

INDEPENDENT AUDITOR'S REPORT

To the Members of Minda Kosei Aluminum Wheel Private Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Minda Kosei Aluminum Wheel Private Limited ("the Company"), which comprise the Balance sheet as at March 31 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS 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 Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Other Information

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

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

Responsibility of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting



Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical



requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

The financial statements of the Company for the year ended March 31, 2021, included in these financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those financial statements on June 09, 2021.

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, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act;
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements - Refer Note 34(b) to the Ind AS financial statements;
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;



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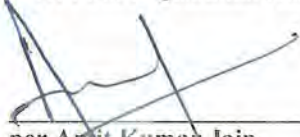
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- iv) a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v) No dividend has been declared or paid during the year by the Company.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005


per Ankit Kumar Jain
Partner

Membership Number: 097214

UDIN: 22097214AITHKE9963

Place of Signature: New Delhi

Date: May 10, 2022



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

Re: Minda Kosei Aluminum Wheel Private Limited (‘the Company’)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- i) a) A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- B) The Company has maintained proper records showing full particulars of intangibles assets.
- b) Property, plant and equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) are held in the name of the Company.
- d) The Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets during the year ended March 31, 2022.
- e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii) a) The management has conducted physical verification of inventories at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed on such physical verification.
- b) As disclosed in note 16 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks are in agreement with the books of accounts of the Company.
- iii) During the year, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties except for loans granted to employees for which requisite information is given below:

- (a) The Company has provided loans to employees as below:

	(Rs. in million)
Aggregate amount granted/ provided during the year to employees	5.1
Balance outstanding as at March 31, 2022	3.3

- (b) The terms and conditions of the grant of loans provided during the year to employees are, prima facie, not prejudicial to the interest of the Company;
- (c) In the case of loans given, the repayment of principal and payment of interest, as applicable, has been as stipulated and are regular;
- (d) There is no overdue amounts for more than 90 days for each loan given;



- (e) There is no loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to such employees;
- (f) The Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment.
- iv) There are no loans, investments, guarantees, and security in respect of which provisions of Sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
- v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- vi) Pursuant to the rules made by the Central Government, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii) a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
b) There are no dues of goods and services tax, provident fund, employees' state insurance, income tax, customs duty, cess, and other statutory dues which have not been deposited on account of any dispute.
- viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- ix) a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
c) Term loans were applied for the purpose for which the loans were obtained.
d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.
f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.



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- x) a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- xi) a) No fraud / material fraud by the Company or no fraud / material fraud on the Company has been noticed or reported during the year.
- b) During the year, no report under Sub-Section (12) of Section 143 of the Companies Act, 2013 has been filed by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- xii) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) to (c) of the Order are not applicable to the Company.
- xiii) Transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- xiv) a) The Company has an internal audit system commensurate with the size and nature of its business.
- b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- xvi) a) The provisions of Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.
- c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- d) There are no other companies as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii) The Company has not incurred cash losses in the current financial year and immediately preceding financial year.
- xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.



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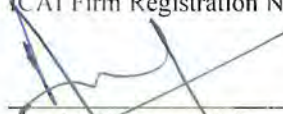
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- xix) On the basis of the financial ratios disclosed in note 44 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx) a) In respect of other than ongoing projects, the Company has transferred unspent amount to a fund specified in Schedule VII of the Companies Act, 2013 (the Act) within a period of six months of the expiry of the financial year, in compliance with second proviso to Sub-section 5 of Section 135 of the Act. This matter has been disclosed in note 42 to the financial statements.
- b) All amounts that are unspent under Sub-section (5) of Section 135 of Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance of with provisions of Sub-section (6) of Section 135 of the said Act. This matter has been disclosed in note 42 to the financial statements.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005


per **Amit Kumar Jain**
Partner

Membership Number: 097214

UDIN: 22097214AITHKE9963

Place of Signature: New Delhi

Date: May 10, 2022



ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE Ind AS FINANCIAL STATEMENTS OF MINDA KOSEI ALUMINUM WHEEL 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")**

We have audited the internal financial controls with reference to Ind AS financial statements of Minda Kosei Aluminum Wheel Private Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these Ind AS 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 Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Ind AS financial statements included obtaining an understanding of internal financial controls with reference to these Ind AS 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 Ind AS financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to Ind AS Financial Statements

A Company's internal financial controls with reference to Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to Ind AS 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 Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding



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prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls with reference to Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to Ind AS 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 Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

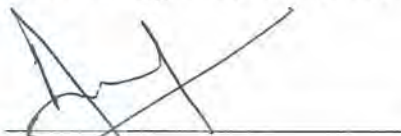
Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to these Ind AS financial statements and such internal financial controls with reference to these Ind AS financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per **Amit Kumar Jain**
Partner

Membership Number: 097214

UDIN: 22097214AITHKE9963

Place of Signature: New Delhi

Date: May 10, 2022



Minda Kosei Aluminum Wheel Private Limited
Balance Sheet as at 31 March 2022
INR in millions, unless otherwise stated

Particulars	Note No.	As at 31 Mar 2022	As at 31 March 2021
ASSETS			
Non-Current Assets			
Property, plant and equipment	4A	4,158.3	4,340.8
Right of use assets	4C	24.3	-
Capital work in progress	4B	1,574.9	313.5
Intangible assets	5	12.3	12.5
Intangible assets under development	5	26.4	-
Financial assets			
Other financial assets	6	20.7	19.4
Deferred tax assets (net)	7	102.4	45.0
Non-current tax assets (net)	8	0.1	74.1
Other non-current assets	9	148.3	171.2
Total Non-Current Assets (A)		6,067.7	4,976.5
Current Assets			
Inventories	10	1,138.1	616.1
Financial assets:			
(i) Trade receivables	11	1,179.0	983.6
(ii) Cash and cash equivalents	12	267.2	86.8
(iii) Bank balances other than (ii) above	13	25.8	24.9
(iv) Other financial assets	6	74.8	103.0
Other current assets	9	158.0	146.9
Total Current Assets (B)		2,842.9	1,961.3
Total Assets (A+B)		8,910.6	6,937.8
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	2,495.8	1,883.8
Other equity	15	3,104.4	2,379.8
Total equity (A)		5,600.2	4,263.6
Liabilities			
Non Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	16	858.0	677.0
(ii) Lease liabilities	4C	23.8	-
(iii) Other financial liabilities	17	687.1	737.5
(b) Provisions	18	49.4	32.6
Total Non Current Liabilities (B)		1,618.3	1,447.1
Current Liabilities			
(a) Financial liabilities:			
(i) Borrowings	16	419.1	261.5
(ii) Lease liabilities	4C	1.2	-
(iii) Trade payables	19		
(A) Total outstanding dues to micro and small enterprises		30.3	28.0
(B) Total outstanding dues to other than micro and small enterprises		715.0	691.8
(iv) Other financial liabilities	20	342.8	100.7
(b) Current tax liabilities (net)	8	19.3	15.9
(c) Provisions	18	55.2	20.6
(d) Other current liabilities	21	109.2	108.6
Total Current Liabilities (C)		1,692.1	1,227.1
Total Liabilities (D)=(B+C)		3,310.4	2,674.2
TOTAL EQUITY AND LIABILITIES		8,910.6	6,937.8

Summary of significant accounting policies

The accompanying notes are an integral part of these financial statements
As per our report of even date

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

per Amit Kumar Jain
Partner
Membership No.: 097214



For and on behalf of the Board of Directors of
Minda Kosei Aluminum Wheel Private Limited

Kundan Kumar Jha
Managing Director
DIN No: 02137705

Yoshihiro Toda
Director
DIN No: 08121667

Pawan Agrawal
Chief Financial Officer

Tarun Kumar Srivastava
Company Secretary
Membership No.: 11994

Place: New Delhi
Date: 10 May 2022

Minda Kosei Aluminum Wheel Private Limited
Statement of Profit and Loss for the year ended 31 March 2022
INR in millions, unless otherwise stated

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
INCOME			
(a) Revenue from operations	22	8,129.6	5,187.1
(b) Other income	23	37.4	38.6
Total income (A)		8,167.0	5,225.7
EXPENSES			
(a) Cost of raw materials and components consumed	24	4,665.2	2,490.5
(b) Increase in inventories of finished goods and work-in-progress	25	(208.0)	(11.0)
(c) Employee benefits expense	26	579.2	379.1
(d) Finance costs	27	113.5	135.9
(e) Depreciation and amortisation expense	28	660.5	548.2
(f) Other expenses	29	1,358.3	886.3
Total expenses (B)		7,168.7	4,429.0
Profit for the year before tax (C)=(A-B)		998.3	796.7
TAX EXPENSES:			
Current tax	8	319.7	235.5
Tax related to earlier years	8	15.6	-
Deferred tax	8	(59.2)	(37.9)
Total tax expense (D)		276.1	197.6
Profit for the year (E)=(C-D)		722.2	599.1
Other comprehensive income			
Items that will not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains on defined benefit plans	30	9.5	3.7
Income tax relating to items that will not be reclassified to profit or loss	30	(1.7)	(0.9)
Other comprehensive income for the year (net of tax)	F	7.8	2.8
Total comprehensive income for the year (comprising of profit and other comprehensive income)	E+F	730.0	601.9
Earnings per equity share on profit for the year (in Rs.) (Nominal Value of Share Rs 10 each)			
Basic	31	3.6	3.2
Diluted	31	3.6	3.2

Summary of significant accounting policies

3

The accompanying notes are an integral part of these financial statements
As per our report of even date

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

per Amit Kumar Jain
Partner
Membership No : 097214



For and on behalf of the Board of Directors of
Minda Kosei Aluminum Wheel Private Limited

Kundan Kumar Jha
Managing Director
DIN No. 07137705

Pawan Agrawal
Chief Financial Officer

Yoshihiro Toda
Director
DIN No: 08121667

Tarun Kumar Srivastava
Company Secretary
Membership No.: 11994

Place: New Delhi
Date: 10 May 2022

Minda Kosei Aluminum Wheel Private Limited
Balance Sheet as at 31 March 2022
INR in millions, unless otherwise stated

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash Flow from Operating Activities		
Profit before tax	998.3	796.7
Adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortisation expenses	660.5	548.2
Provision for doubtful advances	7.8	-
Finance costs	113.5	135.9
Interest income	(9.0)	(7.2)
Profit on sale of property, plant and equipment	(0.2)	-
Unrealised (gain) / loss on foreign currency fluctuations (net)	(8.2)	12.3
Operating profit before working capital changes	1,762.7	1,485.9
Movements in working capital :		
(Increase)/decrease in Inventory	(522.0)	22.7
(Increase) in trade receivables	(195.4)	(578.9)
Decrease/(increase) in loans and other financial assets	2.6	(61.0)
(Increase) in other assets	(11.1)	(130.3)
Increase/(decrease) in trade payables	28.2	(226.4)
Increase in other financial liabilities	36.8	6.5
Increase in provisions for employee benefits	60.9	8.9
Increase in other current liabilities	0.6	67.7
Cash generated from operations	1,163.3	595.1
Income tax paid (net)	(257.9)	(225.2)
Net cash generated from operating activities (A)	905.4	369.9
Cash flows from investing activities		
Purchase of property, plant and equipment, including capital work in progress and advances for property, plant and equipment	(1,624.3)	(530.2)
Proceeds from sale of property, plant and equipment	1.6	-
Fixed deposits with banks	1.6	357.4
Interest received	10.2	7.5
Loan received back from related party	15.0	-
Net cash (used in) investing activities (B)	(1,595.9)	(165.3)
Cash flows from financing activities		
Proceeds from borrowings	589.7	-
Repayments of borrowings	(247.9)	(161.1)
Proceed from issuance of shares (net off share issue expenses)	606.6	-
Repayment of lease liabilities	(1.1)	-
Repayments of current borrowings (net)	-	(99.9)
Interest paid	(76.4)	-
Net cash generated from/ (used in) financing activities (C)	870.9	(261.0)
Net (decrease) in cash and cash equivalents (A + B + C)	180.4	(56.4)
Cash and cash equivalents at the beginning of the year	86.8	143.2
Cash and cash equivalents at the end of the year	267.2	86.8



Minda Kosei Aluminum Wheel Private Limited
Balance Sheet as at 31 March 2022
INR in millions, unless otherwise stated

Components of cash and cash equivalents

Cash on hand	0.1	0.6
Balances with banks:		
Current accounts	38.7	73.4
Bank deposit (with original maturity of 3 months or less)	228.4	12.8
Total cash and cash equivalents (refer note 12)	267.2	86.8

Summary of significant accounting policies

3

The accompanying notes are an integral part of these financial statements

As per our report of even date

For S R Batliboi & Co. LLP

Chartered Accountants

Firm Registration No.:301003E/E300005



per Amit Kumar Jain

Partner

Membership No. : 097214



Place: New Delhi

Date: 10 May 2022

For and on behalf of the Board of Directors of

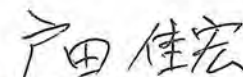
Minda Kosei Aluminum Wheel Private Limited



Kundan Kumar Jha

Managing Director

DIN No: 07137705



Yoshihiro Toda

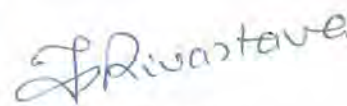
Director

DIN No: 08121667



Pawan Agrawal

Chief Financial Officer



Tarun Kumar Srivastava

Company Secretary

Membership No.: 11994

Minda Kosei Aluminum Wheel Private Limited
Statement of Changes in equity for the year ended 31 March 2022
INR in millions, unless otherwise stated

A. Equity share capital

For the year ended 31 March 2022

Equity shares of INR 10 each issued, subscribed and fully paid	No. in Million	INR in Million
At 1 April 2021	188.4	1,883.8
Issue of Share Capital (Note 14)	61.2	612.0
At 31 March 2022	249.6	2,495.8

For the year ended 31 March 2021

Equity shares of INR 10 each issued, subscribed and fully paid	No. in Million	INR in Million
At 1 April 2020	188.4	1,883.8
Issue of Share Capital (Note 14)	-	-
At 31 March 2021	188.4	1,883.8

B. Other equity

Particulars	Attributable to equity shareholders		
	Retained earnings	Reserves and surplus	Total
		Items of OCI Remeasurement of defined benefit liability / asset	
As at 1 April 2020	1,777.9	-	1,777.9
Profit for the year	599.1	-	599.1
Other comprehensive income (net of tax)	-	2.8	2.8
Total comprehensive income	599.1	2.8	601.8
Transferred to retained earnings	2.8	(2.8)	-
As at 1 April 2021	2,379.8	-	2,379.8
Profit for the year	722.2	-	722.2
Other comprehensive income (net of tax)	-	7.8	7.8
Total comprehensive income	722.2	7.8	730.0
Transferred to retained earnings	7.8	(7.8)	-
Share issue expenses	(5.4)	-	(5.4)
As at 31st Mar 2022	3,104.4	-	3,104.4

Summary of significant accounting policies

3

The accompanying notes form an integral part of these financial statements

As per our report of even date

For S R Batliboi & Co. LLP

Chartered Accountants

Firm Registration No.:301003E/E300005

per Amit Kumar Jain
Partner

Membership No. : 097214



For and on behalf of the Board of Directors of
Minda Kosei Aluminum Wheel Private Limited

Kundan Kumar Jha
Managing Director
DIN No: 07137705

Yoshihiro Toda
Director
DIN No: 08121667

Pawan Agrawal
Chief Financial Officer

Tarun Kumar Srivastava
Company Secretary
Membership No.: 11994

Place: New Delhi
Date: 10 May 2022

MINDA KOSEI ALUMINUM WHEEL PRIVATE LIMITED
Notes to the financial statements for the year ended March 31, 2022

1. Corporate information

Minda Kosei Aluminum Wheel Private Limited ("the Company") was incorporated on March 23, 2015 under the provisions of the Companies Act, 2013. The Company is a venture between Minda Industries Limited and Kosei International Trade and Investment Co. Limited. The Company is engaged in the business of manufacturing and supply of aluminium alloy wheels. The registered office of the Company is B-64/1, Wazirpur Industrial Area, Delhi 110052.

Information on other related party relationships of the Company is provided in Note 36.

The financial statements were approved for issue in accordance with a resolution of the directors on May 10, 2022.

2. Significant accounting policies

a) Basis of preparation

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

The balance sheet corresponds to the classification provisions as contained in Ind AS I "Presentation of Financial Statements". For the purpose of clarity, various items are aggregated in the statements of profit and loss and balance sheet, however, the details of such items are separately presented in the notes to accounts of the financial statements, where applicable.

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

b) Basis of Measurement

The financial statements have been prepared in accordance with the historical cost basis except for certain financial instruments that are measured at fair value as required under relevant Ind AS.

3. Summary of significant accounting policies

(i) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

Assets

An asset is treated as current when it is:

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

All other assets are classified as non-current.

Liabilities

A liability is current when:

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

All other liabilities are classified as non-current.

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



MINDA KOSEI ALUMINUM WHEEL PRIVATE LIMITED
Notes to the financial statements for the year ended March 31, 2022

Operating cycle

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

(ii) Property, plant and equipment

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 Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use. Any gains or losses arising on de-recognition of the asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

The Company had elected Ind AS 101 exemption and continued with the carrying value for all of its property, plant and equipment and capital work in progress as its deemed cost as at the date of transition.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item of property, plant and equipment, if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably with the carrying amount of the replaced part getting derecognised. The cost for day-to-day servicing of property, plant and equipment are recognised in statement of profit and loss as and when incurred.

Capital work in progress

Capital work in progress comprises the cost of tangible assets that are not ready for their intended use at the reporting date.

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful lives as prescribed in Schedule II to the Companies Act, 2013 or as estimated by the management. The Company has used the following useful lives to provide depreciation on its Property, plant and equipment:

Category of Property, plant and equipment	Useful lives estimated by the management (Years)
Building	30
Plant & Machinery	1 to 15
Furniture and fixtures	10
Vehicles	8
Office equipment	5
Computers	
- End user devices, such as desktops, laptops, etc.	3
- Servers, Racks for IT room	6

The Company based on management estimate depreciates certain items of plant & machinery over the estimated useful lives which are different from the useful lives prescribed in Schedule II of 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.

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



MINDA KOSEI ALUMINUM WHEEL PRIVATE LIMITED
Notes to the financial statements for the year ended March 31, 2022

(iii) **Intangible assets**

Recognition and measurement

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful life of intangible assets are assessed as finite.

Amortisation and useful lives

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.

Intangible assets comprise computer software having an estimated useful life of 3 to 6 years as per the management estimate and are amortized on a straight line basis over the estimated useful economic life.

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.

(iv) **Inventories**

Inventories are valued at the lower of cost and net realisable value.

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

- **Raw Materials, stores and spares:-** Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on moving weighted average basis.
- **Finished goods and work in progress:-** Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost of direct materials is determined on moving weighted average basis.
- **Traded goods and Moulds :** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on moving weighted average basis.

Stores and spares which do not meet the definition of property, plant and equipment are accounted as inventories.

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

(v) **Foreign currencies**

Functional and presentational currency

The Company's financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. Functional currency is the currency of the primary economic environment in which a Company operates and is normally the currency in which the Company primarily generates and expends cash. All the financial information is presented in INR millions, except where otherwise stated.



MINDA KOSEI ALUMINUM WHEEL PRIVATE LIMITED
Notes to the financial statements for the year ended March 31, 2022

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss.

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

(vi) Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods before transferring them to the customer. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and revenue can be reliably measured, regardless of when the payment is being made.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Goods and services tax (GST), sales tax or value added tax (VAT) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised

Sale of goods

Revenue from the sale of good is recognised at the point in time when control of goods is transferred to the customer, generally on delivery of the goods. The normal credit term is 30 to 60 days upon delivery. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Interest Income

Interest income is accrued on a time basis, by reference to the principal outstanding and recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Government Grants

Government grant 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.



Trade receivables

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

(vii) Leases

Company as a lessee

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

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Plant and machinery 15 years

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

Lease Liabilities

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

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

Company as a lessor

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

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.



(viii) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, 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 cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Gratuity is a defined benefit obligation. The Company accounts for the gratuity liability, based upon the actuarial valuation performed in accordance with the Projected Unit Credit method carried out at the year end, by an independent actuary. Gratuity liability of an employee, who leaves the Company before the close of the year and which is remaining unpaid, is provided on actual computation basis.

The Company 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 reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company 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 Company recognizes expected cost of short-term employee benefit as an expense, when an employee renders the related service. The entire leave obligations are presented as current liabilities in the balance sheet as the Company does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

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 Company recognises related restructuring costs
- Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the 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.

(ix) Provisions (other than employee benefits)

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a 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.

When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

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



MINDA KOSEI ALUMINUM WHEEL PRIVATE LIMITED
Notes to the financial statements for the year ended March 31, 2022

specific to the liability. When discounting is used, the increase in the provision due to passage of the time is recognised as finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Contingencies

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

(x) 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 for 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 Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section (vi) Revenue from contracts with customers.

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

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

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

Subsequent measurement

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

- Debt instruments at amortised cost.
- Debt instruments at fair value through other comprehensive income (FVTOCI).
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL).
- Equity instruments measured at fair value through other comprehensive income (FVTOCI).



MINDA KOSEI ALUMINUM WHEEL PRIVATE LIMITED
Notes to the financial statements for the year ended March 31, 2022

Financial Assets at amortised cost

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

- (i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (ii) 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 amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

De-recognition

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

- (i) The contractual rights to receive cash flows from the asset has expired, or
- (ii) The Company has transferred its contractual rights to receive cash flows from the financial 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 Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

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

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

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, as appropriate.

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

The Company's financial liabilities include trade and other payables, loans and borrowings

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 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 the statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company 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 Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and 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.

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 and loss.

(xi) Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

Financial assets that are debt instruments, and are initially measured at fair value with subsequent measurement at amortised cost e.g., trade and other receivables, security deposits, loan to employees, etc.

The Company follows 'simplified approach' for recognition of impairment loss allowance for trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as an expense in the statement of profit and loss.



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

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit ('CGU') is the greater of its value in use or its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ('CGU').

An impairment loss is recognized, if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount and is recognised in the statement of profit and loss.

Impairment losses recognised in prior periods are assessed at end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(xiii) **Fair value measurement**

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:

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

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

The fair value of an asset or 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 Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and 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 Company 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 Company'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 sale in discontinued operations.

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



At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company'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 Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(xiv) Current income 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.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income (OCI) or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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.

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.

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.

The Company 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.

Sales/ value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

- ▶ When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- ▶ When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.



MAT

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

(xv) **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 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 Company's cash management.

(xvi) **Earnings per share (EPS)**

Basic EPS amounts are calculated by dividing the net profit or loss attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the reporting period.

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

(xvii) **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 capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which 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.

(xviii) **Contingent liabilities and contingent assets**

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

(xix) **Share-based payments**

The cost of share-based payment transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. Further details are given in Note 45.

(xx) **New and amended standards**

(i) **Interest Rate Benchmark Reform – Phase 2: Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116**

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:



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Notes to the financial statements for the year ended March 31, 2022

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the financial statements of the Company. The Company intends to use the practical expedients in future periods if they become applicable.

(ii) Conceptual framework for financial reporting under Ind AS issued by ICAI

The Framework is not a Standard and it does not override any specific standard. Therefore, this does not form part of a set of standards pronounced by the standard-setters. While the Framework is primarily meant for the standard-setter for formulating the standards, it has relevance to the preparers in certain situations such as to develop consistent accounting policies for areas that are not covered by a standard or where there is choice of accounting policy, and to assist all parties to understand and interpret the Standards.

The amendments made in following standards due to Conceptual Framework for Financial Reporting under Ind AS includes amendment of the footnote to the definition of an equity instrument in Ind AS 102- Share Based Payments, footnote to be added for definition of liability i.e. definition of liability is not revised on account of revision of definition in conceptual framework in case of Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets etc.

The MCA has notified the Amendments to Ind AS consequential to Conceptual Framework under Ind AS vide notification dated June 18, 2021, applicable for annual periods beginning on or after April 1, 2021. Accordingly, the Conceptual Framework is applicable for preparers for accounting periods beginning on or after 1 April 2021.

These amendments had no impact on the financial statements of the Company.

(iii) Ind AS 116: COVID-19 related rent concessions

MCA issued an amendment to Ind AS 116 Covid-19-Related Rent Concessions beyond 30 June 2021 to update the condition for lessees to apply the relief to a reduction in lease payments originally due on or before 30 June 2022 from 30 June 2021. The amendment applies to annual reporting periods beginning on or after 1 April 2021. In case a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after 1 April 2020.

These amendments had no impact on the financial statements of the Company.

(iv) Amendment to Ind AS 105, Ind AS 16 and Ind AS 28

The definition of "Recoverable amount" is amended such that the words "the higher of an asset's fair value less costs to sell and its value in use" are replaced with "higher of an asset's fair value less costs of disposal and its value in use". The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28.

These amendments had no impact on the financial statements of the Company.

(xxi) Standards notified but not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23, 2022 to amend the following Ind AS which are effective from April 01, 2022.

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

The amendments to Ind AS 37 specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs for example direct labour and materials and an allocation of other costs directly related to contract activities for example an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling that contract. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.



The amendments are effective for annual reporting periods beginning on or after 1 April 2022. The Company is currently assessing the impact of the amendments to determine the impact they will have on the Company's accounting policy disclosures.

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

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

The amendments also added an exception to the recognition principle of Ind AS 103 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets or Appendix C. Levies, of Ind AS 37, if incurred separately.

It has also been clarified that the existing guidance in Ind AS 103 for contingent assets would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards.

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

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

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

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

(iv) Ind AS 101 First-time Adoption of Indian Accounting Standards – Subsidiary as a first-time adopter

The amendment permits a subsidiary that elects to apply the exemption in paragraph D16(a) of Ind AS 101 to measure cumulative translation differences for all foreign operations in its financial statements using the amounts reported by the parent, based on the parent's date of transition to Ind AS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also available to an associate or joint venture that uses exemption in paragraph D16(a) of Ind AS 101.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022 but do not apply to the Company as it was first time adopter in an earlier year.

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

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

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

(vi) 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 are not expected to have any impact on the Company as it does not carry on any agricultural activities.



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Balance Sheet as at 31 March 2022

INR in millions, unless otherwise stated

4A. Property, plant and equipment

Particulars	As at March 31, 2022	As at March 31, 2021
Freehold land	534.6	531.3
Buildings	1,088.0	1,128.0
Plant and equipment	2,490.5	2,636.3
Furniture and fixtures	25.0	28.6
Vehicles	1.2	1.7
Office equipment	10.5	9.7
Computers	8.5	5.2
Total	4,158.3	4,340.8

4B. Capital work-in-progress

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	313.5	1,044.6
Additions	1,729.9	318.3
Deletions	(468.5)	(1,049.4)
Closing Balance	1,574.9	313.5

Capital work in progress ageing schedule

As at March 31, 2022

Particulars	<1 year	1-2 years	2-3 years	More than 3 years	Total
- Projects in progress	1,564.4	10.5	-	-	1,574.9
- Projects temporarily suspended	-	-	-	-	-
Total	1,564.4	10.5	-	-	1,574.9

Note : All the above projects are neither overdue, nor exceeded its cost compared to its approved budget.

As at March 31, 2021

Particulars	<1 year	1-2 years	2-3 years	More than 3 years	Total
- Projects in progress	245.0	68.5	-	-	313.5
- Projects temporarily suspended	-	-	-	-	-
Total	245.0	68.5	-	-	313.5

Note : All the above projects are neither overdue, nor exceeded its cost compared to its approved budget.

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4C Leases

The Company has entered into lease agreement for use of solar power plant installed on the building of the Company. Lease entered for solar power plant has useful life of 15 years.

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

Particulars	Plant and Machinery	Total
Gross carrying amounts		
Balance at April 01, 2020	-	-
Add: Additions made during the year	-	-
Balance at March 31, 2021	-	-
Balance at 1 April 2021	-	-
Add: Additions made during the year	26.1	26.1
Balance at March 31, 2022	26.1	26.1
Depreciation expense		
Balance at April 01, 2020	-	-
Add: Depreciation charged for the year	-	-
Balance at March 31, 2021	-	-
Balance at 1 April 2021	-	-
Add: Depreciation charged for the year	1.7	1.7
Balance at March 31, 2022	1.7	1.7
Net carrying amounts		
At March 31, 2021	-	-
At March 31, 2022	24.3	24.3

(ii) Set out below are the carrying amounts of lease liabilities and the movements during the year:

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balances	-	-
Additions	26.1	-
Finance cost accrued during the year	1.9	-
Repayment of lease liabilities	(3.0)	-
Closing balances	25.0	-

(iii) The following is the break-up of current and non-current lease liabilities:

Particulars	As at March 31, 2022	As at March 31, 2021
Current lease liabilities	1.2	-
Non-current lease liabilities	23.8	-

(iv) The following are the amounts recognised in the statement of profit and loss:

Particulars	As at March 31, 2022	As at March 31, 2021
Depreciation expense of right-of-use assets	1.7	-
Interest expense on lease liabilities	1.9	-

(v) The maturity analysis of contractual undiscounted cash flow in respect of lease recognised under IND AS 116:-

Particulars	As at March 31, 2022	As at March 31, 2021
Within 1 year	3.0	-
1 to 5 years	11.8	-
More than 5 year	22.3	-



Minda Kosei Aluminium Wheel Private Limited
Notes to financial statements for the year ended March 31, 2022
INR in millions, unless otherwise stated

4. Property, plant and equipment (PPE)

Particulars	Freehold land	Buildings	Plant and equipment*	Furniture and fixtures	Vehicles	Office equipment	Computers	Total	ROU- Leasehold Machinery	Capital work in progress
Gross block										
As at April 01, 2020	531.3	759.0	4,130.3	43.8	3.6	23.6	12.0	5,503.6	-	1,044.6
Additions/Purchase	-	471.8	565.8	0.8	-	1.5	3.1	1,043.0	-	318.3
Disposals	-	-	-	-	-	-	-	-	-	(1,049.4)
As at March 31, 2021	531.3	1,230.8	4,696.1	44.6	3.6	25.1	15.1	6,546.6	-	313.5
Additions/Purchase	3.3	1.0	455.3	0.9	-	4.7	6.6	471.8	26.1	1,729.9
Disposals	-	-	(17.7)	-	-	-	(0.8)	(18.5)	-	(468.5)
As at March 31, 2022	534.6	1,231.8	5,133.7	45.5	3.6	29.8	20.9	6,999.9	26.1	1,574.9
Accumulated depreciation										
As at April 01, 2020	-	68.4	1,561.0	11.6	1.4	11.1	7.5	1,661.0	-	-
Charge for the year	-	34.4	498.8	4.4	0.5	4.3	2.4	544.8	-	-
Disposal	-	-	-	-	-	-	-	-	-	-
As at March 31, 2021	-	102.8	2,059.8	16.0	1.9	15.4	9.9	2,205.8	-	-
Charge for the year	-	41.0	599.9	4.5	0.5	3.9	3.2	653.0	1.7	-
Disposal	-	-	(16.5)	-	-	-	(0.7)	(17.2)	-	-
As at March 31, 2022	-	143.8	2,643.2	20.5	2.4	19.3	12.4	2,841.6	1.7	-
Net Book Value										
As at March 31, 2022	534.6	1,088.0	2,490.5	25.0	1.2	10.5	8.5	4,158.3	24.3	1,574.9
As at March 31, 2021	531.3	1,128.0	2,636.3	28.6	1.7	9.7	5.2	4,340.8	-	313.5

* Includes government grant in plant and equipment as on March 31, 2022: gross block: Rs. 367.2 million, accumulated depreciation: Rs. 255.2 million (March 31, 2021: gross block: Rs. 367.2 million, accumulated depreciation: INR 208.4 million)

Note:

- All property, plant and equipment (excluding "Right of Use" created on account of adoption of Ind AS 116) are held in name of the Company.
- Right to Use asset includes Solar Plant taken for generation of Solar units of electricity for use in running of production machines.
- Above properties are subject to first pari passu charge to secure bank loans. [refer to note no. 16]
- On transition to Ind AS, the Company had elected to continue with the carrying value of all properties, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of property, plant and equipment.



5. Intangible assets and intangible asset under development

a) Details of intangible assets:

Particulars	As at March 31, 2022	As at March 31, 2021
Intangible assets		
- Computer software	12.3	12.5
- 'Intangible asset under development	26.4	-
Total	38.7	12.5

b) Disclosures regarding gross block of intangible assets, accumulated amortisation and

Particulars	Computer software	Intangible asset under development	Total
Gross Carrying Amount			
As at 1 April 2020	21.5	-	21.5
Add: Additions	8.5	-	8.5
As at 31 March 2021	30.0	-	30.0
Add: Additions	5.6	26.4	32.0
As at 31 March 2022	35.6	26.4	62.0
Accumulated amortisation and impairment			
As at 1 April 2020	14.0	-	14.0
Add: Amortisation charge for the year	3.5	-	3.5
As at 31 March 2021	17.5	-	17.5
Add: Amortisation charge for the year	5.8	-	5.8
As at 31 March 2022	23.3	-	23.3
Net Block			
As at March 31, 2022	12.3	26.4	38.7
As at March 31, 2021	12.5	-	12.5

Intangible Asset under Development Ageing Schedule

As at 31 March 2022

Particulars	Less than 1 year	1-2 years	2-3 years	Total
Project in progress	26.4	-	-	26.4
Total	26.4	-	-	26.4

Note : All the above projects are neither overdue, nor exceeded its cost compared to its original plans.

As at 31 March 2021

Particulars	Less than 1 year	1-2 years	2-3 years	Total
Project in progress	-	-	-	-
Total	-	-	-	-

Note : All the above projects are neither overdue, nor exceeded its cost compared to its original plans.



6 Financial assets

a) Breakup of financial assets:

Particulars	As at March 31, 2022	As at March 31, 2021
A. Trade receivables (Refer note 11)	1,179.0	983.6
B. Cash and cash equivalents (Refer note 12)	267.2	86.8
C. Bank balances other than cash and cash equivalents		
Current		
Deposits with original maturity of more than 3 months but remaining maturity of upto 12 months (Refer Note 13) *	25.8	24.9
Total (A+B+C)	1,472.0	1,095.3
D. Other financial assets		
Non- current		
Financial assets measured at amortised cost:		
Security deposits	20.7	16.9
Bank deposits (due to mature after 12 months from the reporting date)*	-	2.5
	20.7	19.4
Current		
Financial assets measured at fair value through profit or loss:		
Forward contract receivable	28.5	26.3
Financial assets measured at amortised cost:		
Interest accrued on deposits	0.1	1.3
Loan to related party	-	15.0
Loan to employees	3.3	1.7
Other receivables		
- From related parties	42.9	7.4
- From other than related parties	-	51.3
	74.8	103.0
Total (D)	95.5	122.4
Total (A + B + C + D)	1,567.5	1,217.7
Total current	1,546.8	1,198.3
Total Non- current	20.7	19.4
	1,567.5	1,217.7

* Represents fixed deposits pledged with banks against Bank Guarantee & Letter of Credit .

b) Break up of financial assets:

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables	1,179.0	983.6
Cash and cash equivalents	267.2	86.8
Other bank balances	25.8	24.9
Other financial assets	95.5	122.4
Total	1,567.5	1,217.7



Minda Kosei Aluminum Wheel Private Limited
Notes to financial statements for the year ended March 31, 2022
INR in millions, unless otherwise stated

7. Deferred tax assets (net)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax assets relates to the following :		
Provision for employee benefits including bonus	16.6	16.4
Provision for interest on EPCG scheme	97.0	88.2
Provision for doubtful debt	2.0	-
Other disallowances including covered by Section 35D Income Tax Act, 1961	0.7	1.4
Unrealised foreign exchange gain/loss	0.4	3.1
Others	0.2	-
Total deferred tax assets (A)	116.9	109.1
Deferred tax liability relates to the following :		
Property, plant and equipment: impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	14.5	64.1
Total deferred tax liabilities (B)	14.5	64.1
Net deferred tax assets* (A) - (B)	102.4	45.0

***Movement in deferred tax assets**

Particulars	Balance as at March 31, 2021	Recognised in profit or loss	Recognised in OCI	Balance as at March 31, 2022
Property, plant & equipment and intangible assets	(64.1)	49.6	0	(14.5)
Provision for employee benefits including bonus	16.4	2.0	(1.7)	16.6
Provision for interest on EPCG scheme	88.2	8.8	-	97.0
Provision for doubtful debt	-	2.0	-	2.0
Other disallowances including covered by Section 35D Income Tax Act, 1961	1.4	(0.8)	-	0.7
Unrealised foreign exchange gain/loss	3.1	(2.7)	-	0.4
Others	-	0.2	-	0.2
Total	45.0	59.2	(1.7)	102.4

Particulars	Balance as at March 31, 2020	Recognised in profit or loss	Recognised in OCI	Balance as at March 31, 2021
Property, plant & equipment and intangible assets	(97.3)	33.2	-	(64.1)
Provision for employee benefits including bonus	14.2	2.2	-	16.4
Provision for interest on EPCG scheme	80.2	8.0	-	88.2
Other disallowances including covered by Section 35D Income Tax Act, 1961	2.7	(1.3)	-	1.4
Unrealised foreign exchange gain/loss	7.3	(4.2)	-	3.1
At March 31, 2021	7.1	37.9	-	45.0



8. Tax Assets/ liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Non current tax assets		
Advance tax	0.1	74.1
	0.1	74.1
Current tax liabilities		
Provision for Income tax	19.3	15.9
	19.3	15.9

The particulars of income tax expense for the years ended March 31, 2022 and March 31, 2021 are:

Statement of profit and loss:

Particulars	As at March 31, 2022	As at March 31, 2021
Tax Expense:		
Current tax	319.7	235.5
Tax related to earlier years	15.6	-
Deferred tax	(59.2)	(37.9)
Tax expense reported in the statement of profit and loss	276.1	197.6

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2022 and March 31, 2021.

Particulars	As at March 31, 2022	As at March 31, 2021
Accounting profit before income tax	998.3	796.7
Applicable tax rate	25.17%	25.17%
Computed tax expense	251.3	200.5
Tax related to earlier years	15.6	-
Other items	9.2	(2.9)
Total income tax expense	276.1	197.6

9. Other assets

(Unsecured, considered good, unless otherwise stated)

Particulars	As at 31 March 2022	As at 31 March 2021
Non-current		
Capital advances:		
- To related parties	4.5	124.2
- To other than related parties	143.8	47.0
Total (A)	148.3	171.2
Current		
Balance with government authorities	97.0	11.0
Advances to suppliers:		
- To other than related parties	57.2	131.6
Prepaid expenses	3.8	4.3
Total (B)	158.0	146.9
Total current	158.0	146.9
Total non -current	148.3	171.2



10. Inventories**a) Details of inventories:**

Particulars	As at 31 March 2022	As at 31 March 2021
Raw materials and components [Goods in transit Nil (March 31, 2021 Rs. 88.1 millions)]	651.9	357.5
Work- in-progress	96.7	60.7
Finished goods	280.7	108.7
Stores and spares	108.8	89.2
	1,138.1	616.1

b) Stores and spares are capitalised if they meet the definition of property, plant and equipment as per Ind AS 16, otherwise they are classified as inventory.

c) Inventories are valued at lower of cost or net realisable value.

Particulars	As at 31 March 2022	As at 31 March 2021
Carrying amount of inventories (included above) hypothecated as securities for borrowings [refer to note no. 16]	1,138.1	616.1

11. Trade receivables**a) Details of trade receivables:**

Particulars	As at 31 March 2022	As at 31 March 2021
Trade receivable		
Unsecured - considered good		
related parties	15.7	18.2
other than related parties	1163.3	965.4
Total	1,179.0	983.6

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Trade receivables Ageing Schedule

As at 31 March 2022

Particulars	Current but not due	Outstanding for following periods 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	1,111.9	67.1	-	-	-	-	1,179.0
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
Total	1,111.9	67.1	-	-	-	-	1,179.0

As at 31 March 2021

Particulars	Current but not due	Outstanding for following periods 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	924.0	59.6	-	-	-	-	983.6
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
Total	924.0	59.6	-	-	-	-	983.6

b) For terms and conditions relating to related party receivables, refer note 36.

c) Trade receivables are non-interest bearing and are generally on terms of not more than 30-60 days.



12. Cash and cash equivalents

a) Details of cash and cash equivalents:

Particulars	As at 31 March 2022	As at 31 March 2021
Balances with banks		
- current account	38.7	73.4
- demand deposits	228.4	12.8
(with original maturity of 3 months or less)		
Cash on hand	0.1	0.6
Total	267.2	86.8

b) Changes in liability arising from financing activities

	Long term borrowing		Lease liability	
	March 31,2022	March 31,2021	March 31,2022	March 31,2021
Opening balance	938.5	1,091.2	-	-
<u>Cash flow</u>				
- Cash inflow	589.7	-	-	-
- Cash outflow	(247.9)	(161.1)	(1.1)	-
Add:Created during the year		-	26.1	
Unrealised foreign exchange(gain)/loss	(3.2)	8.4	-	-
Closing balance	1,277.1	938.5	25.0	-
Long term borrowing (refer note 16)	858.0	677.0	-	-
Current maturity of long term borrowing (refer note 16)	419.1	261.5	-	-
Non-current lease liability (refer note 4C)	-	-	23.8	-
Current maturity of long term lease liability (refer note 4C)	-	-	1.2	-
Total	1,277.1	938.5	25.0	-

13. Bank balances other than cash and cash equivalents

	As at 31 March 2022	As at 31 March 2021
Deposits with original maturity of more than three months but remaining maturity of upto twelve months	25.8	24.9
	25.8	24.9

* Includes fixed deposits pledged against bank guarantee amounting to Rs. 25.8 million on March 31, 2022. (March 31, 2021: Rs. 24.9 million).

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14 Share capital**a) Details of share capital is as follows:**

Particulars	As at 31 March 2022	As at 31 March 2021
Authorised share capital		
250.2 Million (March 31, 2021: 189.0 Million) equity shares of Rs. 10 each	2,502.0	1,890.0
	2,502.0	1,890.0
Issued, subscribed and paid up		
249.5 Million (March 31, 2021: 188.4 Million) equity shares of Rs. 10 each fully paid up	2,495.8	1,883.8
	2,495.8	1,883.8

b) Reconciliation of outstanding equity shares at the beginning and at the end of the reporting period**i. Reconciliation of authorised share capital as at year end :**

Particulars	Equity Shares No. of shares	Equity Shares Amount
At April 01, 2020	189.0	1,890.0
Increase during the year	-	-
At April 01, 2021	189.0	1,890.0
Increase during the year	61.2	612.0
At March 31, 2022	250.2	2,502.0

ii. Reconciliation of issued, subscribed and paid up share capital as at year end:

Particulars	Equity Shares	Equity Shares
At April 01, 2020	188.4	1,883.8
Increase during the year	-	-
At April 01, 2021	188.4	1,883.8
Increase during the year	61.2	612.0
At March 31, 2022	249.6	2,495.8

c) Terms/ rights attached to equity shares:

The 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.

During the year, no interim/ final dividend has been paid or proposed by the Company.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of any preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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d) Shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of shares (in Million)	% holding in the equity shares	No. of shares (in Million)	% holding in the equity shares
Minda Industries Limited, India (Holding Company)	193.1	77.4%	131.9	70.0%
Kosei International Trade and Investment Company Limited, Hong Kong	56.5	22.6%	56.5	30.0%
Total	249.6	100.0%	188.4	100.0%

e) There are no bonus issue or buy back of equity shares during the preceding years.

f) As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

g) Shares held by holding company

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares (in Million)	Amount	No. of shares (in Million)	Amount
Minda Industries Limited, India (Holding Company)	193.1	1,930.6	131.9	1,318.6

h) Refer note 43 for details of shares held by promoters.

15. Other equity

Particulars	Retained earnings	Total
At April 01, 2020	1,777.9	1,777.9
Profit for the year	599.1	599.1
Other comprehensive income for the year, net of tax	2.8	2.8
At March 31, 2021	2,379.8	2,379.8
Profit for the year	722.2	722.2
Other comprehensive income for the year, net of tax	7.8	7.8
Share issue expenses	(5.4)	(5.4)
At March 31, 2022	3,104.4	3,104.4

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16. Borrowings

Particulars	As at 31 March 2022	As at 31 March 2021
Non-current borrowings		
Term loans from banks (secured) *	1,049.7	629.7
Foreign currency loan from a bank (secured)	227.4	308.7
Less: Current maturities of long term borrowing disclosed under current borrowing	(419.1)	(261.4)
	858.0	677.0
Current borrowings		
Current maturities of long term borrowings	419.1	261.5
Total current	419.1	261.5
Total non- current	858.0	677.0

a. Terms repayment schedule and security

Nature of security	Terms of repayment and rate of interest
IndusInd Bank Rupce loan from bank amounting to Rs. 76.2 million (March 31, 2021: Rs. 89.6 million) is secured by: - First pari passu charge by way of equitable mortgage on immovable property (land and building) located at Bawal, Haryana and by way of hypothecation on all present and future moveable property, plant and equipment (PPE). - Second pari passu charge by way of hypothecation on all the present and future current assets.	Rate of interest - floating @ IndusInd Bank base rate 6 month MCLR. Currently 5.75% at March 31, 2022. (March 31, 2021: 7.50%) Maximum tenor of loan is for 96 months from the date of first disbursement. Principal amount is repayable in 24 quarterly instalments after a moratorium period of 24 months from the date of first disbursement. First disbursement of the loan was in year 2018-19.
IndusInd Bank Rupce loan from bank amounting to Rs. 78.5 million (March 31, 2021: Rs. 124.9 million) is secured by: - First pari passu charge by way of equitable mortgage on immovable property (land and building) located at Bawal, Haryana and by way of hypothecation on all present and future moveable property, plant and equipment (PPE). - Second pari passu charge by way of hypothecation on all the present and future current assets.	Rate of interest - floating @ IndusInd Bank base rate 6 month MCLR. Currently 5.75% at March 31, 2022. (March 31, 2021: 7.50%) Maximum tenor of loan is for 96 months from the date of first disbursement. Principal amount is repayable in 24 quarterly instalments after a moratorium period of 24 months from the date of first disbursement. First disbursement of the loan was in year 2015-16.
SCB Bank Foreign currency (USD) loan from bank amounting to Rs. 195.2 million (March 31, 2021: Rs. 273.3 million) (excluding foreign exchange impact of Rs. 32.2 million (March 31, 2021: Rs. 35.4 million) is secured by: - First pari passu charge on all movable PPE (both present and future) of Gujarat plant. - Second pari passu charge on current assets.	Cost of funds + Bank's margin of 1.50%. Currently 8.55% at March 31, 2022. (March 31, 2021: 8.55%) Maximum tenor of loan shall not exceed 7 years from the date of first disbursement. Principal amount is repayable in 20 equal quarterly installments after a moratorium period of 24 months from the date of first disbursement.



HDFC Bank

Rupee loan from bank amounting to Rs. 305.3 million (March 31, 2021: Rs. 415.3 million) is secured by:

- First pari passu charge on equitable mortgage over immovable PPE (land and building of Gujarat Plant) and movable PPE (Property, plant and equipment of Gujarat plant and Bawal Phase 1 plant)

- Second pari passu charge on stock and book debts.

Rate of interest - floating @ HDFC Bank base rate 6 month MCLR. Currently

5.75 % as at March 31, 2022 (March 31, 2021 : 7.40 %)

Maximum tenor of loan is for 84 months from the date of first disbursement. Principal amount is repayable in 20 quarterly instalments after a moratorium period of 24 months from the date of first disbursement. First disbursement of the loan was in year 2017-18.

HDFC Bank

Rupee loan from bank amounting to Rs. 589.7 million (March 31, 2021: ₹ Nil) is secured by:

- Exclusive charge over immovable PPE (land and building) both present and future of Bawal phase 2.

- First pari passu charge on equitable mortgage over movable PPE (plant and equipment of Gujarat plant, Bawal phase 1 plant and MFA to be created in Bawal phase 2)

- Second pari passu charge on stock and book debts

Rate of interest - floating @ HDFC Bank base rate 6 month MCLR. . Currently

5.75 % as at March 31, 2022

Maximum tenor of loan is for 84 months from the date of first disbursement. Principal amount is repayable in 16 quarterly instalments after a moratorium period of 24 months from the date of first disbursement. First disbursement of the loan was in year 2021-22.

17 Other financial liabilities

	As at 31 March 2022	As at 31 March 2021
Non-current		
Financial liabilities measured at amortised cost:		
Amount payable for property, plant and equipment towards land enhancement cost	6.7	20.0
Government grant under export promotion capital goods scheme [Refer note 34(b)(iii)]	294.7	367.2
Provision for Interest under export promotion capital grant scheme [Refer note 34(b)(iii)]	385.7	350.3
Total	687.1	737.5

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18 . Provisions

	As at 31 March 2022	As at 31 March 2021
Non-current		
Provision for employee benefits		
- Provision for gratuity (refer to note no. 33)	49.4	32.6
Total (A)	49.4	32.6
Current		
Provision for employee benefits		
- Provision for gratuity (refer to note no. 33)	8.1	1.2
- Provision for compensated absences	47.1	19.4
Total (B)	55.2	20.6
Total (A+B)	104.6	53.2

19 . Trade payables

Particular	As at 31 March 2021	As at 31 March 2021
Total outstanding dues of micro enterprises and small enterprises (refer note 35)	30.3	28.0
Total outstanding dues of creditors other than micro enterprises and small enterprises	715.0	691.8
Total	745.3	719.8

- a) Trade payables are non-interest bearing and are normally settled in 45 days terms.
- b) For terms and conditions with related parties, refer to note 36.

Trade payables Ageing Schedule

As at 31 March 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	21.2	9.1	-	-	-	30.3
Total outstanding dues of creditors other than micro enterprises and small enterprises	124.4	513.7	75.0	-	1.9	-	715.0
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	124.4	534.8	84.1	-	1.9	-	745.3



Trade payables Ageing Schedule
As at 31 March 2021

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	24.3	3.7	-	-	-	28.0
Total outstanding dues of creditors other than micro enterprises and small enterprises	121.8	297.8	272.0	0.1	0.1	0.00	691.8
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	121.8	322.1	275.7	0.1	0.1	0.0	719.8

20. Other financial liabilities

	As at 31 March 2022	As at 31 March 2021
Current		
Financial liabilities measured at amortised cost:		
Employee related payables	61.6	24.7
Interest accrued on borrowings	4.4	2.6
Government grant under Export Promotion Capital Goods Scheme [Refer note 34(b)(iii)]	72.4	-
Amount payable for property, plant and equipment		
- to related parties	23.4	6.1
- to others	181.0	67.3
Total	342.8	100.7

21. Other current liabilities

	As at 31 March 2022	As at 31 March 2021
Advance from customers	1.1	2.3
Statutory dues payable	108.1	106.3
	109.2	108.6

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22 . Revenue from operations

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of products		
Finished goods		
Sale of goods	8,054.7	5,129.7
	8,054.7	5,129.7
Other operating revenue:		
Scrap sales	74.9	53.6
Tool sales	-	3.8
	74.9	57.4
	8,129.6	5,187.1

Notes:

(i) Timing of revenue recognition

Goods transferred at a point in time

Total revenue from contract with customers

8,129.6	5,187.1
8,129.6	5,187.1

(ii) Revenue by location of customers

Within India

Outside India

8,129.6	5,187.1
-	-
8,129.6	5,187.1

(iii) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Revenue as per contracted price

Cash discount

Revenue from contract with customers

8,129.6	5,187.1
-	-
8,129.6	5,187.1

(iv) Performance obligations:

Information about the Company's performance obligations are summarised below:

Sale of products: Performance obligation in respect of sale of goods and scrap is satisfied when control of the goods is transferred to the customer, generally on delivery of the goods and payment is generally due as per the terms of contract with customers.

23 . Other income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest income on bank deposit and others	2.8	7.2
Subsidy income	11.3	-
Interest-on Income tax refund	6.2	-
Rental income	7.2	5.9
Mark-to-market gain from derivative instruments	2.2	0.7
Net gain on foreign currency fluctuations	-	20.7
Profit on sale of property, plant and equipment	0.2	-
Miscellaneous income	7.5	4.1
Total	37.4	38.6



24 . Cost of raw materials and components consumed

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening stock of raw materials and components	357.5	406.1
Add : Purchases of raw materials and components	4,959.6	2,441.9
	5,317.1	2,848.0
Less : Closing stock of raw materials and components	651.9	357.5
	4,665.2	2,490.5

25 . Increase in inventories of finished goods and work-in-progress

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventories at the beginning of the year		
- Work-in-progress	60.7	29.7
- Finished goods	108.7	128.7
	169.4	158.4
Inventories at the end of the year		
- Work- in -progress	96.7	60.7
- Finished goods	280.7	108.7
	377.4	169.4
Change in inventories		
- Work- in-progress	(36.0)	(31.0)
- Finished goods	(172.0)	20.0
Total	(208.0)	(11.0)

26 . Employee benefits expense

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, wages and bonus	488.0	338.4
Contribution to provident and other funds	29.4	19.4
Employee stock option expenses	28.4	0.8
Staff welfare expenses	33.4	20.5
	579.2	379.1

The Code on Social Security 2020 (Code), which received the Presidential Assent on 28 September 2020, subsumes nine laws relating to social security, retirement and employee benefits, including the Employees Provident Fund and Miscellaneous Provisions Act, 1952 and the Payment of Gratuity Act, 1972. The effective date of the Code is yet to be notified and related rules are yet to be framed. The impact of the changes, if any, will be assessed and recognised post notification of the relevant provision.

27 . Finance costs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on borrowings	64.4	87.7
Interest under export promotion capital goods scheme	35.3	31.8
Interest under land enhancement scheme	9.2	8.8
Interest on delayed payment of statutory dues	0.6	4.7
Interest on lease liability	1.9	-
Other charges	2.1	2.9
	113.5	135.9



28 . Depreciation and amortisation expense

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation on property, plant and equipment	653.0	544.7
Amortisation on intangible assets	5.8	3.5
Depreciation on right of use assets	1.7	-
	660.5	548.2

29 . Other expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Stores and packing materials consumed	226.0	169.2
Power and fuel	520.0	310.1
Repairs and maintenance		
-Plant and equipment	27.5	12.9
-Building	3.3	3.1
- Others	24.5	16.4
Freight expense	34.0	18.4
Testing expense	7.6	5.3
Insurance	13.0	10.6
Travelling and conveyance	25.8	18.7
Legal and professional	29.5	14.2
Provision for doubtful advances	7.8	-
Rent	3.1	0.6
Rates and taxes	3.0	3.0
Auditor's remuneration*	2.0	2.5
Foreign exchange fluctuation	7.5	-
Support Services	18.7	16.7
Customer Support fees	100.3	85.6
Management fees	116.8	74.6
Royalty expense	120.2	76.7
Corporate social responsibility expenditure (Refer Note 42)	16.3	14.4
Miscellaneous expenses	51.4	33.3
	1,358.3	886.3

***Payment made to auditors is as follows:**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Payment to auditors		
As auditor:		
Audit fee	1.1	1.7
Limited review fee	0.6	0.3
In other capacity:		
Reimbursement of expenses	0.3	0.1
Other services	-	0.4
Total	2.0	2.5



30. Components of other comprehensive income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

Particulars	Retained earnings	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Re-measurement gain on defined benefit plans	9.5	3.7
Deferred tax asset thereon	(1.7)	(0.9)
Total	7.8	2.8

31. Earnings per share (EPS)

- Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company 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 Company 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	March 31, 2022	March 31, 2021
Profit attributable to the equity holders of the Company	722.2	599.1
Weighted average number of equity shares for basic and diluted EPS (Number in Millions)	198.6	188.4
Basic and diluted earnings per share(in Rs.) (face value Rs. 10 per share)	3.6	3.2

- There have been no transactions involving equity shares or potential equity shares between the reporting date and the date of authorisation of these financial statements.

32. Significant accounting judgements, estimates and assumptions

The preparation of the Company'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.

Judgements

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

Assessment of lease term:

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.



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 commodity 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 for the sale of products. The selected method that better predicts the amount of variable consideration was primarily driven by the number of volume thresholds contained in the contract. The most likely amount method is used for those contracts with a single volume threshold, while the expected value method is used for contracts with more than one volume threshold.

Before including any amount of variable consideration in the transaction price, the Company considers whether the amount of variable consideration is constrained. The Company determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

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.

Intangible assets

The useful lives and residual values of intangible assets are determined by the management based on technical assessment by the management.

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 taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

Gratuity benefit

The cost of defined benefit plans (i.e. Gratuity benefit) is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of long term government bonds with extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Future salary increases and pension increases are based on expected future inflation rates for the respective countries. Further details about the assumptions used, including a sensitivity analysis, are given in Note 33.



Impairment of financial assets

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

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use.

The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are also relevant to other intangibles. During the year the Company has done the impairment assessment of non-financial assets and have concluded that there is no impairment in value of non-financial assets as appearing in the financial statements.

Lease incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore its incremental borrowing rate (IBR) to measure lease liability. The IBR is the rate of interest that the Company would have to pay to borrow over similar term, and with a similar security, the fund necessary to obtain an asset of a similar value to the right of use assets in as similar economic environments. The IBR therefore effects what the Company "would have to pay" which requires estimates when no observable rates are available or when they need to be adjusted to reflect the term and conditions of the lease. The Company estimates the IBR using observable inputs such as market interest rates when available.

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33. Post employment defined benefit plan**a) Defined contribution plans**

The Company makes provident fund and ESI contributions to defined contribution plans for qualifying employees. Under the Scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised INR 29.4 Millions (March 31, 2021: INR 19.4 Millions). for provident fund and ESI contributions in the Statement of profit and loss (refer note 26). The contributions payable to these plans by the Company are at rates specified in the rules of the Schemes.

b) Gratuity scheme

The Company offers the employee benefit schemes of Gratuity to its employees. Benefits payable to eligible employees of the Company with respect to gratuity, a defined benefit plan is accounted for on the basis of an actuarial valuation as at the balance sheet date. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure @ 15 days of last drawn salary for each completed year of service or part thereof in excess of 6 months.

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 for the gratuity plan.

Net employee benefit expense recognized in the employee cost

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current service cost	10.1	6.8
Past service cost	-	-
Interest cost obligation	2.3	2.1
	12.4	8.9

Amount recognised in Other Comprehensive Income:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Actuarial (gain)/ loss on defined benefit obligation	(9.5)	(3.7)
Amount recognised in Other Comprehensive Income	(9.5)	(3.7)

Remeasurement of the net defined benefit liability/ (asset):

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Actuarial (gain)/loss arising from changes in demographic assumptions	-	-
Actuarial loss arising from changes in financial assumptions	(2.9)	0.3
Actuarial (gain)/ loss arising from changes in experience adjustments	(6.6)	(4.0)
	(9.5)	(3.7)

Balance sheet**Changes in the present value of the defined benefit obligation are, as follows:**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Defined benefit obligation at the beginning of the year	33.8	30.9
Current service cost	10.1	6.8
Interest cost	2.3	2.1
Transfer in/out	21.8	(1.3)
Benefits paid	(1.0)	(0.9)
Actuarial (gain)/ loss on obligations - OCI	(9.5)	(3.7)
Defined benefit obligation at the end of the year	57.5	33.8
Non- current	49.4	32.6
Current	8.1	1.2



The assumptions used in determining gratuity liability for the Company's plans are shown below:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Discount rate	7.20%	6.80%
Rate of increase in compensation level	8%	8%
Retirement Age	58 Years	58 Years
Withdrawal rates:		
Upto 30 years	3%	3%
From 31 to 44 years	2%	2%
Above 44 years	1%	1%
Mortality rate	100% of IALM 2012-14	100% of IALM 2012-14

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. Assumptions regarding future mortality are based on the published statistics and mortality tables. The calculation of the defined benefit obligation is sensitive to the mortality assumptions.

A quantitative sensitivity analysis for significant assumption as at March 31, 2022 is as shown below:

Gratuity Plan	Impact on DBO (Defined benefit obligation)	
Assumptions	For the year ended March 31, 2022	For the year ended March 31, 2021
Increase in discount rate of 1%	51.3	29.3
Decrease in discount rate of 1%	65.2	39.5
Increase in future salary of 1%	63.9	38.9
Decrease in future salary of 1%	52.2	29.7
Increase in attrition rate of 50%	57.2	33.2
Decrease in attrition rate of 50%	57.9	34.6
Increase in mortality rate of 10%	57.5	33.8
Decrease in mortality rate of 10%	57.5	33.9

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

Expected benefit payments

Undiscounted amount of expected benefit payments for next 10 years are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Within 1 year	8.1	1.2
2-5 years	14.9	7.4
6-10 years	18.1	10.1
More than 10 years	143.8	103.3

The weighted average duration of the defined benefit plan obligation

Particulars	As at March 31, 2022	As at March 31, 2021
The weighted average duration of the defined benefit plan obligation at the end of the reporting period	12 years	15 years

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34 Commitments and contingencies**a) Capital and other commitments**

Estimated amount of contracts remaining to be executed on capital account Rs. 346.5 million, net of advances on March 31, 2022 (March 31, 2021: Rs. 563.6 million).

b) Contingencies**i) Claims against the Company not acknowledged as debts:**

Particulars	As at March 31, 2022	As at March 31, 2021
Excise Matter *	28.2	28.2

*Represents show cause demand on applicability of excise duty on designs provided by the customer.

i)The Company does not expect any reimbursements in respect of the above contingent liability

ii) The Company has assessed that it is only possible but not probable that outflow of economic resources will be required.

ii) As per Industrial Policy 2015 of Government of Gujarat ("the Scheme"), the Company is eligible for claiming incentive for its newly established plant in Gujarat. The Company has obtained registration certificate and provisional eligibility certificate from the relevant authority.

As per the Scheme, subject to fulfilment of certain conditions, Company is eligible for 90% of the net State Goods and Services Tax (SGST) paid to State Government as subsidy; subject to maximum of one tenth of the eligible fixed investment in a particular year. The Company is in the process of assessing the compliance of various conditions as enunciated under the Scheme. Accordingly, Company as matter of prudence has not recognised incentive income amounting to Rs. 250 million during the year ended March 31, 2022 (March 31, 2021: Rs. 198.8 million)

iii) The Company had imported duty free capital goods under Export Promotion Capital Goods (EPCG) Scheme. Liability of customs duty towards export obligation undertaken by the Company amounts to Rs 367.2 million as at March 31, 2022 (March 31, 2021: Rs 367.2 million). Under the said scheme, the Company has the obligation to export the goods equivalent to 6 times of the amount of custom duty saved i.e., Rs 2,203.2 million on March 31, 2022 (March 31, 2021: Rs 2,203.2 million) excluding extension, if any.

In the absence of confirmed export orders, as a matter of prudence, the Company is not recognizing income relating to aforesaid duty and also providing interest thereon, Liability in respect of duty saved including interest thereon is shown under other financial liability (refer note 17 and note 20).

iv) The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Review petition against this decision is pending before the SC for disposal. Further, there are interpretative challenges and considerable uncertainty, including estimation in the computation of amount retrospectively. Pending the outcome of the review petition and directions from the Employee Provident Fund Organisation, the impact for past periods, if any, is not ascertainable reliably and consequently no financial effect has been provided for in these financial statements.

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

Particulars	As at March 31, 2022	As at March 31, 2021
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.		
Principal amount due to micro and small enterprises	30.3	28.0
Interest due on above	0.0	0.2
Total	30.3	28.2
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.	0.0	0.2
The amount of interest accrued and remaining unpaid at the end of accounting year.	0.2	0.2
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest due 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	-	-

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36. Related Parties

1) Names of related parties and related party relationship

A Related Parties where control exists

Holding Company

- i) Minda Industries Limited

B) Related parties with whom transactions have taken place during the year

Entities having significant influence

- i) Kosei International Trade and Investment Company Limited

Subsidiaries/ Associates of enterprises having significant influence

- i) Kosei Aluminium Thailand Co Limited
ii) Kosei Aluminium Co Limited
iii) Kosei Minda Mould Pvt Ltd

Key Managerial Personnel ("KMP")

- i) Yoshihiro Toda
ii) Kundan Kumar Jha

A. Holding Company

I. Transactions during the year

	Year ended March 31, 2022	Year ended March 31, 2022
a) Sale of goods	77.3	109.2
b) Other expenses		
ESOP Expenses	28.4	0.8
Support Services	18.7	16.7
Customer Support Fees	100.3	85.6
Management fees	116.8	74.6
Miscellaneous expenses	25.0	4.7
c) Reimbursements		
Expense re-imbursed / paid	-	0.0

II. Balance outstanding as at the year end

	Year ended March 31, 2022	Year ended March 31, 2022
Payables	145.8	140.1
Receivables / advances	5.8	5.6



Minda Kosei Aluminum Wheel Private Limited
Notes to the financial statements for the year ended 31 March 2022
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B. Enterprise having significant influence

I. Transactions during the year

	Year ended March 31, 2022	Year ended March 31, 2022
a) Purchase of raw material, components and parts	813.6	885.7
b) Purchase of property, plant and equipment	274.7	-
c) Reimbursements		
Employee benefits recovered / received	1.6	1.7
d) Capital advances	-	124.2
e) Other expenses		
Testing expenses	3.6	4.4
Legal and professional	1.9	1.9
Royalty expenses	32.4	20.7

II. Balance outstanding as at the year end

	Year ended March 31, 2022	Year ended March 31, 2022
Payables	245.3	318.7
Receivables / advances	4.5	124.2

C. Enterprise having significant influence

Subsidiaries/Associates of Enterprise having significant influence

I. Transactions during the year

	Year ended March 31, 2022	Year ended March 31, 2022
a) Purchase of property, plant and equipment		
- Kosei Minda Mould Pvt Ltd	90.2	60.4
b) Purchase of raw material, components and parts		
- Kosei Minda Mould Pvt Ltd	6.4	-
c) Loans given		
Kosei Minda Mould Pvt Ltd	-	3.0
d) Reimbursements		
Expenses recovered / received		
- Kosei Minda Mould Pvt Ltd	0.2	0.4
Expense re-imbursed / paid		
- Kosei Minda Mould Pvt Ltd	-	0.2
e) Other Income		
Kosei Minda Mould Pvt Ltd		
- Rental Income	7.2	5.8
- Miscellaneous Income	0.8	1.5
f) Other expenses		
Miscellaneous Expenses		
- Kosei Minda Mould Pvt Ltd	1.1	0.5
Royalty expense		
- Kosei Aluminum Co Limited	58.8	37.4
- Kosei Aluminium Thailand Co Limited	29.0	18.5



Minda Kosei Aluminium Wheel Private Limited
Notes to the financial statements for the year ended 31 March 2022
INR in millions, unless otherwise stated

II. Balance outstanding as at the year end	Year ended March 31, 2022	Year ended March 31, 2022
Payables		
Kosei Aluminium Thailand Co Limited	-	12.1
Kosei Aluminium Co Limited	-	13.0
Kosei Minda Mould Pvt Limited	23.4	-
Receivables / Advances		
Kosei Minda Mould Pvt Limited	2.2	12.6
Kosei Aluminium Co Limited	7.7	-
D. Key management personnel		
Transactions during the year	Year ended March 31, 2022	Year ended March 31, 2022
Managerial remuneration *		
<i>Short term employee benefits</i>		
Kundan Kumar Jha	35.4	23.5
Yoshihiro Toda	7.8	7.0

* Does not include provisions/ contributions towards gratuity, compensated absences for all directors, as such provisions/ contributions are for the Company as a whole.

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37 Segmental information**a) Business segments:**

The Company is engaged in the business of manufacturing and selling of alloy wheels. The entire operations are governed by the same set of risk and returns and, hence, the same has been considered as representing a single primary segment.

Since the Company's business activity falls within a single business segment, there are no additional disclosures to be provided under Ind AS-108 'Operating Segments' other than those already provided in the Financial Statements.

b) Geographical segments:

The Company sells its products and services within India and do not have any operations in economic environments with different set of risks and returns. Hence, it is considered to be operating in a single geographical segment.

38 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholders value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to to shareholders or issue new shares.

The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as Interest bearing loans and borrowings less cash and cash equivalent.

Particulars	March 31, 2022	March 31, 2021
Loans and borrowings	1277.1	938.5
Less:- Cash and cash equivalents	267.2	86.8
Net debt	1009.9	851.7
Equity (Net Worth)	5,600.2	4,263.6
Total Capital	5,600.2	4,263.6
Capital and Net Debt	6,610.1	5,115.4
Gearing ratio (Net Debt/Capital and Net Debt)	15%	17%

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39 Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

a) Fair value of financial assets:

Particulars	Carrying value		Fair value	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Financial assets				
Trade receivables	1,179.0	983.6	1,179.0	983.6
Cash and cash equivalents	267.2	86.8	267.2	86.8
Bank balances other than cash and cash equivalents	25.8	24.9	25.8	24.9
Derivative assets	28.5	26.3	28.5	26.3
Other financial assets	67.0	96.1	67.0	96.1
Total	1,567.5	1,217.7	1,567.5	1,217.7

b) Fair value of financial liabilities:

Particulars	Carrying value		Fair value	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Financial liabilities whose fair value approximate their carrying value				
Borrowings	1,277.1	938.5	1,277.1	938.5
Trade payables	745.3	719.8	745.3	719.8
Other financial liabilities	1,029.9	838.2	1,029.9	838.2
Financial liabilities whose fair value is determined using incremental borrowing rate				
Lease liability	25.0	-	25.0	-
Total	3,077.3	2,496.6	3,077.3	2,496.6

Discount rate used in determining fair value

The interest rate used to discount estimated future cash flows, where applicable, are based on the incremental borrowing rate of borrower which in case of financial liabilities is average market cost of borrowings of the Company and in case of financial asset is the average market rate of similar credit rated instrument. The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available.

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.



40. Fair value 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 Company's assets and liabilities

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2022

Particulars	Total (Carrying Value)	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets				
Trade receivables	1,179.0	-	-	1,179.0
Cash and cash equivalents	267.2	-	-	267.2
Bank balances other than cash and cash equivalents	25.8	-	-	25.8
Derivative assets	28.5	-	28.5	-
Other financial assets	67.0	-	-	67.0
Total	1,567.5	-	28.5	1,539.0

Quantitative disclosures fair value measurement hierarchy for liabilities as at March 31, 2022:

Particulars	Total (Carrying Value)	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial liabilities whose fair value approximate their carrying value				
Borrowings	1,277.1	-	-	1,277.1
Trade payables	745.3	-	-	745.3
Other financial liabilities	1,029.9	-	-	1,029.9
Financial liabilities whose fair value determined using incremental borrowing rate				
Lease liability	25.0	-	-	25.0
Total	3,077.3	-	-	3,077.3



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

Particulars	Total (Carrying Value)	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets				
Trade receivables	983.6	-	-	983.6
Cash and cash equivalents	86.8	-	-	86.8
Bank balances other than cash and cash equivalents	24.9	-	-	24.9
Derivative assets	26.3	-	26.3	-
Other financial assets	96.1	-	-	96.1
Total	1,217.7	-	26.3	1,191.4

Quantitative disclosures fair value measurement hierarchy for liabilities as at March 31, 2021:

Particulars	Total (Carrying Value)	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial liabilities whose fair value approximate their carrying value				
Borrowings	938.5	-	-	938.5
Trade payables	719.8	-	-	719.8
Other financial liabilities	838.2	-	-	838.2
Financial liabilities whose fair value is determined using incremental borrowing rate				
Lease liability	-	-	-	-
Total	2,496.6	-	-	2,496.6

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



41 Financial risk management objectives and policies

The Company's principal financial liabilities comprise of trade and other payables, borrowings, lease liabilities and payables for property, plant and equipment. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, cash, fixed deposits and security deposits that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's management oversees the management of these risks. The Company's management is supported by finance department that advises on financial risks and the appropriate financial risk governance framework for the Company. The finance department provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. It is the company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors 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 risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk.

The sensitivity analyses in the following sections relate to the position as at March 31, 2022 and March 31, 2021.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities.

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest bearing financial liabilities includes borrowings with fixed interest rates.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The Company transacts business in local currency as well as in foreign currency. The Company has foreign currency trade payables and is therefore, exposed to foreign exchange risk. The Company may use currency swaps or forward contracts towards hedging risk resulting from changes and fluctuations in foreign currency exchange rate as per the risk management policy.

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

Details of hedged foreign currency exposures:

Particulars	Currency	As at March 31, 2022		As at March 31, 2021	
		Foreign currency in million	Amount in INR (million)	Foreign currency in million	Amount in INR (million)
Foreign currency loan from bank	USD	3.0	195.2	4.2	273.3
Trade Payable	USD	2.0	150.7	2.0	148.3

Particulars of un-hedged foreign currency exposure

Particulars	As at 31 March 2022			As at 31 March 2021		
	Foreign currency in million	Exchange rate (in absolute Rs.)	Amount in INR (million)	Foreign currency in million	Exchange rate (in absolute Rs.)	Amount in INR (million)
Trade payables and other financial liabilities						
USD	2.2	75.8	166.2	2.5	73.5	180.2
EUR	0.0	84.7	2.4	0.0	85.3	2.4
JPY	0.4	0.6	0.2	0.0	0.7	0.0



Foreign currency sensitivity

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

Trade Payables Currency	Impact on Profit before tax	
	March 31, 2022	March 31, 2021
USD Sensitivity		
INR/USD - Increase by 1%	(1.7)	(1.8)
INR/USD - decrease by 1%	1.7	1.8
EURO Sensitivity		
INR/EURO- Increase by 1%	(0.0)	(0.0)
INR/EURO- decrease by 1%	0.0	0.0
JPY Sensitivity		
INR/JPY- Increase by 1%	(0.0)	(0.0)
INR/JPY- decrease by 1%	0.0	0.0

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. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Trade receivables

Customer credit risk is managed by the Company subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating. Outstanding customer receivables are regularly monitored. At 31 March 2022, the Company had 3 customers (31 March 2021: 3 customers) that owed the Company more than Rs. 230 millions each and accounted for approximately 90% (31 March 2021: 99%) of all the receivables and contract asset outstanding.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of financial assets (trade receivable) disclosed in Note 11.

C. Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including loans from banks at an optimised cost.

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

As at March 31, 2022	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings	-	106.8	312.3	858.0	-	1,277.1
Trade payables	-	745.3	-	-	-	745.3
Other financial liabilities	-	349.5	680.4	-	-	1,029.9
As at March 31, 2021	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings	-	62.0	199.5	672.5	4.5	938.5
Trade payables	-	719.8	-	-	-	719.8
Other financial liabilities	-	120.7	717.6	-	-	838.3

The maturity analysis of lease liabilities is disclosed in Note 4C.

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42 Corporate Social Responsibility:

As per Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) committee has been formed by the Company. Details of amount required to be spent and actual amount spent is below :

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A) Gross Amount required to be spent by the Company during the year	16.3	14.4
B) Amount spent in cash during the year ended on 31st March, 2022	In Cash	Yet to be paid in cash
i) Construction/Acquisition of any asset		
ii) On purposes other than (i) above	5.4	10.9
C) Amount spent in cash during the year ended on 31st March, 2021	In Cash	Yet to be paid in cash
i) Construction/Acquisition of any asset	-	-
ii) On purposes other than (i) above	7.2	7.2
Details of unspent amount of CSR Expenditure		
Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening balance	7.2	-
Amount required to be spent during the year	16.3	14.4
Amount spent during the year for current year	(5.4)	(7.2)
Amount spent during the year for previous year	(3.7)	-
Closing balance	14.4	7.2

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43 Details of shares held by promoters
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	Minda Industries Limited, India	131.9	61.2	193.1	77%	7%
Equity shares of INR 10 each fully paid	Kosei International Trade and Investment Company Limited, Hong Kong	56.5	-	56.5	23%	-7%
Total		188.4	61.2	249.6	100%	0%

As at 31 March 2021

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	Minda Industries Limited, India	131.9	-	131.9	70%	0%
Equity shares of INR 10 each fully paid	Kosei International Trade and Investment Company Limited, Hong Kong	56.5	-	56.5	30%	0%
Total		188.4	-	188.4	100%	0%

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44 Ratio Analysis for the financial year ended March 31, 2022

Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	% Change	Reasons For Variance
Current ratio	Current Assets	Current Liabilities	1.7	1.6	5.1%	Not applicable
Debt- Equity Ratio	Total Debt+Lease Liability	Shareholder's Equity	0.2	0.2	5.6%	Not applicable
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	4.6	4.9	-7.0%	Not applicable
Return on Equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	0.1	0.2	-3.1%	Not applicable
Inventory Turnover ratio	Cost of goods sold	Average Inventory	5.1	4.0	28.6%	Due to increase in revenue which resulted in increase in cost of goods sold. However, inventory has not increased in that proportion.
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	7.5	7.5	0.6%	Not applicable
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	6.8	2.9	130.4%	Due to increase in purchase in the current year but correspondingly trade payable has not increased in that proportion.
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	7.1	7.1	0.0%	Not applicable
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	0.1	0.1	-22.6%	Not applicable
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt +Lease Liability+ Deferred Tax Liability	0.2	0.2	-10.1%	Not applicable
Return on Investment	Interest (Finance Income)	Investment	Not applicable	Not applicable	0.0%	Not applicable

45 Share-based compensation

The Company had participated in the UNO Minda Employee Stock Option Scheme – 2019 and during the year ended March 31, 2020, the Nomination & Remuneration Committee of Minda Industries Limited ('the Parent Company") had approved the grant of 85,554 equity shares of face value of Rs. 2 in terms of the Employee Stock Option Scheme 2019. The scheme is monitored and supervised by the Nomination and Remuneration Committee of the Board of Directors of the Parent Company in compliance with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and amendments thereof from time to time.

Some of the employees of the Company are part of said ESOP scheme and accordingly, the Company has recorded expense against employee stock option (ESOP) based on expense allocated from the Parent Company amounting to Rs. 28.4 million (March 31, 2021: Rs. 0.8 million).



46 Other Statutory Information

- (i) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.
- (ii) The Company has transactions with companies struck off as given below :

For year ended March 31, 2022

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding in INR Million	Nature of balance outstanding	Relationship with the Struck off company, if any, to be disclosed
Pyrotek India Pvt.Ltd.	Purchase of stores and spares parts	0.3	Trade payable	Vendor (unrelated)
Sunbeam Auto Pvt. Ltd.	Purchase of stores and spares parts	-	Trade payable	Vendor (unrelated)

For year ended March 31, 2021

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding in INR Million	Nature of balance outstanding	Relationship with the Struck off company, if any, to be disclosed
Pyrotek India Pvt.Ltd.	Purchase of stores and spares parts	0.2	Trade payable	Vendor (unrelated)
Sunbeam Auto Pvt. Ltd.	Purchase of Stores and Spares parts	0.0	Trade payable	Vendor (unrelated)

- (iii) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- (iv) The Company has not traded or invested in crypto currency or virtual currency during the financial year.
- (v) The Company has 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:
- Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vi) The Company has 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 Company shall:
- Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vii) The Company has not entered into 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 assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

47 Impact of Covid-19 on financial statements

During the past two years, world has been impacted by COVID-19 pandemic. Businesses and operations of the Company were affected by lockdowns and certain restrictions imposed by Central Government and State governments in various parts/districts from time to time during the year. Recently, in some parts of world, the pandemic continues to spread and is impacting businesses. Consequent to the uncertainties caused due to continuation of pandemic, the Company has prepared a cash flow projections and also, assessed the recoverability of receivables, inventories and other financial and non-financial assets, factored assumptions used in annual impairment testing of fixed assets up to the date of approval of these financial statements. On the basis of this evaluation and current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets and does not anticipate any impairment to these financial and non-financial assets. However, the Company will continue to closely monitor any material changes to future economic conditions.

- 48 The figures for the year ended March 31, 2021 were audited by another firm of Chartered Accountants.



49 Previous year's figures have been regrouped/ reclassified, wherever necessary, to conform to this year's classification.

For S R Batliboi & Co. LLP

Chartered Accountants

Firm Registration No.:301003E/E300005


per Amit Kumar Jain
Partner

Membership No. : 097214

Place: New Delhi

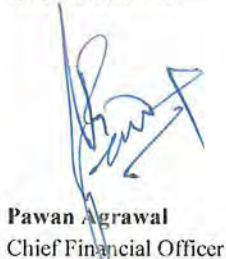
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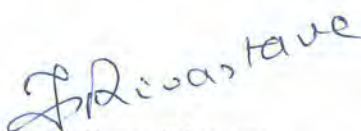
For and on behalf of the Board of Directors of

Minda Kosei Aluminum Wheel Private Limited


Kundan Kumar Jha
Managing Director
DIN No: 07137705


Pawan Agrawal
Chief Financial Officer


Yoshihiro Toda
Director
DIN No: 08121667


Tarun Kumar Srivastava
Company Secretary
Membership No.: 11994