	21	7.45
1001- 2000	50878	0.24	36	12.77
2001- 3000	14150	0.07	6	2.13
3001- 4000	20650	0.10	6	2.13
4001- 5000	4509	0.02	1	0.35
5001- 10000	34523	0.16	5	1.77
10001 & above	20782058	99.29	20	7.09
<b>Total</b>	<b>20931164</b>	<b>100.00</b>	<b>282</b>	<b>100.00</b>

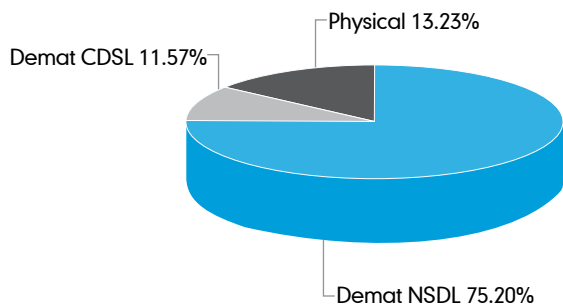
**j) Dematerialization of Shares and Liquidity:**

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, 2013, the number of shares held in dematerialized and physical mode is as under:

Category	No. of Shares	% of total capital issued
Held in dematerialized form in NSDL	15739635	75.20
Held in dematerialized form in CDSL	2422523	11.57
Physical	2769006	13.23
<b>Total</b>	<b>20931164</b>	<b>100.00</b>

**Shares held in Demat / Physical form as on 31.03.2013**



**k) Public issue, right issue, preferential issue and GDR/ADR etc.:**

There was no public issue, right issue or preferential issue during the year. 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.

**l) Location of Plants:**

- i. D- 6-11, Sector -59, Noida, U.P. -201 301
- ii. 2D/2, Udyog Kendra, Ecotech-III, Greater Noida, U.P. 201 306
- iii. E-5/2, Nanekarwadi, Chakan, Pune, Maharashtra -410 501
- iv. Gut No. 307, Nanekarwadi, Chakan, Tal-Khed, Dist. Pune, Maharashtra – 410 501
- v. Plot No. 9, Sec-10, IIE Pantnagar, Udham Singh Nagar, Uttarakhand-263 153
- vi. Plot No. 9A Sec-10, IIE Pantnagar, Udham Singh Nagar, Uttarakhand-263 153
- vii. K-150, MIDC, Waluj, Aurangabad, Maharashtra – 431 136
- viii. Plot No. G-1, Phase-III, Chakan Industrial Area, Chakan, Pune, Maharashtra -410 501

## m) Address for Investor Correspondence:

- i. With the Company: Mr. Ajay Sancheti  
Company Secretary & Compliance Officer  
Minda Corporation Limited  
Plot No. 68, Echelon Institutional Area, Sector - 32, Gurgaon-122001, Haryana  
Ph.: 0124-4698400  
E-Mail: asancheti@minda.co.in
- ii. With the R & T Agent: Skyline Financial Services Private Limited  
D-153/A, 1st Floor, Okhla Industrial Area, Phase - I, New Delhi - 110 020

## n) Compliance:

- i. The Company has obtained compliance certificate from the M/s. Sanjay Grover & Associates, Practicing Company Secretaries regarding compliance of the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement. 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. The non-mandatory requirements, wherever necessary, have been complied with.

## VII. NOMINATION FACILITY

Shareholders holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company as permitted under Section 109A of the Companies Act, 1956, are allowed to submit to the Company's Share Transfer Agents, M/s. Skyline Financial Services Private Limited at their address in the prescribed form (Form 2B). Nomination facility in respect of shares held in Electronic Form is also available with the Depository Participants (DP) as per the bye laws and business rules applicable to NSDL & CDSL.

## DECLARATION PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF BUSINESS CONDUCT AND ETHICS

The Shareholders  
Minda Corporation Limited  
36A, Rajasthan Udyog Nagar,  
Delhi - 110 033

Pursuant to clause 49 I(D)(ii) of the Listing Agreement, 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. All Board Members and Senior Management Personnel have affirmed compliance with the said Code of Conduct.

Place: Gurgaon  
Date: May 29, 2013

**Ashok Minda**  
Chairman & Group CEO  
DIN No. 00054727

## CEO AND CFO CERTIFICATION

We, Sudhir Kashyap, Executive Director & CEO and Sanjay Aneja, Chief Financial Officer of Minda Corporation Limited to the best of our knowledge and belief, certify that:

1. We have reviewed the Balance Sheet and Profit and Loss account (Standalone and consolidated) and all its schedules and notes to accounts as well as the cash flow statement and the Directors' report for the year ended on March 31, 2013;
2. Based on our knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made in light of the circumstances under which such statements were made not misleading with respect to the statements made;
3. Based on our knowledge and information, the financial statements and other financial information included in this report, present in all material respects, a true and fair view of the Company's affairs, the financial condition, results of operations and cash flows of the Company as of and for the periods presented in this report and are in compliance with the existing accounting standards and / or applicable laws and regulations;

4. To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's code of conduct;
5. We are responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the Company and we have:
  - a) designed such disclosure controls and procedures to ensure that material information relating to the Company, including its consolidated subsidiaries is made known to us by others within those entities particularly during the period in which this report is being prepared;
  - b) designed such internal control over financial reporting or caused such internal control over financial reporting to be designed under our supervision 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;
  - c) evaluated the effectiveness of the Company's disclosure, controls and procedures;
  - d) disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal year that has materially affected or is reasonably likely to materially affect the Company's internal control over financial reporting.
6. We have disclosed based on our most recent evaluation, wherever applicable, to the Company's Auditors and the Audit Committee of the Company's Board of Directors (and persons performing the equivalent functions):
  - a) All deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarize and report financial data and have identified for the Company's auditors, any material weaknesses in internal controls over financial reporting including any corrective actions with regard to deficiencies;
  - b) Significant changes in internal controls during the year covered by this report;
  - c) All significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements;
  - d) Instances of significant fraud of which we are aware, that involve management or other employees who have a significant role in the Company's internal control system.
7. In the event of any materially significant misstatements or omissions, we will return to the Company that part of any bonus or incentive or equity-based compensation, which was inflated on account of such errors, as decided by the audit committee;
8. We affirm that we have not denied any personnel access to the Audit Committee of the Company (in respect of matters involving alleged misconduct) and we have provided protection to 'whistle blowers' from unfair termination and other unfair or prejudicial employment practices; and
9. We further declare that all Board Members and Senior Managerial Personnel have affirmed compliance with the code of conduct for the current year.

Place: New Delhi  
Date: May 29, 2013

**Sudhir Kashyap**  
Executive Director & CEO  
DIN No. 06573561

**Sanjay Aneja**  
Chief Financial Officer

## CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Minda Corporation Limited,

We have examined the compliance of conditions of Corporate Governance by M/s. Minda Corporation Limited for the year ended March 31, 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of condition of Corporate Governance is the responsibility of the Management. Our review has been limited to review of the 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 and the representations made by the Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

Place: New Delhi  
Date: May 29, 2013

**Sanjay Grover**  
CP No. 3850





# Financial Statements

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# Independent Auditors' Report

To the Members

**Minda Corporation Limited**

## 1 Report on the Financial Statements

We have audited the accompanying financial statements of Minda Corporation Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## 2 Management Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## 3 Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## 4 Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

## 5 Report on Other Legal and Regulatory Requirements

- (i) As required by the Companies (Auditor's Report) Order, 2003 ('the Order'), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- (ii) As required by Section 227(3) of the Act, we report that:
  - a. we have 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 appears from our examination of those books;
  - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956; and
  - e. on the basis of written representations received from the directors as on 31 March 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For B S R & Co.  
Chartered Accountants  
Firm Registration No.: 101248W

Place: Gurgaon  
Date: 29 May 2013

**Kaushal Kishore**  
Partner  
Membership No.: 090075

## Annexure referred to in Independent Auditors' Report to the Members of Minda Corporation Limited on the financial statements for the year ended 31 March 2013

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The Company has a regular programme of physical verification of fixed assets by which all fixed assets are verified over a period of three years, and in accordance therewith, a portion of fixed assets has been physically verified by the management during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As explained to us, no material discrepancies were noticed on such verification.
  - (c) Fixed assets disposed off during the year were not substantial, and therefore, do not affect the going concern assumption.
  2. (a) The inventories, except goods in transit and stocks lying with third parties, have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with third parties at the year end, written confirmations have been obtained.
  - (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) The Company has maintained proper records of inventory. According to the information and explanations given to us, the discrepancies noticed on verification between the physical stocks and the book records were not material.
  3. (a) According to the information and explanations given to us, the Company during the year, has given unsecured loans aggregating ₹4,624 Lacs, to a company covered in the register maintained under Section 301 of the Companies Act, 1956 ('the Act'). The maximum amount outstanding during the year was ₹4,624 Lacs and the year end balance was ₹4,542 Lacs.
  - (b) According to the information and explanations given to us, including that the loan has been given by the Company to its wholly owned subsidiary i.e. is supplementary to the Company's business, we are of the opinion that the rate of interest and other terms and conditions of the loan, are prima facie, not prejudicial to the interest of the Company.
  - (c) In our opinion and according to the information and explanations given to us, the receipt of principal amount of the loan including the interest thereon has been regular. Accordingly, para 4 (iii) (d) of the Order is not applicable.
  - (d) According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, paragraphs (iii) (e) to (g) of the Order are not applicable.
  4. In our opinion and according to the information and explanations given to us, and having regard to the explanation that purchases of certain items of inventories are for the Company's specialised requirements and similarly certain sales are for the specialised requirements of the buyers and suitable alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and nature of its business with regard to purchase of inventories and fixed assets and with regard to the sale of goods and services. We have not observed any major weakness in the aforesaid internal control system during the year.
  5. (a) According to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
  - (b) According to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in para (v) (a) above and exceeding the value of ₹5 Lacs with any party during the year have been made at prices which are reasonable having regard to the prevailing market price at the relevant time except for certain transactions which are for the specialized requirements of the respective parties and for which suitable alternate sources are not available to obtain comparable quotations. However, on the basis of information and explanations provided, the same appear to be reasonable.
  6. The Company has not accepted any deposits from the public during the year.
  7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
  8. We have broadly reviewed the books of account maintained by the Company (in respect of products covered) pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 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 records.
  9. (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, Sales-tax, Wealth tax, Service tax, Customs duty, Excise duty, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Investor Education and Protection Fund.
- According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Cess and other material statutory dues were in arrears as at 31 March 2013 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no disputed dues of customs duty, wealth tax and service tax, which have not been deposited with the appropriate authorities. The following dues of Income-tax, Sales tax, Excise duty and Cess have not been deposited by the Company on account of disputes.

Nature of the statute	Nature of Dues	Amount of demand * (₹ Lacs)	Amount paid under protest (₹ Lacs)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956	Sales Tax	14.67	10.14	1994 – 2006	High Court
		283.99	77.76	2007 – 2012	Appellate authority upto Commissioners' level
Income-Tax Act, 1961	Income-Tax	55.79	22.71	2003 – 2009	Income-tax Appellate Tribunal
		30.66	-	2003 – 2010	Appellate authority upto Commissioners' level
Central Excise Act, 1944	Excise Duty	86.93	-	2006 - 2007	Customs, Excise and Service Tax Appellate Tribunal

The following matters have been decided in favour of the Company but the department has preferred appeals at higher levels

Nature of the statute	Nature of Dues	Amount of demand * (₹ Lacs)	Amount paid under protest (₹ Lacs)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956	Sales Tax	10.67	6.14	1994 – 1999	High Court
Income-Tax Act, 1961	Income-Tax	28.80	10.88	2001 – 2005	High Court
		23.27	6.14	2005 – 2008	Income-Tax Appellate Tribunal

\*Amount as per demand orders, including interest and penalty, wherever indicated in the Order

10. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks and financial institutions during the year. The Company did not have any outstanding debentures during the year.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanations given to us, the Company is not a chit fund / nidhi / mutual benefit fund / society.
14. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
15. The Company has given guarantees for loans taken by others from banks. According to the information and explanations given to us and in our opinion, the terms and conditions of the guarantees are not prejudicial to the Company.
16. In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that the funds raised on short-term basis have not been used for long-term investment.
18. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to companies/firms/parties covered in the register maintained under Section 301 of the Act.
19. The Company did not have any outstanding debentures during the year.
20. The Company has not raised any money by way of public issue during the year.
21. According to the information and explanations given to us by the management, no fraud on or by the Company has been noticed or reported during the course of our audit.

For B S R & Co.  
Chartered Accountants  
Firm Registration No.: 101248W

Kaushal Kishore  
Partner

Place: Gurgaon  
Date: 29 May 2013

Membership No.: 090075

# Balance Sheet as at 31 March 2013

(Amount in ₹)

Particulars	Note	As at 31 March 2013	As at 31 March 2012
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2.1	395,969,800	395,969,800
Reserves and surplus	2.2	2,500,737,541	2,279,565,251
		<b>2,896,707,341</b>	<b>2,675,535,051</b>
<b>Non-current liabilities</b>			
Long-term borrowings	2.3	178,641,810	105,253,920
Deferred tax liabilities (Net)	2.4	61,891,040	51,302,438
Other long term liabilities	2.5	230,000	38,544,997
Long-term provisions	2.6	46,478,899	48,696,096
		<b>287,241,749</b>	<b>243,797,451</b>
<b>Current liabilities</b>			
Short-term borrowings	2.7	710,305,786	837,898,215
Trade payables	2.8	870,162,870	902,354,896
Other current liabilities	2.9	288,358,442	231,403,516
Short-term provisions	2.10	83,594,365	87,558,742
		<b>1,952,421,463</b>	<b>2,059,215,369</b>
<b>TOTAL</b>		<b>5,136,370,553</b>	<b>4,978,547,871</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
- Tangible assets	2.11	1,043,617,995	949,071,299
- Intangible assets		69,368,577	85,613,055
- Capital work-in-progress		362,048,399	97,414,497
Non-current investments	2.12	1,035,440,932	742,556,017
Long-term loans and advances	2.13	149,631,678	165,395,680
Other non current assets	2.14	5,450,227	4,240,000
		<b>2,665,557,808</b>	<b>2,044,290,548</b>
<b>Current assets</b>			
Current investments	2.15	-	144,564,130
Inventories	2.16	382,427,752	497,557,093
Trade receivables	2.17	1,180,351,695	1,017,137,027
Cash and bank balances	2.18	159,877,795	758,207,534
Short-term loans and advances	2.13	734,286,753	507,897,947
Other current assets	2.19	13,868,750	8,893,592
		<b>2,470,812,745</b>	<b>2,934,257,323</b>
<b>TOTAL</b>		<b>5,136,370,553</b>	<b>4,978,547,871</b>
Significant accounting policies	1		

See accompanying notes (from 1 to 2.35), which form an integral part of the financial statements.

As per our report of even date attached

For B S R & Co.

Chartered Accountants

Firm registration number: 101248W

**Kaushal Kishore**

Partner

Membership No.: 090075

Place: Gurgaon

Date: 29 May 2013

For and on behalf of the Board of Directors of Minda Corporation Limited

**Ashok Minda**

Chairman & Group CEO

DIN: 00054727

**Sudhir Kashyap**

Executive Director & CEO

DIN: 06573561

**Sanjay Aneja**

Chief Financial Officer

**Ajay Sancheti**

Company Secretary

Place: Gurgaon

Date: 29 May 2013



# Statement of Profit and Loss for the year ended 31 March 2013

(Amount in ₹)

Particulars	Note	For the year ended 31 March 2013	For the year ended 31 March 2012
<b>Revenue</b>			
Revenue from operations (gross)	2.20	6,369,288,634	5,879,601,630
Less: Excise duty		387,148,831	282,143,185
<b>Revenue from operations (net)</b>		<b>5,982,139,803</b>	<b>5,597,458,445</b>
Other income	2.21	123,065,033	80,874,727
<b>Total revenue</b>		<b>6,105,204,836</b>	<b>5,678,333,172</b>
<b>Expenses</b>			
Cost of materials consumed	2.22	3,820,950,590	3,622,141,201
Changes in inventories of finished goods and work-in-progress	2.23	38,566,180	( 101,984,066)
Employee benefits expense	2.24	699,663,964	646,828,691
Finance costs	2.25	137,817,541	129,865,738
Depreciation and amortisation expense	2.11	168,419,501	143,460,291
Other expenses	2.26	866,480,779	821,677,844
<b>Total expenses</b>		<b>5,731,898,555</b>	<b>5,261,989,699</b>
<b>Profit before tax and exceptional items</b>		<b>373,306,281</b>	<b>416,343,473</b>
Exceptional items	2.27	23,318,297	-
<b>Profit before tax</b>		<b>349,987,984</b>	<b>416,343,473</b>
<b>Tax expense</b>			
Current tax [Minimum alternate tax (MAT) for previous year]		85,157,400	81,453,903
Less : Reversal of excess provision		(12,749,105)	-
Less : MAT credit entitlement (refer to note 2.13 and 2.19)		-	(72,069,815)
<b>Current tax (net)</b>		<b>72,408,295</b>	<b>9,384,088</b>
Deferred tax	2.4	10,588,602	5,309,438
<b>Profit for the year</b>		<b>266,991,087</b>	<b>401,649,947</b>
<b>Earnings per equity share</b>	2.2.2		
(Basic and diluted)		12.76	20.02
Significant accounting policies	1		

See accompanying notes (from 1 to 2.35), which form an integral part of the financial statements.

As per our report of even date attached

For B S R & Co.  
Chartered Accountants  
Firm registration number: 101248W

For and on behalf of the Board of Directors of Minda Corporation Limited

**Ashok Minda**  
Chairman & Group CEO  
DIN: 00054727

**Sudhir Kashyap**  
Executive Director & CEO  
DIN: 06573561

**Kaushal Kishore**  
Partner  
Membership No.: 090075

**Sanjay Aneja**  
Chief Financial Officer

**Ajay Sancheti**  
Company Secretary

Place: Gurgaon  
Date: 29 May 2013

Place: Gurgaon  
Date: 29 May 2013

# Statement of Cash Flow for the year ended 31 March 2013

(Amount in ₹)

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
<b>A. Cash flow from Operating Activities</b>		
Net profit before taxation	349,987,984	416,343,473
Adjustments for:		
Depreciation and amortisation expense	168,419,501	143,460,291
Provision for doubtful debts/advances	742,354	1,127,004
Interest expense	128,239,206	117,988,993
Loss on sale/discard of fixed assets	305,879	1,346,268
Bad debts	6,347,762	210,028
Unrealised foreign exchange differences	(1,685,307)	2,051,153
Exchange difference to the extent considered as an adjustment to borrowing cost	3,023,462	5,707,825
Interest income	(77,667,642)	(61,074,462)
Liabilities/provision no longer required written back	(5,975,862)	(5,722,144)
(Profit) on sale/discard of investments	(4,525,653)	-
Dividend income	(15,179,333)	(9,914,505)
<b>Operating profit before changes in assets and liabilities</b>	<b>552,032,351</b>	<b>611,523,924</b>
Adjustments for:		
Increase in trade receivables	(162,643,615)	(198,493,547)
Increase in inventories	115,129,341	(176,205,452)
(Increase) long term / short term loans and advances	(218,160,420)	(319,221,558)
(Increase) in other current / non current assets	(11,222,073)	(4,240,000)
Decrease in other long term / other current liabilities	38,507,625	(22,101,021)
Increase in trade payables	(32,192,026)	160,896,355
Increase in long term and short term provisions	11,991,280	14,661,971
<b>Cash generated from operations</b>	<b>293,442,463</b>	<b>66,820,672</b>
Income tax paid	(59,040,641)	(109,047,022)
<b>Net cash (used in)/ generated from operating activities (A)</b>	<b>234,401,822</b>	<b>(42,226,350)</b>
<b>B. Cash flows from Investing Activities</b>		
Purchase of fixed assets	(513,933,602)	(277,369,005)
Sale of fixed assets	2,272,102	15,059,265
Purchase of current/non current investments	(292,884,915)	(288,079,330)
Dividend received	15,179,333	9,914,505
Maturity of investment/investment made in bank deposits (held for initial maturity of more than 3 months) (net)	362,810,194	99,064,082
Interest received	82,704,330	53,691,728
<b>Net cash used in investing activities (B)</b>	<b>(343,852,558)</b>	<b>(387,718,755)</b>

# Statement of Cash Flow for the year ended 31 March 2013

(Amount in ₹)

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
<b>C. Cash flows from Financing Activities</b>		
Proceeds from issuance of share capital	-	501,500,000
Payment of dividend (including dividend distribution tax)	(69,823,688)	(33,598,306)
Addition in term loans	263,303,509	-
Repayment of term loan	(196,109,446)	(40,781,619)
Movement in working capital loan	(127,592,429)	487,003,040
Repayment of sales tax deferment loan	(15,357,748)	(12,785,900)
Proceeds from Short term loans (Purchase order financing)	-	50,849,118
Repayment of vehicle loan	-	(29,015)
Interest paid	(129,578,790)	(123,696,818)
<b>Net cash (used in)/from financing activities (C)</b>	<b>(275,158,592)</b>	<b>828,460,500</b>
<b>Net increase in cash and cash equivalents (A + B + C)</b>	<b>(384,609,328)</b>	<b>398,515,395</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>435,617,969</b>	<b>37,102,574</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>51,008,641</b>	<b>435,617,969</b>
Significant accounting policies	1	

See accompanying notes (from 1 to 2.35), which form an integral part of the financial statements

- The Statement of Cash Flow has been prepared in accordance with the 'Indirect Method' as set out in the Accounting Standard (AS)-3 on 'Cash Flow Statements', notified by the Companies (Accounting Standards) Rules, 2006.
- Cash and cash equivalents consists of cash in hand and balances with banks. Refer note 2.18

As per our report of even date attached

For **B S R & Co.**  
Chartered Accountants  
Firm registration number: 101248W

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

**Ashok Minda**  
Chairman & Group CEO  
DIN: 00054727

**Sudhir Kashyap**  
Executive Director & CEO  
DIN: 06573561

**Kaushal Kishore**  
Partner  
Membership No.: 090075  
Place: Gurgaon  
Date: 29 May 2013

**Sanjay Aneja**  
Chief Financial Officer

**Ajay Sancheti**  
Company Secretary

Place: Gurgaon  
Date: 29 May 2013

# Notes to financial statements for the year ended 31 March 2013

## 1. SIGNIFICANT ACCOUNTING POLICIES

### 1.1 Basis of accounting

These financial statements have been prepared and presented on a going concern basis, under the historical cost convention on an accrual basis of accounting and comply with the Accounting Standards as specified in the Companies (Accounting Standards) Rules, 2006, other pronouncements of the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India, to the extent applicable and as adopted consistently by the Company.

### 1.2 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities, at the end of the reporting period and the reported amounts of income and expenses during the reporting period. Examples of estimates amongst others, includes provisions of future obligations under employee benefit plans, the useful lives of fixed assets, provision for warranties and sales returns, customer claims, provision for price changes and impairment of assets. Actual result could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

### 1.3 Current-non-current classification

All assets and liabilities are classified into current and non-current.

#### Assets

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

- (i) It is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- (ii) It is held primarily for the purpose of being traded;
- (iii) It is expected to be realised within 12 months after the reporting date; or
- (iv) 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.

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:

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

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current

### 1.4 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. The following specific recognition criterion must also be met before revenue is recognized:

#### Sale of goods

Sales include sale of manufactured goods, tools, moulds and dies. Revenue from sale of goods is recognized on transfer of significant risks and rewards of ownership to the customers. Sale of goods is inclusive of excise duty and is net of sales tax, value added tax, applicable discounts and allowances and sales returns.

#### 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 on the time proportion method.

### 1.5 Fixed assets

Fixed assets are carried at cost of acquisition or construction less accumulated depreciation and impairment. Cost comprises the purchase price and

any attributable cost of bringing the asset to its working condition for its intended use.

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

Moulds, dies and tools represent Company owned tools, dies and other items used in the manufacture of components specific to a customer. Cost includes engineering, testing and other direct expenses related to such tools.

#### 1.6 Borrowing Cost

Borrowing costs directly attributable to acquisition, construction or production of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalized. Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete. 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 statement of profit and loss in the year in which they are incurred.

#### 1.7 Intangible assets

Intangible assets (comprising computer software, patents and technical know-how acquired for internal use) are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any.

#### 1.8 Depreciation and amortization

Depreciation on fixed assets is provided using the straight line method as per the estimated useful lives of the fixed assets estimated by the management or at rates specified in Schedule XIV to the Companies Act, 1956 whichever is higher. In the opinion of the management, the rates of the depreciation used represent the estimated useful life of the fixed assets. The depreciation rates used by the Company are as follows:

Category of Fixed Assets	Rates of depreciation (in percentage)
Building	4.75
Plant and equipment:	
Tools, moulds and dies	19.00
Electrical installation	9.50
Others	9.50
Computer hardware	16.95
Office equipment	19.00
Furniture and fixtures	19.00
Vehicles	19.00

Depreciation on addition to fixed assets is provided on pro-rata basis from the first day of month when the assets are put to use. Depreciation on sale/deduction from fixed assets is provided for up to the date of sale, deduction and discardment as the case may be.

Premium paid on leasehold land and site development is amortized over the period of the lease. Leasehold improvements are amortized on the straight-line basis over the lower of primary period of lease and the estimated useful life of such assets.

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

Individual assets costing of ₹5,000 or less are fully depreciated in the year of acquisition.

The intangible assets 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.

#### 1.9 Inventories

Inventories are valued at lower of cost and net realizable value. The basis of determination of cost for various categories of inventory is as follows:

Raw materials, components and stores and spares	: 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.
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.

In the previous year, the Company implemented SAP w.e.f 1 April 2011, which necessitated a change in its method of valuation of inventory from first-in-first-out method to weighted average method. As per Accounting Standard 2 "Valuation of Inventories", the cost of inventories should be assigned by using the first-in, first-out (FIFO) or weighted average cost formula. In view of the management, the impact of this change was not practically ascertainable due to considerable number of items involved.



### 1.10 Impairment of assets

The carrying amounts of assets are reviewed at each reporting date in accordance with Accounting Standard - 28 on 'Impairment of assets' to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. An impairment loss is recognized whenever the carrying amount of an asset or cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of profit and loss. 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.

### 1.11 Foreign currency transactions

Transactions in foreign currency are recorded at the exchange rate prevailing at the date of the transaction. Exchange differences arising on foreign currency transactions settled during the year are recognized in the statement of profit and loss.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date, are translated at year end rates. The resultant exchange differences are recognized in the statement of profit and loss. Non-monetary assets are recorded at the rates prevailing on the date of the transaction.

In the case of forward contracts:

- a) The premium or discount on all such contracts arising at the inception of each contract is amortized over the life of the contract.
- b) The exchange difference is calculated as the difference between the foreign currency amount of the contract translated at the exchange rate at the reporting date, or the settlement date where the transaction is settled during the reporting period, and the corresponding foreign currency amount translated at the later of the date of inception of the contract and the last reporting date. Such exchange differences are recognized in the statement of profit and loss in the reporting period in which the exchange rates change.
- c) Any profit or loss arising on the cancellation or renewal of forward contracts is recognized in the statement of profit and loss.

Investment in foreign entities is recorded at the exchange rate prevailing on the date of making the investment.

### 1.12 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. Fixed assets 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.

### 1.13 Government grant and subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the Company will comply all the conditions attached with them; and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset.

Where the Company receives non-monetary grants, the asset is accounted for on the basis of its acquisition cost. In case a non-monetary asset is given free of cost, it is recognized at a nominal value.

Government grants of the nature of promoters' contribution are credited to capital reserve and treated as a part of the shareholder's funds.

### 1.14 Employee benefits

#### Short term employee benefits

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

#### Defined contribution plan

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

#### Defined benefit plan

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

**Actuarial valuation:** The liability in respect of all defined benefit plans and other long term employee benefit is accrued in the books of account on the basis of actuarial valuation carried out by an independent actuary primarily using the Projected Unit Credit Method, which recognizes each year of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations. Actuarial gains and losses are recognized immediately in the statement of profit and loss. Gains or losses on the curtailment or settlement of any defined benefit plan are recognized when the curtailment or settlement occurs.

**1.15 Accounting for warranty**

Warranty costs are estimated by the management on the basis of technical evaluation and past experience of costs. Provision is made for the estimated liability in respect of warranty costs in the year of recognition of revenue and is included in the statement of profit and loss. The estimates used for accounting for warranty costs are reviewed periodically and revisions are made, as and when required.

**1.16 Leases****Where the Company is lessee**

Assets taken on lease by the Company in the capacity of a lessee, where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalized at the inception of the lease at the lower of the fair value or the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognized as operating leases. Lease rentals under operating leases are recognized in the statement of profit and loss on a straight line basis.

**Where the Company is lessor**

Leases in which the Company transfers substantially all the risks and benefits of ownership of the asset are classified as finance leases. Assets given under finance

lease are recognized as a receivable at an amount equal to the net investments in the lease. After initial recognition, the Company apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance lease. The interest income is recognized in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs etc, are recognized immediately in the statement of profit and loss.

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the assets are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on operating lease is recognized in the statement of profit and loss on a straight line basis over the lease term. Costs including depreciation are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs etc, are recognized immediately in the statement of profit and loss.

**1.17 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 non-current 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 of revised Schedule VI.

Long term investments (including current portion thereof) are carried at cost less any other-than-temporary diminution in value, determined separately for each individual investment.

Current investments are carried at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments i.e., equity shares, preference shares, convertible debentures etc.

Any reduction in the carrying amount and any reversals of such reductions are charged or credited to the statement of profit and loss.

**1.18 Income taxes**

The current income tax charge is determined in accordance with the relevant tax regulations applicable to the Company. Deferred tax charge or credits are recognized for the future tax consequences attributable to timing differences that result between the profit / (loss) offered for income taxes and the profit / (loss) as per the financial statements. Deferred tax in respect of a timing difference which originates during the tax holiday period but reverses after the tax holiday period is recognized in the year in which the timing difference originates. For this purpose the timing differences which originate first are considered to reverse first. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have

been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realised in future; however, when there is a brought forward loss or unabsorbed depreciation under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each Balance Sheet date and written down or written up to reflect the amount that is reasonably / virtually certain to be realised.

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset, in accordance with the provisions contained in the Guidance Note on Accounting for Credit Available under Minimum Alternative Tax, issued by the ICAI, the said asset is created by way of a credit to the statement of profit and loss and shown as "MAT Credit Entitlement". The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT, if required.

#### 1.19 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 numbers of equity shares outstanding during the year are 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 to be converted as of the beginning of the period, unless they have been issued at a later date.

#### 1.20 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. Provisions are not discounted to its present value, and are determined based on the management's best estimate of the amount of obligation required at the year end. These are reviewed at each Balance Sheet date and adjusted to reflect current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that have arisen from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of future events not wholly within the control of the Company. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provision for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

The Company does not recognise assets which are of contingent nature until there is virtual certainty of realisability of such assets. However, subsequently, if it becomes virtually certain that an inflow of economic benefits will arise, asset and related income is recognized in the financial statements of the period in which the change occurs.

#### 1.21 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.

## 2.1 SHARE CAPITAL

### 2.1.1 Authorised

(Amount in ₹)

Particulars	As at 31 March 2013	As at 31 March 2012
25,000,000 (previous year 25,000,000) equity shares of ₹10 each	250,000,000	250,000,000
240,000 (previous year 240,000) 0.001% cumulative redeemable preference shares of ₹800 each	192,000,000	192,000,000
	<b>442,000,000</b>	<b>442,000,000</b>

### 2.1.2 Issued, subscribed and fully paid- up shares

(Amount in ₹)

Particulars	As at 31 March 2013	As at 31 March 2012
<b>a) Equity shares of ₹10 each</b>		
20,931,164 (previous year 20,931,164) shares	209,311,640	209,311,640
Less: 534,184 (previous year 534,184) shares issued to Minda Corporation Limited Employees' Stock Option Scheme Trust but not allotted to employees (refer to note 2.1.7)	5,341,840	5,341,840
	<b>203,969,800</b>	<b>203,969,800</b>
<b>b) 0.001% cumulative redeemable preference shares of ₹800 each</b>		
240,000 (previous year 240,000) shares	192,000,000	192,000,000
	<b>395,969,800</b>	<b>395,969,800</b>

### 2.1.3 Reconciliation of share capital outstanding as at the beginning and at the end of the year

#### a) Equity shares of ₹10 each fully paid up

Particulars	As at 31 March 2013		As at 31 March 2012	
	Number of shares	Amount (₹)	Number of shares	Amount (₹)
Balance as at the beginning of the year	20,396,980	203,969,800	9,635,990	96,359,900
Add: Shares issued during the year	-	-	11,295,174	112,951,740
Less: Shares issued to Minda Corporation Limited Employees' Stock Option Scheme Trust but not allotted to employees	-	-	534,184	5,341,840
Balance as at the end of the year	<b>20,396,980</b>	<b>203,969,800</b>	<b>20,396,980</b>	<b>203,969,800</b>

#### b) 0.001% cumulative redeemable preference shares of ₹800 each fully paid up

Particulars	As at 31 March 2013		As at 31 March 2012	
	Number of shares	Amount (₹)	Number of shares	Amount (₹)
Balance as at the beginning of the year	240,000	192,000,000	175,000	140,000,000
Add: Shares issued during the year	-	-	65,000	52,000,000
Balance as at the end of the year	<b>240,000</b>	<b>192,000,000</b>	<b>240,000</b>	<b>192,000,000</b>

### 2.1.4 Rights, preferences and restrictions attached to each class of shares

#### a) Equity shares of ₹10 each fully paid up

The Company has one class of equity shares having a par value of ₹10 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 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.

Further, certain investors ("Investors") have "Anti dilution rights" i.e. right to further subscription and price protection, ensuring that, in the event of finalisation of the terms of sale of additional shares, the Company shall ( as per the procedure set out in the Articles) offer the additional shares on the finalized terms and conditions to the investors

and in the event that the Company issues any additional equity shares at a price less than the Investor acquisition cost or have or permit an FPO, at such lower price, then either the Company or promoters shall transfer such number of equity shares (as per the procedures set out in the Articles) at either no additional consideration or at the lowest possible consideration permitted under applicable law that shall be necessary to ensure that in a revised investor acquisition cost per Investor that shall be equal or lower than the price at which the additional shares are proposed to be issued. Such investors also have "pre-emptive rights" wherein any member of the promoter group shall, before selling, transferring or otherwise disposing of any of its shares to a bona fide independent third party purchaser, first give notice to the Investors and each investor shall have the right (but not the obligation) to serve on the transferor a pre-emption notice requiring the transferor to transfer to the purchaser (as per the procedures set out in the Articles), or to any person nominated by the purchaser, some or all of the sale shares at the sale price.

Each such investor shall also have the Tag-along right (subject to the other provisions of Articles and such rights as mentioned above) but not the obligation to require the transferor to cause the transferee in a transfer of equity shares to purchase from such investor, for the same consideration per equity share and upon the same terms and conditions as are to be paid and given to the transferor.

562,500 and 267,092 equity shares allotted on preferential basis to the investors and Minda Corporation Limited Employees Stock Option Scheme Trust (MCL ESOS Trust) on 3 November 2011 and 1 November 2011 respectively were locked in for a period of one year from the date of allotment.

**b) 0.001% cumulative redeemable preference shares of ₹800 each fully paid up**

The Company has 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 share 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.

**2.1.5 Details of shareholders holding more than 5% shares as at year end**

**a) Equity shares of ₹10 each fully paid up**

Name of shareholders	As at 31 March 2013		As at 31 March 2012	
	% of holdings	Number of shares held	% of holdings	Number of shares held
(i) Ashok Minda	19.36%	4,052,872	19.36%	4,052,872
(ii) Sarika Minda	15.95%	3,339,490	15.95%	3,339,490
(iii) Ashok Minda HUF	9.59%	2,006,690	9.59%	2,006,690
(iv) Bhagwat Sewa Trust	5.18%	1,085,070	5.18%	1,085,070
(v) Kotak Mahindra Trusteeship Services Limited A/c- Kotak Indian Growth Fund II	11.78%	2,464,810	11.78%	2,464,810
		<b>12,948,932</b>		<b>12,948,932</b>

**b) 0.001% cumulative redeemable preference shares of ₹800 each fully paid up**

Name of shareholders	As at 31 March 2013		As at 31 March 2012	
	% of holdings	Number of shares held	% of holdings	Number of shares held
(i) Ashok Minda	15.63%	37,500	15.63%	37,500
(ii) Sarika Minda	10.42%	25,000	10.42%	25,000
(iii) Minda Capital Limited	73.95%	177,500	73.95%	177,500
		<b>240,000</b>		<b>240,000</b>

**2.1.6 Shares allotted as fully paid up by way of bonus issue (during five years immediately preceding 31 March 2013)**

Particulars	Years (number and aggregate number of shares)					
	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
Issue of fully paid up equity shares of ₹10 each by way of bonus issue	-	10,465,582	-	-	-	6,168,565
Cumulative number of shares	17,570,522	17,570,522	7,104,940	7,104,940	7,104,940	7,104,940

**2.1.7 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 ₹1,00,000 towards initial trust fund and later on advanced a sum of ₹133,546,000 to fund the purchase of Company's equity shares by MCL ESOS trust. During the previous year, 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. In accordance with the guidance note on Guidance Note on Accounting for Employee Share-based Payments issued by the ICAI, the Company has reduced the amount of share capital consideration (including share premium) received from MCL ESOS trust for presentation purposes, with a corresponding reduction in advance to MCL ESOS trust.

## 2.2 RESERVES AND SURPLUS

	(Amount in ₹)	
Particulars	As at 31 March 2013	As at 31 March 2012
<b>Capital reserve</b>		
Opening balance	3,000,000	-
Add: Amount received during the year*	-	3,000,000
Closing balance	<b>3,000,000</b>	<b>3,000,000</b>
<b>Securities premium account</b>		
Opening balance	1,195,921,450	854,031,350
Add: Premium on issue of shares	-	575,250,080
Less: Premium on shares issued to MCL ESOS Trust	-	130,875,080
Less: Amount utilised towards issue of fully paid up bonus shares to others	-	104,655,820
Amount utilised towards issue of fully paid up bonus shares to MCL ESOS Trust	-	(2,670,920)
Less: Amount utilised towards expenses for increase in authorised share capital	-	500,000
Closing balance	<b>1,195,921,450</b>	<b>1,195,921,450</b>
<b>General reserve</b>		
Opening balance	152,134,347	110,500,000
Add: Amount transferred from surplus during the year	26,699,109	41,634,347
Closing balance	<b>178,833,456</b>	<b>152,134,347</b>
<b>Surplus (Profit and loss balance)</b>		
Opening balance	928,509,454	641,477,820
Add: Net profit for the year	266,991,087	401,649,947
Less: Proposed dividend on		
- 0.001% cumulative redeemable preference shares at ₹0.008 per share (previous year ₹0.008 per share)	1,920	1,920
- equity shares at ₹2 per share (previous year ₹3 per share)	41,862,328	62,793,492
Dividend distribution tax	7,114,829	
Less: Dividend distribution tax on dividend received from subsidiary company **	3,160,280	3,954,549
Less: Amount transferred to general reserves during the year	26,699,109	41,634,347
Closing balance	<b>1,122,982,635</b>	<b>928,509,454</b>
	<b>2,500,737,541</b>	<b>2,279,565,251</b>

\*During the previous year, the Company had rectified the accounting treatment of certain grants received by it in the previous years and has accordingly reclassified these amounts under capital subsidy from fixed assets. The resultant impact on depreciation aggregating to ₹Nil (Previous Year 385,271) has also been reversed.

\*\*During the year, the Company has received dividend from Minda Automotive Solutions Limited, a 100% subsidiary company on which ₹3,160,280 was paid as dividend distribution tax by the subsidiary company. Accordingly, the Company has taken a credit of this amount to set off against the dividend distribution tax on the proposed dividend for the current year.

## 2.2.1 Dividend remitted in foreign currencies

Particulars	For the year ended 31 March 2013			For the year ended 31 March 2012		
	Number of non-resident shareholders	Number of shares held	Dividend remitted ₹	Number of non-resident shareholders	Number of shares held	Dividend remitted ₹
Financial year 2010-11						
- Final Dividend	-	-	-	2	335,698	1,007,094
Financial year 2011-12						
- Final dividend	2	897,182	2,691,546	-	-	-

## 2.2.2 EARNING PER SHARE

(Amount in ₹)

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
Net profit attributable to equity shareholders		
Profit after tax	266,991,087	401,649,947
Less: Dividend payable to 0.001% cumulative redeemable preference shares	1,920	1,920
Less: Dividend distribution tax on above dividend	326	312
Balance	266,988,841	401,647,715
Number of weighted average equity shares		
Basic and diluted	20,931,164	20,065,644
Nominal value of equity share (₹)	10	10
Earnings per share (₹) (basic and diluted)	12.76	20.02

## 2.3 LONG TERM BORROWINGS

(Amount in ₹)

Particulars	Footnote	Long term maturities		Current maturities	
		As at 31 March 2013	As at 31 March 2012	As at 31 March 2013	As at 31 March 2012
<b>2.3.1 Secured</b>					
Term loans					
from banks	[1]	170,324,653	85,158,839	109,747,968	108,975,028
Deferred payment liabilities					
from Pradeshiya Industrial & Investment Corporation of U.P. Limited	[2]	-	2,771,848	-	12,585,900
<b>2.3.2 Unsecured</b>					
Finance lease obligations					
for intangibles	[3]	-	6,666,788	6,666,788	16,743,972
for plant and machinery	[4]	8,317,157	10,656,445	2,317,957	1,979,387
		<b>178,641,810</b>	<b>105,253,920</b>	<b>118,732,713</b>	<b>140,284,287</b>
Less: Amount shown under other current liabilities (refer to note 2.9)		-	-	118,732,713	140,284,287
		<b>178,641,810</b>	<b>105,253,920</b>	<b>-</b>	<b>-</b>

## Footnotes:

S. No.	Lender	Terms of repayment	Loan outstanding as at 31 March 2013	Loan outstanding as at 31 March 2012	Details of security / guarantee
1	State Bank of India, Delhi	<ul style="list-style-type: none"> <li>Repayment terms: Quarterly instalments</li> <li>Date of maturity : 1 October, 2012</li> <li>Number of instalments : Total instalments: 16, Balance instalments: Nil</li> <li>Amount of instalment: N.A.</li> <li>Rate of interest : 1.75% per annum below State bank advance rate</li> </ul>	-	20,800,000	First pari passu charge on all fixed assets of the Company, both present and future (except land and building situated at Gurgaon and fixed assets exclusively charged to other banks) and also secured by second pari passu charge on entire current assets of the Company, subject to prior charge created on the specified movable assets in favour of bankers for securing working capital borrowings.
	State Bank of India, Delhi	<ul style="list-style-type: none"> <li>Repayment terms : Quarterly basis</li> <li>Date of maturity : 1 September, 2013</li> <li>Number of instalments : Total instalments: 16, Balance instalments: 2</li> <li>Amount of instalments : ₹6,400,000 in 1st instalment and ₹5,900,000 in 2nd instalment</li> <li>Rate of interest : 1.50% p.a below State bank advance rate</li> </ul>	12,300,000	37,900,000	First pari passu charge on all fixed assets of the Company, both present and future (except land and building situated at Gurgaon and fixed assets exclusively charged to other banks) and also secured by second pari passu charge on entire current assets of the Company, subject to prior charge created on the specified movable assets in favour of bankers for securing working capital borrowings.
	State Bank of India, Delhi	<ul style="list-style-type: none"> <li>Repayment terms: Quarterly instalments</li> <li>Date of maturity: 30 June 2016</li> <li>Number of instalments : Total instalments: 12, Balance instalments: 12</li> <li>Amount of instalment: First 10 instalment of ₹4,000,000 and last 2 instalment of ₹5,000,000.</li> <li>Rate of interest : 1.50% p.a. above State bank advance rate</li> </ul>	50,000,000	-	First pari passu charge on all fixed assets of the Company, both present and future (except land and building situated at Gurgaon and fixed assets exclusively charged to other banks) and also secured by second pari passu charge on entire current assets of the Company, subject to prior charge created on the specified movable assets in favour of bankers for securing working capital borrowings.
	State Bank of Patiala Delhi	<ul style="list-style-type: none"> <li>Repayment terms : Quarterly instalments</li> <li>Date of maturity : 8 July, 2013</li> <li>Number of instalments : Total instalments: 12, Balance instalments: 2</li> <li>Amount of instalment: ₹8,300,000 in 1st instalment and ₹8,081,968 in the 2nd instalment</li> <li>Rate of interest : 0.25% below BPLR</li> </ul>	16,381,968	48,822,707	First pari passu charge on all fixed assets of the Company, both present and future (except land and building situated at Gurgaon and fixed assets exclusively charged to other banks) and also secured by second pari passu charge on entire current assets of the Company, subject to prior charge created on the specified movable assets in favour of bankers for securing working capital borrowings.
	Axis Bank Limited, Delhi	<ul style="list-style-type: none"> <li>Repayment terms : Quarterly instalments</li> <li>Date of maturity : 10 December, 2012</li> <li>Number of instalments : Total instalments : 15, Balance instalments : Nil</li> <li>Amount of instalments : N.A.</li> <li>Rate of interest : 2.5% below BPLR</li> </ul>	-	2,668,016	First pari passu charge on all fixed assets of the Company, both present and future (except land and building situated at Gurgaon and fixed assets exclusively charged to other banks) and also secured by second pari passu charge on entire current assets of the Company, subject to prior charge created/ to be created on the specified movable assets in favour of bankers for securing working capital borrowings.

S. No.	Lender	Terms of repayment	Loan outstanding as at 31 March 2013	Loan outstanding as at 31 March 2012	Details of security / guarantee
	Karnataka Bank Noida	<ul style="list-style-type: none"> <li>Repayment terms : Monthly instalments</li> <li>Date of maturity : 6 September 2014</li> <li>Number of instalments : Total instalments: 60, Balance instalment: 18</li> <li>Amount of instalments : ₹900,000 in 6 instalments and ₹933,334 in 12 instalments</li> <li>Rate of interest : Base rate plus 3.00% p.a</li> </ul>	16,600,000	26,200,000	First and exclusive charge over plant and machineries installed at 2D/, Ecotech III, Udyog Kendra, Greater Noida, Gat No.307, Nanekarwadi, Pune, 5/2, MIDC, Nanekarwari, Taluk Khed, Pune & E-5/2, Nanekarwadi, Chakan, Pune, Maharashtra and also secured by a second pari passu charge by way of hypothecation of current assets of the Company both present and future. Further, corporate guarantee of ₹83,943,144 is given by Minda S.M.Technocast Limited and Minda Capital Limited.
	Karnataka Bank, Noida	<ul style="list-style-type: none"> <li>Repayment terms : Monthly instalments</li> <li>Period / date of maturity : 4 July, 2013</li> <li>Number of instalments : Total instalments: 60, Balance instalment: 4</li> <li>Amount of instalments : ₹225,000</li> <li>Rate of interest : Base rate plus 2.50% p.a</li> </ul>	900,000	3,600,000	First and exclusive charge over plant and machineries installed at 2D/, Ecotech III, Udyog Kendra, Greater Noida, Gat No.307, Nanekarwadi, Pune, 5/2, MIDC, Nanekarwari, Taluk Khed, Pune & E-5/2, Nanekarwadi, Chakan, Pune, Maharashtra and also secured by a second pari passu charge by way of hypothecation of current assets of the Company both present and future. Further, corporate guarantee of ₹83,943,144 is given by Minda S.M.Technocast Limited and Minda Capital Limited.
	Karnataka Bank, Noida	<ul style="list-style-type: none"> <li>Repayment terms : Monthly instalments</li> <li>Date of maturity : 11 February 2015</li> <li>Number of instalments : Total instalments: 54, Balance instalment: 23</li> <li>Amount of instalments : ₹1,037,000 in 22 instalments, last instalment ₹885,044</li> <li>Rate of interest : Base rate plus 3.00% p.a</li> </ul>	23,699,044	36,143,044	First and exclusive charge over plant and machineries installed at 2D/, Ecotech III, Udyog Kendra, Greater Noida, Gat No.307, Nanekarwadi, Pune, 5/2, MIDC, Nanekarwari, Taluk Khed, Pune & E-5/2, Nanekarwadi, Chakan, Pune, Maharashtra and also secured by a second pari passu charge by way of hypothecation of current assets of the Company both present and future. Further, corporate guarantee of ₹83,943,144 is given by Minda S.M.Technocast Limited and Minda Capital Limited.
	Karnataka Bank, Noida	<ul style="list-style-type: none"> <li>Repayment terms : Monthly instalments</li> <li>Period / date of maturity : 30 September 2016</li> <li>Number of instalments : Total instalments: 54, Balance instalment: 48 for fully disbursed loan.</li> <li>Amount of instalments : ₹1,852,000 in 32 instalments and 33rd instalment ₹927,609 for partly disbursed loan.</li> <li>Rate of interest : Base rate plus 2.00% p.a</li> </ul>	60,191,609	18,000,100	First and exclusive charge over plant and machineries installed at 2D/, Ecotech III, Udyog Kendra, Greater Noida, Gat No.307, Nanekarwadi, Pune, 5/2, MIDC, Nanekarwari, Taluk Khed, Pune & E-5/2, Nanekarwadi, Chakan, Pune, Maharashtra and also secured by a second pari passu charge by way of hypothecation of current assets of the Company both present and future. Further, corporate guarantee of ₹83,943,144 is given by Minda S.M.Technocast Limited and Minda Capital Limited.
	HDFC Bank Limited	<ul style="list-style-type: none"> <li>Repayment terms : Monthly instalments</li> <li>Period / date of maturity : 25 Mar 2017</li> <li>Number of instalments : (Total instalments 48, Balance 48)</li> <li>Amount of instalments : ₹1,041,500 in 47 instalments, last instalment of ₹ 1,049,500</li> <li>Rate of interest : Base rate plus 2.00% p.a.</li> </ul>	50,000,000	-	Exclusive charge on all assets generated out of the term loan facility. Extension of charge on the property at Plot No.-68, Sector-32, Gurgaon. Second pari passu charge on entire current assets of the Company.

S. No.	Lender	Terms of repayment	Loan outstanding as at 31 March 2013	Loan outstanding as at 31 March 2012	Details of security / guarantee
	Kotak Mahindra Bank	<ul style="list-style-type: none"> <li>Repayment terms : Monthly instalments</li> <li>Period / date of maturity : 28 Mar 2018</li> <li>Number of instalments : (Total instalments 60, Balance 60 )</li> <li>Amount of instalments : ₹833,333</li> <li>Rate of interest : Base rate plus 1.85% p.a.</li> </ul>	50,000,000	-	First pari passu charge on all fixed assets of the Company, both present and future (except land and building situated at Gurgaon and fixed assets exclusively charged to other banks) and also secured by second pari passu charge on entire current assets of the Company, subject to prior charge created on the specified movable assets in favour of bankers for securing working capital borrowings.
2	PICUP Lucknow	<ul style="list-style-type: none"> <li>Repayment terms : Annual instalments</li> <li>Date of maturity : 31 May, 2013</li> <li>Number of instalments : Total instalments : 5</li> <li>Rate of interest : Not applicable</li> <li>Other significant terms : Sales Tax Deferment Loan</li> </ul>	-	15,357,748	Second pari passu charge on fixed assets of the Company (except land and building situated at Gurgaon and assets exclusively charged to other banks) both present and future.
3	Leasing IQ (India) Private Limited	<ul style="list-style-type: none"> <li>Repayment terms : Quarterly EMI</li> <li>Date of maturity : 1 July, 2013</li> <li>Number of EMI : Total EMI : 12, Balance EMI: 2</li> <li>Amount of EMI : ₹4,862,363</li> <li>Rate of interest : Not applicable</li> </ul>	6,666,788	23,410,760	Unsecured
4	Kotak Mahindra Prime Limited	<ul style="list-style-type: none"> <li>Repayment terms : Quarterly EMI</li> <li>Date of maturity : 1 July, 2016</li> <li>Number of EMI : Total EMI : 20, Balance EMI: 14</li> <li>Amount of EMI : ₹948,240</li> </ul>	10,635,114	12,635,832	Unsecured

### 2.3.3 Finance Lease- As a lessee

The Company has taken an ERP software and certain plant and equipment under the finance lease arrangement. The lease term of these assets are 3 and 5 years respectively. The lease term is renewable for a further period of 3 and 5 years respectively, at the option of lessee.

(Amount in ₹)

Particulars	Minimum lease payments		Present value of minimum lease payments	
	As at 31 March 2013	As at 31 March 2012	As at 31 March 2013	As at 31 March 2012
<b>Finance Lease- for ERP software</b>				
Not later than one year	9,724,725	19,449,451	6,666,788	16,743,972
Later than one year but not later than five years	-	9,724,725	-	6,666,788
Total minimum lease payments	9,724,725	29,174,176	6,666,788	23,410,760
Less: Finance charges	3,057,937	5,763,416	-	-
Present value of minimum lease payments	6,666,788	23,410,760	6,666,788	23,410,760
Disclosed under:				
Long term borrowings	-	-	-	6,666,788
Other current liabilities	-	-	6,666,788	16,743,972
	-	-	6,666,788	23,410,760
<b>Finance Lease- for plant and equipment</b>				
Not later than one year	3,792,960	3,792,960	2,317,957	1,979,387
Later than one year but not later than five years	9,482,400	13,275,360	8,317,157	10,656,445
Total minimum lease payments	13,275,360	17,068,320	10,635,114	12,635,832
Less: Finance charges	2,640,246	4,432,488	-	-
Present value of minimum lease payments	10,635,114	12,635,832	10,635,114	12,635,832
Disclosed under:				
Long term borrowings	-	-	8,317,157	10,656,445
Other current liabilities	-	-	2,317,957	1,979,387
	-	-	10,635,114	12,635,832

## 2.4 DEFERRED TAX (ASSETS)/LIABILITIES (Net)

(Amount in ₹)

Particulars	As at 31 March 2013	As at 31 March 2012
<b>Deferred tax assets</b>		
- Provision for employee benefits	19,172,393	15,056,137
- Provision for doubtful recoverables	361,611	2,357,395
- Expenses disallowable under section 43B	2,988,308	6,163,396
	<b>22,522,312</b>	<b>23,576,928</b>
<b>Deferred tax liabilities</b>		
- Excess of tax depreciation over book depreciation	76,811,838	72,475,228
- Excess of allowance for lease rentals under income tax law over depreciation and interest charged on the leased assets in the books	7,601,514	2,404,138
	<b>84,413,352</b>	<b>74,879,366</b>
<b>Deferred tax liabilities (net)</b>	<b>61,891,040</b>	<b>51,302,438</b>

## 2.5 OTHER LONG TERM LIABILITIES

(Amount in ₹)

Particulars	As at 31 March 2013	As at 31 March 2012
Lease equalisation	230,000	-
Others		
- Security deposits *	-	37,569,420
- Retention money	-	975,577
	<b>230,000</b>	<b>38,544,997</b>

\* In the earlier year, the Company had inadvertently recorded an amount of ₹37,569,420 as non current investment made by one of its subsidiary in another subsidiary with a corresponding payable towards first mentioned subsidiary. The Company has now rectified this by derecognising the above mentioned investment and liability.

## 2.6 LONG TERM PROVISIONS

(Amount in ₹)

Particulars	As at 31 March 2013	As at 31 March 2012
<b>Provision for employee benefits</b>		
- Gratuity*	23,958,248	19,892,409
- Compensated absence*	19,585,138	21,451,978
<b>Other provisions</b>		
- Provision for warranties (refer note 2.6.1 below)	2,935,513	7,351,709
	<b>46,478,899</b>	<b>48,696,096</b>

\*refer to note 2.6.2

## 2.6.1 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:

(Amount in ₹)

Particulars	As at 31 March 2013	As at 31 March 2012
At the beginning of the year	16,865,766	17,618,899
Provided during the year	13,157,581	17,310,685
Utilised during the year	(11,167,177)	(18,063,818)
At the end of the year	<b>18,856,170</b>	<b>16,865,766</b>
Current portion	15,920,657	9,514,057
Non- current portion	2,935,513	7,351,709



## 2.6.2 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 2.24.

(Amount in ₹)

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
Contribution toward		
- Provident fund	35,046,622	28,010,833
- Employee state insurance	2,460,398	2,300,623
	<b>37,507,020</b>	<b>30,311,456</b>

### 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.

(Amount in ₹)

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
<b>Changes in the present value of the defined benefit obligation is as follows:</b>		
Present value of defined benefit obligation at the beginning of the year	38,609,652	27,507,698
Interest cost	3,088,772	2,338,154
Current service cost	7,756,858	6,318,180
Past service cost	-	-
Benefits paid	(5,461,196)	(1,098,940)
Actuarial (gain)/loss on obligation	5,032,293	3,544,560
Present value of defined benefit obligation at the end of the year	49,026,379	38,609,652
<b>Changes in the present value of the plan asset is as follows:</b>		
Fair value of plan asset at the beginning of the year	15,653,693	14,456,229
Return on plan asset	1,291,430	1,283,713
Contributions	565,401	-
Benefits paid	(555,401)	-
Actuarial (gain)/ loss on obligation	21,364	(86,249)
Fair value of plan asset at the end of the year	16,976,487	15,653,693
<b>Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets:</b>		
Present value of defined benefit obligation at the end of the year	49,026,379	38,609,652
Fair value of plan asset at the end of the year	16,976,487	15,653,693
Net asset / (liability) as at the close of the year	(32,049,892)	(22,955,959)
<b>Expenses recognized in the statement of profit and loss:</b>		
Current service cost	7,756,858	6,318,180
Interest cost	3,088,772	2,338,154
Expected return on plan assets	(1,291,430)	(1,283,713)
Net actuarial gain / (loss)	5,010,929	3,630,809
<b>Expenses recognized in the statement of profit and loss:</b>	14,565,129	11,003,430
<b>Experience Adjustment gain(loss):</b>		
On defined benefit obligation	574,161	(3,448,288)
On plan assets	(77,254)	(74,684)
<b>Actuarial assumptions:</b>		
Discount rate	8.00%	8.50%
Expected Rate of return on plan assets	8.25%	8.25/9%
Expected salary increase rates	6.00%	5.00%
Mortality	LIC (1994-96)	LIC (1994-96)
Employee attrition rate		
- 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%

**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

**c) Defined Benefit Plans-Compensated absence**

The Company operates compensated absences plan, where in every employee is entitled to the benefit as per the policy of the Company in this regard. The salary for calculation of earned leave is last drawn salary. The same is payable during the service, early retirement, withdrawal of scheme, resignation by employee and upon death of employee.

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

Assumptions	(Amount in ₹)	
	For the year ended 31 March 2013	For the year ended 31 March 2012
Discount rate	8.00%	8.50%
Expected salary increase rates	6%	5%
Mortality	LIC (1994-96)	LIC (1994-96)
Employee attrition rate		
- 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%

The defined benefit obligation of compensated absence in respect of employees of the Company as at 31 March 2013 amounts to ₹24,356,090 (previous year ₹23,449,147) and the expense recognised in the statement of profit and loss during the year for the same amounts to ₹12,350,367 (Previous year ₹ 21,284,730)

**Experience on actuarial Gain / (Loss) for PBO and Plan Assets.**

As on	31 March 2009	31 March 2010	31 March 2011	31 March 2012	31 March 2013
On Plan PBO	--	(2,046,085)	404,282	(3,448,288)	1,330,594
On Plan Assets	--	(22,261)	(60,913)	(74,684)	(1,390,048)

**2.7 SHORT TERM BORROWINGS**

Particulars	Footnote	(Amount in ₹)	
		As at 31 March 2013	As at 31 March 2012
<b>2.7.1 Secured</b>			
Cash credit and working capital demand loan from banks	[1]	510,305,786	637,898,215
<b>2.7.2 Unsecured</b>			
Purchase order financing facility from others parties	[2]	200,000,000	200,000,000
		<b>710,305,786</b>	<b>837,898,215</b>

## Footnotes:

S. No.	Lender	Terms of Repayment	Loan outstanding as at 31 March 2013	Loan outstanding as at 31 March 2012	Details of security
1	Kotak Mahindra Bank Limited	<ul style="list-style-type: none"> <li>Repayment term: On demand</li> <li>Rate of interest: Linked to Bank base rate applicable from time to time</li> </ul>	228,090,804	193,028,884	Secured by hypothecation of inventories and book debts, both present and future and also secured by a second charge on all fixed assets of the Company, both present and future (except land and building under construction situated at Gurgaon and assets exclusively charged to other banks)
	Standard Chartered Bank		165,539,945	142,463,808	
	Karnataka Bank		60,676,939	63,953,113	
	HDFC Bank		36,720,450	56,296,108	
	State Bank of India		19,277,648	-	
	Karnataka Bank (ODFD)		-	46,110,222	
	Kotak Mahindra Bank Limited (ODFD)		-	136,046,080	
2	Bajaj Finance Limited	Repayable within 45 days from the date of disbursement	200,000,000	200,000,000	Unsecured

## 2.8 TRADE PAYABLES

(Amount in ₹)

Particulars	As at 31 March 2013	As at 31 March 2012
Trade payables (including acceptances) (refer note 2.8.1 below for details of dues to micro and small enterprises included under trade payables)	870,162,870	902,354,896
	<b>870,162,870</b>	<b>902,354,896</b>

## 2.8.1 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:

(Amount in ₹)

S. No.	Particulars	As at 31 March 2013	As at 31 March 2012
(i)	the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of year		
	- Principal amount	70,292,514	115,717,550
	- Interest thereon	48,887	25,978
		<b>70,341,401</b>	<b>115,743,528</b>
(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	-	-
	- Interest thereon	-	-
		-	-
(iii)	the amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
		-	-
(iv)	the amount of interest accrued and remaining unpaid.	48,887	25,978
		<b>48,887</b>	<b>25,978</b>
(v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act	-	-
		-	-

## 2.9 OTHER CURRENT LIABILITIES

Particulars	(Amount in ₹)	
	As at 31 March 2013	As at 31 March 2012
Current maturities of: (refer to note 2.3)		
- term loans	109,747,968	108,975,028
- deferred payment liabilities	-	12,585,900
- finance lease obligations	8,984,745	18,723,359
Interest accrued but not due on borrowings	3,862,496	2,178,618
Other payables		
- Statutory dues payable	43,684,504	20,436,281
- Advances from customers	41,645,870	20,589,200
- Salaries, wages and bonus payable	55,275,255	45,630,542
- Unamortised deferred premium on forward contracts	-	168,588
- Forward cover payable (net receivable for previous year ₹28,406,000)	-	2,116,000
- Creditors for capital items	25,157,604	-
	<b>288,358,442</b>	<b>231,403,516</b>

## 2.10 SHORT TERM PROVISIONS

Particulars	(Amount in ₹)	
	As at 31 March 2013	As at 31 March 2012
Provision for employee benefits		
- Gratuity*	8,091,644	3,063,550
- Compensated absence*	4,770,952	1,997,169
Others		
- Provision for taxation [net of advance tax ₹79,325,362]	5,832,038	-
- Provision for warranties (refer note 2.6.1)	15,920,657	9,514,057
- Proposed dividend	41,864,248	62,795,412
- Dividend distribution tax	7,114,826	10,188,554
	<b>83,594,365</b>	<b>87,558,742</b>

\*refer to note 2.6.2

## 2.11 FIXED ASSETS

Fixed assets schedule for the year 2012-13

	Gross block						Accumulated depreciation			Net block	
	Balance as at 1 April 2012	Additions	Disposals	Balance as at 31 March 2013	Balance as at 1 April 2012 / Amortization for the year	On disposals	Balance as at 31 March 2013	Balance as at 31 March 2012	Balance as at 31 March 2013	Balance as at 31 March 2012	
	(a)	(b)	(c)	(d) = (a+b-c)	(e)	(f)	(g)	(h) = (e+f-g)	(i) = (d-h)	(j) = (a-e)	
<b>Tangible assets</b>											
Freehold land	6,962,617	-	-	6,962,617	-	-	-	-	6,962,617	6,962,617	
Leasehold land	63,583,514	-	-	63,583,514	7,204,700	703,649	7,908,349	55,675,165	56,378,814	56,378,814	
Buildings	265,941,376	798,382	-	266,739,758	94,162,553	12,603,502	106,766,055	159,973,703	171,778,823	171,778,823	
Leasehold improvements	58,845,950	1,758,206	-	60,604,156	1,076,429	2,809,855	3,886,284	56,717,872	57,769,521	57,769,521	
Plant and equipment	1,036,032,432	224,977,423	4,526,451	1,256,483,404	444,477,848	108,781,642	549,941,975	706,541,429	591,554,584	591,554,584	
Furniture and fixtures	35,910,181	5,161,295	14,928	41,056,548	22,070,145	4,444,511	26,501,144	14,555,404	13,840,036	13,840,036	
Vehicles	4,935,236	-	2,146,411	2,788,825	2,715,900	642,287	2,505,797	283,028	2,219,336	2,219,336	
Office equipment	41,421,730	4,899,968	675,783	45,645,915	24,076,513	4,730,335	28,199,105	17,446,810	17,345,217	17,345,217	
Computer hardware	41,031,719	2,980,492	1,214,050	42,798,161	23,002,725	5,933,179	27,727,422	15,070,739	18,028,994	18,028,994	
<b>Assets under finance lease</b>											
Plant and equipment	14,010,645	-	-	14,010,645	817,288	2,802,129	3,619,417	10,391,228	13,193,357	13,193,357	
<b>Subtotal (A)</b>	<b>1,568,675,400</b>	<b>240,575,766</b>	<b>8,577,623</b>	<b>1,800,673,543</b>	<b>619,604,101</b>	<b>143,451,089</b>	<b>757,055,548</b>	<b>1,043,617,995</b>	<b>949,071,299</b>	<b>949,071,299</b>	
<b>Intangible assets</b>											
Computer software	46,863,669	8,140,186	-	55,003,855	31,638,603	4,903,437	36,542,040	18,461,815	15,225,066	15,225,066	
Technical knowhow	42,878,000	583,748	-	43,461,748	19,549,931	8,567,564	28,117,495	15,344,253	23,328,069	23,328,069	
Patents	8,027,058	-	-	8,027,058	-	1,739,196	1,739,196	6,287,862	8,027,058	8,027,058	
<b>Assets under finance lease</b>											
Software	48,791,077	-	-	48,791,077	9,758,215	9,758,215	19,516,430	29,274,647	39,032,862	39,032,862	
<b>Subtotal (B)</b>	<b>146,559,804</b>	<b>8,723,934</b>	<b>-</b>	<b>155,283,738</b>	<b>60,946,749</b>	<b>24,968,412</b>	<b>85,915,161</b>	<b>69,368,577</b>	<b>85,613,055</b>	<b>85,613,055</b>	
<b>Grand total (A+B)</b>	<b>1,715,235,204</b>	<b>249,299,700</b>	<b>8,577,623</b>	<b>1,955,957,281</b>	<b>680,550,850</b>	<b>168,419,501</b>	<b>842,970,709</b>	<b>1,112,986,572</b>	<b>1,034,684,354</b>	<b>1,034,684,354</b>	

2.11.1 Fixed assets under operating lease where, the Company is the lessor (already included in the above mentioned fixed assets\*)

Particulars	Gross block		Net Book Value	
	Accumulated depreciation / amortisation	Value	Accumulated depreciation / amortisation	Value
Buildings	9,789,371	6,160,353	3,629,018	6,160,353
Plant and equipment	949,572	250,068	699,504	250,068
	<b>10,738,943</b>	<b>6,410,421</b>	<b>4,328,522</b>	<b>6,410,421</b>

\* Also refer note 2.21.1

Fixed assets schedule for the year 2011-12

	Gross block				Accumulated depreciation			Net block		
	Balance as at 1 April 2011	Additions	Disposals	Balance as at 31 March 2012	Balance as at 1 April 2011	Depreciation / Amortization for the year	On disposals	Balance as at 31 March 2012	Balance as at 31 March 2011	
	(a)	(b)	(c)	(d) = (a+b-c)	(e)	(f)	(g)	(h) = (e+f-g)	(i) = (d-h)	(j) = (a-e)
<b>Tangible assets</b>										
Freehold land	6,962,617	-	-	6,962,617	-	-	-	6,962,617	6,962,617	
Leasehold land	63,583,514	-	-	63,583,514	6,547,873	656,827	-	7,204,700	56,378,814	57,035,641
Buildings	265,941,376	-	-	265,941,376	81,551,057	12,611,496	-	94,162,553	171,778,823	184,390,319
Leasehold improvements	15,308,855	43,537,095	-	58,845,950	-	1,076,429	-	1,076,429	57,769,521	15,308,855
Plant and equipment	923,410,445	132,409,108	19,787,121	1,036,032,432	358,561,882	91,199,580	5,283,614	444,477,848	591,554,584	564,848,563
Furniture and fixtures	32,826,164	4,668,698	1,584,681	35,910,181	19,199,432	4,278,246	1,407,533	22,070,145	13,840,036	13,626,732
Vehicles	5,110,776	1,287,946	1,463,486	4,935,236	2,460,387	610,826	355,313	2,715,900	2,219,336	2,650,389
Office equipment	39,390,311	5,657,235	3,625,816	41,421,730	22,861,550	4,565,065	3,350,102	24,076,513	17,345,217	16,528,761
Computer hardware	38,324,618	5,719,687	3,012,586	41,031,719	20,383,567	5,290,750	2,671,592	23,002,725	18,028,994	17,941,051
<b>Assets under finance lease</b>										
Plant and equipment	-	14,010,645	-	14,010,645	-	817,288	-	817,288	13,193,357	-
<b>Subtotal (A)</b>	<b>1,390,858,676</b>	<b>207,290,414</b>	<b>29,473,690</b>	<b>1,568,675,400</b>	<b>511,565,748</b>	<b>121,106,507</b>	<b>13,068,154</b>	<b>619,604,101</b>	<b>949,071,299</b>	<b>879,292,928</b>
<b>Intangible assets</b>										
Computer software	39,786,147	7,077,522	-	46,863,669	27,618,626	4,019,977	-	31,638,603	15,225,066	12,167,521
Technical knowhow	42,878,000	-	-	42,878,000	10,974,339	8,575,592	-	19,549,931	23,328,069	31,903,661
Patents	-	8,027,058	-	8,027,058	-	-	-	-	8,027,058	-
<b>Assets under finance lease</b>										
Software	-	48,791,077	-	48,791,077	-	9,758,215	-	9,758,215	39,032,862	-
<b>Subtotal (B)</b>	<b>82,664,147</b>	<b>63,895,657</b>	<b>-</b>	<b>146,559,804</b>	<b>38,592,965</b>	<b>22,353,784</b>	<b>-</b>	<b>60,946,749</b>	<b>85,613,055</b>	<b>44,071,182</b>
<b>Grand total (A+B)</b>	<b>1,473,522,823</b>	<b>271,186,071</b>	<b>29,473,690</b>	<b>1,715,235,204</b>	<b>550,158,713</b>	<b>143,460,291</b>	<b>13,068,154</b>	<b>680,550,850</b>	<b>1,034,684,354</b>	<b>923,364,110</b>

2.11.2 Fixed assets under operating lease where, the Company is the lessor (already included in the above mentioned fixed assets\*)

Particulars	Gross block		Net Book Value	
	Accumulated depreciation / amortisation	Net Book Value	Accumulated depreciation / amortisation	Net Book Value
Buildings	9,789,371	6,625,348	3,164,023	6,625,348
Plant and equipment	949,572	340,277	609,295	340,277
	<b>10,738,943</b>	<b>6,965,625</b>	<b>3,773,318</b>	<b>6,965,625</b>

\*Also refer note 2.21.1

2.11.3 Borrowing costs

The borrowing cost capitalised during the year are ₹Nil (Previous year ₹1,105,086)



## 2.12 NON CURRENT INVESTMENTS

(Amount in ₹)

Particulars	As at	As at
	31 March 2013	31 March 2012
<b>Trade investments- Unquoted and long term, at cost</b>		
<b>Investment in subsidiaries</b>		
- 3,077,108 (Previous year 3,077,108) equity shares of ₹100 each fully paid up in Minda SAI Limited	154,904,820	154,904,820
- 3,000 (Previous year 3,000) equity shares of Euro 100 each fully paid up in Minda Europe B.V., Netherlands	16,948,800	16,948,800
- 50,000 (Previous year 50,000) equity shares of ₹10 each fully paid up in Minda Management Services Limited	1,383,200	1,383,200
- Investment in Minda KTSN Plastic Solutions GmbH & Co. KG, Germany, Euro 13,030,001 (Previous year Euro 9,097,001) (refer note 2.5)	815,156,501	531,945,921
- 280,300 (Previous year 140,150) Equity shares of ₹10 each fully paid up in Minda Automotive Solutions Limited *	47,047,611	37,373,276
* The Company acquired balance 50% stake in Minda Automotive Solutions Limited during the current year making a 100% subsidiary (previous year it was an associate of the Company)		
	<b>1,035,440,932</b>	<b>742,556,017</b>

## 2.13 LOANS AND ADVANCES

(Amount in ₹)

Particulars	Long term		Short term	
	As at	As at	As at	As at
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
<b>Unsecured, considered good unless otherwise stated</b>				
Capital advances	36,362,885	45,536,859	-	-
Security deposits	39,457,033	35,186,534	-	-
Loans and advances to related parties (refer note 2.31)*	-	-	548,316,050	311,427,300
Other loans and advances				
- Advances to employees (refer to note 2.13.1)	963,621	5,153,398	9,034,080	9,236,426
- Balances with excise, customs and sales tax authorities	-	-	68,807,695	59,155,947
- Prepaid expenses	-	-	13,588,201	6,290,631
- Advances to suppliers	-	-	32,763,635	77,772,881
- Rebate claim receivable	-	-	22,921,321	18,955,170
- Export benefit received and receivable	-	-	26,892,794	12,231,749
- Minimum alternate tax credit entitlement	39,822,117	59,241,972	11,962,977	12,827,843
- Income Tax [net of provision ₹284,206,188 (previous year ₹296,955,293)]	33,026,022	20,276,917	-	-
- Advances to MCL ESOS trust for purchase of share # 133,546,000				
Less: Amount utilised by trust for purchase of shares # (133,546,000)	-	-	-	-
	<b>149,631,678</b>	<b>165,395,680</b>	<b>734,286,753</b>	<b>507,897,947</b>

# For both current year and previous year

\* Includes prior period reclassification of ₹43,127,300 from trade receivable to loans and advances to related party

## 2.13.1 Loans and advances due by officers of the company

(Amount in ₹)

Particulars	As at	As at
	31 March 2013	31 March 2012
Dues from officers of the Company (either severally or jointly)	313,104	340,769
	<b>313,104</b>	<b>340,769</b>

## 2.14 OTHER NON-CURRENT ASSETS

Particulars	(Amount in ₹)	
	As at 31 March 2013	As at 31 March 2012
Balances with banks		
- Deposit due to mature after 12 months from the reporting date	5,450,227	4,240,000
	<b>5,450,227</b>	<b>4,240,000</b>

## 2.15 CURRENT INVESTMENTS

Particulars	(Amount in ₹)	
	As at 31 March 2013	As at 31 March 2012
Investments in mutual funds (Unquoted, Non trade)		
Nil units (Previous year 1,445,208) of Birla Sun Life Cash Manager Fund	-	144,564,130
	<b>-</b>	<b>144,564,130</b>

## 2.16 INVENTORIES

Particulars	(Amount in ₹)	
	As at 31 March 2013	As at 31 March 2012
Raw materials (including packing materials)	201,463,491	275,222,904
Add: Materials-in-transit	25,535,361	30,107,460
Work-in-progress		44,468,600
Finished goods	53,689,895	40,132,565
Add: Goods-in-transit	44,647,355	98,337,250
Stores and spares		12,623,050
	<b>382,427,752</b>	<b>497,557,093</b>

## 2.17 TRADE RECEIVABLES

Particulars	(Amount in ₹)	
	As at 31 March 2013	As at 31 March 2012
Trade receivables outstanding for a period exceeding six months from the date they became due for payment		
Unsecured, considered good	10,306,910	5,799,164
Unsecured, considered doubtful	1,063,876	5,975,862
Provision for doubtful receivables	(1,063,876)	(5,975,862)
	<b>10,306,910</b>	<b>5,799,164</b>
Other trade receivables		
Unsecured, considered good *	1,170,044,785	1,011,337,863
Unsecured, considered doubtful	-	1,289,957
Provision for doubtful receivables	-	(1,289,957)
	<b>1,170,044,785</b>	<b>1,011,337,863</b>
	<b>1,180,351,695</b>	<b>1,017,137,027</b>

\* Includes prior period reclassification of ₹43,127,300 from trade receivables to loans and advances to related party

## 2.18 CASH AND BANK BALANCES

Particulars	(Amount in ₹)	
	As at 31 March 2013	As at 31 March 2012
<b>Cash and cash equivalents</b>		
Balance with bank		
- Deposits due to mature upto 3 months on the reporting date*	42,408,552	353,525,000
- On current accounts	7,238,191	79,235,451
Cheques, drafts on hand	-	1,502,648
Cash on hand	1,361,898	1,354,870
	51,008,641	435,617,969
<b>Other bank balances</b>		
Balance with bank		
- Deposits due to mature within 12 month on the reporting date**	108,869,154	322,589,565
	108,869,154	322,589,565
	<b>159,877,795</b>	<b>758,207,534</b>

\*Out of these, ₹ Nil (previous year ₹277,500,000) is pledged with bank for short term loans and ₹42,108,552 (previous year ₹ Nil) is held as margin money against letter of credit and bank guarantees.

\*\*Out of these, ₹81,519,702 (previous year ₹93,440,355) is held as margin money against letter of credit and bank guarantees.

## 2.19 OTHER CURRENT ASSETS

Particulars	(Amount in ₹)	
	As at 31 March 2013	As at 31 March 2012
Interest accrued on fixed deposits	3,856,904	8,893,592
Interest accrued on loans and advances*	10,011,846	-
	<b>13,868,750</b>	<b>8,893,592</b>

\*Refer note 2.31

## 2.20 REVENUE FROM OPERATIONS

Particulars	(Amount in ₹)	
	For the year ended 31 March 2013	For the year ended 31 March 2012
Sale of products		
- Manufactured goods	6,229,432,888	5,677,244,609
Other operating revenues		
- Royalty	55,673,009	41,613,496
- Technical know-how and service income	15,704,254	26,325,487
- Job work income	34,798,044	101,606,981
- Scrap sales	13,807,965	12,678,715
- Exchange fluctuations (net)	1,685,307	-
- Export incentives	18,187,167	20,132,342
Revenue from operations (gross)	6,369,288,634	5,879,601,630
Less: Excise duty	387,148,831	282,143,185
Revenue from operations (net)	<b>5,982,139,803</b>	<b>5,597,458,445</b>

## 2.20.1 Details of goods sold (net of excise duty)

Particulars	(Amount in ₹)	
	For the year ended 31 March 2013	For the year ended 31 March 2012
Lock Kits	2,374,469,601	2,273,702,125
Locks and switches	809,585,095	939,479,186
Spares	1,316,964,385	912,381,378
Wiring Harness	648,734,180	629,974,989
Interior Plastic	348,109,542	316,447,337
Others	344,421,254	323,116,409
	<b>5,842,284,057</b>	<b>5,395,101,424</b>

## 2.20.2 Earnings in foreign exchange

Particulars	(Amount in ₹)	
	For the year ended 31 March 2013	For the year ended 31 March 2012
FOB value of exports	661,753,945	601,639,754
Royalty *	55,673,009	41,613,496
Technical know-how and service income	11,516,357	4,134,564
	<b>728,943,311</b>	<b>647,387,814</b>

\* Technical know-how income of ₹6,242,025 in the previous year has been reclassified from royalty / technical know-how income to technical know-how and service income

## 2.21 OTHER INCOME

Particulars	(Amount in ₹)	
	For the year ended 31 March 2013	For the year ended 31 March 2012
Interest income*		
- on fixed deposits	58,119,358	52,246,004
- on loan given to body corporate	19,548,284	8,828,458
Dividend income on current investments	15,179,333	9,914,505
Financial assistance fee	13,865,522	-
Liabilities/provisions no longer required written back	5,975,862	5,722,144
Profit on sale of investment	4,525,653	-
Rental income (refer to note 2.21.1)	1,824,000	1,824,000
Miscellaneous income	4,027,021	2,339,616
	<b>123,065,033</b>	<b>80,874,727</b>

\* tax deducted at source ₹7,766,764 (previous year ₹5,950,235)

## 2.21.1 Operating Lease- As a lessor

The Company has leased (cancellable) some of its premises and fixed assets under a fixed lease agreement that qualifies as an operating lease. Rental income for operating leases for the years ended 31 March 2013 and 31 March 2012 aggregate to ₹1,824,000 in each year.

## 2.22 COST OF MATERIALS CONSUMED

Particulars	(Amount in ₹)	
	For the year ended 31 March 2013	For the year ended 31 March 2012
Raw materials consumed (includes packing material and components)		
Opening stock	305,330,364	238,585,121
Add: Purchases during the year	3,742,619,079	3,688,886,444
	4,047,949,443	3,927,471,565
Less: Closing stock	226,998,853	305,330,364
	<b>3,820,950,590</b>	<b>3,622,141,201</b>

## 2.22.1 Consumption of raw materials (including packing material and components)

(Amount in ₹)

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
Zinc	475,640,247	380,441,950
Others	3,345,310,343	3,241,699,251
	<b>3,820,950,590</b>	<b>3,622,141,201</b>

## 2.22.2 Details of closing stock of raw material (including packing material and components)

(Amount in ₹)

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
<b>Raw Materials</b>		
Zinc	16,639,306	10,150,144
Others	210,359,547	295,180,220
	<b>226,998,853</b>	<b>305,330,364</b>

## 2.22.3 Details of imported and indigenous raw materials consumed

Particulars	For the year ended 31 March 2013		For the year ended 31 March 2012	
	₹	%	₹	%
Imported	352,424,217	9.22%	258,906,166	7.15%
Indigenous	3,468,526,373	90.78%	3,363,235,035	92.85%
	<b>3,820,950,590</b>		<b>3,622,141,201</b>	

## 2.22.4 Value of Imports calculated on C.I.F basis

(Amount in ₹)

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
Raw materials, components and spare parts	205,093,643	293,978,940
Capital goods	63,019,756	1,530,985
	<b>268,113,399</b>	<b>295,509,925</b>

## 2.23 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS

(Amount in ₹)

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
<b>Finished goods</b>		
Closing stock	98,337,249	81,695,687
Less: opening stock	81,695,687	34,813,934
	16,641,562	46,881,753
Impact of excise duty on (decrease) in finished goods	(722,216)	(994,964)
<b>Work in progress</b>		
Closing stock	44,468,600	98,954,126
Less: opening stock	98,954,126	42,856,849
	(54,485,526)	56,097,277
(Decrease) / Increase in inventories	<b>(38,566,180)</b>	<b>101,984,066</b>

## 2.23.1 Details of inventory of finished goods and work in progress

(Amount in ₹)

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
Lock kits	44,759,699	49,834,074
Locks and switches	26,972,387	13,656,453
Spares	10,278,308	2,300,144
Wiring harness	6,330,060	3,443,386
Interior plastics	2,237,476	1,598,671
Others	7,759,319	10,862,959
	<b>98,337,249</b>	<b>81,695,687</b>

There are no items of work in progress that are equal to or more than 10% of the total value of work in progress.

## 2.24 EMPLOYEE BENEFITS EXPENSE

(Amount in ₹)

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
Salaries and wages	610,695,600	568,676,694
Contribution to		
- Provident fund and other funds	37,507,020	33,309,695
- Gratuity fund*	14,062,939	8,429,705
Staff Welfare	37,398,405	36,412,597
	<b>699,663,964</b>	<b>646,828,691</b>

\* Net of prior period income of ₹Nil (Previous year ₹2,776,697, which was on account of erroneous calculation of gratuity provision as at March 2011).

## 2.25 FINANCE COSTS

(Amount in ₹)

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
Interest expense		
on borrowings from banks	115,967,287	108,811,679
on borrowings from others	12,271,919	9,177,314
Exchange difference to the extent considered as an adjustment to borrowing cost	3,023,462	5,707,825
Other borrowing costs		
bank charges	6,554,873	6,168,920
	<b>137,817,541</b>	<b>129,865,738</b>

## 2.26 OTHER EXPENSES

(Amount in ₹)

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
Jobwork charges	143,147,835	137,069,925
Consumption of stores and spare parts (refer note 2.26.1)	101,573,322	104,676,203
Power and fuel	168,882,521	116,457,646
Rent (refer note 2.26.2)*	97,056,594	85,171,985
Repairs- buildings	13,087,856	15,827,552
Repairs- plant and machinery	29,805,396	23,163,352
Repairs others	17,460,567	16,640,842
Travelling and conveyance	46,766,600	56,367,342
Legal and professional	19,569,335	29,373,683
Communication	12,604,532	11,767,100



(Amount in ₹)

Particulars	For the year ended	
	31 March 2013	31 March 2012
Charity and donations	265,329	624,903
Bad debts	6,347,762	210,028
Provision for doubtful trade receivables	742,354	1,127,004
Management fees (net of recovery) **	71,976,150	79,478,051
Insurance	8,270,847	6,826,403
Rates and taxes, excluding taxes on income	5,598,287	6,499,514
Exchange fluctuations (net)	-	2,051,153
Warranty expenses	13,157,581	17,310,685
Loss on sale/discard of fixed assets (net)	305,879	1,346,268
Advertisement and business promotion	5,668,617	14,382,141
Royalty	5,582,567	11,636,041
Cash discount	143,061	2,697,860
Freight and forwarding	55,465,450	49,772,740
Miscellaneous	43,002,337	31,199,423
	<b>866,480,779</b>	<b>821,677,844</b>

\* Includes prior period reversal of ₹Nil (₹107,032,682) on account of adjustments relating to classification of a leasing arrangement for equipment from operating to finance leases.

\*\* The Company recovers management fees from Minda SAI Limited and Minda Stoneridge Limited. The recovery during the current year has been ₹2,301,206 and ₹10,355,425 (previous year ₹1,988,617 and ₹6,055,178) respectively.

#### 2.26.1 Details of imported and indigenous stores and spares parts consumed

Particulars	For the year ended		For the year ended	
	31 March 2013		31 March 2012	
	₹	%	₹	%
Imported	1,155,333	1.14%	1,322,217	1.26%
Indigenous	100,417,989	98.86%	103,353,986	98.74%
	<b>101,573,322</b>		<b>104,676,203</b>	

#### 2.26.2 Accounting for leases

##### Operating leases- As a lessee

The Company has taken on lease, accommodation for factory, godowns for storage of inventories, offices and cars, with an option of renewal at the end of the lease term and escalation clause in a few cases. The leases are in the nature of both cancellable and non cancellable operating leases. Lease rentals amounting to ₹97,056,594 (previous year: ₹95,904,667) in respect of such leases have been recognized in the statement of profit and loss for the year.

The future minimum lease payments in respect of non-cancellable operating leases are as follows:

(Amount in ₹)

Particulars	For the year ended	
	31 March 2013	31 March 2012
Minimum lease payments due:		
Not later than one year	-	7,852,500
Later than one year and not later than five years	-	-

#### 2.26.3 Expenditure in foreign currency

(Amount in ₹)

Particulars	For the year ended	
	31 March 2013	31 March 2012
Sales commission	2,696,880	-
Legal and professional expense	-	230,431
Repair and maintenance (plant and machinery)	353,719	-
Travelling and conveyance	1,727,666	3,703,137
Other matters	3,940,004	5,423,366
	<b>8,718,269</b>	<b>9,356,934</b>

## 2.27 EXCEPTIONAL ITEMS

In the previous periods, the Company had incurred expenditure amounting to ₹233 lakhs (including ₹158 lakhs jointly with other party) in respect of potential business acquisitions and pending recovery/ capitalisation along with cost of investments. However, considering the elongated period with no substantial development on such potential respective acquisitions, the management considered it prudent to charge off these expenses in this year.

## 2.28 CAPITAL AND OTHER COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹43,220,800 (previous year ₹104,937,927).

## 2.29 CONTINGENT LIABILITIES

Particulars	(Amount in ₹)	
	As at 31 March 2013	As at 31 March 2012
<b>Claims against the Company not acknowledged as debts</b>		
a) Custom duty	5,512,848	32,048,441
b) Sales tax/ VAT	29,865,733	7,688,185
c) Excise duty	8,692,913	8,692,913
<b>Others</b>		
a) Corporate guarantees given by the Company	1,386,552,070	569,455,526
b) Bills of exchange discounted under irrevocable letters of credit	-	68,237,716

## 2.30 UNHEDGED FOREIGN CURRENCY EXPOSURE

### a) Derivative outstanding as at balance sheet date

Forward contracts in respect of foreign currency outstanding as at 31 March 2013 is Nil (Previous year US \$ 600,000 equivalent to ₹30,522,000) to hedge the foreign currency exposure for amount receivable against the export sales proceeds.

### b) Particulars of unhedged foreign currency exposure as at the reporting date

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise is as follows:

Particulars	As at 31 March 2013		As at 31 March 2012	
	Amount (in ₹)	Amount (in original currency)	Amount (in ₹)	Amount (in original currency)
<b>Receivables in foreign currency</b>				
Export of goods				
- EURO	39,535,022	568,090	26,769,873	394,395
- USD	99,384,567	1,829,782	55,080,487	1,094,706
- JPY	-	-	29,826	48,570
Royalty income				
- USD	26,198,525	482,389	10,850,347	213,296
Exported services				
- USD	1,585,689	29,365	4,955,826	97,421
Financial assistance services	100,000	6,903,870	-	-
<b>Payables in foreign currency</b>				
Import of goods				
- USD	9,455,793	174,084	16,401,771	322,388
- EURO	16,668,779	239,516	20,596,206	303,333
Technical assistance fee				
- EURO	-	-	9,053,333	133,334
Reimbursement of expenses				
- EURO	1,994,282	28,658	3,174,327	46,750
Sales commission				
- EURO	1,568,435	22,759	-	-
Royalty payable				
- EURO	1,498,222	21,767	-	-
Packing credit				
- USD	98,839,551	1,819,579	54,401,503	1,069,212
Post shipment credit				
- USD	-	-	27,186,827	534,332
- EURO	-	-	14,917,599	219,700

The above does not include any foreign currency exposures from investment in body corporate outside India, which as treated as non- intergal in nature.

## 2.31 RELATED PARTY DISCLOSURES AS REQUIRED UNDER ACCOUNTING STANDARD (AS) – 18 “RELATED PARTY DISCLOSURE”:

### a) Related parties and nature of related party relationships where control exists

Description of relationship	Name of the party
Subsidiary	Minda SAI Limited, India
	Minda Europe B.V, Netherlands
	Minda Management Services Limited, India
	Minda KTSN Plastic Solutions GmbH & Co.KG, Germany
	Mayank Auto Engineers Private Limited, India
	KTSN Kunststofftechnik Sachsen Beteiligung, Germany
	Minda Schenk Plastic Solutions GmbH (LLP), Germany
	Minda Schenk Plastic Solutions S.P.Z O.O. Poland
	Minda Schenk Plastic Solutions S.R.O. Czech Republic
	Minda Automotive Solutions Limited, India

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

Description of relationship	Name of the party
Key Managerial Personnel	Mr. Ashok Minda - Chairman & Group CEO
	Mr. Jeevan Mahaldar - Executive Director & CEO
Enterprise in which directors of the Company and their relatives are able to exercise significant influence:	Minda Capital Limited, India
	Minda Furukawa Electric Private Limited, India
	Minda Industries Limited, India
	Minda International Limited, India
	Minda S.M. Technocast Limited, India
	Minda Silca Engineering Limited, India
	Minda Stoneridge Instruments Limited, India
	Minda Valeo Security Systems Private Limited, India
	Dorset Kaba Security Systems Private Limited, India
	Mars Industries Limited, India
	Minda Finance Limited, India
	Minda Sons, India
	Minda Spectrum Advisory Limited, India

\*Minda Automotive Solutions Limited became subsidiary of Minda Corporation Limited with effect from 2 April 2012. The same was appearing under “Enterprises in which directors of the Company and their relatives exercise significant influence” up till 31 March 2012.

C) Details of transactions with related parties:

Party name	Sale of goods during the year	Job work income during the year	Other incomes / expenses re-covered during the year	Purchase of goods during the year	Management fee paid during the year	Rent paid during the year	Remuneration paid during the year	Other expenses paid / reimbursed during the year	Investment made during the year	Loan / advance given during the year	Loan recovered during the year	Loan re-paid during the year
<b>Subsidiary companies</b>												
Mayank Auto Engineers Private Limited	75,665	-	6,961,652 (43,127,300)	40,261,452 (49,806,844)	-	-	-	-	-	-	-	-
Minda Europe B.V.Netherlands	-	-	-	-	-	-	-	2,696,880 (2,211,839)	-	-	-	-
Minda KTSN Plastic Solution GmbH & Co.KG, Germany	-	-	6,903,870	-	-	-	-	1,498,222 (4,295,543)	283,210,580 (90,132,000)	-	-	-
Minda Management Services Limited	-	-	1,800,000 (1,800,000)	-	61,640,121 (66,784,602)	-	-	13,286,207	(1,383,200)	47,000,000 (10,000,000)	-	-
Minda SAI Limited	451,414 (1,909,808)	-	21,849,490 (10,817,075)	2,848,505 (5,911,106)	-	-	-	2,660,553 (1,831,321)	(52,000,000) 9,674,355	454,200,000 (314,000,000)	276,550,000 (45,700,000)	-
Minda Automotive Solutions Limited	1,141,894,394 (1,041,968,726)	-	-	-	-	-	-	(2,224,330)	-	-	-	-
<b>Associates</b>												
<b>Enterprises in which directors of the Company and their relatives are able to exercise significant influence</b>												
Dorset Kaba Security Systems Private Limited	3,347,011 (2,550,088)	-	-	-	-	-	-	-	-	-	-	-
Mars Industries Limited	149,627 (46,764)	-	-	-	-	-	-	-	-	2,250,000	-	-
Minda Capital Limited	-	-	24,000 (24,000)	-	-	39,480,000 (39,000,000)	-	-	-	-	-	-
Minda Industries Limited	451,464,013 (408,858,357)	-	539,326 (501,622)	-	-	-	-	-	-	-	-	-
Minda International Limited	-	-	8,983,192	-	25,856,346 (20,183,923)	-	-	-	-	-	-	-
Minda S.M. Technocast Limited	-	-	-	-	-	8,760,000 (8,760,000)	-	-	-	-	-	-
Minda Silca Engineering Limited	27,227,381 (55,758,457)	-	-	89,876,715 (152,445,758)	-	-	-	-	-	292,500	-	-
Minda Spectrum Advisory Limited	-	-	-	-	-	-	-	225,000 (500,000)	-	-	-	-
Minda Stoneridge Instruments Limited	1,170,560 (8,189,568)	-	10,355,425 (6,055,178)	35,929,577 (57,757,279)	-	-	-	-	-	-	-	-
Minda Valeo Security System (P) Limited	192,443,107 (3,262,161)	24,559,397 (107,167,542)	-	12,519,622 (10,704,213)	-	2,937,705 (4,733,495)	-	898,880 (5,294,400)	-	-	-	-
Minda Furukawa Electric (P) Limited	-	-	-	20,514	-	-	-	-	-	-	-	-
Jeevan Mahaldar - HUF	-	-	-	-	-	3,069,000 (3,069,000)	-	-	-	-	-	-
<b>Key managerial personnel</b>												
Mr. Ashok Minda - Chairman & Group CEO	-	-	-	-	-	-	18,576,000 (12,384,000)	-	-	-	-	-
Mr. Jeevan Mahaldar - Executive Director & CEO	-	-	-	-	-	-	21,302,934 (18,927,525)	-	-	-	-	-
<b>Relatives of key managerial personnel</b>												
Ms. Renu Mahaldar	-	-	-	-	-	3,069,000 (3,069,000)	-	-	-	-	-	-

Party name	Purchase of fixed assets during the year	Sale of fixed assets during the year	Security deposit given during the year	Guarantee given during the year	Guarantee taken during the year	Receivable at the year end	Payable at the year end	Loan / advance receivable as at the year end	Investment as at the year end	Guarantee given as at the year end	Guarantee taken as at the year end
<b>Subsidiary companies</b>											
Mayank Auto Engineers Private Limited	-	-	-	696,165,120	-	6,968,402	4,951,870	43,127,300	-	696,165,120	-
Minda Europe B.V./Netherlands	-	-	-	-	-	(43,134,050)	(7,881,823)	-	-	-	-
Minda KTSN Plastic Solutions GmbH & Co.KG, Germany	3,056,205	-	-	690,386,950	-	6,916,586	6,645,070	-	16,948,800	690,386,950	-
Minda Management Services Limited	-	-	-	(569,435,526)	-	12,776,957	(10,714,283)	47,000,000	(531,945,921)	(569,435,526)	-
Minda SAI Limited	-	-	-	-	-	(6,240,278)	-	-	1,383,200	-	-
Minda Automotive Solutions Limited	-	-	-	-	(297,521,526)	74,887	(11,356,204)	454,200,000	154,904,820	-	297,521,526
<b>Associates</b>											
<b>Enterprise in which directors of the Company and their relatives are able to exercise significant influence</b>											
Dorset Kaba Security Systems Private Limited	-	-	-	-	-	1,150,020	-	-	-	-	-
Mars Industries Limited	-	-	-	-	-	88,900	-	-	-	-	-
Minda Capital Limited	-	-	2,250,000	-	-	(5,966)	-	-	-	-	-
Minda Industries Limited	-	-	-	-	-	15,626,104	364,718	-	-	-	-
Minda International Limited	-	-	-	-	-	(11,243,902)	(314,579)	-	-	-	-
Minda S.M. Technocast Limited	-	-	-	-	-	66,562,917	5,784,715	-	-	-	-
Minda Silca Engineering Limited	(2,647,080)	-	-	-	-	(69,744,390)	(1,935,735)	-	-	-	-
Minda Spectrum Advisory Limited	-	-	-	-	-	(29,826)	-	-	-	-	-
Minda Stoneridge Instruments Limited	-	-	-	-	-	1,643,428	-	-	-	-	-
Minda Valeo Security System (P) Limited	-	-	-	-	-	(1,060,000)	-	292,500	-	-	-
Minda Furukawa Electric (P) Limited	-	-	-	-	-	3,614,824	26,124,842	-	-	-	-
Jeevan Mahaldar - HUF	-	-	-	-	-	(16,347,651)	(32,933,075)	-	-	-	-
Key managerial personnel	-	-	-	-	-	-	225,000	-	-	-	-
Mr. Ashok Minda - Chairman & Group CEO	-	-	-	-	-	3,270,217	2,218,679	-	-	-	-
Mr. Jeevan Mahaldar - Executive Director & CEO	-	-	-	-	-	(516,636)	(9,830,950)	-	-	-	-
Relatives of key managerial personnel	-	-	-	-	-	50,610,211	4,273,778	-	-	-	-
Ms. Renu Mahaldar	-	-	-	-	-	(23,876,033)	(3,972,836)	-	-	-	-
	-	-	-	-	-	-	7,449	-	-	-	-
	-	-	-	-	-	-	230,175	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	758,918	-	-	-	-
	-	-	-	-	-	-	(1,332,000)	-	-	-	-
	-	-	-	-	-	-	3,029,259	-	-	-	-
	-	-	-	-	-	-	(403,918)	-	-	-	-
	-	-	-	-	-	-	230,175	-	-	-	-

## 2.32 UTILISATION OF FUND RAISED BY ISSUE OF SECURITIES DURING THE YEAR ( AS CERTIFIED BY THE MANAGEMENT\*)

Particulars	(Amount in ₹)	
	As at 31 March 2013	As at 31 March 2012
<b>a) Equity shares of ₹10 each fully paid up</b>		
Opening unutilised balance	1,174,942,669	777,240,860
Add: amounts raised during the year for specific purposes	-	450,000,000
Less: amounts utilised for the purposes for which the funds were raised	74,475,455	52,298,191
Closing unutilised balance	<b>1,100,467,214</b>	<b>1,174,942,669</b>
Details of unutilised amount		
Amounts kept in bank account ( including bank deposit)	145,227,914	669,010,669
Amounts temporarily invested in mutual funds	-	135,000,000
Amounts temporarily invested in subsidiaries by way of capital and loans	955,239,300	370,932,000
	<b>1,100,467,214</b>	<b>1,174,942,669</b>
<b>b) 0.001% cumulative redeemable preference shares of ₹800 each fully paid up</b>		
Opening unutilised balance	-	-
Add: amounts raised during the year for specific purposes	-	52,000,000
Less: amounts utilised for the purposes for which the funds were raised	-	52,000,000
Closing unutilised balance	-	-

\*Since, the Company does not maintain separate bank accounts for the monies raised by way of issue of securities, the details above are provided on the basis of certificate provided by the management and which has been relied upon by the Auditors.

## 2.33 AUDITORS' REMUNERATION (EXCLUDING SERVICE TAX)

Legal and professional expense includes auditors' remuneration as follows:

Particulars	(Amount in ₹)	
	For the year ended 31 March 2013	For the year ended 31 March 2012
Statutory Audit	1,800,000	1,800,000
Out of pocket expenses	779,804	584,899
	<b>2,579,804</b>	<b>2,384,899</b>

## 2.34 INFORMATION PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENTS WITH STOCK EXCHANGES

Loans and advances in the nature of loans to wholly-owned subsidiary company is as under:

Particulars	(Amount in ₹)			
	As at 31 March		Maximum balance during the year ended	
	2013	2012	2013	2012
Minda SAI Limited	454,200,000	268,300,000	462,400,000	314,000,000

2.35 The Company operates only in one business segment i.e. manufacture of auto components/accessories from various locations in India. Further, in accordance with Accounting Standard 17 - 'Segment Reporting', segment information has been given in the Consolidated Financial Statement of Minda Corporation Limited, and therefore, no separate disclosure on segment information is given in these financial statement.

As per our report of even date attached

For B S R & Co.  
Chartered Accountants  
Firm registration number: 101248W

For and on behalf of the Board of Directors of Minda Corporation Limited

**Ashok Minda**  
Chairman & Group CEO  
DIN: 00054727

**Sudhir Kashyap**  
Executive Director & CEO  
DIN: 06573561

**Kaushal Kishore**  
Partner  
Membership No.: 090075  
Place: Gurgaon  
Date: 29 May 2013

**Sanjay Aneja**  
Chief Financial Officer  
Place: Gurgaon  
Date: 29 May 2013

**Ajay Sancheti**  
Company Secretary



# Independent Auditors' Report

To  
The Board of Directors  
Minda Corporation Limited

We have audited the accompanying consolidated balance sheet of Minda Corporation Limited ('the Company') and its subsidiaries, and an associate in respect of previous year (collectively referred to as 'the Group') as at 31 March 2013, the consolidated statement of profit and loss and the consolidated cash flow statement (collectively referred to as 'consolidated financial statements') for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the consolidated financial statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at 31 March 2013;
- (b) in the case of the consolidated Statement of Profit and Loss, of the loss for the year ended on that date; and

- (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

#### Emphasis of Matter

In the previous year, the Financial Statements of the entities used for the purpose of consolidation were drawn up to the same reporting date as that of the Company's i.e. year ended 31 March 2012, except for financial statements of Minda KTSN Plastic Solutions GmbH & Co. KG (LLP), KTSN Kunststeftechnik Sachsen Beteiligungs-GmbH and Minda Schenk Plastic Solutions GmbH, which were drawn up to 31 December 2011. In the current year, the financial statements of the above subsidiaries are also drawn up to the same reporting date as that of the Company's i.e. 31 March 2013 to align the reporting periods. Accordingly, the Financial Statements of the current year are not comparable with the previous year, as the results of the current year include the results for the 15 months ended 31 March 2013 in respect of the above mentioned subsidiaries, as against 12 months ended 31 December 2011 (or shorter period in case of acquisition during the period) in the previous year.

#### Other matters

We did not audit the financial statements and other financial information of certain subsidiaries and of an associate in respect of previous year (interests in which have been incorporated in these consolidated financial statements), whose financial statements reflect total assets of Rs. 8,488 millions as at 31 March 2013, total revenues of Rs. 14,384 millions and cash flows of Rs. 406 millions for the year then ended, on a stand-alone entity basis. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the management and our opinion is based solely on the reports of the other auditors.

Of the above, the financial statements and other financial information of some of the subsidiaries incorporated outside India, as drawn up in accordance with the generally accepted accounting principles of the respective countries ('the local GAAP'), have been audited by other auditors duly qualified to act as auditors in those countries. For the purpose of preparation of the consolidated financial statements, the aforesaid local GAAP financial statements have been restated by the management of the said entities so that these conform to the generally accepted accounting principles in India. This has been done on the basis of a reporting package prepared by the Company which covers accounting and disclosure requirements applicable to consolidated financial statements under the generally accepted accounting principles in India. The reporting packages made for this purpose have been audited by the other auditors and reports of those other auditors have been furnished to us. Our opinion on the consolidated financial statements, insofar as it relates to these entities, is based on the aforesaid audit reports of those other auditors

For B S R & Co.  
Chartered Accountants  
Firm Registration No.: 101248W

Kaushal Kishore

Partner

Membership No.: 090075

Place: Gurgaon

Date: 29 May 2013

# Consolidated Balance Sheet as at 31 March 2013

(Amount in ₹)

	Notes	As at 31 March 2013	As at 31 March 2012
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2.1	395,969,800	395,969,800
Reserves and surplus	2.2	3,066,100,000	3,133,841,845
		<b>3,462,069,800</b>	<b>3,529,811,645</b>
<b>Minority interest</b>	2.33	51,206,420	33,188,055
<b>Non-current liabilities</b>			
Long-term borrowings	2.3	1,891,370,266	1,574,993,019
Deferred tax liabilities (net)	2.4	103,416,627	98,414,273
Other long term liabilities	2.5	73,228,090	135,523,630
Long-term provisions	2.6	124,333,146	155,635,805
		<b>2,192,348,129</b>	<b>1,964,566,727</b>
<b>Current liabilities</b>			
Short-term borrowings	2.7	2,782,109,740	2,431,698,988
Trade payables	2.8	2,445,651,864	2,368,048,385
Other current liabilities	2.9	1,534,723,273	1,328,921,198
Short-term provisions	2.10	261,263,464	266,021,930
		<b>7,023,748,341</b>	<b>6,394,690,501</b>
		<b>12,729,372,690</b>	<b>11,922,256,928</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
- tangible assets	2.11	3,655,698,220	3,891,751,256
- intangible assets		1,009,231,905	975,364,549
- capital work-in-progress		676,844,338	111,363,982
Non-current investments	2.12	-	43,959,352
Long-term loans and advances	2.13	222,736,682	199,130,077
Other non-current assets	2.14	6,677,140	4,240,000
		<b>5,571,188,285</b>	<b>5,225,809,216</b>
<b>Current assets</b>			
Current investments	2.15	-	144,564,130
Inventories	2.16	2,527,428,975	2,372,984,206
Trade receivables	2.17	3,054,875,872	2,573,258,342
Cash and bank balances	2.18	575,025,741	971,841,370
Short-term loans and advances	2.13	934,523,056	610,322,652
Other current assets	2.19	66,330,761	23,477,012
		<b>7,158,184,405</b>	<b>6,696,447,712</b>
		<b>12,729,372,690</b>	<b>11,922,256,928</b>
Significant accounting policies	1		
Notes to the financial statements	2.1 to 2.34		

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For B S R & Co.  
Chartered Accountants  
Firm registration number: 101248W

For and on behalf of the Board of Directors of Minda Corporation Limited

Ashok Minda  
Chairman & Group CEO  
DIN: 00054727

Sudhir Kashyap  
Executive Director & CEO  
DIN: 06573561

Kaushal Kishore  
Partner  
Membership No.: 090075  
Place: Gurgaon  
Date: 29 May 2013

Sanjay Aneja  
Chief Financial Officer

Ajay Sancheti  
Company Secretary

Place: Gurgaon  
Date: 29 May 2013

# Consolidated Statement of Profit and Loss for the year ended 31 March 2013

(Amount in ₹)

	Notes	For the year ended 31 March 2013	For the year ended 31 March 2012
<b>Revenue</b>			
Revenue from operations (gross)	2.20	22,617,777,952	14,521,389,366
Less: Excise duty		882,027,471	666,484,333
Revenue from operations (net)		21,735,750,481	13,854,905,033
Other income	2.21	362,017,090	203,908,706
<b>Total revenue</b>		<b>22,097,767,571</b>	<b>14,058,813,739</b>
<b>Expenses</b>			
Cost of materials consumed	2.22	12,740,404,184	8,549,122,661
Purchases of stock-in-trade		305,151,755	148,573,313
Changes in inventories of finished goods, work-in-progress and stock-in-trade	2.23	22,320,255	(206,966,091)
Employee benefits expense	2.24	4,636,219,702	2,239,456,832
Finance costs	2.25	424,254,839	268,474,959
Depreciation and amortization expense	2.11	770,544,990	454,624,885
Other expenses	2.26	2,944,739,405	1,775,424,997
<b>Total expenses</b>		<b>21,843,635,130</b>	<b>13,228,711,556</b>
<b>Profit before tax, exceptional items, share in associates and minority interest</b>		<b>254,132,441</b>	<b>830,102,183</b>
Exceptional items	2.30	29,752,231	176,471,455
<b>Profit before tax, share in associates and minority interest</b>		<b>224,380,210</b>	<b>653,630,728</b>
<b>Tax expense</b>			
Current tax		169,254,136	204,267,356
Less : MAT credit entitlement		-	(72,069,815)
Net current tax		169,254,136	132,197,541
Deferred tax charge	2.4.1	17,308,091	2,903,038
Reversal of excess provision in earlier years		(12,749,105)	-
Income tax for earlier year		917,601	3,152,281
<b>Profit before share in associates and minority interest</b>		<b>49,649,487</b>	<b>515,377,868</b>
Add: Share in profit of associates		-	6,029,546
Less: Share of minority interest		(10,291,563)	2,159,632
<b>Profit for the year</b>		<b>59,941,050</b>	<b>519,247,782</b>
<b>Earnings per equity share</b>	2.2.8		
(Basic and diluted) of ₹10 per share		2.86	25.88
Significant accounting policies	1		
Notes to the financial statements	2.1 to 2.34		

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For B S R & Co.  
Chartered Accountants  
Firm registration number: 101248W

For and on behalf of the Board of Directors of Minda Corporation Limited

Ashok Minda  
Chairman & Group CEO  
DIN: 00054727

Sudhir Kashyap  
Executive Director & CEO  
DIN: 06573561

Kaushal Kishore  
Partner  
Membership No.: 090075

Sanjay Aneja  
Chief Financial Officer

Ajay Sancheti  
Company Secretary

Place: Gurgaon  
Date: 29 May 2013

Place: Gurgaon  
Date: 29 May 2013

# Consolidated Cash Flow Statement for the year ended 31 March 2013

(Amount in ₹)

	For the year ended 31 March 2013	For the year ended 31 March 2012
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before taxation and after exceptional item	224,380,210	653,630,728
<b>Adjustments for :-</b>		
Depreciation	770,544,990	454,624,885
Provision for doubtful debts and advances	11,893,911	3,235,690
Interest expense	374,898,685	268,474,959
Loss on sale/discard of fixed assets (net)	1,409,371	6,188,301
Bad debts/amounts written off	10,807,469	260,438
Exchange fluctuations (net)	(7,830,098)	4,961,526
Interest income	(61,576,591)	(60,546,128)
Profit on sale of investments	(4,525,653)	-
Liabilities / provisions no longer required written back	(112,376,642)	(13,359,294)
Dividend income on current investments	(5,438,908)	(9,914,505)
<b>Operating profit before working capital changes</b>	<b>1,202,186,744</b>	<b>1,307,556,600</b>
<b>Movement in working capital :-</b>		
(Increase)/decrease in trade receivables	(496,488,812)	(757,665,700)
(Increase)/decrease in inventories	(154,444,769)	(1,463,323,820)
(Increase)/decrease in loans and advances	(484,619,954)	(295,664)
(Increase)/decrease in other assets	(31,930,021)	16,631,659
Increase/(decrease) in other liabilities	257,912,173	(116,731,062)
Increase/(decrease) in trade payables	189,980,121	821,208,873
Increase/(decrease) in provisions	58,009,211	186,455,259
<b>Cash generated from operations</b>	<b>540,604,693</b>	<b>(6,163,855)</b>
Taxes paid	(233,563,701)	(225,805,546)
<b>Net cash (used in)/ generated from operating activities (A)</b>	<b>307,040,992</b>	<b>(231,969,401)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(1,390,946,824)	(1,565,321,559)
Sale of fixed assets	233,769,245	23,881,751
Sale / (Purchase) of current investments and non current investments	188,523,483	(144,365,178)
Dividend received	5,438,908	9,914,505
Net assets of new subsidiaries in excess of carrying value of investments	(15,863,156)	248,592,357
Investment in bank deposits held for initial maturity more than 3 months	213,483,916	90,257,678
Interest received	74,937,459	51,434,154
<b>Net cash used in investing activities (B)</b>	<b>(690,656,969)</b>	<b>(1,285,606,292)</b>

# Consolidated Cash Flow Statement for the year ended 31 March 2013

(Amount in ₹)

	For the year ended 31 March 2013	For the year ended 31 March 2012
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of share capital	-	501,500,000
Payment of dividend (incl. of tax)	(69,823,775)	(33,598,306)
Proceeds from/ (repayment) of long term borrowings	209,323,194	280,027,783
Proceeds from/ (repayment) of short term borrowings	350,410,752	1,353,676,069
Interest paid	(382,250,270)	(254,119,137)
<b>Net cash from financing activities (C)</b>	<b>107,659,901</b>	<b>1,847,486,409</b>
<b>Net increase in cash and cash equivalents (A + B + C)</b>	<b>(275,956,076)</b>	<b>329,910,716</b>
<b>Cash and cash equivalents at the beginning of the year from subsidiaries acquired during the year</b>	<b>67,873,552</b>	<b>51,490,213</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>643,831,594</b>	<b>241,104,084</b>
<b>Translation adjustment</b>	<b>27,187,951</b>	<b>21,326,581</b>
<b>Cash and cash equivalents as at the end of the year*</b>	<b>462,937,021</b>	<b>643,831,594</b>
Significant accounting policies and note to accounts 1 to 2.34		

\*Out of these, ₹ Nil (previous year ₹283,840,893) is pledged with bank for short term loans and ₹42,408,552 (previous year ₹6,340,893) as margin money against letter of credit and bank guarantee and ₹500,000 (previous year ₹ Nil) as pledged as security with sales tax department.

- The Cash Flow Statement has been prepared in accordance with the 'Indirect Method' as set out in the Accounting Standard (AS)-3 on 'Cash Flow Statements', notified by the Companies (Accounting Standards) Rules, 2006.
- Cash and cash equivalents consists of cash in hand and balances with banks. Refer note 2.18

As per our report of even date attached

For B S R & Co.  
Chartered Accountants  
Firm registration number: 101248W

For and on behalf of the Board of Directors of Minda Corporation Limited

**Ashok Minda**  
Chairman & Group CEO  
DIN: 00054727

**Sudhir Kashyap**  
Executive Director & CEO  
DIN: 06573561

**Kaushal Kishore**  
Partner  
Membership No.: 090075  
Place: Gurgaon  
Date: 29 May 2013

**Sanjay Aneja**  
Chief Financial Officer  
Place: Gurgaon  
Date: 29 May 2013

**Ajay Sancheti**  
Company Secretary

# Notes to the Consolidated Financial Statements for the year ended 31 March 2013

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 1.1. Basis of Accounting

These Consolidated financial statements have been prepared and presented on a going concern basis, under the historical cost convention on an accrual basis of accounting and comply with the Accounting Standards as specified in the Companies (Accounting Standards) Rules, 2006, other pronouncements of the Institute of Chartered Accountants of India, the relevant provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India, to the extent applicable and as adopted consistently by the Company.

### 1.2. Use of Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities, at the end of the reporting period and the reported amounts of income and expenses during the reporting period. Examples of estimates amongst others includes provisions of future obligations under employee benefit plans, the useful lives of fixed assets, provision for warranties and sales returns, customer claims, provision for price changes and impairment of assets. Actual result could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

### 1.3. Current-non-current classification

All assets and liabilities are classified into current and non-current.

#### Assets

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

- (i) It is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- (ii) It is held primarily for the purpose of being traded;
- (iii) It is expected to be realised within 12 months after the reporting date; or
- (iv) 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.

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:

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

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current

### 1.4. Principles of Consolidation

The consolidated financial statements have been prepared in accordance with accounting standard 21 on "Consolidated financial statements" and Accounting Standard (AS-23) "Accounting for investment in Associates in consolidated financial statements" issued by the Institute of Chartered Accountants of India and notified by Companies Accounting Standards rules, 2006. The Consolidated financial statements are prepared on the following basis:

- a. The financial statements of the Company and its subsidiary companies are combined on a line by line basis by adding together the book values of items of assets, liabilities, income and expenses after fully eliminating intra group balances and intra group transactions in accordance with Accounting Standard (AS-21) - "Consolidated financial statements".
- b. As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, the extent possible, in the same manner as the Company's stand alone financial statements.
- c. The financial statements of the foreign non integral subsidiaries (collectively referred to as the 'foreign non integral operations') are translated into Indian Rupees as follows:-



- Share capital and opening reserves and surplus are carried at historical cost.
  - All assets and liabilities, both monetary and non-monetary, (excluding share capital, opening reserves and surplus) are translated using the year-end rates.
  - Profit and Loss items are translated at the monthly average rates.
  - Contingent liabilities are translated at the closing rate.
  - The resulting net exchange difference is credited or debited to the foreign currency translation reserve.
- d. The difference between the costs of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the consolidated financial statements as Goodwill or Capital Reserve, as the case may be.
- e. Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- f. Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.
- g. Investment in an Associate has been accounted under the equity method as per AS-23- "Accounting for investment in Associates in Consolidated Financial Statements". Also refer to note (i) and (j).
- h. The Financial Statements of the entities used for the purpose of consolidation are drawn up to the same reporting date as that of the company's i.e. year ended March 31, 2013. Also refer to note 2.34 for status in the previous year.
- i. During the current year, the company acquired the balance equity shares of Minda Automotive Solutions Limited, to make it a wholly owned subsidiary. During the previous financial year, two companies became the Company's subsidiaries i.e. Minda Management Services Limited and Minda Schenk Plastic Solutions GmbH.
- j. As per the Accounting Standard Interpretation (ASI-15) on Notes to the Consolidated Financial Statements, only the notes involving items which are material need to be disclosed. Materiality for this purpose is assessed in relation to the information contained in the Consolidated Financial Statements. Further, additional statutory information disclosed in separate financial statements of the subsidiaries or of the parent having no bearing on the true and fair view of the Consolidated Financial Statements need not be disclosed in the Consolidated Financial Statements.

The consolidated financial statements include the financial statements of Minda Corporation Limited, ("the Company" or "Parent Company"), its subsidiaries, and associates (collectively known as "the Group").

Name of subsidiaries / associates	Country of Incorporation	Nature of Interest	% of Interest	
			2013	2012
Minda Europe B.V.	Netherlands	Subsidiary	100	100
Minda KTSN Plastic Solutions GmbH & Co. KG (LLP)	Germany	Subsidiary	100	100
KTSN Kunststofftechnik Sachsen Beteiligungs- GmbH	Germany	Step- Subsidiary	100	100
Minda Schenk Plastic Solutions GmbH	Germany	Subsidiary [w.e.f 11 October 2011]	94	94
Minda SAI Limited	India	Subsidiary [w.e.f 25 March 2011]	100	100
Mayank Auto Engineers Private Limited	India	Step- Subsidiary [w.e.f 25 March 2011]	100	100
Minda Automotive Solutions Limited (formerly known as Minda Auto Care Limited) *	India	Subsidiary [w.e.f 2 April 2012]	100	50
Minda Management Services Limited	India	Subsidiary [w.e.f 1 April 2011]	100	100

\* Associate in the previous year

### 1.5. 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. The following specific recognition criterion must also be met before revenue is recognized:

#### Sale of goods

Sales include sale of manufactured goods, tools, moulds and dies. Revenue is recognized on transfer of significant risks and rewards of ownership to the customers. Sale of goods is inclusive of excise duty and is net of sales tax, value added tax, applicable discounts and allowances and sales returns.

#### 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 on the time proportion method.

### 1.6. Fixed Assets

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

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

Moulds, dies and tools represent Group owned tools, dies and other items used in the manufacture of components specific to a customer. Cost includes engineering, testing and other direct expenses related to such tools.

### 1.7. Borrowing Cost

Borrowing costs directly attributable to acquisition, construction or production of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalized.

Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete. 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.

### 1.8. Intangible Asset

Intangible assets comprises goodwill, computer software, patents 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.

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.

### 1.9. Depreciation and amortization:

Depreciation on fixed assets is provided on the straight-line method at the rates reflective of the estimated useful life of the assets not lower than the minimum rates subscribed by respective local laws.

Depreciation on addition to fixed assets is provided on pro-rata basis from the date the assets are put to use except in case of Minda Management Services Limited, the depreciation on addition is provided on full year basis irrespective of the date of addition. Depreciation on sale/deduction from fixed assets is provided for up to the date of sale, deduction as the case may be except in case of Minda Management Services Limited in which no depreciation is charged in the year in which the asset is sold / disposed.

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

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

Individual assets costing of Rs 5,000 or less are fully depreciated in the year of acquisition.

Intangible assets comprise goodwill, computer software, patents and technical know how acquired for internal use and are stated at cost less accumulated amortization and accumulated impairment loss, if any.

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.

#### 1.10. Inventories

Inventories are valued at lower of cost and net realizable value. The basis of determination of cost for various categories of inventory is as follows:

Raw materials, components and stores and spares	: 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.
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, wherever applicable.

In the previous year, the Company implemented SAP w.e.f. 1 April 2011, which necessitated a change in its method of valuation of inventory from first-in-first-out method to weighted average method. As per Accounting Standard 2 "Valuation of Inventories", the cost of inventories should be assigned by using the first-in, first-out (FIFO) or weighted average cost formula. In view of the management, the impact of this change is not practically ascertainable due to considerable number of items involved.

Inventory is valued on weighted average basis, but in case of certain Subsidiaries i.e. Minda SAI Limited and Mayank Auto Engineers Private Limited, inventory is valued at First in first out basis. The impact on account of different accounting policy followed by these subsidiaries is not ascertainable.

#### 1.11. Impairment of Assets

The carrying amounts of assets are reviewed at each reporting date in accordance with Accounting Standard - 28 on 'Impairment of Assets' to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. An impairment loss is recognized whenever the carrying amount of an asset or cash generating unit

exceeds its recoverable amount. Impairment losses are recognized in the consolidated statement of profit and loss. 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.

#### 1.12. Foreign Currency Transactions

Transactions in foreign currency are recorded at the exchange rate prevailing at the date of the transaction. Exchange differences arising on foreign currency transactions settled during the year are recognized in the consolidated statement of profit and loss.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at year end rates. The resultant exchange differences are recognized in the consolidated statement of profit and loss. Non-monetary assets are recorded at the rates prevailing on the date of the transaction.

In the case of forward contracts:

- The premium or discount on all such contracts arising at the inception of each contract is amortized over the life of the contract.
- The exchange difference is calculated as the difference between the foreign currency amount of the contract translated at the exchange rate at the reporting date, or the settlement date where the transaction is settled during the reporting period, and the corresponding foreign currency amount translated at the later of the date of inception of the contract and the last reporting date. Such exchange differences are recognized in the consolidated statement of profit and loss in the reporting period in which the exchange rates change.
- Any profit or loss arising on the cancellation or renewal of forward contracts is recognized in the consolidated statement of profit and loss.

Investment in foreign entities is recorded at the exchange rate prevailing on the date of making the investment.

The consolidated financial statement includes subsidiaries incorporated outside India whose financial statements have been drawn up in accordance with the generally accepted accounting practices (GAAP) in India. These financial statements has been re-stated in Indian Rupees considering them as non-integral part of the Group's operations and the resultant exchange gain / loss on conversion has been carried forward as Foreign Currency Translation Reserve.

### 1.13. 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. Fixed assets 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.

### 1.14. Government Grant and Subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the Group will comply all the conditions attached with them and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset.

Where the Group receives non-monetary grants, the asset is accounted for on the basis of its acquisition cost. In case a non-monetary asset is given free of cost, it is recognized at a nominal value.

Government grants of the nature of promoters' contribution are credited to capital reserve and treated as a part of the shareholder's funds.

### 1.15. 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 India 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 defined contribution plan. These entities have no further obligations under the plan beyond its monthly contributions.

#### Defined benefit plan:

**Gratuity:** The India entities provides 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 Indian Entities on the amount payable as per the above service, based on actuarial valuation as at the balance sheet date.

#### Other employee benefit plan:

Certain overseas entities provide for other benefit employee plans, which provide for a lump sum payment to the employee 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.

**Actuarial valuation:** The liability in respect of all defined benefit plans and other long term employee benefit is accrued in the books of accounts 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.

**1.16.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.

**1.17.Leases****Where the Company is lessee**

Assets taken on lease by the Group in the capacity of a lessee, where the Group has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalized at the inception of the lease at the lower of the fair value or the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognized as operating leases. Lease rentals under operating leases are recognized in the consolidated statement of profit and loss on a straight line basis.

**Where the Company is lessor**

Leases in which the Group transfers substantially all the risks and benefits of ownership of the asset are classified as finance leases. Assets given under finance lease are recognized as a receivable at an amount equal to the net investments in the lease. After initial recognition, the Group apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance lease. The interest income is recognized in the consolidated statement of profit and loss. Initial direct costs such as legal costs, brokerage costs etc, are recognized immediately in the consolidated statement of profit and loss.

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on operating lease is recognized in the consolidated statement of profit and loss on a straight line basis over the lease term. Costs including depreciation are recognized as an expense in the consolidated statement of profit and loss. Initial direct costs such as legal costs, brokerage costs etc, are recognized immediately in the consolidated statement of profit and loss.

**1.18.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 long-term 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 of revised Schedule VI.

Long term investments (including current portion thereof) are carried at cost less any other-than-temporary diminution in value, determined separately for each individual investment.

Current investments are carried at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments i.e., equity shares, preference shares, convertible debentures etc.

Any reduction in the carrying amount and any reversals of such reductions are charged or credited to the consolidated statement of profit and loss.

**1.19.Income taxes**

Income tax expense comprises current and deferred tax in consolidated profit and loss and is the aggregate of the amounts of tax expense appearing in the separate financial statements of the Parent Company and its subsidiaries.

The current charge for income taxes is calculated in accordance with the relevant tax regulations applicable to each entity using tax rates enacted or substantially enacted at the Balance Sheet date.

Deferred tax charge or credits are recognized for the future tax consequences attributable to timing differences that result between the profit / (loss) offered for income taxes and the profit as per the consolidated financial statements. Deferred tax in respect of a timing difference which originates during the tax holiday period but reverses after the tax holiday period is recognized in the year in which the timing difference originates. For this purpose the timing differences which originate first are considered to reverse first. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the Consolidated Balance Sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realised in future; however, when there is a brought forward loss or unabsorbed depreciation under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realisation of such



assets. Deferred tax assets are reviewed as at each Balance Sheet date and written down or written up to reflect the amount that is reasonably / virtually certain to be realised.

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Group (wherever applicable) will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset, in accordance with the provisions contained in the Guidance Note on Accounting for Credit Available under Minimum Alternative Tax, issued by the ICAI, the said asset is created by way of a credit to the consolidated statement of profit and loss and shown as "MAT Credit Entitlement". The Group reviews the same at each Balance Sheet date and writes down the carrying amount of MAT, if required.

#### 1.20. 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 are 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.

#### 1.21. 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. Provisions are not discounted to its present value, and are determined based on the management's best estimate of the amount of obligation required at the year end. 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 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.

#### 1.22. 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.



## 2.1 SHARE CAPITAL

### 2.1.1 Authorised

(Amount in ₹)

Particulars	As at 31 March 2013	As at 31 March 2012
25,000,000 (previous year 25,000,000) equity shares of ₹10 each	250,000,000	250,000,000
240,000 (previous year 240,000) 0.001% cumulative redeemable preference shares of ₹800 each	192,000,000	192,000,000
	<b>442,000,000</b>	<b>442,000,000</b>

### 2.1.2 Issued, subscribed and fully paid- up

(Amount in ₹)

Particulars	As at 31 March 2013		As at 31 March 2012	
<b>a) Equity shares of ₹10 each</b>				
20,931,164 (previous year 20,931,164) shares	209,311,640		209,311,640	
Less: 534,184 (previous year 534,184) shares issued to Minda Corporation Limited Employees' Stock Option Scheme Trust but not allotted to employees (refer to note 2.1.7)	5,341,840	203,969,800	5,341,840	203,969,800
<b>b) 0.001% cumulative redeemable preference shares of ₹800 each</b>				
2,40,000 (previous year 240,000) shares		192,000,000		192,000,000
		<b>395,969,800</b>		<b>395,969,800</b>

### 2.1.3 Reconciliation of share capital outstanding as at the beginning and at the end of the year

#### a) Equity shares of ₹10 each fully paid up

Particulars	As at 31 March 2013		As at 31 March 2012	
	Number of shares	Amount (₹)	Number of shares	Amount (₹)
Balance as at the beginning of the year	20,396,980	203,969,800	9,635,990	96,359,900
Add: Shares issued during the year	-	-	11,295,174	112,951,740
Less: Share issued to Minda Corporation Limited Employees' Stock Option Scheme Trust but not allotted to employees	-	-	534,184	5,341,840
Balance as at the end of the year	<b>20,396,980</b>	<b>203,969,800</b>	<b>20,396,980</b>	<b>203,969,800</b>

#### b) 0.001% cumulative redeemable preference shares of ₹800 each fully paid up

Particulars	As at 31 March 2013		As at 31 March 2012	
	Number of shares	Amount (₹)	Number of shares	Amount (₹)
Balance as at the beginning of the year	240,000	192,000,000	175,000	140,000,000
Add: Shares issued during the year	-	-	65,000	52,000,000
Balance as at the end of the year	<b>240,000</b>	<b>192,000,000</b>	<b>240,000</b>	<b>192,000,000</b>

### 2.1.4 Rights, preferences and restrictions attached to each class of shares

#### a) Equity shares of ₹10 each fully paid up

The Company has one class of equity shares having a par value of ₹10 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.

Further, certain investors ("Investors") have "Anti dilution rights" i.e. right to further subscription and price protection, ensuring that, in the event of finalisation of the terms of sale of additional shares, the Company shall (as per the procedure set out in the Articles) offer the additional shares on the finalized terms and conditions to the investors and in the event that the Company issues any additional equity shares at a price less than the Investor acquisition cost or have or permit an FPO, at such lower price, then either the Company or promoters shall transfer such number of equity shares (as per the procedures set out in the Articles) at either no additional consideration or at the lowest possible consideration permitted under applicable law that shall be necessary to ensure that in a revised investor acquisition cost per Investor that shall be equal or lower than the price at which the additional shares are proposed to be issued. Such investors also have "pre-emptive rights" wherein any member of the promoter group shall, before selling, transferring or otherwise disposing of any of its shares to a bona fide independent third party purchaser, first give notice to the Investors and each investor shall have the right (but not the obligation) to serve on the transferor a pre-emption notice requiring the transferor to transfer to the purchaser (as per the procedures set out in the Articles), or to any person nominated by the purchaser, some or all of the sale shares at the sale price.

Each such investor shall also have the Tag-along right (subject to the other provisions of Articles and such rights as mentioned above) but not the obligation to require the transferor to cause the transferee in a transfer of equity shares to purchase from such investor, for the same consideration per equity share and upon the same terms and conditions as are to be paid and given to the transferor.

562,500 and 267,092 equity shares allotted on preferential basis to the investors and Minda Corporation Limited Employees Stock Option Scheme Trust (MCL ESOS Trust) on 3 November 2011 and 1 November 2011 respectively were locked in for a period of one year from the date of allotment.

**b) 0.001% cumulative redeemable preference shares of ₹800 each fully paid up**

The Company has 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 share 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.

**2.1.5 Details of shareholder holding more than 5% shares as at year end**

**a) Equity shares of ₹10 each fully paid up**

Name of the shareholder	As at 31 March 2013		As at 31 March 2012	
	% of total holdings	Number of shares held	% of holdings	Number of shares held
(i) Ashok Minda	19.36%	4,052,872	19.36%	4,052,872
(ii) Sarika Minda	15.95%	3,339,490	15.95%	3,339,490
(iii) Ashok Minda HUF	9.59%	2,006,690	9.59%	2,006,690
(iv) Bhagwat Sewa Trust	5.18%	1,085,070	5.18%	1,085,070
(v) Kotak Mahindra Trusteeship Services Limited A/c- Kotak Indian Growth Fund II	11.78%	2,464,810	11.78%	2,464,810
		<b>12,948,932</b>		<b>12,948,932</b>

**b) 0.001% cumulative redeemable preference shares of ₹800 each fully paid up**

Name of the shareholder	As at 31 March 2013		As at 31 March 2012	
	% of total holdings	Number of shares held	% of holdings	Number of shares held
(i) Ashok Minda	15.63%	37,500	15.63%	37,500
(ii) Sarika Minda	10.42%	25,000	10.42%	25,000
(iii) Minda Capital Limited	73.95%	177,500	73.95%	177,500
		<b>240,000</b>		<b>240,000</b>

### 2.1.6 Shares allotted as fully paid up by way of bonus shares (during five years immediately preceding 31 March 2013)

Particulars	Years (number and aggregate number of shares)					
	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
Issue of fully paid up equity shares of ₹10 each by way of bonus shares	-	10,465,582	-	-	-	6,168,565
Cumulative number of shares	17,570,522	17,570,522	7,104,940	7,104,940	7,104,940	7,104,940

### 2.1.7 Issue of shares to Minda Corporation Limited Employees' Stock Option Scheme Trust

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 Rs 1,00,000 towards initial trust fund and later on advanced a sum of ₹133,546,000 to fund the purchase of Company's equity shares by MCL ESOS trust. During the previous year, 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. In accordance with the guidance note on "Guidance Note on Accounting for Employee Share-based Payments" issued by the Institute of Chartered Accountant of India, the Company has reduced the amount of share capital consideration (including share premium) received from MCL ESOS trust for presentation purposes, with a corresponding reduction in advance to MCL ESOS trust.

## 2.2 RESERVE AND SURPLUS

### 2.2.1 Capital reserve

Particulars	(Amount in ₹)	
	As at 31 March 2013	As at 31 March 2012
Opening balance	758,913,579	73,151,080
Add: Amount arising on acquisitions during the years [refer to note 2.32 (d)]	-	248,592,357
Add: Amount arising on acquisitions during the previous year [refer to note 2.32 (b)]	-	432,768,588
Add: Capital subsidies recorded during the year*	11,726,961	23,080,638
Add: Amount transferred to Minority Interest (prior period adjustment)	(4,635,447)	-
Less: Translation adjustments relating to previous years [refer to note 2.32 (c)]	-	(7,936,701)
Less: Amount written back / repaid during the year	-	(10,742,383)
Closing balance	766,005,093	758,913,579

### 2.2.2 Securities premium account

Particulars	(Amount in ₹)	
	As at 31 March 2013	As at 31 March 2012
Opening balance	1,195,921,450	1,157,611,738
Add: Premium on issue of shares	-	575,250,080
Less: Adjustment for acquisitions made in previous years [refer to note 2.32 (b)]	-	(303,580,388)
Less: Premium on shares issued to MCL ESOS trust	-	(130,875,080)
Less: Amount utilised towards issue of fully paid up bonus shares	-	(104,655,820)
Add: Amount utilised towards issue of fully paid up bonus shares to MCL ESOS trust	-	2,670,920
Less: Amount utilised towards expenses for increase in authorised share capital	-	(500,000)
Closing balance	1,195,921,450	1,195,921,450

## 2.2.3 Revaluation reserve

(Amount in ₹)

Particulars	As at 31 March 2013	As at 31 March 2012
Opening balance	389,211,298	-
Add: Adjustment recorded in respect of acquisitions in the previous year #	-	6,134,883
Add: Amount arising out of acquisitions in the current year [refer to note 2.32 (d)]	-	384,423,511
Add: Translation adjustment	-	35,435
Less: Amount utilized during the year	(116,091,536)	(1,382,531)
Closing balance	273,119,762	389,211,298

## 2.2.4 General reserve

(Amount in ₹)

Particulars	As at 31 March 2013	As at 31 March 2012
Opening balance	152,178,791	110,600,000
Add: Amount arising on acquisitions during the year	750,000	-
Less: Adjustment recorded in respect of acquisitions in the previous year [refer to note 2.32 (b)]	-	(55,556)
Add: Amount transferred from surplus during the year	26,699,108	41,634,347
Closing balance	179,627,899	152,178,791

## 2.2.5 Foreign currency translation reserve

(Amount in ₹)

Particulars	As at 31 March 2013	As at 31 March 2012
Opening balance	(195,132,397)	93,130,899
Add: Amount transferred during the year	7,774,360	(6,963,752)
Add: Amount recorded in respect of acquisition during the previous year [refer to the note 2.32 (d)]	-	(27,616,561)
Add: Amount transferred to Minority Interest (prior period adjustment)	(2,391,705)	-
Add: Adjustment recorded in respect of reclassification of lease [refer to note 2.32 (a)]	-	(120,024,928)
Add: Translation adjustment on revaluation reserve	-	(35,435)
Less : Translation adjustments relating to previous years [refer to note 2.32(c)]	-	(133,622,620)
Closing balance	(189,749,742)	(195,132,397)

## 2.2.6 Surplus i.e. balance in statement of profit and loss

(Amount in ₹)

Particulars	As at 31 March 2013	As at 31 March 2012
Opening balance	832,749,124	1,022,474,124
Add: Adjustment recorded in respect of acquisitions in previous years [refer to note 2.32(b)]	-	(729,778,907)
Add: Amount arising on acquisitions during the previous year [refer to note 2.32 (e) and 2.33]	-	183,609,108
Add: Amount arising on acquisitions during the year [refer to note 2.32(e)]	3,699,405	-
Less: Amount of pre-acquisition profit on acquisitions during the year transferred to capital reserve [refer to note 2.32 (d)]	-	(173,406,378)
Add: Other adjustment	17,303,948	-
Less: Amount transferred to minority interest [refer to note 2.33]	-	(10,202,730)
Less: Translation adjustments relating to previous years [refer to note 2.32(c)]	-	141,559,321
Add: Net profit for the year	59,941,050	519,247,782
	913,693,527	953,502,320

Particulars	(Amount in ₹)	
	As at 31 March 2013	As at 31 March 2012
Less: Proposed dividend on		
- 0.001% cumulative redeemable preference shares at ₹0.008 per share (previous year ₹0.008 per share)	(1,920)	(1,920)
- equity shares at ₹2 per share (previous year ₹3 per share)	(41,862,412)	(62,793,492)
Less: Adjustment recorded in respect of revaluation reserve#	-	(6,134,883)
Less: Dividend distribution tax **	(3,954,549)	(10,188,554)
Less: Amount transferred to general reserves during the year	(26,699,108)	(41,634,347)
Closing balance	841,175,538	832,749,124
	3,066,100,000	3,133,841,845

\*During the current year, the Company has rectified the accounting treatment of certain grants / subsidies received by it in the previous years and has accordingly recorded amounts of ₹11,726,961 (Previous year 23,080,638) under capital reserve with corresponding adjustments to fixed assets / expenses (exceptional items), by reclassifying these amounts under Capital Subsidy from fixed assets.

\*\*During the year, the Company has received dividend from Minda Automotive Solutions Limited, a 100% subsidiary company on which ₹3,160,280 was paid as dividend distribution tax by the subsidiary company. Accordingly, the Company has taken a credit of this amount and utilised against the dividend distribution tax on the proposed dividend for the current year.

#The Group in the previous year ended 31 March 2011, had erroneously adjusted the amount of Revaluation reserve in respect of a subsidiary in the Surplus i.e. balance in statement of profit and loss. The same had been rectified in the previous year ended 31 March 2012.

#### 2.2.7 Dividend remitted in foreign currencies

Particulars	For the year ended 31 March 2013			For the year ended 31 March 2012		
	Number of non-resident shareholders	Number of shares held	Dividend remitted ₹	Number of non-resident shareholders	Number of shares held	Dividend remitted ₹
Financial year 2010-11						
- Final dividend	-	-	-	2	335,698	1,007,094
Financial year 2011-12						
- Final dividend	2	897,182	2,691,546	-	-	-

#### 2.2.8 EARNING PER SHARE

Particulars	(Amount in ₹)	
	For the year ended 31 March 2013	For the year ended 31 March 2012
<b>Net profit attributable to equity shareholders</b>		
Profit after tax	59,941,050	519,247,782
Less: Dividend payable to 0.001% cumulative redeemable preference shares	1,920	1,920
Less: Dividend distribution tax on above dividend	326	312
<b>Balance</b>	59,938,804	519,245,550
<b>Number of weighted average equity shares</b>		
Basic and diluted	20,931,164	20,065,644
<b>Nominal value of equity share (₹)</b>	10.00	10.00
<b>Earnings per share (₹) (basic and diluted)</b>	2.86	25.88

## 2.3 LONG TERM BORROWINGS

(Amount in ₹)

Particulars	Footnote	Long term maturities		Current maturities	
		As at 31 March 2013	As at 31 March 2012	As at 31 March 2013	As at 31 March 2012
<b>2.3.1 Secured</b>					
<b>Term loans</b>					
from banks	[1]	835,930,814	295,912,617	319,525,365	388,802,017
<b>Vehicle loans</b>	[2]	2,357,326	192,335	1,304,652	373,458
<b>Deferred sales tax liabilities</b>					
from Pradeshiya Industrial & Investment Corporation of U.P. Limited (PICUP)	[3]	-	2,771,848	-	21,600,541
<b>2.3.2 Unsecured</b>					
<b>Finance lease obligations</b>					
for intangibles	[4]	-	6,666,788	6,666,788	16,743,972
for land, building and plant and machinery [also refer to note 2.32 (a)]	[5]	281,766,217	480,131,851	185,327,657	200,401,275
<b>Term loans</b>					
from banks	[6]	64,402,768	119,780,495	45,460,783	44,917,688
from others	[7]	553,463,494	600,616,840	81,574,877	75,962,084
from related party	[8]	89,711,502	-	-	-
<b>Deferred sales tax liabilities</b>					
from State Industrial and Investment Corporation of Maharashtra Limited (SICOM)	[9]	63,738,145	68,920,245	5,350,652	3,463,792
		<b>1,891,370,266</b>	<b>1,574,993,019</b>	<b>645,210,774</b>	<b>752,264,827</b>
Less: Amount shown under other current liabilities [refer to note 2.9]		-	-	645,210,774	752,264,827
		<b>1,891,370,266</b>	<b>1,574,993,019</b>	<b>-</b>	<b>-</b>

## Footnotes:

S. No.	Lender	Terms of redemption / repayment	Loan outstanding as at 31 March 2013	Loan outstanding as at 31 March 2012	Details of security / guarantee
1	State Bank of India, Delhi	<ul style="list-style-type: none"> <li>Repayment terms: Quarterly instalments</li> <li>Date of maturity : 1 October, 2012</li> <li>Number of instalments : Total instalments: 16, Balance instalments: Nil</li> <li>Amount of instalment: N.A.</li> <li>Rate of interest : 1.75% per annum below State bank advance rate</li> </ul>	-	20,800,000	First pari passu charge on all fixed assets of Minda Corporation Limited, both present and future (except land and building situated at Gurgaon and fixed assets exclusively charged to other banks) and also secured by second pari passu charge on entire current assets of Minda Corporation Limited, subject to prior charge created / to be created on the specified movable assets in favour of bankers for securing working capital borrowings.
	State Bank of India, Delhi	<ul style="list-style-type: none"> <li>Repayment terms : Quarterly basis</li> <li>Date of maturity : 1 September, 2013</li> <li>Number of instalments : Total instalments: 16, Balance instalments: 2</li> <li>Amount of instalments : ₹6,400,000 in 1st instalment and ₹5,900,000 in 2nd instalment</li> <li>Rate of interest : 1.50% p.a below State bank advance rate</li> </ul>	12,300,000	37,900,000	



S. No.	Lender	Terms of redemption / repayment	Loan outstanding as at 31 March 2013	Loan outstanding as at 31 March 2012	Details of security / guarantee
	State Bank of India, Delhi	<ul style="list-style-type: none"> <li>• Repayment terms: Quarterly instalments</li> <li>• Date of maturity: 30 June 2016</li> <li>• Number of instalments : Total instalments: 12, Balance instalments: 12</li> <li>• Amount of instalment: First 10 instalment of ₹4,000,000 and last 2 instalment of ₹5,000,000.</li> <li>• Rate of interest : 1.50% p.a. above State bank advance rate</li> </ul>	50,000,000	-	First pari passu charge on all fixed assets of Minda Corporation Limited, both present and future (except land and building situated at Gurgaon and fixed assets exclusively charged to other banks) and also secured by second pari passu charge on entire current assets of Minda Corporation Limited, subject to prior charge created on the specified movable assets in favour of bankers for securing working capital borrowings.
	State Bank of Patiala, Delhi	<ul style="list-style-type: none"> <li>• Repayment terms : Quarterly instalments</li> <li>• Date of maturity : 8 July, 2013</li> <li>• Number of instalments : Total instalments: 12, Balance instalments: 2</li> <li>• Amount of instalment: ₹8,300,000 in 1st instalment and ₹8,081,968 in the 2nd instalment</li> <li>• Rate of interest : 0.25% below BPLR</li> </ul>	16,381,968	48,822,707	
	Karnataka Bank, Noida	<ul style="list-style-type: none"> <li>• Repayment terms : Monthly instalments</li> <li>• Date of maturity : 6 September 2014</li> <li>• Number of instalments : Total instalments: 60, Balance instalment: 18</li> <li>• Amount of instalments : ₹900,000 in 6 instalments and Rs 933,334 in 12 instalments</li> <li>• Rate of interest : Base rate plus 3.00% p.a</li> </ul>	16,600,000	26,200,000	First and exclusive charge over plant and machineries installed at 2D/, Ecotech III, Udyog Kendra, Greater Noida, Gat No.307, Nanekarwadi, Pune, 5/2, MIDC, Nanekarwari, Taluk Khed, Pune & E-5/2, Nanekarwadi, Chakan, Pune, Maharashtra and also secured by a second pari passu charge by way of hypothecation of current assets of Minda Corporation Limited both present and future. Further, corporate guarantee of Rs 83,943,144 is given by Minda S.M.Technocast Limited and Minda Capital Limited.
	Karnataka Bank, Noida	<ul style="list-style-type: none"> <li>• Repayment terms : Monthly installmetns</li> <li>• Period / date of maturity : 4 July, 2013</li> <li>• Number of instalments : Total instalments: 60, Balance instalment: 4</li> <li>• Amount of instalments : ₹225,000</li> <li>• Rate of interest : Base rate plus 2.50% p.a</li> </ul>	900,000	3,600,000	
	Karnataka Bank, Noida	<ul style="list-style-type: none"> <li>• Repayment terms : Monthly instalments</li> <li>• Date of maturity : 11 February 2015</li> <li>• Number of instalments : Total instalments: 54, Balance instalment: 23</li> <li>• Amount of instalments : ₹1,037,000 in 22 instalments, last instalment ₹885,044</li> <li>• Rate of interest : Base rate plus 3.00% p.a</li> </ul>	23,699,044	36,143,044	
	Karnataka Bank, Noida	<ul style="list-style-type: none"> <li>• Repayment terms : Monthly instalments</li> <li>• Period / date of maturity : 30 September 2016</li> <li>• Number of instalments : Total instalments: 54, Balance instalment: 48 for fully disbursed loan.</li> <li>• Amount of instalments : ₹1,852,000 in 32 instalments and 33rd instalment ₹927,609 for partly disbursed loan.</li> <li>• Rate of interest : Base rate plus 2.00% p.a</li> </ul>	60,191,609	18,000,100	

S. No.	Lender	Terms of redemption / repayment	Loan outstanding as at 31 March 2013	Loan outstanding as at 31 March 2012	Details of security / guarantee
	HDFC Bank Limited	<ul style="list-style-type: none"> <li>• Repayment terms : Monthly instalments</li> <li>• Period / date of maturity : 25 Mar 2017</li> <li>• Number of instalments : (Total instalments 48, Balance 48)</li> <li>• Amount of instalments : ₹1,041,500 in 47 instalments, last instalment of Rs . 1,049,500</li> <li>• Rate of interest : Base rate plus 2.00% p.a.</li> </ul>	50,000,000	-	Exclusive charge on all assets generated out of the term loan facility. Extension of charge on the property at plot no 68, sector 32, Gurgaon. Second pari passu charge on entire current assets of Minda Corporation Limited
	Axis Bank Ltd Delhi	<ul style="list-style-type: none"> <li>• Repayment terms : Quarterly instalments</li> <li>• Date of maturity : 10 December, 2012</li> <li>• Number of instalments : Total instalments : 15, Balance instalments : Nil</li> <li>• Amount of instalments : N.A.</li> <li>• Rate of interest : 2.5% below BPLR</li> </ul>	-	2,668,016	First pari passu charge on all fixed assets of Minda Corporation Limited, both present and future (except land and building situated at Gurgaon and fixed assets exclusively charged to other banks) and also secured by second pari passu charge on entire current assets of Minda Corporation Limited, subject to prior charge created/to be created on the specified movable assets in favour of bankers for securing working capital borrowings.
	Kotak Mahindra Bank Ltd	<ul style="list-style-type: none"> <li>• Repayment terms : Monthly instalments</li> <li>• Period / date of maturity : 28 Mar 2018</li> <li>• Number of instalments : (Total instalments 60, Balance 60)</li> <li>• Amount of instalments : ₹833,333</li> <li>• Rate of interest : Base rate plus 1.85% p.a.</li> </ul>	50,000,000	-	First pari passu charge on all fixed assets of Minda Corporation Limited, both present and future (except land and building situated at Gurgaon and fixed assets exclusively charged to other banks) and also secured by second pari passu charge on entire current assets of Minda Corporation Limited, subject to prior charge created on the specified movable assets in favour of bankers for securing working capital borrowings.
	Kotak Mahindra Bank Limited	<ul style="list-style-type: none"> <li>• Repayment terms : 60 equally monthly instalment from 22/7/2010</li> <li>• Date of maturity : 26 June 2015</li> <li>• No of instalment: (Total instalments : 60, Balance instalments: 27)</li> <li>• Rate of Interest: 11.50% per annum</li> </ul>	23,467,389	33,333,340	Secured by first pari passu charge on all existing and future movable and immovable fixed assets of Minda SAI Limited located at Noida, Chennai and Mumbai and second charge on all existing and future current assets of Minda SAI Limited

S. No.	Lender	Terms of redemption / repayment	Loan outstanding as at 31 March 2013	Loan outstanding as at 31 March 2012	Details of security / guarantee	
	Karnataka Bank Limited	<ul style="list-style-type: none"> <li>Repayment terms : Monthly instalments</li> <li>Date of maturity : September, 2016</li> <li>Number of instalments : Total instalments: 60, Balance instalments: 26</li> <li>Amount of instalments : ₹250,000</li> <li>Rate of interest : 15.50% p.a</li> </ul>	7,231,220	10,362,386	Secured by hypothecation of plant and machinery and other fixed assets of Mayank Auto Engineers Private Limited. It is further secured by hypothecation of equitable mortgage of deposit of original by deposit of original title deed of lease hold industrial land and building situated at plot no. 19-20, 8A, IIE SIDCUL, Haridwar, Uttarkhand and equitable mortgage of factory building situated at 2D/1 Udyog Kendra Ecotech III Greater Noida U.P. belonging to Tuff Engineering Pvt Ltd. And also, further secured by corporate guarantee of M/s Tuff Engineering Private Limited	
	Karnataka Bank Limited	<ul style="list-style-type: none"> <li>Repayment terms : Monthly instalments</li> <li>Date of maturity : June, 2015</li> <li>Number of instalments : Total instalments: 60, Balance instalments: 44</li> <li>Amount of instalments : ₹500,000</li> <li>Rate of interest : 15.50% p.a</li> </ul>	18,932,679	13,182,983		
	Karnataka Bank Limited	<ul style="list-style-type: none"> <li>Repayment terms : Monthly instalments</li> <li>Date of maturity : April, 2012</li> <li>Number of instalments : Total instalments: 34, Balance instalments: Nil</li> <li>Amount of instalments : ₹126,000</li> <li>Rate of interest : 16.25% p.a</li> </ul>	-	57,230		
	Karnataka Bank Limited	<ul style="list-style-type: none"> <li>Repayment terms : Monthly instalments</li> <li>Date of maturity : March, 2015</li> <li>Number of instalments : Total instalments: 60, Balance instalments: 24</li> <li>Amount of instalments : ₹67,500</li> <li>Rate of interest : 14.50% p.a</li> </ul>	1,331,740	1,902,565		
	State Bank of India, Frankfurt	<ul style="list-style-type: none"> <li>Repayment terms : 4 Years</li> <li>Period / date of maturity : 1 June 2013</li> <li>Number of instalments : Total instalments: 16, Balance instalments: 2</li> <li>Amount of instalments : Euro 750,000</li> <li>Rate of interest : euribore +4%</li> </ul>	52,157,850	309,208,500		
	State Bank of India, Frankfurt	<ul style="list-style-type: none"> <li>Repayment terms : 4 years</li> <li>Period / date of maturity : 1 June 2013</li> <li>Number of instalments : Total instalments: 16, Balance instalments: 8</li> <li>Amount of instalments : Euro 125,000</li> <li>Rate of interest : euribore +4.5%</li> </ul>	60,850,825	103,069,500		
	Standard Chartered Bank	<ul style="list-style-type: none"> <li>Repayment terms : 4 years</li> <li>Period / date of maturity : 29 August 2017</li> <li>Number of instalments : 16 instalments left out of 16 instalments</li> <li>Amount of instalment: Euro 625,000</li> <li>Rate of interest : Euribor + 3.14%</li> </ul>	711,411,855	-		First pari passu charge on all land & Buildings, movable fixed asset of Minda Corporation Limited (except land and buildings, situated at Gurgaon and fixed assets exclusive charge to other bank). Further secured by the corporate guarantee of Minda Corporation Limited.
	Sparkaaac Bank	<ul style="list-style-type: none"> <li>Repayment term: On demand</li> <li>Rate of interest : Linked to bank base rate applicable from time to time</li> </ul>	-	19,464,263		

S. No.	Lender	Terms of redemption / repayment	Loan outstanding as at 31 March 2013	Loan outstanding as at 31 March 2012	Details of security / guarantee
2	ICICI Bank	<ul style="list-style-type: none"> <li>• Repayment terms : Monthly instalments</li> <li>• Date of maturity : 5 May 2012</li> <li>• Number of instalments : (Total instalments 47, Balance 1)</li> <li>• Amount of instalments : ₹8,000</li> <li>• Rate of interest : 12.08% per annum</li> </ul>	-	18,028	Secured by hypothecation of vehicles.
	State Bank of India	<ul style="list-style-type: none"> <li>• Repayment terms : Quarterly instalments</li> <li>• Date of maturity : 21 Aug 2012</li> <li>• Number of instalments : (Total instalments 24, Balance 2)</li> <li>• Amount of instalments : ₹43,976</li> <li>• Rate of interest : 10.00% per annum</li> </ul>	-	202,610	
	Kotak Mahindra Prime Limited	<ul style="list-style-type: none"> <li>• Repayment terms : Quarterly instalments</li> <li>• Date of maturity : 1 Dec 2012</li> <li>• Number of instalments : (Total instalments 16, Balance 4)</li> <li>• Amount of instalments : ₹18,775</li> <li>• Rate of interest : 10.58% per annum</li> </ul>	-	131,425	
	HDFC Bank Limited	<ul style="list-style-type: none"> <li>• Repayment terms : Monthly instalments</li> <li>• Date of maturity : Sept , 2016</li> <li>• Number of instalments : Total instalments: 48, Balance instalments: 42</li> <li>• Amount of instalments : Various</li> <li>• Rate of interest : 11.50% p.a</li> </ul>	1,257,545	-	
	Kotak Mahindra Prime Limited	<ul style="list-style-type: none"> <li>• Repayment terms : Quarterly instalments</li> <li>• Date of maturity : Aug 2015</li> <li>• Number of instalments : (Total instalments 51, Balance 29)</li> <li>• Amount of instalments : Various</li> <li>• Rate of interest : 11.50% per annum</li> </ul>	2,346,144	-	
	Kotak Mahindra Prime Limited	<ul style="list-style-type: none"> <li>• Repayment terms : Quarterly instalments</li> <li>• Date of maturity : 14 Nov 2014</li> <li>• Number of instalments : (Total instalments 16, Balance 12)</li> <li>• Amount of instalments : ₹18,775</li> <li>• Rate of interest : 10.58% per annum</li> </ul>	58,289	213,730	
3	PICUP Lucknow	<ul style="list-style-type: none"> <li>• Repayment terms : Annual instalments</li> <li>• Date of maturity : 31 May, 2012</li> <li>• Number of instalments : Total instalments : 5, Balance Nil</li> <li>• Rate of interest : Not applicable</li> <li>• Other significant terms : Sales Tax Deferment Loan</li> </ul>	-	15,357,748	Second pari passu charge on fixed assets of Minda Corporation Limited (except land and building under construction situated at Gurgaon and assets exclusively charged to other banks) both present and future.
	PICUP	<ul style="list-style-type: none"> <li>• Repayment terms : Annual instalments</li> <li>• Date of maturity : 31 May, 2012</li> <li>• Number of instalments : Total instalments : 9, Balance instalments: 1</li> <li>• Amount of instalments : ₹9,014,641</li> <li>• Rate of interest : Not applicable</li> <li>• Other significant terms : Sales Tax Deferment Loan</li> </ul>	-	9,014,641	Secured by an equitable mortgage/charge against all movable and immovable properties, both present and future, of the Minda SAI Limited unit situated at Plot No.B-20,21 Hosiery Complex, Phase II Extn. Noida on first paripassu basis

S. No.	Lender	Terms of redemption / repayment	Loan outstanding as at 31 March 2013	Loan outstanding as at 31 March 2012	Details of security / guarantee
4	Leasing IQ (I Private Limited)	<ul style="list-style-type: none"> <li>Repayment terms : Quarterly EMI</li> <li>Date of maturity : 1 July, 2013</li> <li>Number of EMI : Total EMI : 12, Balance EMI: 2</li> <li>Amount of EMI : ₹4,862,363</li> <li>Rate of interest : Not applicable</li> </ul>	6,666,788	23,410,760	Unsecured
5	Kotak Mahindra Prime Limited	<ul style="list-style-type: none"> <li>Repayment terms : Quarterly EMI</li> <li>Date of maturity : 1 July, 2016</li> <li>Number of EMI : Total EMI : 20, Balance EMI: 14</li> <li>Amount of EMI : ₹948,240</li> </ul>	10,635,114	12,635,832	Unsecured
	Grisleva / Gameda	<ul style="list-style-type: none"> <li>Repayment terms : Quarterly</li> <li>Date of maturity : 2015</li> <li>Number of instalments : (Total instalments : 82, Balance instalments: 20)</li> <li>Amount of instalments : Various instalment</li> </ul>	456,458,760	667,897,294	
6	Grisleva / Gameda	<ul style="list-style-type: none"> <li>Repayment terms : Quarterly</li> <li>Date of maturity : 2015</li> <li>Number of instalments : (Total instalments : 82, Balance instalments: 20)</li> <li>Amount of instalments : Various instalment</li> </ul>	109,863,551	164,698,183	Unsecured
7	Customers (Audi / Volkswagan / Demllar / Lear / Opel)	<ul style="list-style-type: none"> <li>Repayment terms : Yearly</li> <li>Date of maturity : 31st March 2017</li> <li>Number of instalments : (Total instalments : 53, Balance instalments: 25)</li> <li>Amount of instalments : Various instalment</li> </ul>	635,038,371	676,578,923	Unsecured
8	Minda Europe GmbH	<ul style="list-style-type: none"> <li>Repayment terms : Annual instalments</li> <li>Date of maturity : 1 May, 2021</li> <li>Number of instalments : Total instalments : 11, Balance instalments: 10</li> <li>Amount of instalments : Various instalment</li> <li>Rate of interest : Not applicable</li> <li>Other significant terms : Sales Tax Deferment Loan</li> </ul>	89,711,502	-	Unsecured
9	SICOM	<ul style="list-style-type: none"> <li>Repayment terms : Annual instalments</li> <li>Date of maturity : 1 May, 2021</li> <li>Number of instalments : Total instalments : 11, Balance instalments: 10</li> <li>Amount of instalments : Various instalment</li> <li>Rate of interest : Not applicable</li> <li>Other significant terms : Sales Tax Deferment Loan</li> </ul>	69,088,797	72,384,037	Unsecured

### 2.3.3 Finance Lease- As a lessee

The Group has taken ERP software, land, building and certain plant and equipment under the finance lease arrangement. The lease term of these assets is 3 to 10 years respectively. The lease term is renewable for a further period of 3 to 10 years respectively, as mutually decided at the option of the Company.

Particulars	Minimum lease payments		Present value of minimum lease payments	
	As at 31 March 2013 ₹	As at 31 March 2012 ₹	As at 31 March 2013 ₹	As at 31 March 2012 ₹
<b>Finance Lease</b>				
Not later than one year	213,793,623	221,665,739	191,994,445	217,145,247
Later than one year but not later than five years	293,206,633	552,128,948	281,766,217	486,798,639
Total minimum lease payments	<b>507,000,256</b>	<b>773,794,687</b>	<b>473,760,662</b>	<b>703,943,886</b>
Less: Finance charges	33,239,594	69,850,801	-	-
Present value of minimum lease payments	<b>473,760,662</b>	<b>703,943,886</b>	<b>473,760,662</b>	<b>703,943,886</b>
Disclosed under:				
Long term borrowings	-	-	281,766,217	486,798,639
Other current liabilities	-	-	191,994,445	217,145,247
	-	-	<b>473,760,662</b>	<b>703,943,886</b>

## 2.4 DEFERRED TAX LIABILITIES (NET)

Particulars	(Amount in ₹)	
	As at 31 March 2013	As at 31 March 2012
<b>Deferred tax assets</b>		
- Provision for employee benefits	32,714,423	29,329,133
- Provision for doubtful recoverable	2,056,378	4,720,502
- Expenses disallowable under section 43B	4,555,848	9,510,915
- Others	5,213,932	9,178,722
<b>Total (A)</b>	<b>44,540,581</b>	<b>52,739,272</b>
<b>Deferred tax liabilities</b>		
- Excess of tax depreciation over book depreciation	140,355,694	128,496,250
- Differences arising on finance lease obligations	7,601,514	2,404,138
- Others	-	20,253,157
<b>Total (B)</b>	<b>147,957,208</b>	<b>151,153,545</b>
<b>Net deferred tax liabilities (net) (A-B)</b>	<b>103,416,627</b>	<b>98,414,273</b>

## 2.4.1 Movement in the balance of deferred tax (assets)/liabilities (net)

Particulars	(Amount in ₹)	
	As at 31 March 2013	As at 31 March 2012
Opening balance	98,414,273	84,691,000
Add: Deferred tax (assets)/liabilities acquired pursuant to acquisitions during the year	(12,305,737)	10,820,235
Add: Amount of deferred tax (assets)/liabilities created during the year	17,308,091	2,903,038
Closing balance	<b>103,416,627</b>	<b>98,414,273</b>

## 2.5 OTHER LONG TERM LIABILITIES

Particulars	(Amount in ₹)	
	As at 31 March 2013	As at 31 March 2012
<b>Others</b>		
- Security deposits	22,227,836	1,390,000
- Lease equalisation	230,000	-
- Retention money	-	975,577
- Deferred gain on sale and lease back [refer to note 2.32 (a)]	50,071,536	132,289,440
- Others	698,718	868,613
	<b>73,228,090</b>	<b>135,523,630</b>

## 2.6 LONG TERM PROVISIONS

Particulars	(Amount in ₹)	
	As at 31 March 2013	As at 31 March 2012
<b>Provision for employee benefits [refer to note 2.6.3]</b>		
- Gratuity	51,590,039	41,726,202
- Compensated absence	38,492,858	37,112,012
- Retirement and anniversary	24,758,025	3,566,411
<b>Others</b>		
- Provision for taxation (net of advances)	-	17,189,174
- Lease rent equalisation reserve	2,036,364	591,197
- Contingencies [refer to note 2.6.2]	-	48,099,100
- Provision for warranties [refer to note 2.6.1 below]	7,455,860	7,351,709
	<b>124,333,146</b>	<b>155,635,805</b>



### 2.6.1 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:

Particulars	(Amount in ₹)	
	For the year ended 31 March 2013	For the year ended 31 March 2012
At the beginning of the year	34,313,390	17,618,899
Provision for warranties arising out of acquisition during the year	-	8,987,714
Provided during the year	34,539,980	30,746,155
Utilised during the year	(28,460,370)	(23,039,378)
At the end of the year	<b>40,393,000</b>	<b>34,313,390</b>
Current portion	32,937,140	26,961,681
Non- current portion	7,455,860	7,351,709

### 2.6.2 Movement in contingencies

The Group has created a provision in respect of expected refunds of grant received during the previous years, the detail of which are as follows:

Particulars	(Amount in ₹)	
	For the year ended 31 March 2013	For the year ended 31 March 2012
At the beginning of the year	48,099,100	-
Provided during the year	3,826,107	48,099,100
Utilised during the year	(32,953,029)	-
At the end of the year	<b>18,972,178</b>	<b>48,099,100</b>
Current portion	18,972,178	-
Non- current portion	-	48,099,100

### 2.6.3 Employee benefits

#### 2.6.3.1 For Indian entities

##### a) Defined contribution plans

The Group's employee provident fund and employees' 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 2.24.

Particulars	(Amount in ₹)	
	For the year ended 31 March 2013	For the year ended 31 March 2012
Contribution towards		
- Provident fund	67,236,639	50,119,955
- Employee state insurance	5,982,514	4,320,589
	<b>73,219,153</b>	<b>54,440,544</b>

##### b) Defined benefit plans

In accordance with the Payment of Gratuity Act, 1972, the Group 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 certain entities in the Group contributes the ascertained liability to Life Insurance Corporation of India by whom the plan assets are maintained.

Particulars	(Amount in ₹)	
	For the year ended 31 March 2013	For the year ended 31 March 2012
<b>Changes in the present value of the defined benefit obligation is as follows:</b>		
Present value of defined benefit obligation at the beginning of the year	65,896,585	43,349,453
Present value of defined benefit obligation arising pursuant to acquisition during the year	12,372,375	6,369,316
Acquisition adjustment	(5,471,890)	467,577
Interest cost	6,227,727	4,176,950
Past service cost	-	-
Current service cost	13,084,959	10,531,260
Benefits paid	(7,898,304)	(2,558,284)
Actuarial (gain) / loss on obligation	3,960,929	3,560,313
Present value of defined benefit obligation at the end of the year	<b>88,172,381</b>	<b>65,896,585</b>
<b>Changes in the present value of the plan asset is as follows:</b>		
Fair value of plan asset at the beginning of the year	19,384,526	17,415,072
Fair value of plan asset arising pursuant to acquisition during the year	1,656,071	224,447
Return on plan asset	2,656,108	1,560,012
Contributions	1,516,917	484,364
Benefits paid	(737,301)	(213,120)
Actuarial gain / (loss) on obligation	35,256	(86,249)
Fair value of plan asset at the end of the year	<b>24,511,577</b>	<b>19,384,526</b>
<b>Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets:</b>		
Present value of defined benefit obligation at the end of the year	88,172,381	65,896,585
Fair value of plan asset at the end of the year	24,511,577	19,384,526
Liability as at the close of the year	<b>63,660,804</b>	<b>46,512,059</b>
Current portion	12,070,765	4,785,857
Non- current portion	51,590,039	41,726,202
<b>Expenses recognized in the consolidated statement of profit and loss:</b>		
Current service cost	13,992,516	10,531,260
Past services cost	-	-
Interest cost	6,227,727	4,176,950
Return on plan assets	(2,660,799)	(1,560,012)
Net actuarial (gain) / loss	3,930,364	3,646,562
Expenses recognized in the consolidated statement of profit and loss	<b>21,489,808</b>	<b>16,794,760</b>

Particulars	(Amount in ₹)	
	As at 31 March 2013	As at 31 March 2012
<b>Actuarial assumptions:</b>		
Discount rate	8.00%	8.50%
Expected rate of return on plan assets	8.25% - 9.15%	8.25% - 9.15%
Expected salary increase rates	5.50% - 6.00%	5.00% - 6.00%
Mortality	LIC (1994-96)	LIC (1994-96)

**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.

The plan assets are maintained with Life Insurance Corporation of India Gratuity Scheme and SBI life. The details of investments maintained by Life Insurance Corporation and SBI life are not available with the Group and have not been disclosed.

**c) Compensated absence**

The Group operates compensated absences plan, where in every employee is entitled to the benefit as per the policy of the Group in this regard. The salary for calculation of earned leave is last drawn salary. The same is payable during the service, early retirement, withdrawal of scheme, resignation by employee and upon death of employee.

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

Particulars	(Amount in ₹)	
	For the year ended 31 March 2013	For the year ended 31 March 2012
<b>Assumptions:</b>		
Discount rate	8.50%	8.50%
Salary escalation rate	5.50% - 6.00%	5.00% - 6.00%
Mortality	LIC (1994-96)	LIC (1994-96)

The liability of compensated absences in respect of employees of the Company as at 31 March 2013 amounts to ₹45,683,588 (previous year ₹40,687,974) and the expense recognised in the consolidated statement of profit and loss during the year for the same amounts to ₹16,278,500 (previous year ₹ 37,465,334).

**2.6.3.2 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 2.24.

Particulars	(Amount in ₹)	
	For the year ended 31 March 2013	For the year ended 31 March 2012
Contribution towards		
- Social security	459,615,238	161,650,174
	<b>459,615,238</b>	<b>161,650,174</b>

**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 2013 amounts to ₹35,507,358 (previous year ₹26,511,520 ) and the expense recognised in the consolidated statement of profit and loss during the year for the same amounts to ₹3,156,211 (previous year ₹34,337,093)

**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

Particulars	(Amount in ₹)	
	For the year ended 31 March 2013	For the year ended 31 March 2012
<b>Changes in the present value of the benefit obligation is as follows :</b>		
Opening balance	51,336,137	-
Present value of benefit obligation arising pursuant to acquisition during the year	-	50,988,247
Service cost	4,764,657	572,193
Interest cost	-	89,955
Obligation expired during the year	(30,706,812)	(113,135)
Net balance	25,393,982	51,537,260
Translation adjustment	(635,957)	(201,123)
Closing balance	24,758,025	51,336,137
Current portion	-	47,769,726
Non- current portion	24,758,025	3,566,411

**2.7 SHORT TERM BORROWINGS**

Particulars	Footnote	(Amount in ₹)	
		As at 31 March 2013	As at 31 March 2012
<b>2.7.1 Secured</b>			
Cash credit and working capital demand loan from banks	[1]	1,373,315,777	1,493,788,369
		<b>1,373,315,777</b>	<b>1,493,788,369</b>
<b>2.7.2 Unsecured</b>			
Cash credit and working capital demand loan from banks	[2]	689,665,865	295,581,053
Purchase order financing facility from others	[3]	200,000,000	200,000,000
Loans and advances from related parties	[4]	257,358,877	307,277,592
Bills payable	[5]	261,769,221	135,051,974
		<b>1,408,793,963</b>	<b>937,910,619</b>
		<b>2,782,109,740</b>	<b>2,431,698,988</b>

**Footnotes:**

S. No.	Lender	Terms of Repayment	Outstanding as at 31 March 2013	Outstanding as at 31 March 2012	Details of security
1	Kotak Mahindra Bank Ltd	<ul style="list-style-type: none"> <li>• Repayment term: On demand</li> <li>• Rate of interest : Linked to bank base rate applicable from time to time</li> </ul>	228,090,804	193,028,884	Secured by hypothecation of inventories and book debts, both present and future and also secured by a second charge on all fixed assets of Minda Corporation Limited, both present and future (except land and building under construction situated at Gurgaon and assets exclusively charged to other banks).
	Standard Chartered Bank		165,539,945	142,463,808	
	Karnataka Bank		60,676,939	63,953,113	
	State Bank of India		19,277,648	-	
	HDFC Bank Ltd		36,720,450	56,296,108	
	Karnataka Bank (ODFD)		-	46,110,222	Pledged against fixed deposits of ₹50,000,000.

S. No.	Lender	Terms of Repayment	Outstanding as at 31 March 2013	Outstanding as at 31 March 2012	Details of security
	Kotak Mahindra Bank (ODFD)	<ul style="list-style-type: none"> <li>Repayment term: On demand</li> <li>Rate of interest : Linked to bank base rate applicable from time to time</li> </ul>	-	136,046,080	Pledged against fixed deposits of ₹197,500,000 and also secured by hypothecation of inventories and book debts, both present and future.
	Karnataka Bank	<ul style="list-style-type: none"> <li>Repayment term: On demand</li> </ul>	20,433,428	19,653,044	Secured by hypothecation on fixed deposit of ₹30,000,000 given by Minda Corporation Limited.
	Royal Bank of Scotland	<ul style="list-style-type: none"> <li>Rate of interest : Linked to bank base rate applicable from time to time</li> </ul>	15,926,721	5,654,515	Secured by hypothecation on the entire current assets of Minda Management Services Limited both present and future. It is further guaranteed by Mr. Ashok Minda, Director of the Company.
	Kotak Mahindra Bank Ltd		5,662,016	1,061,221	Secured by hypothecation by first charge on all current assets of the Minda SAI Limited, both present and future.
	Kotak Mahindra Bank Ltd	<ul style="list-style-type: none"> <li>Repayment term: On demand</li> </ul>	23,022,345	38,255,066	Secured by hypothecation by first charge on all current assets of the Minda SAI Limited, both present and future.
	Kotak Mahindra Bank Ltd	<ul style="list-style-type: none"> <li>Rate of interest : Linked to bank base rate applicable from time to time</li> </ul>	27,717,190	29,430,292	
	HDFC Bank Limited		122,597,165	112,944,612	
	Karnataka Bank	<ul style="list-style-type: none"> <li>Rate of interest : Linked to bank base rate applicable from time to time</li> </ul>	15,680,455	15,381,524	Secured by hypothecation of plant and machinery and other fixed assets existing and/or future of Mayank Auto Engineers Private Limited. It is further secured by hypothecation of equitable mortgage of deposit of original by deposit of original title deed of lease hold industrial land and building situated at plot no. 19-20, 8A, IIE SIDCUL, Haridwar, Uttarkhand.
	State Bank of India, Frankfurt	<ul style="list-style-type: none"> <li>Repayment term: On demand</li> <li>Rate of interest :Eurobore +4%</li> </ul>	486,806,600	549,704,000	An exclusive and first ranking charge over the present and future current assets and fixed assets of Minda Schenk Plastic Solutions GmbH, Germany.
	Ceska Spontelna A.S.	<ul style="list-style-type: none"> <li>Repayment term: On demand</li> <li>Rate of interest : Linked to bank base rate applicable from time to time</li> </ul>	78,555,985	29,421,395	
	UniCredit Leasing CZ, a.s.	<ul style="list-style-type: none"> <li>Repayment term: On demand</li> <li>Rate of interest : Interest free</li> </ul>	5,788,336	-	

S. No.	Lender	Terms of Repayment	Outstanding as at 31 March 2013	Outstanding as at 31 March 2012	Details of security
	Raiffeise Bank Polska S.A.	<ul style="list-style-type: none"> <li>• Repayment terms : Monthly</li> <li>• Period / date of maturity :18.04.2013</li> <li>• Number of instalments : 12</li> <li>• Amount of instalments : 2,000,000 per month</li> <li>• Rate of interest :6.49%</li> </ul>	60,819,750	54,384,485	An exclusive and first ranking charge over the present and future current assets and fixed assets of Minda Schenk Plastic Solution, GmbH, Germany.
2	Commerce Bank	<ul style="list-style-type: none"> <li>• Repayment term: On demand</li> <li>• Rate of interest : Linked to bank base rate applicable from time to time</li> </ul>	-	97,493,577	Unsecured
	HDFC Bank		272,403,065	77,439,541	
	Sparkaaac Bank		-	17,573,625	
	ICICI Bank		417,262,800	-	
	Sachsen Bank		-	103,074,310	
3	Bajaj finance Limited	Repayable within 45 days from the date of disbursement	200,000,000	200,000,000	
4	Minda Capital Limited*	<ul style="list-style-type: none"> <li>• Repayment term: On demand</li> <li>• Rate of interest : 10.5%</li> </ul>	9,831,583	36,903,949	
	Minda Europe GmbH*	<ul style="list-style-type: none"> <li>• Repayment term: On demand</li> <li>• Rate of interest : Interest free</li> </ul>	247,527,294	270,373,643	
5	Kotak Mahindra Bank	<ul style="list-style-type: none"> <li>• Repayable within 64 days / 45 days from the date of disbursement</li> <li>• Rate of interest: 12.40%</li> </ul>	205,482,582	79,658,345	
	State Bank of India	<ul style="list-style-type: none"> <li>• Repayable within 45 days from the date of disbursement</li> <li>• Rate of interest: 11.25%</li> </ul>	45,878,567	43,189,804	
	Indusind Bank	<ul style="list-style-type: none"> <li>• Repayable within 30 days from the date of disbursement</li> <li>• Rate of interest: 12.00%</li> </ul>	10,408,072	12,203,825	

\* Enterprise in which directors of the Company and their relatives are able to exercise significant influence.



## 2.8 TRADE PAYABLES

(Amount in ₹)

Particulars	As at 31 March 2013	As at 31 March 2012
Trade payables (including acceptances)	2,445,651,864	2,368,048,385
(refer note 2.8.1 below for details of dues to micro and small enterprises included under trade payables)	2,445,651,864	2,368,048,385

## 2.8.1 Details of dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 ('Act')

(Amount in ₹)

Particulars	As at 31 March 2013	As at 31 March 2012
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:		
(i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of year		
Principal amount	129,118,820	185,325,921
Interest due on above	175,370	595,578
	<b>129,294,190</b>	<b>185,921,499</b>
(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	-	-
Interest due on above	-	-
	-	-
(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		
	-	-
	-	-
(iv) the amount of interest accrued and remaining unpaid.	48,887	25,978
	<b>48,887</b>	<b>25,978</b>
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act		
	-	-
	-	-

## 2.9 OTHER CURRENT LIABILITIES

(Amount in ₹)

Particulars	As at 31 March 2013	As at 31 March 2012
Current maturities of long term borrowings [refer to note 2.3]	645,210,774	752,264,827
Interest accrued but not due on borrowings	10,582,210	17,933,795
Other payables		
- Statutory dues payable	211,929,356	194,497,655
- Capital creditors	79,468,294	9,798,931
- Advances from customers	180,340,503	37,455,898
- Security deposits	85,000	85,000
- Salaries, wages and bonus payable	204,432,569	181,313,365
- Unamortised deferred premium on forward contracts	-	168,588
- Forward cover payable [net of receivable for previous year ₹28,406,000]	-	2,116,000
- Current portion of deferred gain on sale and lease back [refer to note 2.32 (a)]	66,762,048	66,144,000
- Others	135,912,519	67,143,139
	<b>1,534,723,273</b>	<b>1,328,921,198</b>

## 2.10 SHORT TERM PROVISION

(Amount in ₹)

Particulars	As at 31 March 2013	As at 31 March 2012
Provision for employee benefits [refer to note 2.6.3]		
Gratuity	12,070,765	4,785,857
Compensated absence	7,190,730	3,575,962
Vacations	35,507,358	26,511,520
Retirement and anniversary	-	47,769,726
Others employee benefit provisions	68,405,470	-
Others		
Provision for warranty [refer to note 2.6.1]	32,937,140	26,961,681
Provision for contingency [refer to note 2.6.2]	18,972,178	-
Provision for price decrease	19,101,476	12,182,415
Lease rent equalisation reserve	7,574	282,834
Proposed dividend	41,864,248	62,795,412
Corporate dividend tax	7,114,826	10,188,556
Provision for taxation (net of advances)	18,091,699	70,967,967
	<b>261,263,464</b>	<b>266,021,930</b>

## 2.11 FIXED ASSETS

(Amount in ₹)

	Gross block								Balance as at 31 March 2013
	Balance as at 1 April 2012	Reclassification	Addition arising out of acquisition [refer to note 2.32 (d)]	Adjustments [refer to note 2.32 (a)]	Adjustment relating to consolidation [refer to note 2.32 (b)]	Additions	Disposals	Translation adjustments	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i) = (a+b+c+d+e+f-g+h)
<b>Tangible assets</b>									
Freehold land	10,244,342	-	-	-	-	-	-	-	10,244,342
Leasehold land	82,080,398	-	-	-	-	-	-	-	82,080,398
Buildings	517,056,078	-	2,186,717	-	-	21,999,662	-	-	541,242,457
Other land and building	1,330,806,242	-	-	-	-	5,956,705	201,542,453	16,090,170	1,151,310,664
Leasehold improvements	58,845,949	-	-	-	-	35,882,093	-	-	94,728,042
Plant and equipment	3,173,931,601	-	1,596,990	-	-	523,847,438	45,668,031	(16,867,932)	3,636,840,066
Furniture and fixtures	63,353,996	-	7,290,547	-	-	22,118,745	275,808	-	92,487,479
Vehicles	14,720,901	-	10,782,918	-	-	2,127,665	11,115,191	-	16,516,293
Office equipment	351,543,270	-	15,091,131	-	-	57,508,785	15,062,152	9,496,303	418,577,337
Computer	78,898,307	-	14,261,084	-	-	8,356,913	8,894,856	-	92,621,448
<b>Assets under finance lease</b>									
Freehold land	341,264,177	-	-	-	-	-	-	3,186,265	344,450,442
Buildings	602,879,375	-	-	-	-	-	-	5,628,875	608,508,250
Plant and equipment	602,903,218	-	-	-	-	-	-	5,498,287	608,401,505
Office equipment	33,761,245	-	-	-	-	-	-	315,217	34,076,462
(A)	<b>7,262,289,099</b>	-	<b>51,209,387</b>	-	-	<b>677,798,006</b>	<b>282,558,492</b>	<b>23,347,186</b>	<b>7,732,085,186</b>
<b>Intangible assets</b>									
Goodwill on consolidation	758,988,392	-	15,863,156	-	-	-	-	-	774,851,548
Other goodwill	87,231,703	-	-	-	-	-	-	1,054,707	88,286,410
Brands / trademarks	88,586,104	-	-	-	-	59,930,761	-	1,071,083	149,587,948
Computer software	141,986,206	-	17,941,066	-	-	18,078,848	887,965	828,024	177,946,179
Technical knowhow	42,878,000	-	-	-	-	583,748	-	-	43,461,748
Patents	8,027,058	-	-	-	-	-	-	-	8,027,058
<b>Assets under finance lease</b>									
Software installation	48,791,077	-	-	-	-	-	-	-	48,791,077
(B)	<b>1,176,488,540</b>	-	<b>33,804,222</b>	-	-	<b>78,593,357</b>	<b>887,965</b>	<b>2,953,813</b>	<b>1,290,951,968</b>
<b>Grand total (A+B)</b>	<b>8,438,777,639</b>	-	<b>85,013,609</b>	-	-	<b>756,391,363</b>	<b>283,446,457</b>	<b>26,300,999</b>	<b>9,023,037,154</b>

## 2.11 FIXED ASSETS (Contd.)

(Amount in ₹)

	Accumulated depreciation/amortisation										Balance as at 31 March 2013 (s) = (j+k+l+m+n-q+r)	Balance as at 31 March 2013 (t) = (i-s)	
	Balance as at 1 April 2012	Reclassification	Addition arising out of acquisition [refer to note 2.32 (d)]	Adjustments refer to note 2.32 (a)	Charge for the year	Debited to revaluation reserve	Net charge to statement of profit and loss	On disposals	Translation adjustments				
	(j)	(k)	(l)	(m)	(n)	(o)	(p) = (n-o)	(q)	(r)				
<b>Tangible assets</b>													
Freehold land	-	-	-	-	-	-	-	-	-	-	-	10,244,342	
Leasehold land	9,736,462	-	-	-	991,977	-	991,977	-	-	-	-	10,728,439	71,351,959
Buildings	161,057,512	-	485,933	-	23,562,581	-	23,562,581	-	-	-	-	185,106,026	356,136,431
Other land and building	238,021,861	-	-	-	36,340,627	-	36,340,627	5,528,176	2,908,068	-	-	271,742,379	879,568,285
Leasehold improvements	1,076,429	-	-	-	2,924,120	-	2,924,120	-	-	-	-	4,000,549	90,727,493
Plant and equipment	1,715,087,947	-	757,279	-	375,427,343	85,090	375,342,253	18,899,713	12,490,610	-	-	2,084,863,465	1,551,976,601
Furniture and fixtures	32,440,231	-	3,086,778	-	6,981,123	-	6,981,123	161,581	-	-	-	42,346,552	50,140,928
Vehicles	6,539,074	-	5,695,724	-	2,513,769	-	2,513,769	7,017,036	-	-	-	7,731,531	8,784,762
Office equipment	191,556,405	-	5,298,158	-	50,296,340	-	502,96,340	9,960,540	1,841,362	-	-	239,031,724	179,545,613
Computer	43,735,482	-	9,258,447	-	11,786,383	-	11,786,383	6,176,941	-	-	-	58,603,370	34,018,078
<b>Assets under finance lease</b>													
Freehold land	-	-	-	-	-	-	-	-	-	-	-	-	344,450,442
Buildings	391,871,594	-	-	-	144,029,170	-	144,029,170	-	3,815,357	-	-	539,716,122	68,792,128
Plant and equipment	547,646,106	-	-	-	45,685,730	-	45,685,730	-	5,108,512	-	-	598,440,347	9,961,158
Office equipment	31,768,740	-	-	-	2,015,021	-	2,015,021	-	292,700	-	-	34,076,462	-
(A)	3,370,537,843	-	24,582,319	-	702,554,184	85,090	702,469,094	47,743,988	26,456,609	-	-	4,076,386,966	3,655,698,220
<b>Intangible assets</b>													
Goodwill on consolidation	-	-	-	-	-	-	-	-	-	-	-	-	774,851,548
Other goodwill	51,748,975	-	-	-	12,241,128	-	12,241,128	-	636,025	-	-	64,626,129	23,660,281
Brands / trademarks	24,961,715	-	-	-	13,974,157	-	13,974,157	-	313,606	-	-	39,249,479	110,338,469
Computer software	95,105,151	-	11,514,885	-	21,795,635	-	21,795,635	523,853	579,512	-	-	128,471,330	49,474,849
Technical knowhow	19,549,935	-	-	-	8,567,564	-	8,567,564	-	-	-	-	28,117,499	15,344,249
Patents	-	-	-	-	1,739,196	-	1,739,196	-	-	-	-	1,739,196	6,287,862
<b>Assets under finance lease</b>													
Software installation	9,758,215	-	-	-	9,758,215	-	9,758,215	-	-	-	-	19,516,430	29,274,647
(B)	201,123,991	-	11,514,885	-	68,075,897	-	68,075,897	523,853	1,529,143	-	-	281,720,063	1,009,231,905
<b>Grand total (A+B)</b>	<b>3,571,661,834</b>	<b>-</b>	<b>36,097,204</b>	<b>-</b>	<b>770,630,080</b>	<b>85,090</b>	<b>770,544,990</b>	<b>48,267,841</b>	<b>27,985,752</b>	<b>-</b>	<b>-</b>	<b>4,358,107,029</b>	<b>4,664,930,125</b>

2.11 FIXED ASSETS (Contd.)

(Amount in ₹)

	Gross block								Balance as at 31 March 2012
	Balance as at 1 April 2011	Reclassification	Addition arising out of acquisition [refer to note 2.32 (d)]	Adjustments [refer to note 2.32 (a)]	Adjustment relating to consolidation [refer to note 2.32 (b)]	Additions	Disposals	Translation adjustments	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i) = (a+b+c+d+e+f-g+h)
<b>Tangible assets</b>									
Freehold land	185,282,404	(175,038,062)	-	-	-	-	-	-	10,244,342
Leasehold land	82,080,398	-	-	-	-	-	-	-	82,080,398
Buildings	510,639,193	-	-	-	-	8,746,121	2,329,236	-	517,056,078
Other land and building	-	175,038,062	1,125,365,328	-	-	1,982,475	47,467	28,467,844	1,330,806,242
Leasehold improvements	15,308,854	-	-	-	-	43,537,095	-	-	58,845,949
Plant and equipment	2,246,169,788	-	664,872,057	-	-	274,630,648	36,920,118	25,179,226	3,173,931,601
Furniture and fixtures	60,005,056	-	275,196	-	-	11,137,843	8,064,099	-	63,353,996
Vehicles	11,973,422	-	2,199,565	-	-	2,926,382	2,378,468	-	14,720,901
Office equipment	143,547,213	-	191,144,812	-	-	17,705,915	6,736,511	5,881,841	351,543,270
Computer	65,742,085	-	4,743,929	-	-	16,288,201	7,875,908	-	78,898,307
<b>Assets under finance lease</b>									
Freehold land	-	-	-	295,980,879	-	-	-	45,283,298	341,264,177
Buildings	-	-	-	522,881,625	-	-	-	79,997,750	602,879,375
Plant and equipment	-	-	-	510,750,771	-	-	14,010,645	78,141,802	602,903,218
Office equipment	-	-	-	29,281,371	-	-	-	4,479,874	33,761,245
(A)	3,320,748,413	-	1,988,600,887	1,358,894,646	-	390,965,325	64,351,807	267,431,635	7,262,289,099
<b>Intangible assets</b>									
Goodwill on consolidation	774,103,972	-	-	562,721,402	(577,836,982)	-	-	-	758,988,392
Other goodwill	-	-	85,205,441	-	-	-	-	2,026,262	87,231,703
Brands / trademarks	-	-	65,089,194	-	-	21,527,530	105,010	2,074,390	88,586,104
Computer software	126,940,895	-	1,061,099	-	-	12,663,643	-	1,320,569	141,986,206
Technical knowhow	42,878,000	-	-	-	-	-	-	-	42,878,000
Patents	-	-	-	-	-	8,027,058	-	-	8,027,058
<b>Assets under finance lease</b>									
Software installation	-	-	-	-	-	48,791,077	-	-	48,791,077
(B)	943,922,867	-	151,355,734	562,721,402	(577,836,982)	91,009,308	105,010	5,421,221	1,176,488,540
<b>Grand total (A+B)</b>	<b>4,264,671,280</b>	<b>-</b>	<b>2,139,956,621</b>	<b>1,921,616,048</b>	<b>(577,836,982)</b>	<b>481,974,633</b>	<b>64,456,817</b>	<b>272,852,856</b>	<b>8,438,777,639</b>

(Amount in ₹)

	Accumulated depreciation / amortisation									Net block	
	Balance as at 1 April 2011	Reclassification	Addition arising out of acquisition [refer to note 2.32 (d)]	Adjustments refer to note 2.32 (a)	Charge for the year	Debited to revaluation reserve	Net charge to statement of profit and loss	On disposals	Translation adjustments	Balance as at 31 March 2012	Balance as at 31 March 2012
	(j)	(k)	(l)	(m)	(n)	(o)	(p) = (n-o)	(q)	(r)	(s) = (j+k+l+m+n-q+r)	(t) = (i-s)
<b>Tangible assets</b>											
Freehold land	151,917,729	(151,917,729)	-	-	-	-	-	-	-	-	10,244,342
Leasehold land	8,760,264	-	-	-	976,198	-	976,198	-	-	9,736,462	72,343,936
Buildings	139,002,977	-	-	-	22,980,691	-	22,980,691	926,156	-	161,057,512	355,998,566
Other land and building	-	151,917,729	71,091,686	-	11,615,570	1,296,849	10,318,721	-	3,396,876	238,021,861	1,092,784,381
Leasehold improvements	-	-	-	-	1,076,429	-	1,076,429	-	-	1,076,429	57,769,520
Plant and equipment	1,170,666,370	-	332,721,254	-	204,814,494	85,682	204,728,812	13,811,857	20,697,686	1,715,087,947	1,458,843,654
Furniture and fixtures	32,543,529	-	97,956	-	6,110,202	-	6,110,202	6,311,456	-	32,440,231	30,913,765
Vehicles	6,004,116	-	212,835	-	1,420,964	-	1,420,964	1,098,841	-	6,539,074	8,181,827
Office equipment	84,848,369	-	89,343,880	-	18,805,122	-	18,805,122	5,016,186	3,575,220	191,556,405	159,986,865
Computer	39,987,059	-	1,934,504	-	8,930,806	-	8,930,806	7,116,887	-	43,735,482	35,162,825
<b>Assets under finance lease</b>											
Freehold land	-	-	-	-	-	-	-	-	-	-	341,264,177
Buildings	-	-	-	287,584,894	56,761,250	-	56,761,250	-	47,525,450	391,871,594	211,007,781
Plant and equipment	-	-	-	401,304,177	80,023,558	-	80,023,558	-	66,318,371	547,646,106	55,257,112
Office equipment	-	-	-	23,006,792	4,540,900	-	4,540,900	-	4,221,048	31,768,740	1,992,505
(A)	1,633,730,413	-	495,402,115	711,895,863	418,056,184	1,382,531	416,673,653	34,281,383	145,734,651	3,370,537,843	3,891,751,256
<b>Intangible assets</b>											
Goodwill on consolidation	-	-	-	-	-	-	-	-	-	-	758,988,392
Other goodwill	-	-	48,456,757	-	2,148,883	-	2,148,883	-	1,143,335	51,748,975	35,482,728
Brands / trademarks	-	-	22,633,003	-	1,903,400	-	1,903,400	105,382	530,694	24,961,715	63,624,389
Computer software	74,814,519	-	231,308	-	15,565,138	-	15,565,138	-	4,494,186	95,105,151	46,881,055
Technical knowhow	10,974,339	-	-	-	8,575,596	-	8,575,596	-	-	19,549,935	23,328,065
Patents	-	-	-	-	-	-	-	-	-	-	8,027,058
<b>Assets under finance lease</b>											
Software installation	-	-	-	-	9,758,215	-	9,758,215	-	-	9,758,215	39,032,862
(B)	85,788,858	-	71,321,068	-	37,951,232	-	37,951,232	105,382	6,168,215	201,123,991	975,364,549
<b>Grand total (A+B)</b>	<b>1,719,519,271</b>	<b>-</b>	<b>566,723,183</b>	<b>711,895,863</b>	<b>456,007,416</b>	<b>1,382,531</b>	<b>454,624,885</b>	<b>34,386,765</b>	<b>151,902,866</b>	<b>3,571,661,834</b>	<b>4,867,115,805</b>

## 2.11 FIXED ASSETS (Contd.)

### 2.11.1 Fixed assets under operating lease where, the Company is the lessor (Already included in the above mentioned fixed assets\*)

(Amount in ₹)

Particulars	Gross block as at 1 April 2012	Accumulated depreciation / amortisation	Net Book Value as at 31 March 2013
Buildings	33,165,326	14,433,305	18,732,021
Plant and equipment	6,745,147	2,023,769	4,721,378
	<b>39,910,473</b>	<b>16,457,074</b>	<b>23,453,399</b>

\*Also refer note 2.21.1 for more details

### 2.11.2 Fixed assets under operating lease where, the Company is the lessor (Already included in the above mentioned fixed assets\*)

(Amount in ₹)

Particulars	Gross block as at 1 April 2011	Accumulated depreciation / amortisation	Net Book Value as at 31 March 2012
Buildings	33,165,326	13,181,875	19,983,451
Plant and equipment	6,745,147	1,503,527	5,241,620
	<b>39,910,473</b>	<b>14,685,402</b>	<b>25,225,071</b>

### 2.11.3 Borrowing costs

The borrowing cost capitalised during the year are ₹Nil (Previous year ₹1,105,086)

## 2.12 NON CURRENT INVESTMENTS

(Amount in ₹)

Particulars	As at 31 March 2013	As at 31 March 2012
<b>Trade investments- Unquoted and long term, at cost</b>		
<b>Investment in associates</b>		
Nil (Previous year 140,150) equity shares of ₹10 each fully paid up in Minda Automotive Solutions Limited (formerly known as Minda Auto Care Limited)*	-	37,373,276
Add: Groups share in the profits of the associate company	-	6,029,546
Other investments	-	556,530
	<b>-</b>	<b>43,959,352</b>

\* As explained in note 2.32 (e), MASL has become a 100% subsidiary of the Company w.e.f 3 April 2012

### 2.12.1 Aggregate amount of unquoted investments

(Amount in ₹)

Particulars	As at 31 March 2013	As at 31 March 2012
Aggregate amount of unquoted investments	-	43,959,352
	<b>-</b>	<b>43,959,352</b>

## 2.13 LOANS AND ADVANCES

(Amount in ₹)

Particulars	Long Term		Short Term	
	As at 31 March 2013	As at 31 March 2012	As at 31 March 2013	As at 31 March 2012
<b>Unsecured, considered good unless otherwise stated</b>				
Capital advances [also refer to note 2.32 (a)]	45,618,070	46,415,240	2,412,117	4,258,704
Security deposits	70,922,152	44,632,077	8,910,344	10,953,640
Loans and advances to related parties	-	-	24,851,890	-
Other loans and advances				
- Prepaid expenses	8,652,733	1,201,267	158,996,367	135,243,903
- Balance with excise, customs and sales tax authorities	-	-	114,968,039	101,035,146
- Advances to suppliers	-	-	382,583,889	108,098,305
- Export benefit/rebate claims receivables	-	-	49,814,115	31,186,919
- Income tax (net of provision)	54,827,771	41,127,533	32,960,609	20,300,501
- Rent equalisation reserve	995,674	-	-	-
- Recoverable on account of sale of building	-	-	48,037,241	-
- Minimum alternate tax credit entitlement	39,822,117	59,241,972	11,962,978	12,827,843
- Advances to employees [also refer to note 2.13.1]	1,898,165	6,511,988	18,723,338	16,565,519
- Others	-	-	80,302,129	169,852,172
- Advances to MCL ESOS trust for purchase of share	133,546,000	133,546,000	-	-
- Less: Amount utilised by trust for purchase of shares	(133,546,000)	(133,546,000)	-	-
<b>Considered doubtful</b>				
- Advances to employees	1,317,000	1,317,000	-	-
- Service tax credit receivable	-	-	-	1,811,550
- Insurance claim recoverable	-	-	-	271,704
Less: Provision for doubtful loans and advances	(1,317,000)	(1,317,000)	-	(2,083,254)
	<b>222,736,682</b>	<b>199,130,077</b>	<b>934,523,056</b>	<b>610,322,652</b>

## 2.13.1 Loans and advances due by officer/employee of the company

(Amount in ₹)

Particulars	As at 31 March 2013	As at 31 March 2012
Dues from other officer/employee of the Company (either severally or jointly)	313,104	340,769
	<b>313,104</b>	<b>340,769</b>



## 2.14 OTHER NON-CURRENT ASSETS

Particulars	(Amount in ₹)	
	As at 31 March 2013	As at 31 March 2012
Balance with banks	6,677,140	4,240,000
- Deposits due to mature after 12 months for the reporting date	6,677,140	4,240,000

## 2.15 CURRENT INVESTMENTS

Particulars	(Amount in ₹)	
	As at 31 March 2013	As at 31 March 2012
Investments in mutual funds (Unquoted, Non trade)		
Nil units (Previous year 1,445,208 units) of Birla Sun Life Cash Manager Fund	-	144,564,130
	-	144,564,130

## 2.15.1 Aggregate of amount of unquoted investments

Particulars	(Amount in ₹)	
	As at 31 March 2013	As at 31 March 2012
Aggregate amount of unquoted investments	-	144,564,130
	-	144,564,130

## 2.16 INVENTORIES

Particulars	(Amount in ₹)			
	As at 31 March 2013		As at 31 March 2012	
Raw materials (including packing materials and tools and dies)	1,045,196,588		1,098,921,597	
Add: Material-in-transit	49,021,518	1,094,218,106	45,742,159	1,144,663,756
Work-in-progress		378,206,619		317,338,015
Finished goods	950,278,371		758,356,831	
Add: Goods-in-transit	87,105,178	1,037,383,549	66,620,245	824,977,076
Stores and spares		17,620,701		14,619,481
Others		-		71,385,878
		2,527,428,975		2,372,984,206

## 2.17 TRADE RECEIVABLES

Particulars	(Amount in ₹)	
	As at 31 March 2013	As at 31 March 2012
Trade receivables outstanding for a period exceeding six months from the date they became due for payment		
Unsecured, considered good	208,674,909	81,034,552
Unsecured, considered doubtful	33,227,363	83,974,672
Provision for doubtful receivables	(33,227,363)	(83,974,672)
	208,674,909	81,034,552
Other trade receivables		
Unsecured, considered good	2,846,200,963	2,492,223,790
Unsecured, considered doubtful	740,432	1,289,957
Provision for doubtful receivables	(740,432)	(1,289,957)
	2,846,200,963	2,492,223,790
	3,054,875,872	2,573,258,342

## 2.18 CASH AND BANK BALANCES

Particulars	(Amount in ₹)	
	As at 31 March 2013	As at 31 March 2012
<b>Cash and cash equivalents</b>		
Balance with banks		
- Deposits with original maturity of less than three months *	42,908,552	369,455,315
- On current accounts	414,640,497	266,304,913
Cheques, drafts in hand	47,774	1,502,648
Cash in hand	5,340,198	6,568,718
	<b>462,937,021</b>	<b>643,831,594</b>
<b>Other bank balances</b>		
Balances with banks		
- Deposits due to mature within 12 months of the reporting date**	112,088,720	328,009,776
	<b>112,088,720</b>	<b>328,009,776</b>
	<b>575,025,741</b>	<b>971,841,370</b>

\*Out of these, ₹ Nil (previous year ₹283,840,893) is pledged with bank for short term loans and ₹42,408,552 (previous year ₹6,340,893) as margin money against letter of credit and bank guarantee and ₹500,000 (previous year ₹ Nil) as pledged as security with sales tax department.

\*\*Out of these, ₹87,538,947 (previous year ₹96,554,245) is held as margin money against letter of credit and bank guarantees.

## 2.19 OTHER CURRENT ASSETS

Particulars	(Amount in ₹)	
	As at 31 March 2013	As at 31 March 2012
<b>Unsecured, considered good</b>		
Unbilled revenue	6,037,275	6,050,201
Insurance claims receivable	23,122,799	33,061
Interest accrued on fixed deposits	3,972,810	8,934,165
Interest accrued on loan	60,072	8,459,585
Energy tax recoverable	29,229,898	-
Others	3,940,968	-
	<b>66,363,822</b>	<b>23,477,012</b>
Less: Provision for doubtful advances	(33,061)	-
	<b>66,330,761</b>	<b>23,477,012</b>

## 2.20 REVENUE FROM OPERATIONS

Particulars	(Amount in ₹)	
	For the year ended 31 March 2013	For the year ended 31 March 2012
<b>Sale of products</b>		
- Manufactured goods	21,596,245,221	13,969,889,268
- traded goods	634,887,663	148,573,312
<b>Other operating revenues</b>		
- Royalty / technical know how income	55,673,028	41,616,586
- Service income	197,974,918	189,616,102
- Contract income	3,787,957	-
- Scrap sales	33,154,923	42,769,259
- Job work income	70,036,977	101,606,981
- Export incentives	18,187,167	20,132,342
- Exchange fluctuations (net)	7,830,098	7,185,516
Revenue from operations (gross)	<b>22,617,777,952</b>	<b>14,521,389,366</b>
Less: Excise duty	882,027,471	666,484,333
Revenue from operations (net)	<b>21,735,750,481</b>	<b>13,854,905,033</b>

## 2.21 OTHER INCOME

(Amount in ₹)

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
Interest income		
- on fixed deposits	60,352,469	60,086,523
- on amounts overdue from customers	188,839	35,065
- on others	80,671	-
- on income tax refund	954,612	424,540
Dividend income on current investments	5,438,908	9,914,505
Profit from sale of fixed assets (net)	-	394,184
Profit on sale of investments	4,525,653	-
Liabilities / provisions no longer required written back	112,376,642	13,359,294
Rental income	6,627,604	8,299,040
Amortisation of deferred gain on sale and lease back [refer to note 2.32 (a)]	83,382,120	62,275,200
Insurance claim	52,531,188	-
Miscellaneous income	35,558,384	49,120,355
	<b>362,017,090</b>	<b>203,908,706</b>

## 2.21.1 Operating lease - as a lessor

The Group has leased some of its premises and some of its fixed assets to a third party under a fixed lease agreement that qualifies as an operating lease. Rental income for operating leases for the years ended 31 March 2013 and 31 March 2012 aggregate to ₹6,627,604 and ₹8,229,040 respectively.

## 2.22 COST OF MATERIALS CONSUMED

(Amount in ₹)

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
<b>Raw materials consumed (includes packing material and components)</b>		
Opening stock	1,144,663,756	667,773,075
Add: Translation adjustment	1,298,680	-
Add: Opening stock of subsidiary company acquired during the year	- 1,145,962,436	302,321,756 970,094,831
Add: Purchases during the year	12,682,271,287	8,724,990,266
	<b>13,828,233,723</b>	<b>9,695,085,097</b>
Less: Closing stock	1,094,218,106	1,144,663,756
Add: Translation adjustment	(6,388,567)	1,298,680
	<b>12,740,404,184</b>	<b>8,549,122,661</b>

## 2.23 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS &amp; STOCK IN TRADE

(Amount in ₹)

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
<b>Finished goods</b>		
Closing stock	1,037,383,549	824,977,076
Add: Translation adjustment	(6,079,825)	2,537,187
Less: Opening stock of subsidiary company acquired during the year	285,625,679	588,008,040
Less: Opening stock	827,514,263	97,480,273
	<b>(81,836,218)</b>	<b>142,025,950</b>
Impact of excise duty on increase / (decrease) in finished goods	720,447	(6,256,981)
<b>Work in progress</b>		
Closing stock	378,206,619	317,338,015
Add: Translation adjustment	(1,704,869)	368,219
Less: Opening stock of subsidiary company acquired during the year	-	109,903,954
Less: Opening stock	317,706,234	136,605,158
	<b>58,795,516</b>	<b>71,197,122</b>
Increase/(decrease) in inventories	<b>(22,320,255)</b>	<b>206,966,091</b>

## 2.24 EMPLOYEE BENEFITS EXPENSE

(Amount in ₹)

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
Salaries and wages	3,893,597,079	1,937,470,236
Contribution to		
- Provident fund and other funds	73,219,153	57,438,783
- Gratuity fund*	21,489,808	14,939,000
- Social security taxes	459,615,238	161,650,174
Staff welfare	188,298,424	67,958,639
	<b>4,636,219,702</b>	<b>2,239,456,832</b>

\* Net of prior period income of ₹ Nil (previous year ₹2,776,697) on account of erroneous calculation of gratuity provision as at 31 March 2011.

## 2.25 FINANCE COSTS

(Amount in ₹)

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
Interest expense		
on borrowings from banks	246,543,525	183,143,917
on borrowings from others	28,387,076	18,057,745
finance charges under finance leases [refer to note 2.32 (a)]	93,704,226	35,586,277
Exchange difference to the extent considered as an adjustment to borrowing cost	6,263,858	5,707,825
Other borrowing costs		
Premium / (discount) on borrowings	19,317,361	2,405,708
Bank charges	30,038,793	23,573,487
	<b>424,254,839</b>	<b>268,474,959</b>

## 2.26 OTHER EXPENSES

(Amount in ₹)

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
Jobwork charges	401,955,678	198,524,737
Consumption of stores and spare parts	154,684,306	121,615,482
Power and fuel	669,709,119	296,158,305
Rent (refer note 2.26.1)*	324,939,568	192,471,937
Repairs to buildings	43,859,984	23,581,495
Repairs to machinery	165,514,908	96,241,303
Repairs others	82,472,914	30,864,511
Travelling and conveyance (Include prior period of ₹347,974)	168,244,269	136,435,657
Legal and professional	168,458,872	69,077,520
Communication	86,732,182	20,577,258
Commission	729,886	-
Charity and donations	308,800	1,286,153
Bad debts/amounts written off	10,807,469	260,438
Provision for doubtful debts/advances	11,893,911	3,235,690
Management fees	-	35,249,523
Rates and taxes, excluding taxes on income	28,867,825	13,895,615
Exchange fluctuations (net)	-	7,337,106
Warranty expenses	47,171,084	46,450,058
Loss on sale/discard of fixed assets (net)	1,409,371	6,582,485
Advertisement and business promotion	28,798,466	34,770,117
Provision for inventory obsolescence	732,056	-
Royalty	1,423,792	11,636,041

(Amount in ₹)

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
Cash discount	65,868,719	2,697,860
Freight and forwarding	220,034,731	73,453,030
Insurance	53,853,801	22,919,081
Security expense	28,043,224	16,605,717
Miscellaneous expense	178,224,470	313,497,878
	<b>2,944,739,405</b>	<b>1,775,424,997</b>

\* Includes prior period reversal of ₹ nil (₹107,032,682) on account of adjustments relating to classification of a leasing arrangement for equipment from operating to finance leases.

### 2.26.1 Accounting for leases

#### Operating lease - as a lessee

The Group has taken on lease accommodation for factory, godowns for storage of inventories, offices and cars, with an option of renewal at the end of the lease term and escalation clause in a few cases. The leases are in the nature of both cancellable and non cancellable operating leases. Lease payments amounting to ₹324,939,568 (previous year ₹192,471,937) in respect of such leases have been recognized in the Statement of Profit and Loss for the year.

The future minimum lease payments in respect of non-cancellable operating leases are as follows:

(Amount in ₹)

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
<b>Minimum Lease payments due:</b>		
Not later than one year	18,632,639	38,043,263
Later than one year and not later than five years	14,896,369	94,131,047
Later than 5 year	-	4,500,000

### 2.27 CAPITAL AND OTHER COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹69,597,137 (previous year ₹123,409,857).

### 2.28 CONTINGENT LIABILITIES

(Amount in ₹)

Particulars	As at 31 March 2013	As at 31 March 2012
<b>Claims against the Company not acknowledged as debts</b>		
a) Custom duty	5,512,848	32,048,441
b) Income Tax	20,537,539	5,600,000
c) Sales tax/ VAT	34,924,536	13,604,332
d) Excise duty	9,264,521	8,692,913
e) Service Tax	1,347,422	-
<b>Others</b>		
a) Bills of exchange discounted under irrevocable letters of credit	-	68,237,716

2.29 RELATED PARTY DISCLOSURES AS REQUIRED UNDER ACCOUNTING STANDARD (AS) – 18 “RELATED PARTY DISCLOSURE”:

a) Related parties and nature of related party relationship with whom transactions have taken place

Description of relationship	Name of the party
Key Managerial Personnel	Mr. Ashok Minda - Chairman (Minda Corporation Limited) Mr. Jeevan Mahaldar - Director (Minda Corporation Limited) Mr. Praveen Gupta - Managing Director (Minda SAI Limited) Mr. Sanjay Garg - Managing Director (Mayank Auto Engineers Private Limited) Mr. Bhushan Dua - Whole Time Director (Minda Automotive Solutions Limited) Mr. Mohan Chander Joshi - Whole Time Director (Minda Automotive Solutions Limited) Mr. Tarun Kumar Banerjee - Whole Time Director (Minda Automotive Solutions Limited) (uptill 20th March 2013) Mr. Sanjay Bhagat- Whole Time Director (Minda Automotive Solutions Limited) (w.e.f. 1st April 2012)
Relative of Key Managerial Personnel	Mrs. Sarika Minda Mrs. Renu Mahaldar Mrs. Rakhi Garg
Enterprise in which directors of the Company and their relatives are able to exercise significant influence:	Minda Capital Limited Minda Furukawa Electric Private Limited Minda Industries Limited Minda International Limited Minda S.M. Technocast Limited Minda Silca Engineering Limited Minda Stoneridge Instruments Limited Minda Valeo Security Systems Private Limited Dorset Kaba Security Systems Private Limited Mars Industries Limited Minda Finance Limited Minda Sons Minda Spectrum Advisory Limited Minda Europe GmbH Minda Schenk Plastic Solutions GmbH * Minda Schenk Plastic Solutions S.P. Z O.O. Poland * Minda Schenk Plastic Solutions S.R.O. Czech Republic * Minda SAI Limited Mayank Auto Engineers Private Limited Minda Management Service Limited Minda Automotive Solutions Limited (formerly known as Minda Autocare Limited) # Minda Rika Private Limited PT Minda Asean Automotive Tuff Engineering Private Limited Jeevan Mahaldar - HUF

\* Subsidiaries w.e.f 11 Oct 2011

# Subsidiary w.e.f 3 April 2012. Prior to that Minda Automotive Solutions Limited was an Associate. Accordingly, transactions with this party have been disclosed only in respect of previous year.



## b) Details of transactions with related parties:

Party name	Sale of goods	Job work income	Other incomes / expenses recovered	Purchase of goods	Management fee paid	Rent paid	Remuneration paid	Other expenses paid / reimbursed	Investment made	Loan / advance given	Loan / advance taken
<b>Associate (In respect of previous year only) (Note 1)</b>											
- Minda Automotive Solutions Limited	(1,041,968,726)	-	-	-	-	-	-	(2,466,703)	-	-	-
<b>Enterprise in which directors of the Company and their relatives exercise significant influence:</b>											
- Minda Industries Limited	454,382,013 (413,544,250)	-	-	539,326 (501,622)	-	-	-	-	-	-	-
- Minda Silca Engineering Limited	27,227,381 (55,758,457)	-	3,600,000 (3,948,000)	89,876,715 (152,445,758)	- (3,948,000)	-	-	-	-	-	-
- Minda Stoneridge Instruments Limited	1,170,560 (21,206,455)	-	37,681,251 (6,055,178)	45,154,577 (71,781,106)	- (30,693,969)	-	-	-	-	-	-
- Minda Valeo Security Systems (P) Limited	192,514,874 (3,287,921)	24,559,397 (107,167,542)	24,254,997	12,520,537 (10,704,213)	- (21,982,854)	2,937,705 (4,733,496)	-	898,880 (5,294,400)	-	-	-
- Dorset Kaba Security Systems Private Limited	3,347,011 (2,550,088)	-	-	-	- (2,466,343)	-	-	-	-	-	-
- Mars Industries Limited	149,627 (46,764)	-	-	-	-	-	-	-	-	-	-
- Minda Furukawa Electric Private Limited	6,013,000 (5,035,951)	35,239,000 (30,942,000)	-	3,094,200 (2,483,528)	-	-	-	-	-	-	-
- Minda Rika Private Limited	13,476,244 (12,558,363)	-	-	(1,868)	-	-	-	-	-	-	-
- Minda International Limited	(4,896)	-	9,123,656	-	-	-	-	-	-	-	-
- PT Minda Asean Automotive	-	-	1,034,731 (505,860)	-	-	-	-	-	-	-	-
- Minda Capital Limited	-	-	32,303,484 (24,000)	-	-	46,380,000 (39,000,000)	-	2,966,028 (4,584,970)	-	36,413,140 (49,400,000)	-
- Minda Spectrum Advisory Limited	-	-	-	-	-	-	-	225,000 (7,903,000)	-	-	-
- Tuff Engineering Private Limited	-	-	-	-	-	9,000,000 (4,875,000)	-	-	-	-	-
- Minda Europe Gmbh	-	-	-	-	-	-	-	-	-	-	337,238,796
- Jeevan Mahaldar - HUF	-	-	-	-	-	3,069,000 (3,069,000)	-	-	-	-	-
- Minda S.M. Technocast Limited	-	-	-	-	-	8,760,000 (4,800,000)	-	-	-	-	-
<b>Key Managerial Personnel:</b>											
- Mr. Ashok Minda - Chairman of Minda Corporation Limited	-	-	-	-	-	279,000 (279,000)	17,319,600 (14,637,200)	-	-	-	-
- Mr. Jeevan Mahaldar - Director of Minda Corporation Limited	-	-	-	-	-	-	15,817,522 (18,927,525)	-	-	-	-
- Mr. Praveen Gupta - Managing Director of Minda SAI Limited	-	-	-	-	-	-	15,237,540 (15,141,539)	-	-	-	-

b) Details of transactions with related parties:

Party name	Sale of goods	Job work income	Other incomes / expenses recovered	Purchase of goods	Management fee paid	Rent paid	Remuneration paid	Other expenses paid / reimbursed	Investment made	Loan / advance given	Loan / advance taken
- Mr. Sanjay Garg - Managing Director of Mayank Auto Engineering Private Limited	-	-	-	-	-	-	3,144,000	-	-	-	-
- Mr. Bhushan Dua - Whole Time Director of Minda Automotive Solutions Limited	-	-	-	-	-	-	(2,723,172)	-	-	-	-
- Mr. Mohan Chander Joshi - Whole Time Director of Minda Automotive Solutions Limited	-	-	-	-	-	-	2,810,679	-	-	-	-
- Mr. Tarun Kumar Banerjee - Whole Time Director of Minda Automotive Solutions Limited	-	-	-	-	-	-	(1,341,837)	-	-	-	-
- Mr. Sanjay Bhagat - Whole Time Director of Minda Automotive Solutions Limited	-	-	-	-	-	-	(762,465)	-	-	-	-
- Mr. Sanjay Bhagat - Whole Time Director of Minda Automotive Solutions Limited	-	-	-	-	-	-	3,000,000	-	-	-	-
- Mr. Sanjay Bhagat - Whole Time Director of Minda Automotive Solutions Limited	-	-	-	-	-	-	(7,276,514)	-	-	-	-
- Mr. Sanjay Bhagat - Whole Time Director of Minda Automotive Solutions Limited	-	-	-	-	-	-	4,180,775	-	-	-	-
Relative of Key Managerial Personnel:											
- Mrs. Sarika Minda	-	-	-	-	-	1,800,000	-	-	-	-	-
- Mrs. Renu Mahaldar	-	-	-	-	-	(1,800,000)	-	-	-	-	-
	-	-	-	-	-	3,069,000	-	-	-	-	-
	-	-	-	-	-	(3,069,000)	-	-	-	-	-

## b) Details of transactions with related parties:

Party name	Guarantee given	Loan repaid	Sale of Fixed Assets	Purchase of Fixed Assets	Guarantee taken as at the year end	Guarantee given as at the year end	Investment as at the year end	Trade Receivable as at the year end	Payable as at the year end	Loan advance receivable at the year end	Unsecured Loan at the year end
Associate (In respect of previous year only) (Note 1)											
-Minda Automotive Solutions Limited	-	-	-	-	-	-	(37,373,276)	(213,348,397)	-	-	-
Enterprise in which directors of the Company and their relatives exercise significant influence:											
-Minda Industries Limited	-	-	-	-	-	-	-	67,446,917	364,718	-	-
-Minda Silca Engineering Limited	-	-	-	-	-	-	-	(71,096,077)	(314,579)	-	-
-Minda Stoneridge Instruments Limited	-	-	-	(2,647,080)	-	-	-	3,958,431	26,417,342	-	-
-Minda Valeo Security Systems (P) Limited	-	-	-	-	-	-	-	(16,728,100)	(32,933,075)	-	-
-Dorset Kaba Security Systems Private Limited	-	-	(3,262,161)	-	-	-	-	6,803,691	5,459,679	-	-
-Minda Rika Private Limited	-	-	-	-	-	-	-	(10,147,032)	(12,393,929)	-	-
-Minda International Limited	-	-	-	-	-	-	-	79,886,752	4,319,908	-	-
-Minda Europe GmbH	-	-	-	-	-	-	-	(33,635,364)	(3,972,836)	-	-
-Minda Capital Limited	-	32,838,394	-	-	-	-	-	1,154,618	-	-	-
-Minda Spectrum Advisory Limited	-	(54,484,970)	-	-	-	-	-	(804,451)	-	-	-
-Minda S.M.Technocast Limited	-	-	-	-	-	-	-	1,377,539	-	-	-
-Tuff Engineering Private Limited	-	-	-	-	-	-	-	(3,098,333)	-	-	-
-Mars Industries Limited	-	-	-	-	-	-	-	-	5,784,715	-	-
-Minda Furukawa Electric (P) Limited	-	-	-	-	-	-	-	(29,826)	(1,935,735)	-	-
-Jeevan Mahaldar - HUF	-	-	-	-	-	-	-	36,489,244	29,888,931	11,000,000	9,831,583
Key Managerial Personnel:	-	-	-	-	-	-	-	(11,243,902)	(15,324,889)	(5,000,000)	(36,903,949)
- Mr. Ashok Minda - Chairman	-	-	-	-	-	-	-	-	225,000	-	-
Relative of Key Managerial	-	-	-	-	-	-	-	-	(225,000)	-	-
-Ms. Renu Mahaldar	-	-	-	-	-	-	-	-	-	-	337,238,796
- Mr. Ashok Minda - Chairman	-	-	-	-	-	-	-	-	-	750,000	-
Relative of Key Managerial	-	-	-	-	-	-	-	-	-	(750,000)	-
-Ms. Renu Mahaldar	-	-	-	-	-	-	-	-	230,175	-	-

## 2.30 EXCEPTIONAL ITEM

Particulars	(Amount in ₹)	
	As at 31 March 2013	As at 31 March 2012
Provision for litigation and other contingencies	-	64,750,726
Prior period adjustment on sale and lease back pertaining to post acquisition period [refer to note 2.32 (a) below]	-	51,164,355
Prior period adjustment of Grant earlier recorded as income [also refer to note 2.2.1 and 2.2.5]	18,652,175	20,080,638
Advances Written off **	23,318,297	-
Restructuring of the activities#	(12,218,241)	-
Others *	-	40,475,736
	<b>29,752,231</b>	<b>176,471,455</b>

\* Represents prior period correction on account of excess management fees accrued in the previous year.

\*\* In the previous periods, the Company had incurred expenditure amounting to ₹23,318,297 (including ₹15,793,049 jointly with other party) in respect of potential business acquisitions and pending recovery/ capitalisation alongwith cost of investments. However, considering the elongated period with no substantial development on such potential respective acquisitions, the management considered it prudent to charge off these expenses in this year.

# During the current year, one of the step subsidiary (Minda Schenk Plastic Solutions GmbH, Germany) of the Company has carried out restructuring activity ('plan') to reduce costs and achieve operational efficiencies. Under the plan, the Company has sold of 2 buildings (amounting to ₹89,485,717), retrenched 57 employees to whom an one time amount of ₹27,794,040 has been paid as severance cost and has also incurred other costs amounting to ₹49,473,436.

2.31 The Group's operations predominantly is manufacture of automotive parts and accessories. The Group is organised in term of various geographies in which it operates.

Details of sales, year end assets and tangible assets and intangible assets are as follows:

Particulars	(Amount in ₹)	
	As at 31 March 2013	As at 31 March 2012
	<b>Revenue (Sale, net of excise duty)</b>	
Domestic	9,209,983,562	8,209,316,813
Asia	294,562,833	379,115,965
America	88,797,131	76,401,095
Europe	11,755,761,887	4,787,144,374
Total	<b>21,349,105,413</b>	<b>13,451,978,247</b>
	<b>Carrying amount of assets</b>	
Domestic	5,835,605,344	5,816,106,485
Asia	106,278,458	102,661,660
America	4,156,312	14,831,782
Europe	6,783,332,576	5,988,657,001
	<b>12,729,372,690</b>	<b>11,922,256,928</b>
	<b>Additions of Tangible fixed assets and Intangible fixed assets</b>	
Domestic		
- Tangible fixed assets	487,001,864	356,898,615
- Intangible fixed assets	52,224,249	69,481,777
	<b>539,226,113</b>	<b>426,380,392</b>
Europe		
- Tangible fixed assets	242,005,529	3,381,562,243
- Intangible fixed assets	60,173,329	735,604,666
	<b>302,178,858</b>	<b>4,117,166,909</b>

- 2.32 a) During the year ended 31 December 2005, Minda KTSN Plastic Solutions GmbH & Co KG (a subsidiary of Minda Corporation Limited w.e.f. 31 January 2007), had entered into a sale and lease back transaction with its bankers for its certain fixed assets. The transaction had continued to be treated as an operating lease since then. However, during the current year, the Group re-examined the accounting treatment of the transaction and rectified the same, whereby the arrangement is now accounted for as a finance lease in accordance with Accounting Standard 19 "Leases". The impact of such correction that pertained to the pre-acquisition period of the subsidiary was adjusted in the amount of goodwill arising on consolidation of the subsidiary in the books of the Group. The impact of such correction which pertained to the post-acquisition period and uptill the year ended 31 March 2011 was adjusted in the previous year statement of profit and loss under exceptional items. The summary of financial statement captions recorded in the previous year are as under.

(Amount in ₹)

Financial statement captions	31 March 2012	
	Debit	Credit
<b>Balance sheet captions:</b>		
Deferred gain on sale and lease back (non-current portion)	-	132,289,440
Current portion of deferred gain on sale and lease back	-	66,144,000
Free hold land	341,264,177	-
Building	602,879,375	-
Office equipment	33,761,245	-
Plant and machinery	454,398,798	-
Other tangible assets	134,493,776	-
Goodwill on consolidation	562,721,402	-
Accumulated depreciation	-	970,050,140
Finance lease obligation (non-current portion)	-	469,475,406
Current portion of finance lease obligation	-	198,421,888
Capital advances	-	481,064,912
Foreign currency translation reserve	120,024,928	-
<b>Statement of Profit and Loss captions:</b>		
Depreciation expense	140,508,420	-
Finance charge under finance leases	-	61,495,490
Amortisation of deferred gain on sale and lease back	-	62,275,200
Prior period adjustment pertaining to post acquisition period	51,164,355	-
	<b>2,441,216,476</b>	<b>2,441,216,476</b>

- b) During the previous year, the Group recomputed goodwill and capital reserve that arose on consolidation of its subsidiaries and made necessary rectification entries to correct the deficiencies in the previous calculations. Consequently, following corrections were recorded in the previous year consolidated financial statements.
- (i) In respect of a wholly owned subsidiary, the Group had recorded a capital reserve on consolidation of ₹152,805,980 as against ₹432,768,588. Further, the same in the financial statements of the year ended 31 March 2011 was netted off from the goodwill arising on consolidation of other subsidiaries within the Group.
  - (ii) In respect of another wholly owned subsidiary, the Group had recorded a goodwill on consolidation of ₹452,202,795. During the previous year, the same has been recomputed at ₹47,828,915, after taking into account the share capital, securities premium and the other reserves of the subsidiary as on the date of acquisition.
  - (iii) In respect an overseas subsidiary, the Group had recorded a goodwill on consolidation of ₹474,707,157 as against ₹148,438,074 due to errors in computing the Group's share in the equity of the subsidiary. The same had been rectified in the previous year.
  - (iv) The above resulted in decrease in goodwill on consolidation by ₹577,836,982 and increase in capital reserve by ₹432,768,588. This had resulted in an adjustment to the extent of ₹303,580,388 and ₹729,778,907 under securities premium account and surplus i.e. balance in statement of profit and loss respectively and the balance against foreign currency translation reserve.
- c) In the previous years, the Group had incorrectly adjusted certain translation adjustments aggregating ₹133,622,620 under Surplus i.e. balance in statement of profit and loss, which have been rectified during the previous year and accordingly, included under foreign currency translation reserve. Further, in the previous year, the Group had restated certain grants received by it in the previous years to adjust them in accordance with Accounting Standard 11 "The Effects of Changes in Foreign Exchange Rates". As a result, an amount of ₹7,936,701 had been reduced from capital reserve with a corresponding adjustment in foreign currency translation reserve.

d) In the previous year, the Company had acquired two subsidiaries, together with two step subsidiaries. The capital reserve on such acquisitions was computed as under –

(Amount in ₹)	
Financial statement captions	Total
Cost of investment in the subsidiary	339,883,200
(A)	<b>339,883,200</b>
Share capital	342,447,182
Capital reserve	72,621,997
Surplus i.e. balance in statement of profit and loss	173,406,378
(B)	<b>588,475,557</b>
<b>Capital reserve (B-A)</b>	<b>248,592,357</b>

Apart from above, the revaluation reserve aggregating ₹384,423,511 and the foreign currency translation reserve (in relation to step subsidiaries) aggregating ₹27,616,561 relating to the above entities, were consolidated under the respective heads and accordingly, not included in the calculation of the capital reserve above.

e) During the current year (3 April 2012), the Company has acquired the balance 50% stake in Minda Automotive Solutions Limited ('MASL'), thereby making it a wholly owned subsidiary of the Company. During the previous year, MASL was an associate (50%) of the Company. The computation of goodwill is as follows: –

(Amount in ₹)	
Financial statement captions	Total
Cost of investment in the subsidiary	47,047,611
(A)	<b>47,047,611</b>
Share capital	2,803,000
Capital reserve	1,283,547
General reserve	12,250,000
Surplus i.e. balance in statement of profit and loss	14,847,908
(B)	<b>31,184,455</b>
<b>Goodwill (A-B)</b>	<b>15,863,156</b>

### 2.33 MINORITY INTEREST

(Amount in ₹)		
Particulars	As at 31 March 2013	As at 31 March 2012
Opening balance	33,188,055	-
Add :		
- Share capital (further investment)	21,282,776	20,825,693
- Share in pre-acquisition profits/reserves (prior period adjustment)	7,027,152	10,202,730
- Share in post-acquisition profits / (loss)	(10,291,563)	2,159,632
Closing balance	<b>51,206,420</b>	<b>33,188,055</b>



**2.34** As mentioned in the Summary of Significant Accounting Policies, the financial statement of the entities used for the purpose of consolidation are drawn up to the same reporting date as that of the company's i.e. year ended March 31, 2013. In the previous year, the Financial Statements of the entities used for the purpose of consolidation were drawn up to the same reporting date as that of the Company's i.e. year ended 31 March 2012, except for financial statements of Minda KTSN Plastic Solutions GmbH & Co. KG (LLP), KTSN Kunststefftechnik Sachsen Beteiligungs- GmbH and Minda Schenk Plastic Solutions GmbH, which were drawn up to 31 December 2011. In the current year, the financial statements of the above subsidiaries are also drawn up to the same reporting date as that of the Company's i.e. 31 March 2013 to align the reporting periods. Accordingly, the Financial Statements of the current year are not comparable with the previous year, as the results of the current year include the results for the 15 months ended 31 March 2013 in respect of the above mentioned subsidiaries, as against 12 months ended 31 December 2011 (or shorter period in case of acquisition during the period) in the previous year.

As per our report of even date attached

For **B S R & Co.**  
Chartered Accountants  
Firm registration number: 101248W

For and on behalf of the Board of Directors of Minda Corporation Limited

**Ashok Minda**  
Chairman & Group CEO  
DIN: 00054727

**Sudhir Kashyap**  
Executive Director & CEO  
DIN: 06573561

**Kaushal Kishore**  
Partner  
Membership No.: 090075  
Place: Gurgaon  
Date: 29 May 2013

**Sanjay Aneja**  
Chief Financial Officer

**Ajay Sancheti**  
Company Secretary

Place: Gurgaon  
Date: 29 May 2013

Statement Pursuant to Direction Issued by Ministry of Corporate Affairs Vide General Circular No. 2/2011 Dated 8th February 2011 Under Section 212(8) of the Companies Act, 1956

1	Name of the Subsidiary Company	Minda KTSN Plastic Solutions GmbH & Co. KG		KTSN Kunststofftechnik Sachsen Beteiligungs-GmbH		Minda Europe B.V.		Minda SAJ Limited		Minda Management Services Limited		Minda Automotive Solutions Limited		Mayank Auto Engineers Private Limited		Minda Schenk Plastic Solutions GmbH		Minda Schenk Plastic Solutions S.r.o.		Minda Schenk Plastic Solutions S.p. Z.o.o.		
		Germany	Germany	Germany	Netherlands	India	India	India	India	India	India	India	India	India	Germany	Czech Republic	Poland	Germany	Czech Republic	Poland	Germany	Czech Republic
2	Country of Incorporation	Amount in Euro	Amount in ₹	Amount in Euro	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹	Amount in Euro	Amount in ₹	Amount in ₹	Amount in Euro	Amount in ₹	Amount in Czech Crowns	Amount in ₹	Amount in Zloty	Amount in ₹
a)	Capital	18,272,001	1,122,443,135	25,000	1,504,984	16,948,800	307,710,800	500,000	2,803,000	88,000,000	2,803,000	2,803,000	2,803,000	10,420,000	718,553,385	145,000,000	391,834,117	997,500	145,000,000	391,834,117	997,500	16,594,092
b)	Reserve	(12,664,939)	(826,361,235)	(1,240)	(81,309)	5,848,839	629,565,346	12,170,261	20,925,686	390,966,288	20,925,686	20,925,686	20,925,686	(521,039)	(36,235,051)	43,296,000	116,998,965	4,610,867	43,296,000	116,998,965	4,610,867	76,704,912
c)	Total Assets	37,709,344	2,535,506,253	28,061	1,951,493	41,681,309	2,722,525,540	184,331,288	422,299,476	1,179,525,335	422,299,476	422,299,476	422,299,476	45,911,318	3,192,847,527	324,725,000	877,505,749	19,331,980	324,725,000	877,505,749	19,331,980	321,600,641
d)	Total Liabilities	37,709,344	2,535,506,253	28,061	1,951,493	41,681,309	2,722,525,540	184,331,288	422,299,476	1,179,525,335	422,299,476	422,299,476	422,299,476	45,911,318	3,192,847,527	324,725,000	877,505,749	19,331,980	324,725,000	877,505,749	19,331,980	321,600,641
e)	Details of investment (Except in case of investment in subsidiary company)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
f)	Turnover	50,461,189	3,506,302,816	-	-	2,518,368	3,624,496,097	270,706,145	1,641,819,727	522,227,885	1,641,819,727	1,641,819,727	1,641,819,727	90,490,672	6,287,757,037	577,159,000	1,558,343,653	32,598,695	577,159,000	1,558,343,653	32,598,695	542,064,483
g)	Profit before Taxation	(1,980,162)	(137,591,836)	-	-	(4,581,542)	225,572,553	(8,093,367)	4,629,250	28,861,711	4,629,250	4,629,250	4,629,250	(1,151,411)	(80,005,950)	39,045,000	105,422,471	161,640	39,045,000	105,422,471	161,640	2,687,824
h)	Provision for Taxation	-	-	-	-	-	-	(2,301,999)	6,749,000	7,931,700	6,749,000	6,749,000	6,749,000	66,540	4,623,524	2,580,000	6,966,064	49,598	2,580,000	6,966,064	49,598	824,728
i)	Profit After Taxation	(1,980,162)	(137,591,836)	-	-	(4,581,542)	151,176,022	(5,791,368)	(2,164,750)	20,930,011	(2,164,750)	(2,164,750)	(2,164,750)	(1,217,951)	(84,629,474)	36,465,000	98,456,407	112,043	36,465,000	98,456,407	112,043	1,863,096
j)	Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

# Corporate Information

## REGISTERED OFFICE

36A, Rajasthan Udyog Nagar,  
Delhi – 110 033, India

## OFFICES

- D-6-11, Sector-59, Noida, U.P. - 201301, India
- Plot No. 68, Echelon Institutional Area, Sector-32, Gurgaon - 122001, Haryana, India

## WEBSITE

[www.minda.co.in](http://www.minda.co.in)

## COMPANY SECRETARY & COMPLIANCE OFFICER

Ajay Sancheti

## STATUTORY AUDITORS

M/s. B S R & Co., Chartered Accountants  
Building No. 10, 8th Floor, Tower - B,  
DLF Cyber City, Phase - II, Gurgaon,  
Haryana - 122 002, India

## COST AUDITORS

M/s. Chandra Wadhwa & Co., Cost Accountants  
204, Krishna House, 4805/24, Bharat Ram Road,  
Daryaganj, New Delhi - 110002

## INTERNAL AUDITORS

M/s. Protiviti Consulting Private Limited  
1st Floor, Godrej Coliseum,  
Unit No. 101, B Wing, Somaiya Hospital Road,  
Sion (East), Mumbai – 400 022, India

## REGISTRAR AND SHARE TRANSFER AGENT

Skyline Financial Services Private Limited  
123, Vinobha Puri, Lajpat Nagar, Phase – II,  
New Delhi – 110 024, India

## BANKERS

State Bank of India  
Kotak Mahindra Bank Ltd.  
Standard Chartered Bank  
State Bank of Patiala  
Karnataka Bank Limited  
Axis Bank Limited  
HDFC Bank Limited  
Indusind Bank Limited

## PLANT LOCATIONS, INDIA

- D-6-11, Sector -59, Noida, U.P. - 201 301
- 2D/2, Udyog Kendra, Ecotech-III, Greater Noida, U.P. - 201 306
- E-5/2, Nanekarwadi, Chakan, Pune, Maharashtra - 410 501
- Gat No. 307, Nanekarwadi, Chakan, Tal-Khed, Dist. Pune, Maharashtra - 410 501
- Plot No. 9, Sec-10, IIE Pantnagar, Udham Singh Nagar, Uttarakhand - 263 153
- Plot No. 9A Sec-10, IIE Pantnagar, Udham Singh Nagar, Uttarakhand - 263 153
- K-150, MIDC, Waluj, Aurangabad, Maharashtra - 431 136
- Plot No. G-1, Phase-III, Chakan Industrial Area, Chakan, Pune, Maharashtra - 410 501

## SUBSIDIARIES

- Minda KTSN Plastic Solutions GmbH & Co. KG, Germany
- Minda Europe B.V., Netherlands
- Minda SAI Limited, India
- Minda Management Services Limited, India
- Minda Automotive Solutions Limited, India
- Mayank Auto Engineers Private Limited (Step-Subsidiary), India
- Minda Schenk Plastic Solutions GmbH (Step-Subsidiary), Germany
- Minda Schenk Plastic Solutions S.r.o., (Step-Subsidiary), Czech Republic
- Minda Schenk Plastic Solutions Sp. z.o.o. (Step-Subsidiary), Poland
- KTSN Kunststofftechnik Sachsen Beteiligungs GmbH (Step-Subsidiary), Germany





ASHOK MINDA GROUP

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**REGISTERED OFFICE**

36A, Rajasthan Udyog Nagar, Delhi – 110 033, India