

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of Toyoda Gosei Minda India Private Limited

### **Report on the Audit of the Consolidated Financial Statements**

#### **Opinion**

We have audited the accompanying consolidated financial statements of Toyoda Gosei Minda India Private Limited (hereinafter referred to as "the Holding Company"), its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31 2023, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports on separate financial statements and on the other financial information of the subsidiary, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2023, their consolidated profit and their consolidated cash flows for the year ended on that date.

#### **Basis for Opinion**

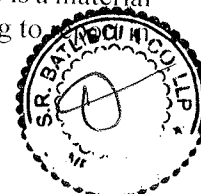
We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial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

#### **Other Information**

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

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

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



### **Responsibilities of Management for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act 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 principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, (as amended). The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

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

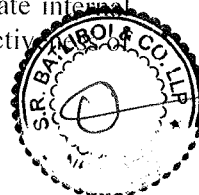
Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

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



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. We remain solely responsible for our audit opinion.

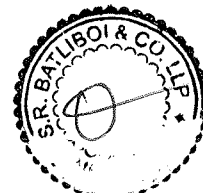
We communicate with those charged with governance of the Holding Company and such other entity included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the financial statements and other financial information certified by the Management.

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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report on separate financial statements and the other financial information of the subsidiary company we give in the "Annexure 1" a statement on the matters specified in paragraphs 3(xxi) of the Order.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report on separate financial statements and the other financial information of subsidiary we report, to the extent applicable, that:



- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Companies (Accounting Standards) Rules, 2015 as amended, specified under section 133 of the Act;
- (e) On the basis of the written representations received from the directors of the Group on March 31, 2023 taken on record by the Board of Directors of the Group none of the directors of the Group is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Holding Company and its subsidiary company for the year ended March 31, 2023;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report on separate financial statements as also the other financial information of the subsidiary:
  - i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated financial statements – Refer Note 37 to the consolidated financial statements;
  - ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2023;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary during the year ended March 31, 2023.
  - iv. a) The respective managements of the Holding Company and its subsidiary whose financial statements have been audited under the Act have represented to us that, to the best of its knowledge and belief, as disclosed in the note 49 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or such subsidiary to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons



entities identified in any manner whatsoever by or on behalf of the respective Holding Company or such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its subsidiary whose financial statements have been audited under the Act have represented to us that, to the best of its knowledge and belief, as disclosed in the note 49 to the consolidated financial statements, no funds have been received by the respective Holding Company or such subsidiary from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or such subsidiary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

- v. The interim dividend declared and paid during the year by the subsidiary company is in accordance with section 123 of the Act.

As stated in note 44 to the consolidated financial statements, the Board of Directors of the subsidiary company have proposed final dividend for the year which is subject to the approval of the members of the company at the respective ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

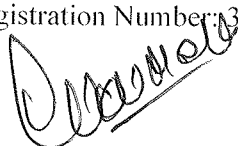
No dividend has been declared or paid during the year by the Holding Company.

- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable only w.e.f. April 1, 2023 for the Holding Company and its subsidiary company, hence reporting under this clause is not applicable.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



**Per Vikas Mehra**

Partner

Membership Number: 094421

UDIN: 23094421BGYFTI1396

Place of Signature: New Delhi

Date: May 09, 2023

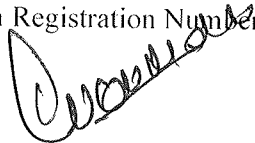


**Annexure 1 referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory requirements” of our report of even date**

**Re: Toyoda Gosei Minda India Private Limited (“the Holding Company”)**

(xxi) There are no disqualifications or adverse remarks in the Companies (Auditors Report) Order (CARO) reports of the subsidiary company included in the consolidated financial statements. Accordingly, the requirement to report on clause 3 (xxi) of the Order is not applicable to the Holding Company.

For **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005



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**Per Vikas Mehra**

Partner

Membership Number: 094421

UDIN: 23094421BGYFTI1396

Place of Signature: New Delhi

Date: May 09, 2023



**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF TOYODA GOSEI MINDA INDIA PRIVATE LIMITED**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of Toyoda Gosei Minda India Private Limited (herein referred to as the "Holding Company") as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), which are companies incorporated in India, as of that date.

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

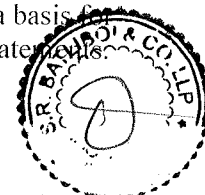
The respective Board of Directors of the companies included in the Group, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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



**Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements**

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

**Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements**

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

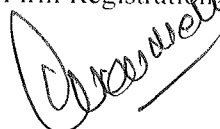
**Opinion**

In our opinion, the Group, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



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**per Vikas Mehra**

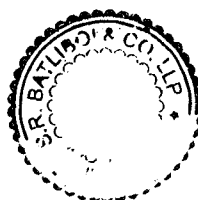
Partner

Membership Number: 094421

UDIN: 23094421BGYFTI1396

Place of Signature: New Delhi

Date: May 09, 2023





**Toyoda Gosei Minda India Private Limited**  
**Consolidated Balance Sheet as at March 31, 2023**  
**(Amounts in Rupees million, unless otherwise stated)**

	Notes	As at March 31, 2023	As at March 31, 2022
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	4,122.79	3,283.10
Capital work-in-progress	3	286.12	763.49
Intangible assets	3	20.82	17.22
Right of Use assets	46	487.29	463.96
Financial assets			
(i) Investments	4	0.06	0.11
(ii) Other financial assets	6	118.33	42.84
Deferred tax Asset (Net) (including MAT credit entitlement)	14	86.74	93.00
Other non-current assets	7	138.84	92.80
		<u>5,260.99</u>	<u>4,756.52</u>
<b>Current Assets</b>			
Inventories	8	1,328.60	1,307.52
Financial assets			
(i) Loans	5	5.23	2.34
(ii) Trade receivables	9	1,671.51	1,543.69
(iii) Cash and cash equivalents	10	476.04	68.41
(iv) Other financial assets	6	20.96	4.00
Other current assets	7	438.10	873.93
Deferred tax Asset (Net) (including MAT credit entitlement)	14	-	79.56
Assets held for sale	11	53.75	53.75
		<u>3,994.20</u>	<u>3,933.20</u>
<b>Total assets</b>		<u><u>9,255.19</u></u>	<u><u>8,689.72</u></u>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	12	5,100.00	5,100.00
Other Equity			
(i) Retained earning		480.31	(224.10)
<b>Equity attributable to Equity holders of the parent</b>		<u>5,580.31</u>	<u>4,875.90</u>
Non-controlling interest		86.94	70.39
<b>Total Equity</b>		<u>5,667.26</u>	<u>4,946.29</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
(i) Borrowings	13	187.50	379.61
(ii) Lease Liability	16	316.12	168.95
(iii) Other financial liabilities	18	-	0.49
Deferred tax Liab. (Net) (including MAT credit entitlement)			
Net employee defined benefit liabilities	15	35.11	31.70
Provisions	19	37.33	43.03
		<u>576.06</u>	<u>623.78</u>
<b>Current Liabilities</b>			
Financial liabilities			
(i) Borrowings	13	737.76	639.52
(ii) Lease Liability	16	85.74	25.01
(iii) Trade payables	17		
- Total outstanding dues of micro enterprises and small enterprises		94.47	89.30
- Total outstanding dues of creditors other than micro enterprises and small enterprises		1,487.04	1,323.89
(iv) Other financial liabilities	18	222.57	198.88
Contract Liabilities	21	-	655.64
Provisions	19	35.20	16.60
Net employee defined benefit liabilities	15	54.83	49.12
Other current liabilities	20	267.65	116.21
Liabilities for current tax (net)	14	26.62	5.48
<b>Total liabilities</b>		<u>3,587.94</u>	<u>3,743.43</u>
<b>Total equity and liabilities</b>		<u><u>9,255.19</u></u>	<u><u>8,689.72</u></u>

**Summary of significant accounting policies**

2.3

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R.Batliboi & Co. LLP  
ICAI Firm Registration Number: 301003E/E300005  
Chartered Accountants

per Vikas Mehra  
Partner  
Membership No. : 094421



Place: New Delhi  
Date: 09 May, 2023

For and on behalf of the Board of Directors of  
Tovoda Gosei Minda India Private Limited

Yasuyuki Yamashita  
Managing Director  
DIN No.: 08022867  
Bharat Khaniwal  
Company Secretary



Place: Neemrana Rajasthan

Amrit Sardana  
Director  
DIN No: 06877287  
Dinesh Joshi  
GM Finance

**Toyoda Gosei Minda India Private Limited**  
**Statement of consolidated profit and loss for the year ended March 31, 2023**  
**(Amounts in Rupees million, unless otherwise stated)**

	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Income:</b>			
Revenue from contracts with customers	22	14,319.60	8,560.17
Other income	23	217.57	249.21
Finance income	24	8.41	6.15
<b>Total income</b>		<b>14,545.59</b>	<b>8,815.53</b>
<b>Expenses:</b>			
Cost of raw material and components consumed	25	8,381.73	5,302.64
Purchase of traded goods	25	1,516.59	733.06
Decrease/(Increase) in inventories of finished goods, work in progress and Traded goods	26	113.55	(375.38)
Employee benefits expense	27	1,436.27	891.72
Depreciation and amortization expense	28	654.37	621.68
Finance costs	29	85.31	66.26
Other expenses	30	1,279.64	1,110.11
<b>Total expenses</b>		<b>13,467.46</b>	<b>8,350.09</b>
<b>Profit before tax</b>		<b>1,078.13</b>	<b>465.44</b>
<b>Tax Expense</b>			
(i) Current tax	14	263.55	83.22
(ii) Deferred tax	14	86.56	130.42
<b>Total tax expense</b>		<b>350.11</b>	<b>213.64</b>
<b>Profit for the year</b>		<b>728.05</b>	<b>251.80</b>
<b>Other comprehensive (loss)/income</b>			
a Other comprehensive income to be reclassified to profit or loss in subsequent periods		-	-
b Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement (loss) on defined benefit plan	31	(3.13)	(6.61)
Income tax effect		0.79	2.02
<b>Other comprehensive (loss) for the year, net of tax</b>		<b>(2.34)</b>	<b>(4.59)</b>
<b>Total Comprehensive Income for the year (Comprising Profit and Other Comprehensive Income for the year)</b>		<b>725.71</b>	<b>247.21</b>
<b>Profit for the year</b>			
Attributable to:			
Equity holders of the parent		706.67	245.52
Non-controlling interests		21.38	6.28
<b>Other comprehensive (loss) for the year</b>			
Attributable to:			
Equity holders of the parent		(2.21)	(4.48)
Non-controlling interests		(0.12)	(0.11)
<b>Total comprehensive income for the year</b>			
Attributable to:			
Equity holders of the parent		704.45	241.04
Non-controlling interests		21.26	6.17
<b>Earnings /(loss) per equity share</b>			
Basic & diluted (nominal value of share at March 31, 2023 Rs. 10 (March 31, 2022: Rs.10))	32	1.43	0.49

**Summary of significant accounting policies**

2.3

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R.Batliboi & Co. LLP

ICAI Firm Registration Number: 301003E/E300005

Chartered Accountants

per Vikas Mehra  
Partner

Membership No. : 094421

Place: New Delhi

Date: 09 May, 2023



For and on behalf of the Board of Directors of  
Toyoda Gosei Minda India Private Limited

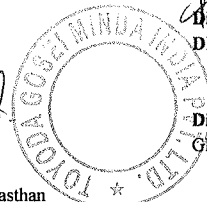
Yasuyuki Yamashita  
Managing Director  
DIN No.:08022867

Bharat Khaniwal  
Company Secretary

Rishi Sardana  
Director  
DIN No: 06877287

Dinesh Joshi  
GM Finance

Place: Neemrana Rajasthan



	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>A. Operating activities</b>			
Profit before tax		1,078.16	465.44
<b>Adjustments to reconcile profit before tax to net cash flows:</b>			
Depreciation and amortization expense	28	654.37	621.68
Interest income		(8.91)	(5.96)
Government Grant		(42.35)	(67.97)
Liabilities/provisions no longer required, written back		(4.92)	(11.78)
Provision for Inventory		2.18	-
Unrealised foreign exchange loss/(Gain)		3.12	4.36
Exchange gain on derivative instruments		(7.92)	(11.34)
Finance Cost		85.18	61.05
Loss on sale of property, plant & equipment		1.24	0.65
Provisions for Contingency		11.96	-
Provision for Warranty (net)		1.04	(1.81)
Fire Insurance Claims Received		(1.54)	-
<b>Operating profit before working capital changes</b>		<b>1,771.59</b>	<b>1,054.32</b>
<b>Working capital adjustments:</b>			
Changes in working capital :			
Increase in trade payables		170.73	541.22
(Decrease) in provisions		(15.27)	(0.12)
Increase / (decrease) in Net employee defined benefit liabilities		29.32	(30.03)
Increase in other liabilities		151.21	3.38
Increase in other financial liab.		0.35	0.74
Increase in Current tax liability		18.07	-
Decrease/(Increase) in Other Assets		343.08	(689.85)
(Increase) in trade receivables		(124.82)	(554.59)
(Increase) in inventories		(23.16)	(609.16)
(Increase)/decrease in loans given		(2.89)	0.10
(Decrease) / Increase in contract liabilities		(655.64)	655.64
(Increase) in other financial assets		(1.58)	(2.04)
<b>Net Cash flows from operating activities</b>		<b>1,661.00</b>	<b>369.61</b>
Direct taxes paid		(215.56)	(91.49)
<b>Net cash generated from operating activities (A)</b>		<b>1,445.43</b>	<b>278.12</b>
<b>B. Investing activities</b>			
Purchase of Plant , property and Equipment		(781.63)	(963.70)
Fixed deposits matured		0.05	0.47
Proceeds from sale/disposal of Plant, property and Equipment		0.81	0.87
Interest received		6.31	9.12
<b>Net cash used in investing activities (B)</b>		<b>(774.46)</b>	<b>(953.24)</b>
<b>C. Cash flow from financing activities:</b>			
Interest paid		(84.64)	(61.86)
Dividends paid		(4.71)	(0.26)
Proceeds from Short term Borrowings		5,040.00	3,545.00
Repayment of short term Borrowings		(4,925.00)	(3,420.00)
Proceeds from Long Term Borrowing		-	282.72
Repayment of Long term Borrowings		(212.50)	(177.80)
Payment of principal portion of lease liabilities		(76.59)	(185.46)
<b>Net cash flows (Used) in financing activities (C)</b>		<b>(263.44)</b>	<b>(17.66)</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>(A+B+C)</b>	<b>407.53</b>	<b>(692.78)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>68.41</b>	<b>761.19</b>
<b>Cash and cash equivalents at year end</b>	<b>10</b>	<b>476.04</b>	<b>68.41</b>
<b>Non-cash financing and investing activities:</b>			
- Adjustment of lease liability on account of rent concession received		-	(4.95)
-Additions to ROU		276.81	54.04



**Components of cash and cash equivalent**

Cash on hand		0.22	0.34
<b>Balances with scheduled banks:</b>			
On current accounts		198.88	61.07
- Deposits with remaining maturity for less than 3 months		276.94	7.00
<b>cash and cash equivalents</b>	<b>10</b>	<b>476.04</b>	<b>68.41</b>
Less: Fixed deposits not considered as cash equivalents		-	-
<b>Total cash and cash equivalents</b>		<b>476.04</b>	<b>68.41</b>

Summary of significant accounting policies

2.3

As per our report of even date

For S.R.Batliboi & Co. LLP

ICAI Firm Registration Number: 301003E/E300005

Chartered Accountants

per Vikas Mehra

Partner

Membership No. : 094421

Place: New Delhi

Date: 09 May 2023



For and on behalf of the Board of Directors of  
Toyoda Gosei Minda India Private Limited

Yasuyuki Yamashita

Managing Director

DIN No.:08022867

Bharat Khaniwal

Company Secretary

Lalit Sardana

Director

DIN No: 06877287

Dinesh Joshi

GM Finance

Place: Neemrana Rajasthan

**Toyoda Gosei Minda India Private Limited**  
**Statement of Consolidated Change in Equity for year ended March 31, 2023**  
**(Amounts in Rupees million, unless otherwise stated)**

Particulars	Share Capital	Capital Reserve	General Reserve	Securities Premium	Retained earnings	Total other Equity	Minority interest	Total equity
<b>Balance as at 01 April 2020</b>	4,400.00	(989.37)	1.33	518.70	6.02	(463.32)	66.41	4,003.08
<b>Equity Share issued</b>	700.00	-	-	-	-	-	-	700.00
Profit/(Loss) for the year	-	-	-	-	(4.99)	(4.99)	0.26	(4.73)
Other comprehensive income	-	-	-	-	2.89	2.89	0.10	2.99
Dividends Paid	-	-	-	-	-	-	(2.28)	(2.28)
<b>Balance as at 31 March 2021</b>	<b>5,100.00</b>	<b>(989.37)</b>	<b>1.33</b>	<b>518.70</b>	<b>3.92</b>	<b>(465.42)</b>	<b>64.48</b>	<b>4,699.06</b>
Profit for the year	-	-	-	-	245.52	245.52	6.28	251.80
Other comprehensive income	-	-	-	-	(4.48)	(4.48)	(0.11)	(4.59)
Dividends Paid	-	-	-	-	-	-	(0.26)	(0.26)
<b>Balance as at 31 March 2022</b>	<b>5,100.00</b>	<b>(989.37)</b>	<b>1.33</b>	<b>518.70</b>	<b>244.96</b>	<b>(224.10)</b>	<b>70.39</b>	<b>4,946.30</b>
Profit for the year	-	-	-	-	706.68	706.68	21.38	728.06
Other Comprehensive Income	-	-	-	-	(2.22)	(2.22)	(0.12)	(2.34)
Dividend Paid	-	-	-	-	-	-	(4.48)	(4.48)
<b>Balance as at 31st March 2023</b>	<b>5,100.00</b>	<b>-989.37</b>	<b>1.33</b>	<b>518.70</b>	<b>949.41</b>	<b>480.31</b>	<b>86.94</b>	<b>5,667.27</b>

**Summary of significant accounting policies** 2.3  
The accompanying notes are an integral part of the financial statements.

**As per our report of even date**

**For S.R.Batilboi & Co. LLP**  
ICAI Firm Registration Number: 301003E/E300005  
Chartered Accountants

*(Signature)*  
**per Vikas Mehra**  
**Partner**  
Membership No. : 094421



Place: New Delhi  
Date: 09 May 2023

**For and on behalf of the Board of Directors of**  
Toyoda Gosei Minda India Private Limited

*(Signature)*  
**Yasuyuki Yamashita**  
Managing Director  
DIN No.: 08022867



*(Signature)*  
**Lalit Sardana**  
Director  
DIN No: 06877287

*(Signature)*  
**Dinesh Joshi**  
GM Finance

*(Signature)*  
**Bharat Khanwal**  
Company Secretary

Place: Neemrana Rajasthan

## 1. Corporate information

The Consolidated financial statements comprise financial statements of Toyota Gosei Minda India Private Limited (the Holding Company) and its subsidiary (collectively, the Group) for the year ended March 31, 2023. The holding Company was incorporated on April 17, 2008. The Holding Company is a joint venture between Toyota Gosei Company Limited (Japan), Uno Minda Limited and Minda Investment Limited. The Holding Company is engaged in the business of manufacturing of automobile safety systems, body-sealing, steering parts and trading of moulds and fuel caps.

The Group is principally engaged in the manufacturing of automotive components. Information on the Group's structure is provided in Note 33. Information on other related party relationships of the Group is provided in Note 38.

The consolidated financial statements were approved for issue in accordance with a resolution of the directors on 09th May 2023

## 2 Significant accounting policies

### 2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the CFS.

The Consolidated financial statements have been prepared on a historical cost basis, except for following financial instruments which have been measured at fair value:

- Land and Buildings classified as Property, Plant and Equipment
- Derivative financial instruments,
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).
- Contingent consideration

The Consolidated financial statements are presented in INR and all values are rounded to the nearest millions (INR 000,000), except when otherwise indicated.

The Group has prepared the Financial Statements on the basis that it will continue to operate as a going concern.

### 2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary as at 31 March 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

► Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

► Exposure, or rights, to variable returns from its involvement with the investee, and

► The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

► The contractual arrangement with the other vote holders of the investee

► Rights arising from other contractual arrangements

► The Group's voting rights and potential voting rights

► The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

### Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for a related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

► Derecognises the carrying amount of any non-controlling interests

► Recognises the fair value of the consideration received

► Recognises the fair value of any investment retained

► Recognises any surplus or deficit in profit or loss

► Recognise that distribution of shares of subsidiary to Group in Group's capacity as owners

► Reclassifies the parent's share of components previously recognised in OCI to profit or loss or transferred directly to retained earnings, if required by other Ind ASs as would be required if the Group had directly disposed of the related assets or liabilities



**(a) Current versus non-current classification**

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

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

**(b) Foreign Currencies**

The Group's consolidated financial statements are presented in INR, which is also the parent company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

**Transactions and balances**

Transactions in foreign currencies are initially recorded by the Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or on translation of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised in profit or loss.

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

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Company determines the transaction date for each payment or receipt of advance consideration.

**(c) Fair value measurement**

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

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

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

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

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

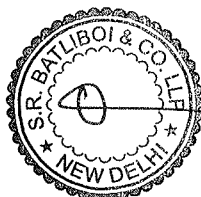
All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

The Group's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

External valuers are involved for valuation of significant assets and significant liabilities, if any.



At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents, if any

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

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Quantitative disclosure of fair value measurement hierarchy
- Financial instruments (including those carried at amortised cost)
- Contingent consideration

#### (d) Property, Plant and Equipment

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer to significant accounting judgements, estimates and assumptions (Note 34) and provisions for further information about the recorded decommissioning provision.

Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised at the date of revaluation. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

The group, based on technical assessment made by technical expert and management estimate, depreciates certain items of building, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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

#### (e) Depreciation on property, plant and equipment

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful life as follows:

The useful life of the fixed assets in respect of Group are as follows:

Particulars	Useful Life
Building	30 years
Office Buildings	60 years
Road (RCC)	10 years
*Plant and Machinery	15 years
Electrical Installation	10 years
Moulds, Jigs & Bins	4 Years
Office Equipments	3-5 years
Furniture and Fittings	4-10 years
Container	3 years
Computers	
-Servers	6 years
-End user devices such as, desktops, laptops etc.	2-3 years
Vehicle	5-8 years

On transaction to Ind AS, the subsidiary Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 april 2019 measured as per previous GAAP and use that carrying value as deemed cost of the property, plant and equipment.

\*Extra shift depreciation is provided accordingly as specified by Schedule II to the Companies Act, 2013.

The amortisation on leasehold improvements is provided over the primary period of lease or the estimated useful life of the assets whichever is shorter.

Assets costing less than Rs. 5,000 each are fully depreciated in the year of capitalisation.

Based on technical evaluation, the management believes that the useful lives of the above asset best represent the period over which the management expects to use the assets. The assets' residual value and useful life are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit and loss within other gains/ (losses).

#### (f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

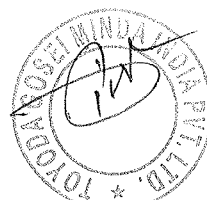
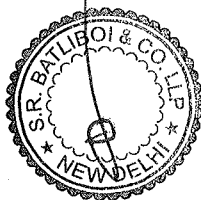
The useful lives of intangible assets are assessed as finite

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss, when the asset is derecognised

Intangible assets are amortized on a straight line basis over the estimated useful economic life as follows: Software 3 years. On transaction to Ind AS, the subsidiary Company has elected to continue with the carrying value of all of its intangible recognised as at 1 april 2019 measured as per previous GAAP and use that carrying value as deemed cost of the intangible.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.





**(g) Impairment of non-financial assets**

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

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

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

**(h) Borrowing costs**

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**(i) Financial instruments**

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

**Financial assets:**

**Initial recognition and measurement**

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section Revenue from contracts with customers.

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

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

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

**Subsequent measurement**

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

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

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

The category applies to the Group's trade receivables and security and other deposits. This category is most relevant to the Group.

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in the finance income in the profit and loss. The losses arising from impairment are recognized in the profit or loss. The Group's financial assets at amortised cost includes trade receivables.



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

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

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss. The Group's debt instruments at fair value through OCI includes investments in quoted debt instruments included under other non-current financial assets.

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

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL.

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

The Group elected to classify irrevocably its non-listed equity investments under this category.

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

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established.

**De-recognition**

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the

Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

**Financial liabilities:**

**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables and loans and borrowings.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

**Subsequent measurement**

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

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

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

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Group has not designated any financial liability as at fair value through profit or loss.

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

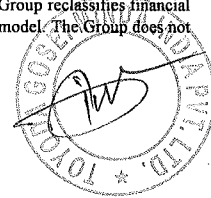
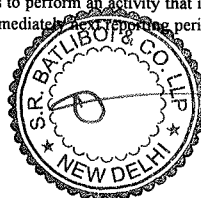
This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

**Reclassification of financial assets**

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



**De-recognition**

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

**Offsetting of financial instruments**

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

**(j) Inventories**

Inventories are valued as follows:

**Raw materials, components, stores and spares** are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a "Weighted Average cost" method. Stores and spares which do not meet the definition of plant, property and equipment are accounted as inventories.

**Work-in-progress and finished goods** are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a "Weighted Average cost" method.

**Traded goods** are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a "Weighted Average cost" method.

Initial cost of inventories includes the transfer of gains and losses on qualifying cash flow hedges, recognised in OCI, in respect of the purchases of raw materials

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

**(k) Revenue from contract with customer**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

**i) Sale of Goods**

Revenue from sale of goods (including tools) is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the equipment. The normal credit term is 30 to 90 days upon delivery.

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

The Subsidiary Company's obligation to repair or replace faulty products under the warranty terms is recognised as a provision, refer note 19.

**iii) Income from Services**

Revenues from Services are recognized pro-rata over the period of the contract as and when services are rendered. The Group collects goods and service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the Group. Hence, it is excluded from revenue.

**iv) Interest**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

**Warranty obligations**

The Group typically provides warranties for general repairs of defects that existed at the time of sale, as required by law. These assurance-type warranties are accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets. Refer to the accounting policy on warranty provisions in section (q) Provisions.

The Group provides a warranty beyond fixing defects that existed at the time of sale. These service-type warranties are sold either separately or bundled together with the sale of fire prevention equipment. Contracts for bundled sales of equipment and a service-type warranty comprise two performance obligations because the equipment and service-type warranty are both sold on a stand-alone basis and are distinct within the context of contract. Using the relative stand-alone selling price method, a portion of the transaction price is allocated to the service-type warranty and recognised as a contract liability. Revenue for service-type warranties is recognised over the period in which the service is provided based on the time elapsed.

**Contract balances**

**Contract assets**

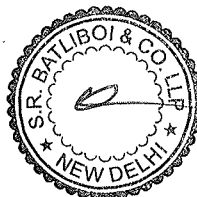
A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment.

**Trade receivables**

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

**Contract liabilities**

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



**(l) Retirement & other employee benefits**

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

The Group provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year-end. Actuarial gains and losses for both defined benefit plans are recognized in full in the period in which they occur. These benefits are unfunded.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

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

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

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

Accumulated leave, which is expected to be utilised within next 12 months is treated as short term short term employee benefits. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Group presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

The Group recognizes termination benefit as a liability and an expense when the Group has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the termination benefits fall due more than 12 months after the balance sheet date, they are measured at present value of future cash flows using the discount rate determined by reference to market yields at the balance sheet date on government bonds.

**(m) Taxes**

Tax expense comprises current and deferred tax.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The group shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

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

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

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

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

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.



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

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

**(n) Leases**

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

**Group as a lessee**

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**i) Right-of-use assets**

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

**ii) Lease Liabilities**

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group lease liabilities are included in financial liability (see Note 16).

**iii) Short-term leases and leases of low-value assets**

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**(o) Earning Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

**(p) Segment reporting:**

Identification of segments:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers. Chief operating decision makers reviews the performance of the Group according to the nature of business of the Group which includes manufacturing and selling of automobile safety systems such as body-sealing, steering parts and trading of moulds and fuel caps. Accordingly, the Group has only one primary segment.

**Segment accounting policies:**

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting financial statements of the Group as a whole.

**(q) Provisions**

A provision is recognized when the Group has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**Warranty provisions**

The Group provides warranties for general repairs of defects that existed at the time of sale, as required by law. Provisions related to these assurance-type warranties are recognised when the product is sold, or the service is provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

**Onerous contracts**

If the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

**Contingent liabilities recognised in a business combination**

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the requirements for provisions above or the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the requirements for revenue recognition.



**(r) Contingent liabilities and assets**

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

Contingent assets are only disclosed when it is probable that the economic benefits will flow to the entity.

**(s) Cash and Cash Equivalents**

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

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

**(t) Government grants**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

**(u) Non-current assets held for sale**

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale is regarded met only when the assets or disposal Group is available for immediate sale, subject only to terms that are usual and customary for sales, its sale is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale of the asset or disposal Group to be highly probable when:

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

Property, plant and equipment and intangible are not depreciated, or amortised assets once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately from other items in the balance sheet.

A disposal Group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations,
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations

Or

- Is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

**V Derivative financial instruments**

**a. Derivative financial instruments**

**Initial recognition and subsequent measurement**

The Group uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss. Commodity contracts that are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Group's expected purchase, sale or usage requirements are held at cost.

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

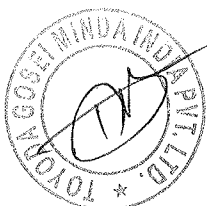
For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
- Hedges of a net investment in a foreign operation

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged, and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.



Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

(i) Fair value hedges

The change in the fair value of a hedging instrument is recognised in the statement of profit and loss as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss as finance costs.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss.

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

The Group has an interest rate swap that is used as a hedge for the exposure of changes in the fair value of its 8.25% fixed rate secured loan. See Notes for more details.

(ii) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the Effective portion of cash flow hedges, while any ineffective portion is recognised immediately in the statement of profit and loss. The Effective portion of cash flow hedges is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments, as well as forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to foreign currency contracts is recognised in finance costs and the ineffective portion relating to commodity contracts is recognised in other income or expenses.

The Group designates only the spot element of a forward contract as a hedging instrument. The forward element is recognised in OCI.

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in OCI for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

## W.Dividend

The Group recognises a liability to pay dividend to equity holders of the parent when the distribution is authorised, and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

## 2.3 New and amended standards

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 Apr 2021. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective:

### (i) Onerous Contracts – Costs of Fulfilling a Contract – Amendments to Ind AS 37

An onerous contract is a contract under which the unavoidable cost of meeting the obligations under the contract costs (i.e., the costs that the Group cannot avoid because it has the contract) exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The Group applied the amendments to the contracts for which it had not fulfilled all of its obligations at the beginning of the reporting period.

Prior to the application of the amendments, the Group had not identified any contracts as being onerous as the unavoidable costs under the contracts, which were the costs of fulfilling them, comprised only incremental costs directly related to the contracts. As a result of the amendments, the Group assessed whether certain other directly related costs are required to be included by the Group in determining the costs of fulfilling the contracts.

In accordance with the transitional provisions, the Group applies the amendments to contracts for which it has not yet fulfilled all of its obligations, at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application) and has not restated its comparative information.

There is no material impact on other comprehensive income or the basic and diluted earnings per share.

### (ii) Reference to the Conceptual Framework – Amendments to Ind AS 103

The amendments replaced the reference to the ICAI's "Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards" with the reference to the "Conceptual Framework for Financial Reporting under Indian Accounting Standard" without significantly changing its requirements.

The amendments also added an exception to the recognition principle of Ind AS 103 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets or Appendix C, Levies, of Ind AS 37, if incurred separately. The exception requires entities to apply the criteria in Ind AS 37 or Appendix C, Levies, of Ind AS 37, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

In accordance with the transitional provisions, the Group applies the amendments prospectively, i.e., to business combinations occurring after the beginning of the annual reporting period in which it first applies the amendments (the date of initial application).

These amendments had no impact on the consolidated financial statements of the Group as there were no contingent assets, liabilities or contingent liabilities within the scope of these amendments that arose during the period.

### (iii) Property, Plant and Equipment: Proceeds before Intended Use – Amendments to Ind AS 16

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

The amendments are effective for annual reporting periods beginning on or after 1 April 2022. These amendments had no impact on the consolidated financial statements of the Group as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented

### (iv) Ind AS 109 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

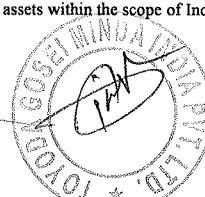
The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

In accordance with the transitional provisions, the Group applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment (the date of initial application). These amendments had no impact on the consolidated financial statements of the Group as there were no modifications of the Group's financial instruments during the period.

### (v) Ind AS 41 Agriculture – Taxation in fair value measurements

The amendment removes the requirement in paragraph 22 of Ind AS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of Ind AS 41. The amendments are effective for annual reporting periods beginning on or after 1 April 2022.

The amendments had no impact on the financial statements of the company as it did not have assets in scope of IAS 41 at the reporting date.



**Toyoda Gosei Minda India Private Limited**  
**Notes forming part of Consolidated Financial Statements for the year ended March 31, 2023**  
(Amounts in Rupees million, unless otherwise stated)

**3. Property, Plant and Equipment**

Particulars	PPE										Intangible Assets		Capital work in progress
	Land	Leashold Improvement	Building	Plant and Machinery	Office Equipments	Furniture and Fixtures	Computer s	Container s	Vehicles	Total Tangible Assets	Intangible Assets	Total Intangible Assets	
At 31 March 2021	686.45	3.37	1,278.90	4,265.31	37.43	28.25	64.46	4.25	45.13	6,413.54	39.68	39.68	6,453.21
Additions	-	2.46	2.58	339.67	2.81	3.79	7.58	2.24	3.25	364.37	1.16	1.16	365.53
Disposals	-	-	-	(4.40)	(0.35)	-	(3.74)	-	(2.51)	(11.01)	-	-	(25.10)
Capitalised Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	333.57
At 31st March 2022	686.45	5.83	1,281.48	4,600.58	39.88	32.04	68.30	6.49	45.87	6,766.88	40.84	40.84	6,807.73
Additions	156.01	29.23	62.98	1,051.28	12.54	4.28	19.88	43.74	2.82	1,382.75	16.55	16.55	1,399.30
Disposals	-	-	-	(15.27)	(2.25)	(0.03)	(14.95)	(2.76)	(3.62)	(38.88)	(1.97)	(1.97)	(40.86)
Capitalised Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	(1,110.14)
At 31st March 2023	842.46	35.06	1,344.46	5,636.58	50.16	36.29	73.23	47.47	45.07	8,110.78	55.41	55.41	8,166.19
Depreciation/Amortisation	-	-	-	-	-	-	-	-	-	-	-	-	286.12
At 31 March 2021	-	0.89	240.75	2,595.85	26.15	14.44	47.33	1.49	21.37	2,948.27	11.56	11.56	2,959.82
Charge for the year	-	1.55	43.51	474.27	5.53	2.58	9.82	1.51	6.17	544.89	12.07	12.07	556.96
Disposals	-	-	-	(3.42)	(0.34)	-	(3.56)	-	(2.00)	(9.32)	-	-	(9.33)
At 31st March 2022	-	2.44	284.26	3,066.70	31.34	17.02	53.60	3.01	25.44	3,483.81	23.64	23.64	3,507.45
Charge for the year	-	4.90	44.33	460.28	5.41	2.82	10.24	8.02	5.28	541.27	12.96	12.96	554.22
Disposals	-	-	-	(14.91)	(2.16)	(0.03)	(14.42)	(1.78)	(3.51)	(36.81)	(1.97)	(1.97)	(38.78)
Adjustment	-	-	-	(0.19)	-	-	-	-	-	(0.19)	-	-	(0.19)
At 31st March 2023	-	7.34	328.58	3,511.38	34.59	19.82	49.42	9.25	27.21	3,988.08	34.62	34.62	4,022.70
Net Block	-	-	-	-	-	-	-	-	-	-	-	-	-
At 31 March 2022	686.45	3.39	997.22	1,533.88	8.53	15.03	14.70	3.48	20.42	3,283.10	17.22	17.22	3,300.32
At 31st March 2023	842.46	27.80	1,015.87	2,125.25	15.44	16.26	23.74	38.20	17.78	4,122.79	20.82	20.82	4,143.61
													286.12

Refer to note 36 for disclosure of contractual commitments for the acquisition of property, plant and equipment.





ii) Capital work in progress ageing schedule

Capital Work in Progress mainly comprises new Plant & Machinery in respect of new projects.

a) Ageing of Capital Work in Progress (CWIP)

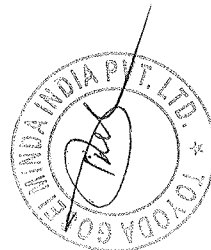
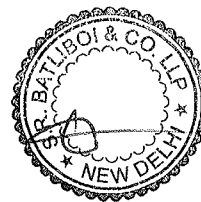
Particulars	Amount in CWIP as at 31st March 2023 for				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in Progress	285.17	0.95	-	-	286.12
Project Temporarily Suspended	-	-	-	-	-

Particulars	Amount in CWIP as at 31st March 2022 for				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in Progress	763.39	0.10	-	-	763.49
Project Temporarily Suspended	-	-	-	-	-

a) Completion Schedule for Capital Work in Progress whose completion is overdue or has exceeded its cost compared to its original plan:

Particulars	Project as at 31st March 2023 to be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in Progress	-	-	-	-	-
Project Temporarily Suspended	-	-	-	-	-

Particulars	Project as at 31st March 2022 to be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in Progress	236.80	-	-	-	236.80
Project Temporarily Suspended	-	-	-	-	-



4 Investments

Particulars	Non-current		Current	
	As at 31-Mar-23	As at 31-Mar-22	As at 31-Mar-23	As at 31-Mar-22
Unquoted, Investment carried at cost				
National Saving Certificate	0.06	0.11	-	-
	0.06	0.11	-	-

5 Financial assets

Particulars	Non-current		Current	
	As at 31-Mar-23	As at 31-Mar-22	As at 31-Mar-23	As at 31-Mar-22
Loans and advances to employees				
- Others	-	-	5.23	2.34
	-	-	5.23	2.34

6 Other financial assets

Particulars	Non-current		Current	
	As at 31-Mar-23	As at 31-Mar-22	As at 31-Mar-23	As at 31-Mar-22
Unsecured, considered good unless otherwise stated				
Security Deposits	48.33	42.84	2.90	2.68
Inter corporate Loan	70.00	-	10.00	-
Interest accrued on deposits	-	-	1.30	1.32
Financial Asset at Fair value through Profit or loss				
Derivative not designated as hedges				
Cross Currency Interest rate Swap	-	-	6.76	-
	118.33	42.84	20.96	4.00

Included in other financial assets are certain intercorporate deposits the particulars of which are disclosed below as required by Section 186(4) of the Companies Act 2013:

Name of the loanee	Rate of Interest	Due Date	Secured/Unsecured	March 31, 2023		March 31, 2022	
				Non-current	Current	Non-current	Current
Minda TG Rubber Private Limited	8.50%	Refer Below	Unsecured	70.00	10.00	-	-
				70.00	10.00	-	-

The maximum limit of inter corporate deposit is Rs 260 million. The same shall be repayable as per agreed schedule that includes future disbursements to be made for the overall commitment of Rs 260 millions.

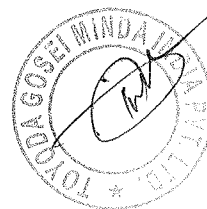
Date	Repayment
08 February 2023	-
09 February 2024	32.50
10 May 2024	32.50
09 August 2024	32.50
08 November 2024	32.50
07 February 2025	32.50
09 May 2025	32.50
08 August 2025	32.50
07 November 2025	32.50
<b>Total</b>	<b>260.00</b>

Principal installment will be payout on Quarterly basis as per above schedule, 1st installment will start from 09th February 2024. Interest will be payout on monthly basis on last working day of the bank.

The Company has paid Rs 80 million in first tranche. The repayment schedule for agreed amount of Rs 80 million as follows :

Date	Repayment
09 February 2024	10.00
10 May 2024	10.00
09 August 2024	10.00
08 November 2024	10.00
07 February 2025	10.00
09 May 2025	10.00
08 August 2025	10.00
07 November 2025	10.00
<b>Total</b>	<b>80.00</b>

Note: Includes receivable from director Rs. 0.4 million (2022 : Rs.0.4 million). Also Refer Note.38



7 Other assets

Particulars	Non-current		Current	
	As at 31-Mar-23	As at 31-Mar-22	As at 31-Mar-23	As at 31-Mar-22
<b>Unsecured, considered good unless otherwise stated</b>				
Capital advances	85.67	62.69	-	-
Advances (other than capital advances)				
Advance Income-tax (net of provision for tax)	-	4.36	-	23.41
Advances to employees	-	-	0.01	0.03
Balances with statutory/government authorities*	10.06	24.73	262.88	184.04
Government Grant receivable	-	-	119.39	-
Advances recoverable in cash or in kind or for the value to be received	-	-	10.90	634.03
Prepaid expenses	-	1.02	17.51	32.32
Others	43.12	-	27.41	0.10
	<b>138.84</b>	<b>92.80</b>	<b>438.10</b>	<b>873.93</b>

\* In respect of Subsidiary Company, the non-current balance with government authorities is net of provision for doubtful deposit Rs 2 million (2022: Rs 2 million).

8 Inventories

Particulars	As at 31-Mar-23	As at 31-Mar-22
Stores and spares	100.92	98.47
Raw material (at cost) (In transit of Rs 50.21 million ,31 March 2022 : Rs 121.52 million )*#	793.50	659.34
Work in progress (at cost)	138.47	85.78
Finished goods (at lower of cost and net realisable value)	96.42	80.28
Traded Goods	209.74	391.91
Less: Provision for inventories	(10.44)	(8.26)
	<b>1,328.60</b>	<b>1,307.52</b>

\* includes packing material

# GIT = Goods in Transit

(i) In respect of Subsidiary Company, amount disclosed net of provision for slow moving, non-moving and obsolete inventory in respect of: (in millions)

Raw Materials Rs. 19.60 (2022: Rs. 21.3).

Work-in-progress Rs. 3.7 (2021: Rs. 3.1).

Traded Goods Rs. NIL (2022: Rs. NIL).

Packing materials Rs. 0.2 (2022: Rs. 0.2).

Consumables and spares Rs. 5.3 (2022: Rs. 3.4).

Provision for Inventory Movement

Particulars	As at March 31, 2023	As at March 31, 2022
Opening	8.26	10.58
Made during the year	2.18	-
Written back/ Write Off	-	(2.32)
Closing	<b>10.44</b>	<b>8.26</b>

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9 Trade receivables

Particulars	As at 31-Mar-23	As at 31-Mar-22
Trade receivables	1,611.01	1,458.55
Receivables from related parties (Note 38)	60.51	85.14
<b>Total trade receivables</b>	<b>1,671.51</b>	<b>1,543.69</b>
Current Portion	1,671.51	1,543.69
Non Current Portion	-	-
<b>Break-up for security details:</b>	<b>As at 31-Mar-23</b>	<b>As at 31-Mar-22</b>
Secured, considered good	-	-
Unsecured, considered good	1,671.51	1,543.69
Trade Receivable which have significant increase in credit risk	-	-
Trade Receivables-credit impaired	-	-
	<b>1,671.51</b>	<b>1,543.69</b>
<b>Impairment Allowance (allowance for bad and doubtful debts)</b>		
Unsecured, considered good	-	-
Trade Receivable which have significant increase in credit risk	-	-
Trade Receivables-credit impaired	-	-
<b>Total Trade receivable</b>	<b>1,671.51</b>	<b>1,543.69</b>

Trade receivables Ageing Schedule as at 31 March 2023

Particulars	Not Due	Outstanding for following period from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables							
Considered Good	1,534.66	125.92	0.10	-	-	-	1,671.51
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit Impaired	-	-	-	-	-	-	-
Disputed Trade Receivables	-	-	-	-	-	-	-
Considered Good	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit Impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>1,534.66</b>	<b>125.92</b>	<b>0.10</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,671.51</b>

Trade receivables Ageing Schedule as at 31 March 2022

Particulars	Not Due	Outstanding for following period from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables							
Considered Good	1,325.46	218.23	-	-	-	-	1,543.69
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit Impaired	-	-	-	-	-	-	-
Disputed Trade Receivables	-	-	-	-	-	-	-
Considered Good	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit Impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>1,325.46</b>	<b>218.23</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,543.69</b>

In respect of Holding Company No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person.

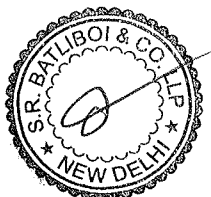
For any trade or other receivable due from firms or private companies respectively in which any director is a partner, a director or a member and terms and conditions relating to related party receivables, refer to Note 38

For terms and conditions relating to related party receivables, refer Note 38

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

10 Cash and cash equivalent

Particulars	As at 31-Mar-23	As at 31-Mar-22
<b>Balances with banks</b>		
-On current accounts	198.88	61.07
-Deposits with original maturity of less than three months	276.94	7.00
Cash on hand	0.22	0.33
	<b>476.04</b>	<b>68.41</b>



For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Balances with banks</b>		
'On current accounts	198.88	61.07
'Deposits with original maturity of less than three months	276.94	7.00
Cash on hand	0.22	0.33
	<b>476.04</b>	<b>68.41</b>

**Changes in liabilities arising from financing activities**

Particulars	As at March 31, 2022	Cash flows Proceeds	Repayments	Others	As at March 31, 2023
Short term borrowings (Note 13)	425.00	5,040.00	(4,925.00)	-	540.00
Long Term Borrowings ( Including Current maturities) (Note 13)	594.12	-	(212.50)	3.63	385.26
Lease Liability (Note 16)	193.96	-	76.59	131.31	401.86
<b>Total liabilities from financing activities</b>	<b>1,213.08</b>	<b>5,040.00</b>	<b>(5,060.91)</b>	<b>134.93</b>	<b>1,327.12</b>

Particulars	As at April 1, 2021	Cash flows Proceeds	Repayments	Others	As at March 31, 2022
Short term borrowings (Note 13)	300.00	3,545.00	(3,420.00)	-	425.00
Long Term Borrowings ( Including Current maturities) (Note 13)	486.61	282.72	(177.80)	2.59	594.12
Lease Liability (Note 16)	171.99	-	(185.46)	207.43	193.96
<b>Total liabilities from financing activities</b>	<b>958.60</b>	<b>3,827.72</b>	<b>(3,783.27)</b>	<b>210.03</b>	<b>1,213.08</b>

**Break up of financial assets carried at amortized cost**

Particulars	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Loans and advances to employees (interest free) (Note 5)	-	-	5.23	2.34
Security deposits (Note 6)	48.33	42.84	2.90	2.68
Investment ( Note 4)	0.06	0.11	-	-
Inter Corporate Deposits ( Note 6)	70.00	-	10.00	-
Interest accrued on deposits (Note 6)	-	-	1.30	1.32
Deposits with remaining maturity for more than 12 months (refer note 6)	-	-	-	-
Trade receivables (Note 9)	-	-	1,671.51	1,543.69
Cash and cash equivalents (Note 10)	-	-	476.04	68.41
	<b>118.39</b>	<b>42.95</b>	<b>2,166.98</b>	<b>1,618.44</b>

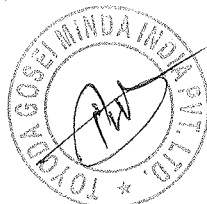
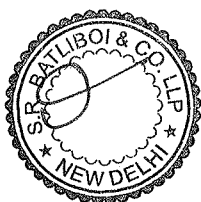
**11 Asset held for sale**

Particulars	As at 31-Mar-23	As at 31-Mar-22
Property Plant and Equipment		
Assets held for sale (Refer note below)	53.75	53.75
	<b>53.75</b>	<b>53.75</b>

**Note :**

The Company classified certain asset retired from active use and held for sale recognised and measured in accordance with Ind AS 105 " Non Current Asset Held for sale and Discontinued operations" at lower of it carrying amount and fair value less cost to sell .The Company should have disposed off the above asset, however pending some administrative issues could not do that and expects to dispose the same by March 2024.

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**12 Equity share capital**

**a. Authorised share capital**

Particulars	No. of shares (in millions)	Amount
At April 1, 2021	510.00	5,100.00
Increase during the year	-	-
As March 31, 2022	510.00	5,100.00
Increase during the year	-	-
At March 31, 2023	510.00	5,100.00

**b. Terms/rights attached to equity shares**

The Holding Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c. Issued equity capital**

Equity shares of Rs. 10 each issued, subscribed and fully paid	No. of shares (in millions)	Amount
At April 1, 2021	510.00	5,100.00
Increase during the year	-	-
As March 31, 2022	510.00	5,100.00
Increase during the year	-	-
At March 31, 2023	510.00	5,100.00

**d. Shares held by Parent of The holding company**

Out of equity shares issued by the Holding Company shares held by its Parent are as below:

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares (in millions)	Amount	No. of shares (in millions)	Amount
Toyoda Gosei Company Limited (Japan), the Parent Company	255.51	2,555.10	255.51	2,555.10

**e. Details of shareholders holding more than 5% shares in the Holding Company**

Name of the shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of shares (in millions)	% holding	No. of shares (in millions)	% holding
<b>Equity shares of Rs. 10/- each fully paid</b>				
Toyoda Gosei Company Limited	255.51	50.10%	255.51	50.10%
UNO Minda Limited	243.78	47.80%	243.78	47.80%

**Details of shares held by promoters of holding company**

As at 31 March 2023

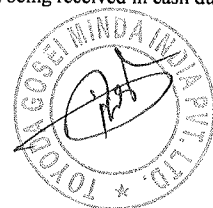
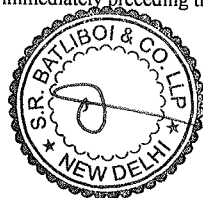
S. No.	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Equity shares of INR 10 each fully paid	Toyoda Gosei Company Limited (Japan)	255.51	-	255.51	50.10%	-
	Minda Investment Limited	10.71	-	10.71	2.10%	-
	UNO Minda Limited	243.78	-	243.78	47.80%	-
<b>Total</b>		<b>510.00</b>	<b>0.00</b>	<b>510.00</b>	<b>100%</b>	<b>0%</b>

As at 31 March 2022

S. No.	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Equity shares of INR 10 each fully paid	Toyoda Gosei Company Limited (Japan)	255.51	-	255.51	50.10%	-
	Minda Investment Limited	10.71	-	10.71	2.10%	-
	UNO Minda Limited	243.78	-	243.78	47.80%	-
<b>Total</b>		<b>510.00</b>	<b>0.00</b>	<b>510.00</b>	<b>100%</b>	<b>0.00%</b>

f There are no shares issued under the Employee Stock Option Plan or by way of bonus shares or pursuant to contract(s) without payment being received in cash during the period of five years immediately preceding the balance sheet date.

g There are no shares which are bought back by the Group during the period of five years immediately preceding the balance sheet date.



(i) Retained earnings

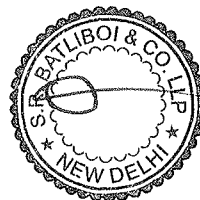
Particulars	31-Mar-23	31 March 2022
Opening balance	244.96	3.92
Net profit for the year	706.68	245.52
Items of other comprehensive income recognised directly in retained	-	-
- Remeasurements of post-employment benefit obligation, net of tax	(2.22)	(4.48)
Less Dividends paid	-	-
Ind AS retained earnings	-	-
<b>Closing balance</b>	<b>949.41</b>	<b>244.96</b>

**Distributions made and proposed**

Particulars	31 March 2023	31 March 2022
<b>Dividends on equity shares declared and paid</b>		
Final Dividend for the year ended 31 March 2023 of INR Nil (31 March 2022 - 0.17) per fully paid share	-	5.17
Interim Dividend for the year ended 31 March 2023 INR 3.10 (31 March 2022 - INR Nil) per fully paid share	94.24	-
<b>Proposed dividends on Equity shares:</b>		
Proposed dividend for the year ended on 31 March 2023 INR 10.55 per fully paid equity share (2022 – INR 4.15)	320.72	126.16

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at 31 March, 2023.

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13. Borrowings

	Non-current		Current	
	As at Mar 31, 2023	As at Mar 31, 2022	As at Mar 31, 2023	As at Mar 31, 2022
<b>Term loans</b>				
<b>From Bank</b>				
Unsecured Foreign currency loan	-	67.11	72.76	89.52
Long term loan	187.50	312.50	125.00	125.00
Indian rupee loans from banks	-	-	540.00	425.00
<b>Total Borrowings</b>	<b>187.50</b>	<b>379.61</b>	<b>737.76</b>	<b>639.52</b>

Note: For Borrowings related to Holding Company

Terms of repayment for unsecured borrowings as on March 31, 2023:

Borrowings	Terms of Repayment	Interest Rate
External Commercial Borrowings of Rs 72.76 millions	3 Equal Quarterly instalments starting from Apr 2023 to October 2023	8.16%
Long Term Loan from Bank of Rs 312.50 millions	10 Equal Quarterly instalments starting from April 2023 to July 2025	5.75% to 5.95%

Terms of repayment for unsecured borrowings as on March 31, 2022:

Borrowings	Terms of Repayment	Interest Rate
External Commercial Borrowings of Rs 156.62 millions	7 Equal Quarterly instalments starting from Apr 2022 to October 2023	8.16%
Long Term Loan from Bank of Rs 437.50 millions	14 Equal Quarterly instalments starting from April 2022 to July 2025	5.75% to 5.95%

Indian Currency loans from banks are Working Capital Loans and there are no specific repayment terms relating to these loans

Loan covenants

- The company do not carry any debt covenant against any
- The Company has not defaulted on any loans payable.
- The Company has not borrowings from banks or financial institutions during any point of time of the year on the basis of security of current assets.

Note:

For Borrowings related to Subsidiary

Name of the bank	Terms of repayment	Interest rate	Sanctioned limit	Outstanding amount
Mizuho bank	Payable on demand	MCLR or any other external benchmark	4,100	0
SMBC bank	Payable on demand	4.4% for tenure upto 14 days, thereafter subject to market conditions	1,400	0
MUFG bank	Payable on demand	3 Months MIBOR + 2.5%	2,000	-
<b>Total</b>			<b>7,500</b>	<b>0</b>

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**14 Income tax**

The major components of income tax expense for the years ended March 31, 2023 and March 31, 2022 are:

**(a) Statement of profit and loss:**

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
<b>Profit or loss section</b>		
<b>Current income tax:</b>		
Current income tax charge	263.55	82.30
Adjustment of tax relating to earlier periods	-	0.92
	263.55	83.22
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	99.86	165.79
Mat Credit Entitlement	(13.30)	(35.37)
<b>Income tax expense reported in the statement of profit or loss</b>	<b>350.11</b>	<b>213.64</b>
<b>OCI section</b>		
Deferred tax related to items recognised in OCI during in the year:		
Re-measurement (gain) / losses on defined benefit plans	0.79	2.02
<b>Income tax charged to OCI</b>	<b>0.79</b>	<b>2.02</b>
<b>Net Deferred Tax expenses ( Expenses - Income)</b>	<b>99.07</b>	<b>163.77</b>

**(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2023 and March 31, 2022:**

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Accounting profit before tax (Before Elimination)	1,167.52	470.39
<b>Tax at the applicable tax rate</b>	<b>353.27</b>	<b>147.50</b>
Adjustments in respect of current income tax of previous years	-	-
<b>Tax effect of expenses that are not deductible in determining taxable profit:</b>		
CSR Expense	1.31	1.15
Unwinding of provision for warranty	-	0.08
Others	5.04	63.99
Deferred tax recognised in the current year for amounts disallowed in the previous year	(9.51)	-
Adjustment for current tax on profit of prior years	-	0.92
<b>Tax effect of items that are deductible in determining taxable profit:</b>	<b>350.11</b>	<b>213.64</b>
<b>At the effective income tax rate of 29.99% * (March 31, 2022: 45.42%)</b>	<b>350.11</b>	<b>213.64</b>
<b>Income tax expense reported in the statement of profit and loss</b>	<b>350.11</b>	<b>213.64</b>

\* includes deferred tax expenses due to write off of lapsed carry forward losses.

**(c) Deferred tax Assets (net)**

Deferred tax relates to following:

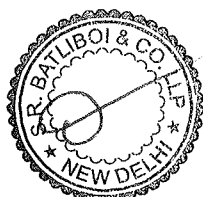
Particulars	Balance sheet		Statement of profit and loss	
	As at March 31, 2023	As at March 31, 2022	For the Year ended March 31, 2023	For the Year ended March 31, 2022
<b>Deferred tax liabilities (gross)</b>				
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	(31.70)	(21.41)	10.29	(34.28)
	(31.70)	(21.41)	10.29	(34.28)

**Deferred tax assets (gross)**

- (a) Effect of expenditure debited to profit and loss account in the current year/ earlier years but allowable for tax purposes in following years

**Expenses allowable in Income tax on payment basis and deposition**

(i) Leave Encashment (43B)	24.31	16.35	(7.96)	(3.01)
(ii) Gratuity	13.93	11.92	(2.01)	(2.30)
(iii) Provision for Bonus / Exgratia	1.65	1.13	(0.52)	(0.28)
(iv) Provision for Doubtful Debts	-	-	-	0.13
(v) Provision for Inventory	10.88	7.81	(3.07)	4.29
(vi) Unused Tax credit & losses	-	116.06	116.00	197.10
(vii) Impact of Mark to Market on derivative	2.36	0.40	(1.96)	3.96
(viii) Indas 116	5.87	4.13	(1.74)	(2.45)
(ix) Provision for Contingent Liability	2.88	-	(2.88)	-
(e) Other Items	7.90	0.80	(7.10)	0.60
	69.78	158.60	88.76	198.05



Deferred tax expense		99.07	163.77
Net deferred tax Asset	38.07	137.19	
Mat Credit Entitlement	48.67	35.37	
Total Deferred tax Asset (Net) (including MAT credit entitlement)	86.74	172.56	

Note: The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets  
Note: The Holding Company continues to pay income tax under older tax regime and have not opted for lower tax rate pursuant to Taxation Law (Amendment) Ordinance, 2019 considering the accumulated losses and other benefits under the Income Tax Act, 1961.  
Note :The Subsidiary Company had exercised the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 and used the lower tax rate 25.168% (2022: 25.168%)

(d) Reflected in the balance sheet as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax liabilities (gross)	(31.70)	(21.41)
Deferred tax assets (gross)	69.78	158.60
Net deferred tax assets	38.07	137.19
Mat Credit Entitlement	48.67	35.37
Total Deferred tax Asset (Net) (including MAT credit entitlement)	86.74	172.56

(e) Reconciliation of deferred tax Assets (net):

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	137.19	300.95
Tax (expense)/ income during the year		
Recognized in statement of profit or loss	(99.86)	(165.79)
Recognized in other comprehensive income	0.79	2.02
	(99.07)	(163.77)
	38.07	137.19
Mat Credit Entitlement	48.67	35.37
Net Deferred Tax asset	86.74	172.56

(f) Current Tax Liabilities (net)

Particulars	As at March 31, 2023	As at March 31, 2022
Current Tax Liabilities (net of Advance Tax of Rs. 108.40 million (for 31st Mar 2022: Rs. 77.99)	26.62	5.48
Total Current Tax Liabilities (net)	26.62	5.48

15 Net employee defined benefit liabilities

Particulars	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Provision for gratuity (Note 35 )	34.56	31.13	6.36	12.83
Leave encashment	-	-	48.34	35.92
Long Service gift award*	0.55	0.57	0.13	0.37
Others	-	-	-	-
	35.11	31.70	54.83	49.12

\* Long Service Gift Awards

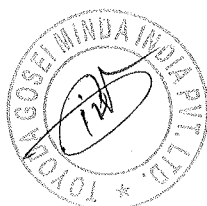
The subsidiary Company provides for long service awards of a fixed amount of employees who complete 10 years of continuous service. The liability is actuarially valued and classification of the same is done based on the actuarial valuation report obtained.

Provision for leave benefits Movement

Particulars	As at March 31, 2023	As at March 31, 2022
Opening	35.92	33.09
Arising during the year	20.55	9.88
Paid	-8.13	-7.05
Closing	48.34	35.92

16 Lease Liabilities

Particulars	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Lease liability	316.12	168.95	85.74	25.01
	316.12	168.95	85.74	25.01



17 Trade payables

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Payable towards</b>		
Micro, small and medium enterprises (Refer note 50)	94.47	89.30
Others	1,487.04	1,323.87
	<b>1,581.51</b>	<b>1,413.19</b>
 Trade payables	 847.67	 821.29
Trade payables to related parties	733.85	591.90
	<b>1,581.51</b>	<b>1,413.19</b>

Trade payables Ageing Schedule as at 31 March 2023

Particulars	Unbilled	Not due	Outstanding for following period from due date of as at 31st March 2023				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed Trade Payables</b>							
Micro, Small and Medium Enterprises	-	89.78	5.25	-	0.05	-	95.07
Others	191.96	1,185.17	56.39	0.07	52.84	-	1,486.44
<b>Disputed Trade Payables</b>							
Micro, Small and Medium Enterprises	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
<b>Total</b>	<b>191.96</b>	<b>1,274.95</b>	<b>61.64</b>	<b>0.07</b>	<b>52.89</b>	<b>-</b>	<b>1,581.51</b>

Trade payables Ageing Schedule as at 31 March 2022

Particulars	Unbilled	Not due	Outstanding for following period from due date of as at 31st March 2022				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed Trade Payables</b>							
Micro, Small and Medium Enterprises	-	88.64	0.65	-	-	-	89.29
Others	73.98	1,247.77	2.10	-	-	-	1,323.85
<b>Disputed Trade Payables</b>							
Micro, Small and Medium Enterprises	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
<b>Total</b>	<b>73.98</b>	<b>1,336.42</b>	<b>2.75</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,413.19</b>

18 Other financial liabilities

Particulars	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>Other financial liabilities at amortised cost</b>				
Payable for capital goods	-	-	126.33	149.02
Dues to related parties (refer note 38)	-	-	-	1.90
Interest accrued but not due on borrowings	-	-	3.10	3.54
Interest free deposits from customers	-	-	1.30	0.95
Employee Salary, Bonus, Ex-Gratia and LTA*	-	-	91.84	42.80
<b>Financial Liabilities at Fair value through Profit or loss</b>				
Derivative not designated as hedges				
Cross Currency Interest rate Swap	-	0.49	-	0.66
	-	0.49	222.57	198.88

\*In respect to Subsidiary

Financial statements for the previous years have been audited by a firm of Chartered Accountants other than S.R. Batliboi & Co. LLP. Further, figures for the corresponding previous year have been regrouped/ reclassified, wherever considered necessary including to meet the requirements of the amended Schedule III to the Companies Act 2013, to make them comparable with current year classification.

Terms and conditions of the above financial liabilities:

- Trade payables and other payables are non-interest bearing and are normally settled on 30-60 day terms.
- For terms and conditions with related parties, refer to Note 38

For explanations on the Company's credit risk management processes, refer to Note 43

Break up of financial liabilities carried at amortized cost

Particulars	As at March 31, 2023	As at March 31, 2022
Borrowing including current maturity (note 13)	925.26	1,019.12
Trade payables (Note 17)	1,581.51	1,413.19
Other financial liabilities (Note 18)	222.57	198.22
Lease Liabilities (Note 16)	401.86	193.95
	<b>3,131.20</b>	<b>2,824.48</b>



19 Provisions (current)

Particulars	Non-current		Current	
	As at	As at	As at	As at
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Warranty	37.33	43.03	23.24	16.60
Provision for contingency*	-	-	11.96	-
	37.33	43.03	35.20	16.60

\* Refer Note 37 (c)

i) Information about individual provisions and significant estimates

Service warranties

Warranty is for a period of 5 years against manufacturing and other defects as per terms of contract(s) with customer. Warranty expenses are provided based on estimates made by the Subsidiary Company. The management estimate of provision amount is primarily based on historical experience on the product failures as well as current information of repair cost. The foregoing evaluations are inherently uncertain, as they require material estimates. Consequently, actual warranty costs might differ from the estimated amounts and could require necessary adjustment in subsequent years.

ii) Movement in provisions

Movements in each class of provision during the financial year, are set out below:

Opening Balance	61.25
Discounted value as of previous year	14.39
Charged/ (credited) to profit or loss:	-
- additional provisions recognised	14.46
- reversals during the year	-16.29
Utilisation during the year	-0.12
Discounting of closing balance to present value	-14.07
As at 31 March 2022	59.63
Discounted value as of previous year	14.07
Charged/ (credited) to profit or loss:	-
- additional provisions recognised	23.24
- reversals during the year	-22.19
Utilisation during the year	-0.11
Discounting of closing balance to present value	-14.05
As at 31 March 2023	60.57

20 Other current liabilities

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Advance from customers	3.51	14.35
Statutory dues payable	264.13	88.09
Other liabilities	0.00	13.77
	267.65	116.21

21 Contract Liabilities

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Advance from customers	-	655.64
	-	655.64

Note:

a. Revenue recognised during the year that was included in contract liability balance as at the beginning of the period:

Sale of goods	31-Mar-23	31-Mar-22
	655.64	-

b. There was no revenue recognised from performance obligations satisfied in previous year.

c. Significant changes in contract liabilities

Contract liabilities have increased as the Company has received advances from customers for development of moulds (traded goods) for new projects expected to be billed during the next year.

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**22 Revenue from contracts with customers**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sales of products		
Finished goods	12,057.88	7,825.84
Traded Goods	2,168.99	389.72
Other operating revenue	-	31.67
Scrap sales	59.83	37.12
Other Operating Income	32.91	275.82
<b>Revenue from contracts with customers (gross)</b>	<b>14,319.60</b>	<b>8,560.17</b>

**Notes:**

a) The movement in contract liability (advance received from customers) during the year is as follows:

Particulars	March 31, 2023	March 31, 2022
Opening balance	655.64	-
Less: Revenue recognised during the year	655.64	-
Add: Consideration received during the year as advance	-	655.64
<b>Closing balance</b>	<b>-</b>	<b>655.64</b>

**b) Remaining performance obligations**

The Group's contract with customers are short-term (i.e. the performance obligations are expected to be met within one year or less). Therefore, taking the practical expedient, the details of transaction price allocated to the remaining performance obligations are not disclosed.

c) Revenue recognised is equal to the contract price and there is no variable consideration.

**23 Other income**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Provision no longer required written back	-	11.78
Net gain on disposal of property plant and equipment	-	-
Supervisory service income	163.22	150.31
Foreign exchange gain (net)	5.16	17.57
Government Grant *	42.35	67.97
Other Non Operating Income	1.42	1.58
Miscellaneous income	0.50	-
Excess provision written back	4.92	-
	<b>217.57</b>	<b>249.21</b>

\* Includes grant in the nature of subsidy from Government of Gujarat

**24 Finance income**

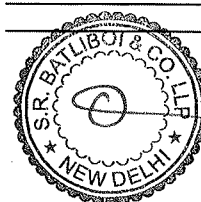
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income on		
Bank deposits	2.89	4.79
Others	3.39	1.17
Interest on unwinding of security deposit	2.13	0.19
	<b>8.41</b>	<b>6.15</b>

**25 Cost of raw material and components consumed**

**a) Raw material and Component Consumed**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventory at the beginning of the year	659.34	445.37
Add: Purchases	8,515.89	5,516.61
	<b>9,175.23</b>	<b>5,961.98</b>
Less: Inventory at the end of the year	(793.50)	(659.34)
<b>Cost of raw material and components consumed*</b>	<b>8,381.73</b>	<b>5,302.64</b>

\* Includes packing material consumption



**b. Purchase of Traded Goods**

	For the year ended March 31, 2023	For the year ended March 31, 2022
Fuel Caps Purchases	312.08	262.45
Moulds Purchased	112.02	103.76
Others	1,092.48	366.85
<b>Total</b>	<b>1,516.59</b>	<b>733.06</b>

**26 Decrease/ (increase) in inventories of Finished goods, Work in progress and Traded goods**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Inventories at the end of the year</b>		
Work-in-progress	138.47	85.98
Finished goods	96.42	80.28
Traded Goods	209.74	391.91
	444.63	558.17
<b>Inventories at the beginning of the year</b>		
Work in progress	85.98	69.50
Finished goods	80.28	62.32
Traded Goods	391.90	50.97
	558.17	182.79
<b>Decrease /(Increase) in inventories</b>	<b>113.55</b>	<b>(375.38)</b>

**27 Employee benefits expense**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages and bonus	1,218.22	702.37
Contribution to provident and other funds	41.16	37.36
Gratuity expense (refer note 35)	11.79	12.31
Staff welfare expenses	165.09	139.68
	1,436.27	891.72

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

**28 Depreciation expense**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation of tangible assets (note 3)	541.47	544.89
Amortization of intangible assets (note 3)	12.86	12.07
Depreciation of right to use asset (note 46)	100.04	64.72
	654.37	621.68

**29 Finance Costs**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest		
-Bank	57.43	46.45
-Others	27.77	14.60
Bank Charges	0.11	5.21
	85.31	66.26



**30 Other Expenses**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Consumption of store and spares	173.00	103.13
Power and fuel	307.87	221.32
Rent	17.86	20.14
Repair and maintenance		
- Plant and machinery	107.63	90.27
- Others	28.10	26.21
Insurance	28.51	22.57
Security expenses	12.32	10.86
Rates and taxes	34.78	5.11
Legal and professional expenses	31.15	17.68
Technical assistance and supervisory fees	10.62	3.74
Auditors remuneration (refer note below)	7.51	9.85
Communication	6.04	6.44
Travelling and conveyance	34.06	23.47
Loss on sale of fixed assets (net)	1.24	0.83
Freight outward	101.38	86.19
Printing & Stationery	4.65	2.85
Royalty	255.53	151.72
Provision for warranty (net) (Refer note 19)	1.04	-1.81
CSR Expenditure (refer note 42)	4.28	4.09
Provision for Inventory	2.18	1.64
Management fees	47.19	48.02
Charges for Outsourced Manpower	-	221.57
Provision for Contingency	11.96	-
Discounting Charges	5.21	-
Foreign exchange loss (net)	0.55	-
Miscellaneous expenses	45.02	34.21
	1,279.64	1,110.10

**Payment to auditor**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>In respect of Holding Company</b>		
<b>As auditor:</b>		
Audit fee	3.44	4.44
Tax audit fee	0.25	0.19
Limited Review	0.58	0.58
<b>In other capacity:</b>		
Other services	0.15	1.05
<b>Reimbursement of expenses</b>	0.59	0.47
<b>In respect of Subsidiary Company</b>		
Audit fee	1.40	1.88
Other services	0.60	1.03
<b>In other capacities</b>		
Reimbursement of expenses	0.49	0.21
	7.51	9.85

*This space has been intentionally left blank.*

**31 Components of Other Comprehensive Income (OCI)**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Retained earnings</b>		
Re-measurement gains/ (losses) on defined benefit plan	(3.13)	(6.61)
Income tax effect	0.79	2.02
	(2.34)	(4.59)



**32 Earnings per share (EPS)**

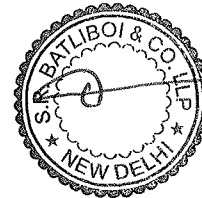
Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Group by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Group by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit/(Loss) attributable to equity holders of the Group	728.05	251.80
Weighted average number of equity shares ( in million) in calculating basic and diluted EPS	510.00	510.00
Basic and diluted earning per share (Rs.)	1.43	0.49

*This space has been intentionally left blank.*





**Toyoda Gosei Minda India Private Limited**

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2023

(Amounts in Rupees millions, unless otherwise stated)

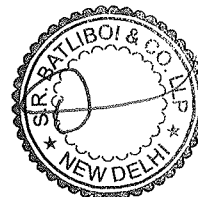
**33 Group information****(a) Information about subsidiary**

The Consolidated financial statements of the Group includes subsidiary listed in the below table:

Name	Relationship	Principal activities	Country of incorporation	% Equity interest	
				March 31, 2023	March 31, 2022
Toyoda Gosei South India Private Limited	Subsidiary	Manufacturing of Automobile Components	India	95%	95%

**(b) Financial information of subsidiary that have material non controlling interest is provided below:  
Proportion of equity interest held by non controlling interest**

Name	Principal activities	Country of incorporation	% Equity interest held by non controlling parties	
			March 31, 2023	March 31, 2022
Toyoda Gosei South India Private Limited	Manufacturing of Automobile Components	India	5%	5%

*This space has been intentionally left blank.*

**Toyoda Gosei Minda India Private Limited**

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2023

(Amounts in Rupees millions, unless otherwise stated)

**(c). Information regarding non-controlling interest**

	March 31, 2023	March 31, 2022
<b>Accumulated balances of opening non-controlling interest</b>	<b>70.39</b>	<b>64.48</b>
<b>Total Comprehensive income allocated to non-controlling interest</b>		
Toyoda Gosei South India Private Limited	21.26	6.17
<b>Dividend paid to non controlling interest</b>		
Toyoda Gosei South India Private Limited	4.48	0.26

**(d). Summarised statement of profit and loss of subsidiary for the year ended March 31, 2023 and March 31, 2022**

	March 31, 2023	March 31, 2022
Total Income	6,271.23	2,982.03
Consumption	4,249.03	1,823.82
Other expenses (including Employee benefit and depreciation)	1,426.61	976.80
Finance costs	35.88	9.58
<b>Profit before tax</b>	<b>559.70</b>	<b>171.82</b>
Income tax	151.08	47.85
Deffered Tax	(18.96)	(1.78)
<b>Profit for the year</b>	<b>427.59</b>	<b>125.76</b>
<b>Total comprehensive income for the year, net of tax (comprising net profit for the year and other comprehensive income/(loss))</b>	<b>425.25</b>	<b>123.53</b>
Attributable to non-controlling Interests	21.26	6.17
Dividends paid to non-controlling Interests	4.48	0.26

**(e). Summarised balance sheet of subsidiary Company as at March 31, 2023 and March 31, 2022**

Particulars	March 31, 2023	March 31, 2022
Inventories and cash and cash equivalents, other bank balance	725.41	473.10
Non current assets and current assets except shown above	2,218.79	2,515.60
Trade and other payable and current liability, provisions	1,205.30	1,580.78
<b>Total equity</b>	<b>1,738.91</b>	<b>1,407.92</b>
<b>Attributable to:</b>		
Equity holders of parent	1,651.97	1,337.52
Non-controlling interest	86.94	70.40

**(f). Summarised Cash flow of Subsidiary Company for the year ended March 31, 2023 and March 31, 2022**

	March 31, 2023	March 31, 2022
Operating activities	828.86	(67.63)
Investing activities	(146.59)	(597.65)
Financing activities	(346.50)	(21.25)
<b>Net increase in cash and cash equivalents</b>	<b>335.78</b>	<b>(686.53)</b>



### **34 Significant accounting judgements, estimates and assumptions**

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

Other disclosures relating to the Company's exposure to risks and uncertainties includes:

- Capital management Note 44
- Financial risk management objectives and policies Note 43
- Sensitivity analyses disclosure.

#### **Judgements**

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

#### **Revenue from contracts with customers:**

The Company applied the following judgments that significantly affect the determination of the amount and timing of revenue from contracts with customers:

Certain contracts for the sale of products include a right of price revision on account of change of product prices/purchase price that give rise to variable consideration. In estimating the variable consideration, the Company is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

The Company determined that the most likely method is the appropriate method to use in estimating the variable consideration

#### **Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

#### **Property, plant and equipment**

The useful lives and residual values of property, plant and equipment are determined by the management based on technical assessment by the management. The

Company believes that the derived useful life best represents the period over which the Company expects to use these assets.

#### **Taxes**

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

#### **Defined benefit plans (gratuity benefits):**

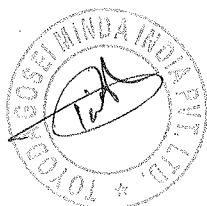
The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in Note 35

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### 35 Gratuity benefit plan

The Group provides for gratuity for employees in India as per the Payment of Gratuity (Amendment) Act, 2018. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on termination/retirement is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

In respect of Holding Company, defined benefit plans are unfunded. In respect of Subsidiary Company the gratuity plan is a funded plan and the Subsidiary Company makes contribution to Life Insurance Corporation of India.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and amounts recognized in the balance sheet:

#### A. Defined contribution plans

Particulars	Year Ended	
	March 31, 2023	March 31, 2022
Provident fund	39.17	35.37
Employee state insurance	1.99	1.99
<b>Total</b>	<b>41.16</b>	<b>37.36</b>

#### B. Defined benefit plan

##### Gratuity

Changes in the present value of the defined benefit obligation are as follows

Particulars	Gratuity	
	March 31, 2023	March 31, 2022
Present value of defined benefit obligation as at the beginning of the year	100.49	86.81
Interest cost	6.99	6.55
Current service cost	11.23	9.20
Benefits paid	(4.97)	(7.95)
Actuarial loss	(2.11)	5.88
Present value of defined benefit obligation as at the end of the year	111.62	100.49

#### B) Fair value of plan assets

Particulars	Gratuity	
	March 31, 2023	March 31, 2022
Fair value of plan assets at the beginning of the year	56.47	54.56
Interest Income	3.95	3.51
Contributions	11.48	3.05
Benefits paid	(2.25)	(3.77)
Remeasurement gains/ (losses)	1.06	(0.82)
Fair value of plan assets at the end of the year	70.70	56.53

##### Balance sheet

##### Benefit liability

Particulars	Gratuity	
	March 31, 2023	March 31, 2022
Present value of defined benefit obligation	111.62	100.49
Fair value of plan assets	70.70	56.53
Net (asset)/obligation	40.92	43.96

Recognised under:	March 31, 2023	March 31, 2022
Long term provision [ Refer note 15 ]	34.56	31.13
Short term provision [ Refer note 15 ]	6.36	12.83
<b>Total</b>	<b>40.92</b>	<b>43.96</b>



**Statement of profit and loss (Refer note 27)**

**Net employee benefit expense recognized in the employee cost**

Particulars	Gratuity	
	March 31, 2023	March 31, 2022
Interest cost	3.04	6.54
Current service cost	8.75	5.77
Less: gratuity amount pertains to employees transferred from other group entities	-	-
<b>Net benefit expense</b>	<b>11.79</b>	<b>12.31</b>

**The principal assumptions used in determining gratuity for the company's plan are shown below:**

Particulars	Gratuity	
	March 31, 2023	March 31, 2022
Discount rate (per annum)	6.98% - 7.30%	6.90% - 6.98%
Rate of increase in compensation levels*	8%-10%	8%-10%
Attrition rate	8% -15%	8% -15%

**Mortality rate**

Indian Assured Lives Mortality (2012-2014) (modified) ultimate table are used of calculation as on March 31, 2023 and March 31, 2022

\* The estimates of future salary increases, considered in actuarial valuation, take into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**A quantitative sensitivity analysis for significant assumptions is shown below:**

Changes in assumption	Change in DBO	Impact on defined benefit obligation (DBO)	
		Gratuity	
		March 31, 2023	March 31, 2022
<b>Discount rate</b>			
a. Increase by 1%	Decrease by	3.41	7.22
b. Decrease by 1%	Increase by	8.74	8.29
<b>Salary escalation rate</b>			
a. Increase by 1%	Increase by	2.94	7.01
b. Decrease by 1%	Decrease by	6.99	6.48

Changes in Defined benefit obligation due to 1% Increase/Decrease in Mortality Rate, if all other assumptions remain constant is negligible.

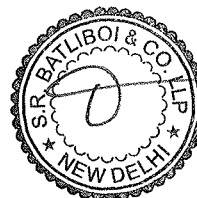
The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the year.

**Maturity Profile of Defined Benefit Obligation**

Expected cash value over the next 5 years (Valued on undiscounted basis)

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Within the next 12 months (next annual reporting period)	10.52	9.61
Between 2 and 5 years	41.95	32.56
Beyond 5 years	168.31	131.88

The average duration of the defined benefit plan obligation at the end of the reporting period is 9 years (March 31, 2022: 9 years).



**36 Commitment and contingencies**

**a. Capital commitment**

**Estimated amount of contracts remaining to be executed on capital account and not provided for:**

At March 31, 2023, the Group has commitments of Rs. 258.46 million (March 31, 2022: Rs. 119.57 million) relating to the expenditure in capital asset.

**b. Investment in Toyoda Gosei South India Private Limited**

Toyoda Gosei South India Private Limited (TGSIN) is a Joint Venture company, in which Toyoda Gosei Co., Ltd Japan is holding 95% equity and Toyota Tsusho Corporation, Japan, is holding 5% equity. The Company acquired 95% shareholding in TGSIN, from Toyoda Gosei Co Ltd. (95%). The shares of TGSIN had been valued at Rs. 44.26 per share based on the valuation report given by independent valuer. By considering the such share value, the total consideration for acquisition of 28,880,000 equity shares arrived at Rs. 1,278.17 million.

**c. Financial Guarantees**

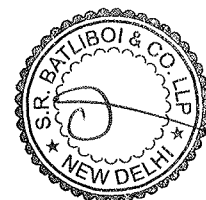
The Holding Company has given a bank guarantee of Rs. 0.5 million (March 31, 2022: Rs. .0.75 million) to NICDC for solar plant for Neemrana Plant.

**37 Contingent liabilities**

The Subsidiary Company has the following contingent liabilities:

Particulars	31 March 2023	31 March 2022
Interest on statutory Liability ( refer note b )	59.11	-
Other Matters( Refer note a )	2.50	2.30
<b>Total contingent liabilities</b>	<b>61.61</b>	<b>2.30</b>

- a) Potential Liability towards certain cases files by ex-employee / contract employee has been included under Other matters.  
It is not practicable for the Subsidiary Company to estimate the timing of cash outflows, if any, in respect of the above, pending resolution of the respective proceedings.  
Subsidiary Company does not expect any reimbursement in respect of the above matters.
- b) During the year, the Hon'ble Supreme Court of India has opined on the taxability of the secondment arrangements between an overseas entity and its group company in the case of CC CE & ST vs Northern Operating Systems (the 'NOS judgement') considering these as manpower supply services from the overseas entity to the Indian entity and accordingly, liable to goods and service tax on reverse charge mechanism. In view of above, the Group and its independent consultant has also analysed the applicability of such judgement on its operations involving the expats from overseas entity in light of the NOS judgement. Basis their assessment, the facts in the instant case are not completely aligned. The management is of the view that the payment made on this account would be revenue neutral as it is confident that GST credit shall be allowed and in view of the above, the Group has paid Gst liability has claimed the credit in the GST return for the year. The Group has made appropriate provision for contingencies for any other expenses relating to same
- c) During the earlier years, the Holding Company had received notice that it had wrongly claimed transitional credit amounting to Rs 18.73 million on account of non- submission of forms till date of transition. Pursuant to this notice, the Holding Company had filed reply and also submitted all the pending forms.  
Holding Company has filed an appeal before the Hon'ble High Court of Rajasthan at Jaipur bench. The same is pending till date. Management is confident that no provisions are likely in this matter.



38

**Related party disclosures**

**a. Names of related parties and related party relationship**

**Related party disclosures**

**Names of related parties and related party relationship**

**Holding Company**

Toyoda Gosei Co. Ltd, Japan

**Parties under common control with whom transactions have taken place during the year:**

PT. Toyoda Gosei Safety Systems Indonesia

M/s. Toyoda Gosei (Thailand) Co. Ltd., Thailand

Minda Nabtesco Automotive P. Ltd.

Minda TG Rubber Pvt. Ltd.

M/s. Toyoda Gosei Asia Pacific Co. Ltd., Thailand

**Joint Venture**

Uno Minda Limited (formerly known as

Minda Industries Limited)

**Subsidiaries of Joint Venture**

Mindarika India Pvt Limited

Minda Kosei Aluminium Wheel Pvt. Ltd.

M/s Harita Fehrer Limited

Minda Kyoraku Limited

Minda Infrastructure LLP

**Key managerial personnel ("KMP")**

Yasuyuki Yamashita

Managing Director

Bijay Krishna Shrestha

Director

Yasushi Okada

Director

Ravi Mehra

Director (w.e.f April 01, 2022 till March 31, 2023)

Ravi Shankar Gupta

Director (till March 31, 2023)

Akira Suzuki

Director ( w.e.f June 2020)

**Employee Gratuity Fund**

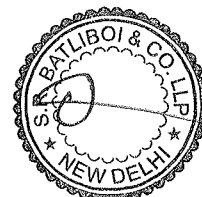
Toyoda Gosei South India Private Limited

Employee Gratuity Fund

Employee Benefit plan in which Subsidiary Company's directors are trustees.

**Terms and conditions of transactions with related parties :**

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2022: Rs. Nil). This assessment is undertaken each financial year through examining the financial position of the related parties and the market in which the related party operates..



**38 b. Transaction with related parties**



Toyoda Gosei Minda India Private Limited  
Notes forming part of Consolidated Financial Statements for the year ended March 31, 2023  
(Amounts in Rupees millions, unless otherwise stated)

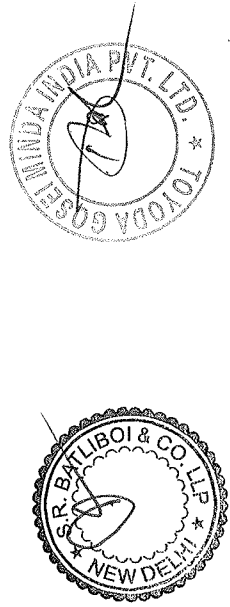
38 (c) Balance outstanding in respect of related parties as at 31 March 2023:

Balances as at year end	Holding Company		Parties under common control		Joint Venture Company		Subsidiaries of Joint Venture Company		Key Management Personnel	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
<b>Trade payables</b>										
Toyoda Gosei Co. Ltd, Japan	99.90	48.83	-	-	-	-	-	-	-	-
Mindarika India Pvt Limited	-	-	-	-	-	-	78.83	68.51	-	-
Uno Minda Limited	-	-	-	-	62.71	84.75	-	-	-	-
Minda TG Rubber Pvt. Ltd.	-	-	-	-	-	-	-	-	-	-
Minda Nabtesco Automotive Pvt. Ltd.	-	-	0.05	0.08	-	-	-	-	-	-
Minda Kyoraku Limited	-	-	-	0.05	-	-	-	-	-	-
M/s. Harita Fehrer Limited	-	-	-	-	-	-	6.75	17.58	-	-
M/s. Minda Infrastructure LLP	-	-	-	-	-	-	16.40	18.99	-	-
<b>Trade Receivable</b>							16.58	-	-	-
Toyoda Gosei Co. Ltd, Japan	11.73	23.38	-	-	-	-	-	-	-	-
Minda TG Rubber Pvt. Ltd.	-	-	20.31	8.02	-	-	-	-	-	-
PT. Toyoda Gosei Safety Systems Indonesia	-	-	1.68	-	-	-	-	-	-	-
Uno Minda Limited	-	-	-	-	0.04	1.20	-	-	-	-
Minda Kyoraku Limited	-	-	-	-	-	-	20.94	46.75	-	0
<b>Remuneration Payable</b>										
Mr. Bijay Krishna Shrestha	-	-	-	-	-	-	-	-	-	0.45
Mr. Akira Suzuki	-	-	-	-	-	-	-	-	-	0.29
<b>Inter Corporate Loans</b>										
Minda TG Rubber Pvt. Ltd.	-	-	80.00	-	-	-	-	-	-	-
<b>Other Receivables</b>										
M/s. Fong Yue Automotive Parts Co. Ltd., Taiwan	-	-	-	-	-	-	-	-	-	-
Mr. Bijay Krishna Shrestha	-	-	-	-	-	-	-	-	0.40	0.40

Notes:

In respect of Subsidiary Company

- 1) Remuneration paid to KMP includes perquisites evaluated as per Income tax rules
- 2) Professional and Consultancy charges for the year included INR included in the cost of Inventory unsold as per the year end. The amount of previous year includes Rs.30.4 million capitalised along with PPE
- 3) Reimbursement of expenses includes Rs.8.1million (2022 : Rs.9.4 millions) relating to M/s Toyoda Gosei Company Ltd, Japan on account of Akira Suzuki remuneration.
- 4) The information disclosed is based on the names of the parties as identified by the management, which has been relied upon by the auditors.



**Note-39: Fair values**

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments.

Particulars	Method of Fair Value	Carrying value		Fair value	
		As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>Financial assets</b>					
Security deposits	Amortised Cost	51.23	45.52	51.23	45.52
Loans and Advances to employees	Amortised Cost	5.23	2.34	5.23	2.34
Investment	Amortised Cost	0.06	0.11	0.06	0.11
Other Financial assets	Amortised Cost	1.30	1.32	1.30	1.32
Trade Receivables	Amortised Cost	1,671.51	1,543.69	1,671.51	1,543.69
Cross Currency Interest swaps	Fair Value through Profit and Loss	6.76	-	6.76	-
Inter Corporate Deposits	Amortised Cost	80.00	-	80.00	-
Cash and cash equivalent	Amortised Cost	476.04	68.41	476.04	68.41
<b>Total</b>		<b>2,292.12</b>	<b>1,661.39</b>	<b>2,292.12</b>	<b>1,661.39</b>
<b>Financial liabilities</b>					
Borrowings (including Current maturity)	Amortised Cost	925.26	1,019.12	925.26	1,019.12
Trade Payable	Amortised Cost	1,581.51	1,413.19	1,581.51	1,413.19
Other financial liabilities	Amortised Cost	222.57	198.22	222.57	198.22
Lease Liability	Amortised Cost	401.86	193.95	401.86	193.95
Cross Currency Interest swaps	Fair Value through Profit and Loss	-	1.15	-	1.15
<b>Total</b>		<b>3,131.20</b>	<b>2,825.63</b>	<b>3,131.20</b>	<b>2,825.63</b>

The management assessed that cash and cash equivalents, Interest accrued but not due, trade receivables, short term deposits received, trade payables and payable for capital goods approximate their carrying amounts largely due to the short-term maturities of these instruments.

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

**The following methods and assumptions were used to estimate the fair values:**

The security deposits paid, Investments and other receivables are evaluated by the group based on parameters such as interest rate, risk factors, risk characteristics, and individual credit worthiness of the counterparty. Based on this evaluation allowances are taken into account for the expected losses of the

The Fair value of Derivative contracts is determined based on certain factors such as exchange rate, current interest rate and is determined by an independent third party valuer.

Borrowing are evaluated by the Group based on parameters such as interest rates, specific country risk factors and prepayment.

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**Note - 40 : Fair hierarchy**

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

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

**Level 2:** Valuation techniques for which the lowest level input that has a significant effect on the fair value measurement are observable, either directly or indirectly.

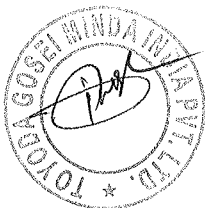
**Level 3:** Valuation techniques for which the lowest level input which has a significant effect on the fair value measurement is not based on observable market data.

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

**Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2023 and 31 March 2022**

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
<b>Financial assets carried at Amortised Cost for which fair value are disclosed</b>					
Security deposits	March 31, 2023	51.23	-	-	51.23
Security deposits	March 31, 2022	45.52	-	-	45.52
					-
Loans and Advances to employees	March 31, 2023	5.23	-	-	5.23
Loans and Advances to employees	March 31, 2022	2.34	-	-	2.34
Inter Corporate Deposits	March 31, 2023	80.00			80.00
Inter Corporate Deposits	March 31, 2022	-			-
Other Financial assets	March 31, 2023	1.30	-	-	1.30
Other Financial assets	March 31, 2022	1.32	-	-	1.32
Trade Receivables	March 31, 2023	1,671.51	-	-	1,671.51
Trade Receivables	March 31, 2022	1,543.69	-	-	1,543.69
Cash and cash equivalent	March 31, 2023	476.04	-	-	476.04
Cash and cash equivalent	March 31, 2022	68.41	-	-	68.41
Deposits with remaining maturity for more than 12 months	March 31, 2023	-	-	-	-
Deposits with remaining maturity for more than 12 months	March 31, 2022	-	-	-	-
Investments	March 31, 2023	0.06	-	-	0.06
Investments	March 31, 2022	0.11	-	-	0.11
<b>Financial assets carried at Cost for which fair value are disclosed</b>					
MTM Valuation of cross currency of Interest rate swaps	March 31, 2023	6.76	-	-	0.06
MTM Valuation of cross currency of Interest rate swaps	March 31, 2022	-	-	-	-

There have been no transfers between Level 1 and Level 2 during the period.



Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2023 and 31 March 2022

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
<b>Financial liabilities</b>					
Borrowings	March 31, 2023	925.26	-	-	925.26
Borrowings	March 31, 2022	1,019.12	-	-	1,019.12
Trade Payable	March 31, 2023	1,581.51	-	-	1,581.51
Trade Payable	March 31, 2022	1,413.19	-	-	1,413.19
Lease Liability	March 31, 2023	401.86	-	-	401.86
Lease Liability	March 31, 2022	193.95	-	-	193.95
Other financial liabilities	March 31, 2023	222.57	-	-	222.57
Other financial liabilities	March 31, 2022	198.22	-	-	198.22
<b>Other Financial liabilities carried at Fair value for which fair values are disclosed</b>					
MTM Valuation at cross currency interest rate swap	March 31, 2023	-	-	-	-
MTM Valuation at cross currency interest rate swap	March 31, 2022	1.15	-	-	1.15

There have been no transfers between Level 1 and Level 2 during the period.

**B. Valuation techniques:**

The fair values of security deposits and lease liabilities were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

**C. Valuation process:**

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. The significant level 3 inputs for determining the fair values are discount rates using a current lending rate to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.

**D. Fair value of financial assets and liabilities measured at amortised cost:**

- the fair values of the lease liabilities and security deposits is considered to be approximately same as their carrying amounts.
- the carrying amounts of trade receivables, trade payables and cash and cash equivalents, other financial assets, borrowings and other financial liabilities are considered to be the same as their fair values due to their short-term nature.

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**41 Segment information**

**General Disclosure**

The Group has disclosed business segment as primary segment. The segments have been identified and reported taking into account the nature of products and services, the differing risks and returns, the organisation structure and the internal reporting system.

**Primary segment - Business segment:**

The Group business activity falls within a single business segment i.e. manufacturing and trading of Automotive Components and therefore, segment reporting in terms of Ind-AS 108 on Segmental Reporting is not applicable

**Secondary segment - Geographical segment:**

The Group also exports its products but the disclosures as required under Indian Accounting Standard 108 on geographic segment has not been provided as the value of exports in each geographic segment is less than 10% of the total revenue.

**42 Corporate Social Responsibility**

42	Corporate Social Responsibility	For the year ended March 31, 2023	For the year ended March 31, 2022	
a)	Gross amount required to be spent by the Group during the year	4.27	4.10	
b)	Amount approved by the Board to be spent during the year	4.27	4.10	
		In cash	Yet to be paid in cash	Total
c)	Amount spent during the year ending on March 31, 2023			
i)	Construction/ acquisition of any asset	1.17	-	1.17
ii)	On purposes other than (i) above	3.10	-	3.10
d)	Amount spent during the year ending on March 31, 2022			
i)	Construction/ acquisition of any asset	0.19	-	0.19
ii)	On purposes other than (i) above	3.91	-	3.91
e)	Details related to spent / unspent obligations:	31-Mar-23	31-Mar-22	
i)	Contribution to Public Trust	-	-	
ii)	Contribution to Charitable Trust	1.80	2.20	
iii)	Directly Sent	2.47	1.90	
iii)	Unspent amount in relation to:			
	Ongoing project	-	-	
	Other than ongoing project	-	-	

In case of S. 135(5) (Excess amount Spent) for period ending March 23			
Opening Balance	Amount required to be spent during the year	Amount spent during the year	Closing Balance
-	4.27	4.27	-

In case of S. 135(5) (Excess amount Spent) for period ending March 22			
Opening Balance	Amount required to be spent during the year	Amount spent during the year	Closing Balance
-	4.10	4.10	-

**43 Financial risk management objectives and policies**

The Group's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Groups operations. The Group's principal financial assets include deposits, trade and other receivables and cash and cash equivalents that derive directly from its operations. The Group is exposed to variety of risks such as market risk, credit risk and liquidity risk. The Group's management oversees the management of these risks. The Group's overall risk management policy seeks to minimize potential adverse effects on Group's financial performance. The Group's management reviews and agrees policies for managing each of these risks, which are summarised below:

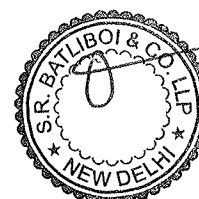
**a. Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, foreign currency risk and price risk. Financial instruments affected by market risk include interest bearing loans and borrowings.

The sensitivity analysis in the following sections relate to the position as at 31 March 2023 and 31 March 2022. The analyses exclude the impact of movements in market variables on: the carrying values of post-retirement obligations and provisions.

**The following assumptions have been made in calculating the sensitivity analyses:**

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2023 and 31 March 2022.



**I Interest rate risk:**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group long-term debt obligations with floating interest rates. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. To manage this, the Group enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

**In respect of Holding Company**

**Interest rate sensitivity:**

Short Term Borrowing

Long Term Borrowing

March 31, 2023			March 31, 2022		
Increase /Decrease in basic Point	Impact on profit Before Tax		Increase /Decrease in basic Point	Impact on profit Before Tax	
+0.05	(0.37)		+0.05	(0.24)	
-0.05	0.37		-0.05	0.24	
+0.05	(0.09)		+0.05	(0.19)	
-0.05	0.09		-0.05	0.19	

**II Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities

**Foreign currency sensitivity:**

The Indian Rupee is the Company's most significant currency. As a consequence, the Group's results are presented in Indian Rupee and exposures are managed against Indian Rupee accordingly. The Group has foreign currency trade payables and advances recoverable and is therefore exposed to foreign currency risk. The Group may use foreign currency options, currency swaps or forward contracts towards hedging risk resulting from changes and fluctuations in foreign currency exchange rate. Currently, no hedging options are taken by the Group.

The following table demonstrate the sensitivity to a reasonably possible change in the JPY/ EURO and USD exchange rates, with all other variables held constant:

**In respect of Holding Company  
For the year ended 31 March 2023**

Particulars	Change in currency exchange rate (+/-)	Effect on profit/(loss) before tax (+/-)	
	Increase by 10%	Trade & other payables	Trade receivables
Japanese Yen (JPY)	10%	(3.87)	1.28
U.S. Dollar (USD)	10%	(6.80)	0.17
EURO (EUR)	10%	(1.83)	-

Particulars	Change in currency exchange rate (+/-)	Effect on profit/(loss) before tax (+/-)	
	Decrease by 10%	Trade & other payables	Trade receivables
Japanese Yen (JPY)	10%	3.87	(1.28)
U.S. Dollar (USD)	10%	6.80	(0.17)
EURO (EUR)	10%	1.83	-

**For the year ended 31 March 2022**

Particulars	Change in currency exchange rate (+/-)	Effect on profit/(loss) before tax (+/-)	
	Increase by 10%	Trade & other payables	Trade receivables
Japanese Yen (JPY)	10%	(2.26)	1.06
U.S. Dollar (USD)	10%	(3.30)	-
EURO (EUR)	10%	(3.28)	-

Particulars	Change in currency exchange rate (+/-)	Effect on profit/(loss) before tax (+/-)	
	Decrease by 10%	Trade & other payables	Trade receivables
Japanese Yen (JPY)	10%	2.26	(1.60)
U.S. Dollar (USD)	10%	3.30	-
EURO (EUR)	10%	3.28	-



**In respect of Subsidiary Company**

The Subsidiary company exposure to foreign currency risk at the end of the reporting period expressed in INR as follows:

Particulars	Amount in INR	
	31 March 2023	31 March 2022
Trade receivables (JPY)	-1.53	-
Trade receivables (USD)	-	5.30
<b>Total assets</b>	<b>-1.53</b>	<b>5.30</b>
Trade and other payables (USD)	0.01	0.55
Trade and other payables (JPY)	3.98	17.05
Trade and other payables (EUR)	-	0.63
<b>Total liabilities</b>	<b>0.40</b>	<b>1.82</b>

Particulars	Impact on profit before tax	
	31 March 2023	31 March 2022
<b>USD Sensitivity</b>		
INR/USD - Increase by 2%	-	0.10
INR/USD - decrease by 2%	-	(0.10)
<b>JPY Sensitivity</b>		
INR/JPY - Increase by 2%	0.11	(0.34)
INR/JPY - decrease by 2%	0.11	0.34
<b>EUR Sensitivity</b>		
INR/EUR - Increase by 2%	-	(0.01)
INR/EUR - decrease by 2%	-	0.01

**III Commodity price risk:**

As the Group is not engaged in business of commodities which are traded in recognized commodity exchanges, commodity risk is not applicable.

**IV Equity price risk:**

Since the Group has not made any investment in any listed/ unlisted securities during the year or at the year end, equity price risk is not applicable.

**b. Credit Risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including balances lying with banks and financial institutions, foreign exchange transactions and other financial instruments.

**Trade receivables:**

Credit evaluations are performed on all customers requiring credit over a certain amount. The Group does not require collateral in respect of financial assets.

**Financial instruments and cash deposits:**

Credit risk related to balances with banks and financial institutions, if any is managed by the management on an ongoing basis.

**c. Liquidity risk**

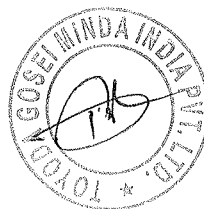
The Group's objective is to maintain a balance of continuity of funding and flexibility through the use of short term loans and borrowings. The Group's management reviews the liquidity position on an ongoing basis.

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

**For Holding Company( Before elimination )**

**as at March 31, 2023**

Particulars	Borrowings	Trade payables	Other financial liabilities	Lease Liability	Total
Carrying Amount	925.26	989.64	125.77	122.52	2,163.19
Contractual cash flows	925.26	989.64	125.77	122.52	2,163.19
<b>Maturity profile</b>					
On Demand	-	-	-	-	-
6 months or less	653.39	989.59	31.24	9.67	1,683.94
6-12 months	84.37	-	94.53	8.99	187.89
1-2 years	125.00	-	-	17.31	142.31
2-5 years	62.50	-	-	34.87	97.37
> 5 Years	-	-	-	51.68	51.68
	<b>925.26</b>	<b>989.58</b>	<b>125.76</b>	<b>122.52</b>	<b>2,163.19</b>



as at March 31, 2022

Particulars	Borrowings	Trade payables	Other financial liabilities	Lease Liability	Total
Carrying Amount	854.12	981.72	87.64	108.17	2,031.66
Contractual cash flows	854.12	981.72	87.64	108.17	2,031.66
Maturity profile					
On Demand	-	-	-	-	-
6 months or less	369.78	981.72	28.29	8.38	1,388.17
6-12 months	106.25	-	58.86	8.38	173.49
1-2 years	190.62	-	0.49	13.14	204.25
> 2 years	187.50	-	-	32.95	220.45
> 5 years	-	-	-	45.32	45.32
	854.15	981.72	87.64	108.16	2,031.68

For Subsidiary Company( Before elimination )  
as at March 31, 2023

Contractual maturities of financial	Less than 3 months	3 to 12 months	1-5 Years	More than 5 years	Total
<b>Non-derivatives</b>					
Lease Liabilities	16.13	50.95	139.87	5.38	212.34
Borrowings	-	-	-	-	-
Trade payables	634.45	-	-	-	634.45
Other Financial Liability	96.80	-	-	-	96.80
<b>Total non-derivative liabilities</b>	<b>747.38</b>	<b>50.95</b>	<b>139.87</b>	<b>5.38</b>	<b>943.59</b>

31 March 2022

Contractual maturities of financial	Less than 3 months	3 to 12 months	1-5 Years	More than 5 years	Total
<b>Non-derivatives</b>					
Lease Liabilities	7.34	6.99	71.45	-	85.78
Borrowings	-	165.00	-	-	165.00
Trade payables	434.32	-	-	-	434.32
Other Financial Liability	111.72	-	-	-	111.72
<b>Total non-derivative liabilities</b>	<b>553.38</b>	<b>171.99</b>	<b>71.45</b>	<b>-</b>	<b>796.82</b>

	Amount In INR	
	31 March 2022	31 March 2022
<b>Floating Rate:</b>		
- Expiring within one year	750	585

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Selective hedging is used within the Group to manage risk concentrations at both the relationship and industry levels.

44 Capital management

For the purpose of the Groups capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to safeguard its ability to continue as going concern and to ensure that it maintain an efficient capital structures and maximise the shareholder value.

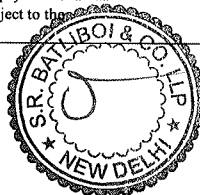
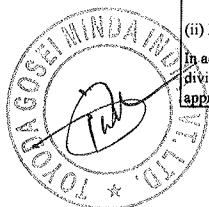
The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, if any, less cash and cash equivalents.

Particulars	As at March 31, 2023	As at March 31, 2022
Borrowing ( Note 13)	925.26	1,019.12
Less: cash and cash equivalents (Note 10)	476.04	68.41
<b>Net debt</b>	<b>449.22</b>	<b>950.70</b>
Equity	5,580.31	4,875.90
<b>Total capital</b>	<b>5,580.31</b>	<b>4,875.90</b>
<b>Capital and net debt</b>	<b>6,029.53</b>	<b>5,826.61</b>
<b>Gearing ratio</b>	<b>7.5%</b>	<b>16.3%</b>

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022

b) Dividend ( in respect of Subsidiary Company)

Particulars	31-Mar-23	31 March 2022
(i) Equity Shares		
Final Dividend for the year ended 31 March 2022 of INR 3.10 (31 March 2021 - 0.17) per fully paid share	94.24	5.17
Interim Dividend for the year ended 31 March 2023 Nil (31 March 2022 - INR Nil) per fully paid share	-	-
(ii) Dividends not recognised at the end of the reporting period		
In addition to the above dividends, subsequent to the year end the directors have recommended the payment of a final dividend of INR 10.55 per fully paid equity share (2022 - INR 4.15). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	320.72	126.16





**Toyoda Gosei Minda India Private Limited**

**Notes forming part of Consolidated Financial Statements for the year ended March 31, 2023**

(Amounts in Rupees millions, unless otherwise stated)

**45. Derivative instruments and unhedged foreign currency exposure (in respect of Holding Company)**

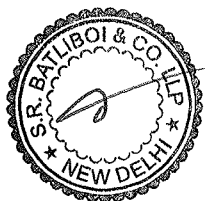
**a. Derivatives outstanding as at the reporting date**

Particulars	As at		As at	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Amount in Foreign Currency	Amount in Foreign Currency	Amount in Indian Rupees	Amount in Indian Rupees
Hedging of principal amount - USD*	8,85,627	20,66,464	72.76	156.62
Current	8,85,627	11,80,837	72.76	89.52
Non Current	-	8,85,627	-	67.10
<b>Total</b>	<b>8,85,627.49</b>	<b>20,66,464.21</b>	<b>72.76</b>	<b>156.62</b>

\* The amount is hedged against cross currency interest rate swap.

**b. Particulars of unhedged foreign currency exposures as at the reporting date**

Particulars	As at		As at	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Foreign Currency	Amount in Rs.	Foreign Currency	Amount in Rs.
<b>Trade payables</b>				
USD	8,21,801	67.97	4,32,057	33.00
JPY	6,19,46,580	38.66	3,46,25,506	22.60
EUR	1,97,904	18.33	3,91,873	32.82
<b>Total</b>	<b>6,29,66,285</b>	<b>124.96</b>	<b>3,54,49,436</b>	<b>88.42</b>
<b>Trade receivables</b>				
USD	20,303	1.68	-	-
JPY	2,07,71,852	12.80	1,69,62,807	10.58
<b>Total</b>	<b>2,07,92,155</b>	<b>14.48</b>	<b>1,69,62,807</b>	<b>10.58</b>



**Toyoda Gosei Minda India Private Limited**

**Notes forming part of Consolidated Financial Statements for the year ended March 31, 2023**

**(Amounts in Rupees millions, unless otherwise stated)**

**46 Leases**

(i) The Group's lease asset primarily consist of leases for land and buildings and Solar Power Plant of various lease terms. Effective April 1, 2019, the Group adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Consequently, the Group recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate as on the date of transition and has measured right of use asset at an amount equal to lease liability adjusted for any related prepaid and accrued lease payments previously recognised. The rental contracts of Building may have extension options as described in note ix below. The Group also has certain leases with lease terms of 12 months or less and leases with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

(ii) Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Leasehold Land	Building	Solar Power	Total
As at 1st April 2020	-	245.47	22.93	268.40
Additions	61.87	15.14	37.36	114.37
Depreciation expense	(0.67)	(54.86)	(6.00)	(61.54)
As at 31 March 2021	61.19	205.74	54.29	321.23
Additions /*Adjustment	153.42	18.70	35.34	207.46
Depreciation expense	(0.67)	(53.96)	(10.10)	(64.72)
As at 31 March 2022	213.94	170.48	79.53	463.96
Additions	-	275.17	9.33	284.50
Deletion	(153.40)	(7.72)	-	(161.12)
Depreciation expense	(0.67)	(91.17)	(8.20)	(100.04)
As at 31 March 2023	59.86	346.76	80.66	487.29

\*Adjustment on account of Ind AS 116 "Leases", there is no impact on statement of profit and loss accounts.

(iii) The following is the carrying value of lease liability on the date of transition and movement thereof during the period

As at 1st April 2021	171.98
Additions	54.03
Payments	(32.05)
As at 31 March 2022	193.95
Additions	284.50
Payments	(76.61)
As at 31 March, 2023	401.86
Current	85.74
Non Current	316.12

(iv) The maturity analysis of lease liabilities are disclosed in Note 43

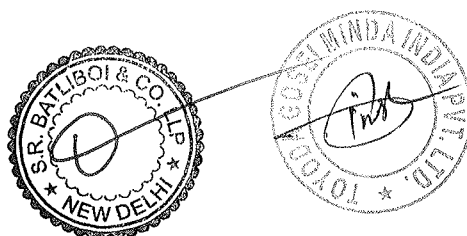
(v) Rental expense recorded for short-term leases was Rs 17.86 million (31 March, 2022 Rs. 20.14 million) for the year ended 31 March, 2023. (refer note 30)

(vi) The Group had total cash outflows for leases of Rs 79.42 million in 31 March 2023 (Rs 209.25 million in 31 March 2022).

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

**(viii) Extension and termination options** Extension and termination options are included in property lease agreements. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. Extension and termination options held are exercisable only by the Group and not by the lessor. Extension options have not been included in the lease term as exercising this option is currently not reasonably certain. The Company has registered (Sale cum lease agreement) of land on his own name, dated 18th, August, 2022 measuring 10 acres on lease from The Karnataka Industrial Areas Development Board situated at Harohalli Industrial Area the same land shall be transfer to name of company at the end of 10th Year from date of registration.

**(ix) Variable lease payments** Some property leases contain variable payment terms with payments that are based on actual expenses incurred by the lessor for operation and maintenance of the facility. These expenses could not be measured reliable as on the date of inception of the contract and hence have not been included in calculation of the lease liability. These expenses are charged to the statement of profit and loss as and when they are incurred.



**Toyoda Gosei Minda India Private Limited**  
**Notes forming part of Consolidated Financial Statements for the year ended March 31, 2023**  
(Amounts in Rupees millions, unless otherwise stated)

**47 Additional information pursuant to Schedule III of Companies Act 2013, "General instructions for the preparation of consolidated financial statements" for financial year ending March 31, 2023**

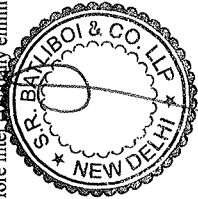
S. No.	Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share in Statement Profit or (loss) (net of tax)		Share in other comprehensive income/(loss) (net of tax)		Share in total comprehensive income for the year, net of tax (comprising net profit for the year and other comprehensive income)	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated Other Comprehensive Income	Amount	As % of consolidated total Comprehensive Income	Amount
1	<b>Holding Company *</b> Toyoda Gosei Minda India Private Limited	91.87%	5,206.60	53.57%	390.00	0.00%	-	54%	390.00
2	<b>Subsidiaries *</b> Toyoda Gosei South India Private Limited <i>Less : Intercompany Eliminations</i>	30.68% -22.55%	1,738.89 (1,278.22)	58.73% -12.30%	427.59 (89.53)	100.00% 0.00%	(2.34) -	59% -12%	425.25 (86.91)
	Toyoda Gosei Minda India Private Limited Consolidated	100.00%	5,667.26	100.00%	728.05	100.00%	(2.34)	100%	725.71

\* The above figures shown are before inter company eliminations/adjustments.

**Additional information pursuant to Schedule III of Companies Act 2013, "General instructions for the preparation of consolidated financial statements" for financial year ending March 31, 2022**

S. No.	Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share in Statement Profit or (loss) (net of tax)		Share in other comprehensive income/(loss) (net of tax)		Share in total comprehensive income for the year, net of tax (comprising net profit for the year and other comprehensive income)	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated Other Comprehensive Income	Amount	As % of consolidated total Comprehensive Income	Amount
1	<b>Holding Company *</b> Toyoda Gosei Minda India Private Limited	97.38%	4,816.65	52.03%	131.00	51.67%	(2.37)	52.00%	128.63
2	<b>Subsidiaries *</b> Toyoda Gosei South India Private Limited <i>Less : Intercompany Eliminations</i>	28.46% -25.84%	1,407.88 (1,278.23)	49.94% -1.97%	125.74 (4.94)	48.33% 0.00%	(2.22) -	50.00% -2.00%	123.52 (4.94)
	Toyoda Gosei Minda India Private Limited Consolidated	100.00%	4,946.29	100.00%	251.80	100.00%	(4.59)	100.00%	247.21

\* The above figures shown are before inter company eliminations/adjustments.



48 Ratio Analysis and its elements

Ratio	Numerator	Denominator	31-Mar-23	31-Mar-22	% change	Reason for variance
Current ratio (times)	Current Assets	Current Liabilities	1.33	1.26	5.18%	-
Debt- Equity Ratio (times)	Total Debt	Total Equity	0.24	0.25	-4.41%	-
Debt Service Coverage ratio (times)	Earnings for debt service	Debt service = Interest & Lease Payments + Principal Repayments	0.27	0.23	14.15%	-
Return on Equity ratio (%) *	Net Profits after taxes – Preference Dividend	Total Equity	13.05	5.16	152.64%	Refer Note Below
Inventory Turnover ratio (times)	Cost of goods sold	Average Inventory	7.60	5.65	34.32%	Refer Note Below
Trade Receivable Turnover Ratio (times)	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	8.91	6.76	31.72%	Refer Note Below
Trade Payable Turnover Ratio (times)	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	6.70	5.46	22.67%	-
Net Capital Turnover Ratio (times)	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	14.58	10.52	38.54%	Refer Note Below
Net Profit ratio (%) *	Net Profit after tax	Net Sales	5.08	2.94	72.84%	Refer Note Below
Return on Capital Employed (%)	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt	16.89	8.76	92.92%	Refer Note Below
Return on Investment (%)	Earnings before interest and taxes	Total Assets	12.57	6.12	105.45%	Refer Note Below

Notes to Analytical Ratios:

a) Debt Represents Lease Liabilities and Borrowings

b) Earning available for Debt Service: Net Profit after Tax + Non Cash Operating Expenses - Non Cash Operating Income

Reasons for significant variance in above ratios (+/- 25%)

a) Return on Equity - Increase is due to increase in profit after taxes

b) Inventory Turnover Ratio- Increase due to increase in net sales

c) Trade Receivable Turnover Ratio - Increase due to increase in sales

d) Net Capital Turnover Ratio - Increase due to increase in sales

e) Net profit ratio - The increase is on account of increase in net profits and net sales

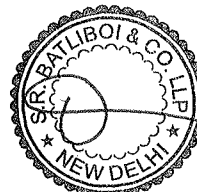
f) Return on Capital Employed-Increase is due to increase in Profits before interest and taxes

g) Return on Investments- Increase in earnings before Interest and taxes

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Other Statutory Information

- (i) The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (ii) The Group do not have any transactions with companies struck off.
- (iii) The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,
- (iv) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (vii) The Group have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax
- (viii) The Group has not been declared wilful defaulter by any bank and financial institution or government or any government authority.
- (ix) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers)
- (x) The Group has not revalued its property, plant and equipment (including Right to use assets) or intangible assets or both during the current and previous year.
- (xi) The title deeds of all the immovable properties (other than properties where the Group is the lessee and the lease agreements are duly executed in favour of the lessee ) are held in the name of the Group.
- (xii) There are no charges or satisfaction of charges which are yet to be registered with the Registrar of Companies beyond the statutory period.
- (xiii) The borrowings obtained by the Group from banks and financial institutions have been applied for the purposes for which such loans were taken.



**50 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year</b>		
Principal amount due to micro and small enterprises	94.47	95.67
Interest due on above	-	-
	<b>94.47</b>	<b>95.67</b>
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	0.10	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	0.03	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-
Note : Included in Trade Payables	92.57	95.03
Included in Other Financial Liabilities	1.90	0.64
	<b>94.47</b>	<b>95.67</b>

**51 Taxation:**

**Transfer pricing:**

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

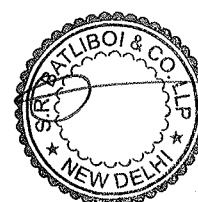
- 52 During the earlier years, the Holding Company had received notice from Directorate General of Goods and Services Tax Intelligence, Gurugram Zonal unit alleging that by not including the cost of drawings, designs, specifications, the Holding Company has suppressed the value of moulds, dies, components causing short payment of Central Excise duty. The amount involved was Rs 97.89 million and also the Company had filed reply to the show cause notice.

During the year the Holding Company has received order in original from Additional Director General (adjudication) wherein the demand has been confirmed at Rs 4.29 million with penalty of Rs 4.29 million and demand of Rs 93.61 million has been dropped.

Further, the Holding Company has filed an appeal before the Hon'ble Customs, Excise and Service Tax Appellate Tribunal at New Delhi.

Based on various consultation done by it both internally and at industry platforms, the Holding Company is confident that it shall be able to sustain its present position and thus is confident that no liability shall arise on it and hence doesn't carry any provision in this regard.

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54 In previous years, both the shareholders of the Holding Company, TOYODA GOSEI Co., Ltd. ("TG") and UNO Minda Limited have agreed to strengthen their collaboration and integrate all the TG operations in India under one Company and have proposed to merge Minda TG Rubber India Private Limited (Transferor Company) with Toyoda Gosei Minda India Private Limited (Transferee Company). Toyoda Gosei Minda India Private Limited filed the application to NCLT Jaipur on February 07, 2022 and NCLT Jaipur has passed the order and approved the merger on June 23, 2022. However, Delhi NCLT has dismissed the merger application of Minda TG on December 23, 2022.

The Holding Company had filed an appeal on January 18, 2023 to NCLAT (appellate tribunal) against the order passed by Delhi NCLT and on April 18, 2023 NCLAT heard the matter and directed to the learned NCLT that NCLT may reconsider the matter and pass appropriate orders expeditiously in accordance with the law.

**55 Standards notified but not yet effective**

There are no new standards the are notified, but not yet effective, upto the date of issuance of Company's Financials Statements.

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective from 01 April 2023.

**(i) Definition of Accounting Estimates - Amendments to Ind AS 8**

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 April 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

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

**(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1**

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to Ind AS 1 are applicable for annual periods beginning on or after 1 April 2023. Consequential amendments have been made in Ind AS 107.

The Group is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

**(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12**

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Consequential amendments have been made in Ind AS 101. The amendments to Ind AS 12 are applicable for annual periods beginning on or after 1 April 2023.

As per our report of even date

**S R Batliboi & Co. LLP**

Chartered Accountants

Firm registration number: 301003E / E300005

per **Vikas Mehra**

Partner

Membership No. 094421



Place: New Delhi

Date: May 09, 2023

**For and on behalf of the board of directors of  
Toyoda Gosei Minda India Private Limited**

**Yasuyuki Yamashita**

Managing Director

DIN No.:08022867

**Salit Sardana**

Director

DIN No: 06877287

**Bharat Khaniwal**

Company Secretary

**Dinesh Joshi**

GM Finance

Place: Neemrana Rajasthan