

Minda Kyoraku Limited
Financial Statements
Statutory Audit for the year ended
31 March 2022

MINDA KYORAKU LIMITED

Balance Sheet as at March 31, 2022

INR in lacs, unless otherwise stated

Perticulars	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-Current Assets			
(a) Property, plant and equipment	4A	9,946.18	9,233.25
(c) Capital work-in-progress	4B	6,121.35	430.62
(c) Right of use assets	4C	227.92	244.50
(d) Intangible assets	5A	132.49	50.05
(e) Intangible assets under development	5B	771.87	153.17
(f) Financial assets			
- Other bank balances	6	7.35	7.25
- Other financial assets	6	164.51	160.17
(g) Deferred Tax Asset (net)	7	42.05	31.87
(h) Other non-current assets	9	526.79	1.80
Total Non-Current Assets (A)		17,942.51	10,312.68
Current Assets			
(a) Inventories	10	1,590.18	257.24
(a) Financial assets			
- Trade receivables	11	3,570.73	2,916.97
- Cash and cash equivalents	12	214.05	3,333.55
- Other bank balances	13	28.13	275.24
- Loans	4	21.15	26.33
- Other financial assets	6	44.80	5.35
(c) Other current assets	9	640.83	366.22
(d) Current tax assets (net)	8	128.71	23.12
Total Current Assets (B)		7,308.33	8,304.02
Total Assets (A+B)		25,250.85	18,616.70
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	14	6,200.70	6,200.70
(b) Other equity	15	5,842.19	5,574.47
Total Equity (A)		12,042.89	11,775.17
LIABILITIES			
Non-Current Liabilities			
(a) Financial liabilities:			
- Borrowings	16	2,852.53	1,510.28
- Lease liabilities	4C	225.45	215.62
(b) Long term provisions	17	253.10	351.53
Total Non-Current Liabilities (B)		3,331.08	2,077.43
Current Liabilities			
(a) Financial liabilities:			
- Borrowings	16	720.49	889.24
- Lease liabilities	4C	10.72	30.62
- Trade payables	18		
(a) Total outstanding dues of micro and small enterprises		201.22	70.74
(b) Total outstanding dues of other than micro and small enterprises		3,523.03	2,106.76
- Other financial liabilities	19	2,597.42	556.27
(b) Short term provisions	17	105.55	15.62
(c) Other current liabilities	20	1,747.49	604.83
Total Current Liabilities (C)		8,566.92	4,564.10
Total Liabilities (D)=(B+C)		12,298.00	6,641.53
Total Equity And Liabilities (A+D)		25,250.85	18,616.70

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

CAI Firm Registration No : 301003E/300005

per Ajay Kumar Jain
Partner
Membership No : 097214

Place: New Delhi
Date: April 28, 2022



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

N. Minda
Managing Director
DIN No. 00008300

Takeshi Mamtani
Director
DIN No. 05775852

Anshu Chandra
Company Secretary
Membership No. A57412

Anshu Chandra
Company Secretary
Membership No. A57412



MINDA KYORAKU LIMITED

Statement of Profit & Loss for the year ended March 31, 2022

INR in lacs, unless otherwise stated

Particulars	Notes	For the Year ended March 31, 2022	For the Year ended March 31, 2021
INCOME			
(a) Revenue from contracts with customers	21	21,371.55	16,537.75
(b) Other income	22	98.01	280.15
Total Income (A)		21,469.56	16,817.92
EXPENSES			
(a) Cost of raw materials and components consumed	23	11,208.26	7,653.06
(b) Increase in inventories of finished goods and work-in-progress	24	(45.40)	(88.13)
(c) Employee benefit expenses	25	2,510.89	2,174.15
(d) Finance costs	26	171.64	262.24
(e) Depreciation and amortisation expense	27	1,252.50	1,327.30
(f) Other expenses	28	4,344.82	3,089.94
Total expenses (B)		19,442.71	14,416.66
Profit before tax (C)=(A-B)		2,026.85	2,399.36
TAX EXPENSE			
(a) Current tax	29	528.86	650.91
(b) Deferred tax credit	30	(16.25)	(52.76)
Total tax expense (D)		512.61	635.15
Profit for the year (E)=(C-D)		1,513.72	1,794.21
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent periods:			
Remeasurement gain(loss) on defined benefit plans	29	26.51	10.14
Income tax effect	29	(6.67)	(2.55)
Net comprehensive income not to be reclassified to profit or loss in subsequent periods		19.84	7.59
Other comprehensive income for the year (net of tax) (F)		19.84	7.59
Total comprehensive income for the year (E+F)		1,533.57	1,801.80
Earnings per equity share on profit for the year			
(Nominal Value of Share Rs 10 each)			
Basic	30	2.44	2.89
Diluted	30	2.44	2.89

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.Batilbhai & Co. LLP

Chartered Accountants

CAI Firm Registration No : 301003E/E300005

per Anil Kumar Jain

Partner

Membership No : 097214

Place: New Delhi

Date: April 26, 2022



For and on behalf of the Board of Directors of

Minda Kyoraku Limited

Natish Minda

Managing Director

DIN No 00008300

Takeshi Marutani

Director

DIN No 08775652

Bhaskar Chandra

Chief Financial Officer

Aditi Jain

Company Secretary

Membership No A57412



MINDA KYORAKU LIMITED
Cash Flow Statement for the year ended March 31, 2022

INR in lacs, unless otherwise stated

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A.	Cash flow from operating activities		
	Profit for the year before tax	2,026.85	2,399.36
	Adjustments for :		
	Depreciation and amortisation	1,252.50	1,327.30
	Unrealised foreign exchange gain	(22.91)	(5.71)
	Loss on sale of property, plant and equipment	3.24	2.22
	Mark to market to derivative liability	(94.11)	(200.63)
	Liabilities no longer required written back	(1.71)	-
	Finance cost	171.64	262.24
	Interest Income on fixed deposit	(40.04)	(95.63)
	Provision for doubtful debts created/ (reversed)	2.12	(13.86)
	Operating profit before working capital changes	3,297.57	3,675.29
	Working capital adjustments:		
	(Increase) in inventories	(1,292.94)	(192.75)
	(Increase) in trade receivables	(655.88)	(1,004.69)
	Decrease / (Increase) in loans	5.18	(2.87)
	(Increase) in other financial assets	(6.15)	-
	(Increase) in other assets	(478.77)	(133.71)
	Increase in trade payables	1,552.71	445.44
	(Decrease) / Increase in other financial liabilities	4.51	18.63
	Increase in long-term and short-term provision	19.01	47.58
	Increase in other current liabilities	942.66	295.28
	Cash generated from operations	3,389.90	3,148.20
	Income tax paid	(635.57)	(517.64)
	Net cash generated from operating activities	2,754.34	2,630.56
B.	Cash flow from investing activities:		
	Purchase of property, plant and equipment and intangible assets and capital work-in-progress	(6,786.67)	(831.34)
	Proceeds from sale of property, plant and equipment	2.71	-
	Fixed deposits with banks (net)	247.01	(273.20)
	Interest received	42.86	89.95
	Net cash used in investing activities	(6,494.09)	(1,014.59)
C.	Cash flows from financing activities		
	Dividend paid	(365.84)	(124.01)
	Repayment of lease liabilities	(10.07)	(7.67)
	Proceeds from long-term borrowings	2,365.00	-
	Repayments of borrowings	(1,442.86)	(871.43)
	Interest paid	(175.98)	(262.69)
	Net cash generated from / (used in) financing activities	370.25	(1,265.80)
	Net (decrease) / increase in cash and cash equivalents (A+B+C)	(3,369.50)	350.17
	Cash and cash equivalents at the beginning of the year	3,333.55	2,983.38
	Cash and cash equivalents at closing	(35.95)	3,333.55



MINDA KYORAKU LIMITED

Cash Flow Statement for the year ended March 31, 2022

INR in lacs, unless otherwise stated

Components of cash and cash equivalents:

Cash on hand	0.44	0.95
Balance with banks:		
Bank deposit (with original maturity of 3 months or less)	11.13	
Bank overdraft	(250.00)	
Current accounts	202.48	3,332.60
Cash and cash equivalents at the end of the year	(35.95)	3,333.55

Summary of significant accounting policies (refer note 3)

As per our report of even date

For S.R.Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No : 301003E/E300005

per Anil Kumar Jain
Partner

Membership No. : 097214

Place : New Delhi

Date: April 26, 2022



For and on behalf of the Board of Directors of

Minda Kyoraku Limited

Nitesh Minda
Managing Director
DIN No. 00008300

Takeshi Maritani
Director
DIN No. 08775652

Bhaskar Chandra
Chief Financial Officer

Aditi Jain
Company Secretary
Membership No. A57412



MINDA KYORAKU LIMITED

Statement of Changes In equity for the year ended March 31, 2022

INR in lacs, unless otherwise stated

Particulars	Share capital *	Retained earnings	Securities premium	Total Reserves and surplus	Total equity
	(1)	(2)	(3)	(4)=(2+3)	(1+4)
As at March 31, 2020	6,200.70	2,864.15	1,132.53	3,996.68	10,197.38
Add: Profit for the year	-	1,794.21	-	1,794.21	1,794.21
Add: Other comprehensive income	-	7.59	-	7.59	7.59
Total comprehensive income for the year	-	1,801.80	-	1,801.80	1,801.80
Less: Dividend paid during the year	-	(124.01)	-	(124.01)	(124.01)
As at March 31, 2021	6,200.70	4,541.94	1,132.53	5,674.47	11,875.17
Add: Profit for the year	-	1,513.72	-	1,513.72	1,513.72
Add: Other comprehensive income	-	19.84	-	19.84	19.84
Total comprehensive income for the year	-	1,533.56	-	1,533.56	1,533.56
Less: Dividend paid during the year	-	(365.84)	-	(365.84)	(365.84)
As at March 31, 2022	6,200.70	5,709.66	1,132.53	6,842.19	13,042.89

* 620.70 lacs (March 31, 2021: 620.70 lacs) equity shares of Rs 10/-each fully paid

Summary of significant accounting policies (refer note 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

(CAI Firm Registration No.: 301003E/E300005)

per *Amit Kumar Jain*

Amit Kumar Jain

Membership No.: 097214

Place: New Delhi

Date: April 26, 2022



For and on behalf of the Board of Directors of

Minda Kyoraku Limited

Nitesh Minda

Nitesh Minda

Managing Director

DIN No. 00008300

Takeshi Marutani

Takeshi Marutani

Director

DIN No. 08775652

Bhaskar Chandra

Bhaskar Chandra

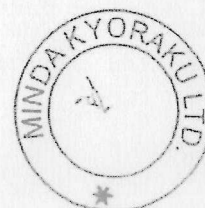
Chief Financial Officer

Aditi Jain

Aditi Jain

Company Secretary

Membership No. A57412



MINDA KYORAKU LIMITED

Notes to Ind AS Financial Statements for the year ended March 31, 2022

1. Corporate information

Minda Kyoraku Limited ("the Company") was incorporated on August 17, 2011 under the provision of Companies Act 1956. The Company is a joint venture between Minda Industries Limited, Nagase & Co. Limited (Japan), Chiyoda Manufacturing Corporation (Japan) and Kyoraku Co. Limited (Japan). The Company is engaged in the business of manufacture of blow moulding products. 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 34.

The financial statements were approved for issue in accordance with a resolution of the directors on April 26, 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 1 "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:

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

All other assets are classified as non-current.



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.

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	3 to 15
Furniture and fixtures	5/10
Vehicles	8
Dies & Tools	5/8
Office equipment	5/10
Computers	
- End user devices, such as desktops, laptops, etc.	3
- Servers, Racks for IT room	6

The Company based on management estimate depreciate certain items of plant & Machinery over the estimated useful lives which are different from the useful life 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.

(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.



MINDA KYORAKU LIMITED

Notes to Ind AS Financial Statements for the year ended March 31, 2022

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 presented in INR lacs, except where otherwise stated.

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).



(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

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

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.

(vii) Leases

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.

(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 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).

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



MINDA KYORAKU LIMITED

Notes to Ind AS Financial Statements for the year ended March 31, 2022

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 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.



MINDA KYORAKU LIMITED

Notes to Ind AS Financial Statements for the year ended March 31, 2022

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.



MINDA KYORAKU LIMITED

Notes to Ind AS Financial Statements for the year ended March 31, 2022

(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) Dividend

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

(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:

- 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.



MINDA KYORAKU LIMITED

Notes to Ind AS Financial Statements for the year ended March 31, 2022

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.



MINDA KYORAKU LIMITED
Notes to the Ind AS financial statements for the year ended March 31, 2022

INR in lacs, unless otherwise stated

4A. Property, plant and equipment

Particulars	As at March 31, 2022	As at March 31, 2021
Land- freehold	2,887.11	1,783.31
Buildings	3,637.94	3,788.73
Plant and equipment	3,269.37	3,554.46
Furniture and fixtures	44.07	37.52
Vehicles	43.46	2.66
Office equipment	32.16	41.27
Computers	32.07	25.30
Total	9,946.18	9,233.25

4B. Capital work-in-progress

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	430.62	-
Additions	6,368.53	430.62
Deletions	(677.80)	-
Closing Balance	6,121.35	430.62

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	6,121.35	-	-	-	6,121.35
- Projects temporarily suspended	-	-	-	-	-
Total	6,121.35	-	-	-	6,121.35

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	430.62	-	-	-	430.62
- Projects temporarily suspended	-	-	-	-	-
Total	430.62	-	-	-	430.62

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

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MINDA KYORAKU LIMITED

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

INR in lacs, unless otherwise stated

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 equipment	Total
Gross carrying amounts		
Balance at April 01, 2020	-	-
Add: Additions made during the year	248.64	248.64
Less: On disposals / adjustments during the year	-	-
Balance at March 31, 2021	248.64	248.64
Balance at 1 April 2021	248.64	248.64
Add: Additions made during the year	-	-
Less: On disposals / adjustments during the year	-	-
Balance at March 31, 2022	248.64	248.64
Depreciation expense		
Balance at April 01, 2020	-	-
Add: Depreciation charged for the year	4.14	4.14
Less: On disposals / adjustments during the year	-	-
Balance at March 31, 2021	4.14	4.14
Balance at 1 April 2021	4.14	4.14
Add: Depreciation charged for the year	16.58	16.58
Less: On disposals / adjustments during the year	-	-
Balance at March 31, 2022	20.72	20.72
Net carrying amounts		
At March 31, 2021	244.50	244.50
At March 31, 2022	227.92	227.92

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

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balances	246.24	-
Additions	-	248.64
Finance cost accrued during the period	20.54	5.27
Repayment of lease liabilities	(30.61)	(7.67)
Closing balances	236.17	246.24

(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	10.72	30.62
Non-current lease liabilities	225.45	215.62

(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	16.58	4.14
Interest expense on lease liabilities	20.54	5.27
Total amount recognised in statement of profit and loss	37.12	9.41

(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
Less than 1 year	30.38	30.62
1 to 5 years	119.09	120.05
More than 5 year	247.57	276.99
Total	397.04	427.66



MINDA KYORAKU LIMITED

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

INR in lacs, unless otherwise stated

4.1 Property, plant and equipment and capital work-in-progress

Reconciliation of carrying amount

Particulars	Land- freehold	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computers	Total	Capital work in progress	Grand Total
Gross carrying amounts										
Balance at April 01, 2020	1,783.31	4,309.09	7,938.48	66.66	27.36	76.38	77.96	14,277.12	-	14,277.12
Add: Additions made during the year	-	-	73.66	-	-	0.61	11.36	85.63	430.62	516.25
Less: On disposals / adjustments during the year	-	-	(14.37)	(1.09)	-	(0.89)	(2.85)	(19.20)	-	(19.20)
Balance at March, 31 2021	1,783.31	4,309.09	7,997.77	64.46	27.36	75.10	86.46	14,343.55	430.62	14,774.17
Balance at April 01, 2021	1,783.31	4,309.09	7,997.77	64.46	27.36	75.10	86.46	14,343.55	430.62	14,774.17
Add: Additions made during the year	1,103.80	-	747.12	13.10	46.39	1.51	21.30	1,933.22	6,368.53	8,301.75
Less: On disposals / adjustments during the year	-	-	(33.06)	(0.56)	(25.75)	(2.23)	(14.73)	(76.33)	(677.80)	(754.13)
Balance at March, 31 2022	2,887.11	4,309.09	8,711.83	77.00	48.00	74.38	93.03	16,200.44	6,121.35	22,321.79

Accumulated depreciation

Balance at April 01, 2020	-	369.57	3,331.05	20.99	24.70	25.66	46.52	3,818.49	-	3,818.49
Add: Depreciation charged for the year	-	150.79	1,125.43	6.92	-	9.02	17.34	1,309.50	-	1,309.50
Less: On disposals / adjustments during the year	-	-	(13.17)	(0.97)	-	(0.85)	(2.70)	(17.69)	-	(17.69)
Balance at March, 31 2021	-	520.36	4,443.31	26.94	24.70	33.83	61.16	5,110.30	-	5,110.30
Balance at April 01, 2021	-	520.36	4,443.31	26.94	24.70	33.83	61.16	5,110.30	-	5,110.30
Add: Depreciation charged for the year	-	150.79	1,028.45	6.50	4.30	10.51	13.79	1,214.34	-	1,214.34
Less: On disposals / adjustments during the year	-	-	(29.30)	(0.51)	(24.46)	(2.12)	(13.99)	(70.38)	-	(70.38)
Balance at March, 31 2022	-	671.15	5,442.46	32.93	4.54	42.22	60.96	6,254.26	-	6,254.26

Net Block:

At March 31, 2022	2,887.11	3,637.94	3,260.37	44.07	43.46	32.16	32.07	9,946.18	6,121.35	16,067.53
At March 31, 2021	1,783.31	3,788.73	3,554.46	37.52	2.66	41.27	25.30	9,233.25	430.62	9,663.87

Refer note 16 for information regarding security given against the loan.

4.2 The Company does not hold any Immovable Property not held in the name of the Company as at March 31, 2022.

4.3 The Company had elected Ind AS 101 exemption and continued with the carrying value for all of its property, plant and equipment as per the previous GAAP as its deemed cost as at the date of transition to Ind AS.



MINDA KYORAKU LIMITED
Notes to the Ind AS financial statements for the year ended March 31, 2022

INR in lacs, unless otherwise stated

5A. Intangible assets
Reconciliation of carrying amount

Particulars	Technical Knowhow	Software	Total
Balance at April 01, 2020	122.34	70.49	192.83
Add: Additions during the year	7.44	-	7.44
Less: Disposals / adjustments during the year	-	-	-
Balance at March 31, 2021	129.78	70.49	200.27
Add: Additions during the year	102.38	1.64	104.02
Less: Disposals / adjustments during the year	-	-	-
Balance at March 31, 2022	232.16	72.13	304.29

Accumulated amortisation

Balance at April 01, 2020	104.32	32.24	136.56
Add: Amortisation charge for the year	4.17	9.49	13.66
Less: On disposals / adjustments during the year	-	-	-
Balance at March 31, 2021	108.49	41.73	150.22
Add: Amortisation charge for the year	12.26	9.32	21.58
Less: On disposals / adjustments during the year	-	-	-
Balance at March 31, 2022	120.75	51.05	171.80

Net Block:

At March 31, 2022	111.41	21.08	132.49
At March 31, 2021	21.29	28.76	50.05

5B. Intangible assets under development

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	153.17	7.44
Additions	693.55	153.17
Deletions	(74.85)	(7.44)
Closing Balance	771.87	153.17

Intangible asset under development ageing schedule
As at March 31, 2022

Particulars	<1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	693.55	78.32	-	-	771.87
Projects temporarily suspended	-	-	-	-	-
Total	693.55	78.32	-	-	771.87

As at March 31, 2021

Particulars	<1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	153.17	-	-	-	153.17
Projects temporarily suspended	-	-	-	-	-
Total	153.17	-	-	-	153.17



MINDA KYORAKU LIMITED
Notes to the Ind AS financial statements for the year ended March 31, 2022

INR in lacs, unless otherwise stated

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)	3,570.73	2,916.97
B. Cash and cash equivalents (Refer note 12)	214.05	3,333.55
C. Other bank balances		
Non- current		
Deposits with remaining maturity of more than 12 months	7.35	7.25
	7.35	7.25
Current		
Deposits with original maturity of more than 3 months but remaining maturity of upto 12 months (Refer Note 13)	28.13	275.24
	28.13	275.24
Total (C)	35.48	282.49
D. Loans		
Current		
Loan to employees	21.15	26.33
Total (D)	21.15	26.33
E. Other financial assets		
Non- current		
Security deposits	162.72	159.07
Interest accrued on deposits	1.79	1.10
	164.51	160.17
Current		
Security deposits	2.50	-
Interest accrued on deposits	1.84	5.35
Derivative Assets	40.46	-
	44.80	5.35
Total (E)	209.31	165.52
Total (A + B + C + D + E)	4,050.72	6,724.86
Total current	3,878.86	6,557.44
Total Non- current	171.86	167.42
	4,050.72	6,724.86

b) Break up of financial assets:

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables	3,570.73	2,916.97
Cash and cash equivalents	214.05	3,333.55
Other bank balances	35.48	282.49
Loans	21.15	26.33
Other financial assets	209.31	165.52
Total	4,050.72	6,724.86



MINDA KYORAKU LIMITED
Notes to the Ind AS financial statements for the year ended March 31, 2022

INR in lacs, 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	90.14	91.73
Provision for bonus	26.02	24.33
Provision for doubtful debts	0.65	0.12
Mark to Mark market impact on FCNR Term Loan (MTM)	6.94	27.76
Expenses on which tax not deducted	-	23.41
Total deferred tax assets (A)	123.75	167.35
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	81.70	135.48
Total deferred tax liabilities (B)	81.70	135.48
Net deferred tax assets* (A) - (B)	42.05	31.87

***Movement in deferred tax assets**

Particulars	Balance as at March 31, 2021	Recognised in profit and loss during 2021-22	Recognised in OCI 2021-22	Balance as at March 31, 2022
Property, plant & equipment and intangible assets	(135.48)	53.78	-	(81.70)
Provision for doubtful debts	0.12	0.53	-	0.65
Provision for employee benefits (including bonus)	116.06	6.77	(6.67)	116.16
Mark to Mark market impact on FCNR Term Loan (MTM)	27.76	(20.82)	-	6.94
Expenses on which tax not deducted	23.41	(23.41)	-	-
At March 31, 2022	31.87	16.85	(6.67)	42.05

Particulars	Balance as at March 31, 2020	Recognised in profit and loss during 2020-21	Recognised in OCI 2020-21	Balance as at March 31, 2021
Property, plant & equipment and intangible assets	(234.42)	98.94	-	(135.48)
Provision for doubtful debts	4.37	(4.25)	-	0.12
Provision for employee benefits (including bonus)	105.64	12.97	(2.55)	116.06
Mark to Mark market impact on FCNR Term Loan (MTM)	90.55	(62.79)	-	27.76
Expenses on which tax not deducted	14.49	8.92	-	23.41
At March 31, 2021	(19.37)	53.79	(2.55)	31.87



MINDA KYORAKU LIMITED**Notes to the Ind AS financial statements for the year ended March 31, 2022**

INR in lacs, unless otherwise stated

8 Current tax asset (net)

Particulars	As at March 31, 2022	As at March 31, 2021
Current tax assets (net of tax)	128.71	23.12
Total	128.71	23.12

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	529.98	658.94
Deferred tax	(16.85)	(53.79)
Tax expense reported in the statement of profit and loss	513.13	605.15

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
Profit before tax	2,026.85	2,399.36
Tax using Company's domestic tax rate	25.17%	25.17%
Expected income tax expense	510.16	603.87
Impact of items inadmissible		
Charity & donation	8.44	7.55
Other (net)	(5.47)	(6.27)
Total income tax expense	513.13	605.15

9 Other assets

(Unsecured, considered good unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Non current		
Capital advances	526.43	1.80
Prepaid expenses	2.36	-
	528.79	1.80
Current		
Prepaid expenses	25.30	17.12
Advance to suppliers	387.67	334.87
Balance with government authorities	424.52	13.99
Other advances	3.14	0.24
	840.63	366.22
Total	1,369.42	368.02



MINDA KYORAKU LIMITED**Notes to the Ind AS financial statements for the year ended March 31, 2022**

INR in lacs, unless otherwise stated

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

Particulars	As at March 31, 2022	As at March 31, 2021
Raw materials [Goods in transit Rs.16.41 lacs (March 31, 2021 Rs. 316.76 lacs)]	1,709.75	932.52
Work in progress	90.64	78.92
Finished goods [Goods in transit Rs.67.69 lacs (March 31, 2021 Rs. 26.59 lacs)]	177.84	144.16
Stores and spares	160.20	86.83
Loose tools	411.75	14.81
	2,550.18	1,257.24

- 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.

11 Trade receivables

(Unsecured, considered good unless otherwise stated)

a) Details of trade receivables:

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good	3,367.40	2,861.11
Unsecured, considered good- related party	203.33	55.86
Doubtful	2.57	0.46
	3,573.30	2,917.43
Less: Impairment loss on trade receivables	2.57	0.46
	3,570.73	2,916.97

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



MINDA KYORAKU LIMITED
Notes to the Ind AS financial statements for the year ended March 31, 2022

INR in lacs, unless otherwise stated

**11 (c) Trade receivables Ageing Schedule
As at March 31, 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	3,172.11	398.60	0.02	-	-	-	3,570.73
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	2.33	0.24	-	-	-	2.57
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
Total	3,172.11	400.93	0.26	-	-	-	3,573.30

As at March 31, 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	2,510.28	406.69	-	-	-	-	2,916.97
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	0.43	-	0.03	-	-	0.46
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
Total	2,510.28	407.12	-	0.03	-	-	2,917.43

12 Cash and cash equivalents
a) Details of Cash and cash equivalents:

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks		
- On current accounts	202.48	3,332.60
- Bank deposits (with original maturity of less than 3 months)	11.13	-
- Cash on hand	0.44	0.95
Total	214.05	3,333.55

b) Changes in liabilities arising from financing activities

Particulars	Long term borrowing		Short term borrowing		Lease liabilities	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Opening balance	2,399.52	3,398.48	-	24.49	240.97	-
Addition on account of new leases during the year	-	-	-	-	-	248.64
Cash inflow	2,365.00	-	250.00	-	-	-
Cash outflow	(1,442.86)	(871.43)	-	(24.49)	(30.61)	(7.67)
Impact of mark to market to derivative liability	-	(127.53)	-	-	-	-
Unrealised foreign exchange loss	11.36	-	-	-	-	-
Closing balance	3,333.02	2,399.52	250.00	-	210.36	240.97
Long term borrowing (refer note 16)	2,862.53	1,510.28	-	-	-	-
Current maturity of long term borrowing (refer note 16)	470.49	889.24	-	-	-	-
Short term borrowing (refer note 16)	-	-	250.00	-	-	-
Non-current lease liability (refer note 4C)	-	-	-	-	225.45	215.62
Current maturity of long term lease liability (refer note 4C)	-	-	-	-	10.72	30.62
Total	3,333.02	2,399.52	250.00	-	236.16	246.24



MINDA KYORAKU LIMITED

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

INR in lacs, unless otherwise stated

13 Other Bank balances

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks:		
- Deposits with original maturity of more than 3 months but remaining maturity of upto 12 months	28.13	275.24
	28.13	275.24

14 Equity share capital**(a) Details of share capital**

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised:		
62,007,000 (March 31, 2022: 62,007,000) equity shares of Rs.10 each	6,200.70	6,200.70
	6,200.70	6,200.70
Issued, subscribed and paid-up		
62,007,000 (March 31, 2021: 62,007,000) equity shares of Rs.10 each	6,200.70	6,200.70
	6,200.70	6,200.70

(b) Reconciliation of authorised, issued, subscribed and paid up share capital:**i. Reconciliation of authorised share capital as at year end :**

Particulars	Equity Shares	
	Number of shares	Amount
At April 01, 2020	62,007,000	6,200.70
Increase during the year	-	-
At April 01, 2021	62,007,000	6,200.70
Increase during the year	-	-
At March 31, 2022	62,007,000	6,200.70

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

Particulars	Equity Shares	
	Number of shares	Amount
At April 01, 2020	62,007,000	6,200.70
Increase during the year	-	-
At April 01, 2021	62,007,000	6,200.70
Increase during the year	-	-
At March 31, 2022	62,007,000	6,200.70



MINDA KYORAKU LIMITED**Notes to the Ind AS financial statements for the year ended March 31, 2022**

INR in lacs, unless otherwise stated

(c) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2022		As at March 31, 2021	
	Number of shares held	% holding in the equity shares	Number of shares held	% holding in the equity shares
Minda Industries Limited	41,968,200	67.68%	41,918,600	67.60%
Kyoraku Co. Limited	6,400,000	10.32%	6,400,000	10.32%
Nagase & Co. Limited	12,401,400	20.00%	12,401,400	20.00%

(d) Rights/preferences and restrictions attached to shares

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

During the year, final dividend amounting to INR 365.84 lacs in respect of FY 2020-21 has been paid by the Company which has been approved by shareholders at AGM.

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.

(e) There are no bonus issue or buy back of equity shares during the period of five years immediately preceding the reporting date.

(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 ownership of shares.

(g) Shares held by Holding Company

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
Minda Industries Limited	41,968,200	67.68%	41,918,600	67.60%

(h) Details of shares held by promoters**As at March 31, 2022**

Particulars	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 Ltd.	41,918,600	49,600	41,968,200	67.68%	0.08%
Equity shares of INR 10 each fully paid	Kyoraku Co. Ltd.	6,400,000	-	6,400,000	10.32%	-
Equity shares of INR 10 each fully paid	Nagase & Co., Ltd.	12,401,400	-	12,401,400	20.00%	-
Equity shares of INR 10 each fully paid	Chiyoda Manufacturing Corporation	1,237,000	-	1,237,000	1.99%	-

As at March 31, 2021

Particulars	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 Ltd.	41,918,600	-	41,918,600	67.60%	-
Equity shares of INR 10 each fully paid	Kyoraku Co. Ltd.	6,400,000	-	6,400,000	10.32%	-
Equity shares of INR 10 each fully paid	Nagase & Co., Ltd.	12,401,400	-	12,401,400	20.00%	-
Equity shares of INR 10 each fully paid	Chiyoda Manufacturing Corporation	1,237,000	-	1,237,000	1.99%	-



MINDA KYORAKU LIMITED**Notes to the Ind AS financial statements for the year ended March 31, 2022**

INR in lacs, unless otherwise stated

15 Other equity

Particulars	Retained earnings	Securities premium	Total
At April 01, 2020	2,864.15	1,132.53	3,996.68
Profit for the year	1,794.21	-	1,794.21
Other comprehensive income for the year, net of tax	7.59	-	7.59
Dividend	(124.01)	-	(124.01)
At March 31, 2021	4,541.94	1,132.53	5,674.47
Profit for the year	1,513.72	-	1,513.72
Other comprehensive income for the year, net of tax	19.84	-	19.84
Dividend	(365.84)	-	(365.84)
At March 31, 2022	5,709.66	1,132.53	6,842.19

Distribution made and proposed

Particulars	As at March 31, 2022	As at March 31, 2021
Cash dividend on equity shares declared and paid		
Final dividend paid during the year INR 0.59 per share (March 31, 2021 : INR 0.20 per share)	365.84	124.01
	365.84	124.01

The dividend of Rs 0.50 per share has been proposed for the year ended March 31, 2022 (March 31, 2021- Rs. 0.59 per share).

16 Borrowings**(a) Details of Borrowings**

Particulars	As at March 31, 2022	As at March 31, 2021
Non current		
Term loans from banks	3,333.02	2,399.52
Less: Current maturities of long term borrowings	(470.49)	(889.24)
	2,862.53	1,510.28
Current		
Current maturities of long term borrowings	470.49	889.24
Bank Overdraft	250.00	-
	720.49	889.24
Total Borrowings	3,583.02	2,399.52



MINDA KYORAKU LIMITED
Notes to the Ind AS financial statements for the year ended March 31, 2022

INR in lacs, unless otherwise stated

(b) Terms of repayment

Nature of security	Terms of repayment and rate of interest	As at March 31, 2022	As at March 31, 2021
CITI Bank FCNR Loan Rs. 2365.00 lacs (March 31, 2021: Rs. Nil) is secured by: -First charge on fixed assets of the Company situated at Gujarat Unit (Both movable and immovable fixed assets)	Rate of interest - ROI as on 31st March 2022 is 5.50% linked with 3 month treasury bill on outstanding principal amount. The principal amount of INR 2,365 lacs is repayable in 16 equal quarterly instalments of Rs. 147.81 lacs each commencing from January 31, 2023.	2,365.00	-
CITI Bank FCNR Loan Rs. 968.02 lacs (March 31, 2021: Rs. 1242.09 lacs) is secured by: -First charge on fixed assets of the Company situated at Gujarat Unit (Both movable and immovable fixed assets)	Rate of interest - 3 months MCLR + 2% spread, Company has taken an interest rate swap contract to fixed interest liabilities @ 5.20% P.A. on outstanding Rs. principal amount. The principal amount of USD 2,128,263.34 is repayable in 20 equal quarterly instalments of USD 106,413.17 each commencing from April 09, 2020. The Company has entered into a partial hedge contract for principal repayment.	968.02	1,242.09
ICICI Bank FCNR Loan Rs. Nil (March 31, 2021: Rs. 568.13 lacs) is secured by: -First Pari Passu charge by way of mortgage over all the immovable fixed assets related to Gujarat Project both present and future (Immovable Fixed Assets) -First Pari Passu charge on all the movable fixed assets of the Company's Gujarat Project both present and future (Movable Fixed Assets) - Second Pari Passu charge by way of hypothecation over current assets both present and future of the Company.	Rate of interest - 3 months MCLR + 2% spread, Company had taken an interest rate swap contract to fixed interest liabilities @ 6.68% P.A. on outstanding USD principal amount. The principal amount of USD 1,362,862.01 was repayable in 14 equal quarterly instalments of USD 97,347.29 commencing from December 31, 2019. Further, the Company has entered in to partial hedge contract for principal repayment in USD. The same has been closed during the year by making early payment.	-	568.13
ICICI Bank FCNR Loan Rs. Nil (March 31, 2021: Rs. 589.30 lacs) is secured by: -First Pari Passu charge by way of mortgage over all the immovable fixed assets related to Gujarat Project both present and future (Immovable Fixed Assets) -First Pari Passu charge on all the movable fixed assets of the Company's Gujarat Project both present and future (Movable Fixed Assets) - Second Pari Passu charge by way of hypothecation over current assets both present and future of the Company.	Rate of interest - 3 months MCLR + 2% spread, Company had taken a interest rate swap contract to fixed Interest liabilities @ 6.61% P.A. on outstanding USD principal amount. The principal amount of USD 1,413,627.37.00 was repayable in 9 equal quarterly instalments of USD 100,973.38 each commencing from December 31, 2019 and last payment for USD 504,866.95 has been paid on Feb 28, 2022. Company had entered into a partial hedge contract for principal repayment in USD.	-	589.30
Citi Bank Working capital demand loan from the bank amounting to Rs. 250.00 lacs (March 31, 2021: Rs. Nil) secured by: -First pari passu charge on all the current assets of the Company (both present and future)	Rate of interest - 4.95% for WCDL 31st March 2022 Working capital loan sanction amounting to Rs. 250 lacs for fund based and Rs. Nil for non fund based.	250.00	-
Total		3,583.02	2,399.52



MINDA KYORAKU LIMITED**Notes to the Ind AS financial statements for the year ended March 31, 2022**

INR in lacs, unless otherwise stated

17 Provisions

Particulars	As at March 31, 2022	As at March 31, 2021
Non current		
Provision for employee benefits		
Provision for gratuity (refer note 33)	253.10	249.61
Provision for compensated absences	-	101.92
Total (A)	253.10	351.53
Current		
Provision for employee benefits		
Provision for gratuity (refer note 33)	4.53	4.44
Provision for compensated absences	102.02	11.18
Total (B)	106.55	15.62
Total (A+B)	359.65	367.15

18 Trade payables**a) Details of trade payables:**

Particulars	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro enterprises and small enterprises	261.22	70.74
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,523.03	2,196.78
	3,784.25	2,267.52

b) Trade payables are non-interest bearing and are normally settled on 30-60 days terms.

c) Trade payables to related parties amounts to as at March 31, 2022 Rs. 3013.92 lacs (March 31, 2021- Rs. 797.61 lacs).

d) 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	261.22	70.74
- Interest	1.65	0.01
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.	-	0.01
The amount of interest accrued and remaining unpaid at the end of accounting year.	1.66	0.01
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	-	-



MINDA KYORAKU LIMITED
Notes to the Ind AS financial statements for the year ended March 31, 2022

INR in lacs, unless otherwise stated

e) Trade payables Ageing Schedule
As at March 31, 2022

Particulars	Unbilled	Not due	Outstanding for following periods from due date of				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	-	188.70	72.52	-	-	-	261.22
Total outstanding dues of creditors other than micro enterprises and small enterprises	709.36	1,789.02	1,001.97	16.75	5.93	-	3,523.03
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	-	1,977.72	1,074.49	16.75	5.93	-	3,784.25

As at March 31, 2021

Particulars	Unbilled	Not due	Outstanding for following periods from due date of				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	-	70.74	-	-	-	-	70.74
Total outstanding dues of creditors other than micro enterprises and small enterprises	736.21	1,271.75	180.5	8.28	-	-	2,196.78
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	-	1,342.49	180.54	8.28	-	-	2,267.52

19 Other financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Interest accrued but not due on borrowings	10.16	14.50
Derivative Liabilities	-	53.65
Payables for Capital Goods	2,458.07	373.44
Employee related payable	119.19	114.68
	2,587.42	556.27

20 Other liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Advances from customers	1,339.70	541.12
Statutory dues	407.79	263.71
	1,747.49	804.83



MINDA KYORAKU LIMITED
Notes to the Ind AS financial statements for the year ended March 31, 2022

INR in lacs, unless otherwise stated

21 Revenue from contracts with customers

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of products		
Finished goods	20,959.30	16,301.59
Sale of services	366.52	204.71
Total sale of products (A)	21,325.82	16,506.30
Other operating revenue		
Sale of scrap	45.73	31.46
Total other sales (B)	45.73	31.46
Total revenue from contract with customers (A+B)	21,371.55	16,537.76

Notes:
(i) Timing of revenue recognition

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Goods transferred at a point in time	21,005.03	16,333.05
Services transferred over the time	366.52	204.71
Total revenue from contract with customers	21,371.55	16,537.76

(ii) Revenue by location of customers

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Within India	21,371.55	16,537.76
Outside India	-	-
Total revenue from contract with customers	21,371.55	16,537.76

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue as per contracted price	21,371.55	16,537.76
Cash discount	-	-
Total revenue from contract with customers	21,371.55	16,537.76

(iv) Unsatisfied 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.

Sales of services: The performance obligation in respect of services is satisfied over a period of time and acceptance of the customer. In respect of these services, payment is generally due upon completion of service based on time elapsed and acceptance of the customer.



MINDA KYORAKU LIMITED

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

INR in lacs, unless otherwise stated

22 Other income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest income on deposits	40.04	95.63
Liabilities no longer required written back	1.71	14.98
Foreign exchange fluctuation (net)	56.26	169.55
Total	98.01	280.16

23 Cost of raw materials and components consumed

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Raw materials consumed (including packing materials)		
Inventory at the beginning of the year	932.52	762.10
Add : Purchases during the year	11,985.49	7,823.48
Less : Inventory at the end of the year	1,709.75	932.52
Cost of raw materials consumed	11,208.26	7,653.06

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MINDA KYORAKU LIMITED**Notes to the Ind-AS financial statements for the year ended March 31, 2022**

INR in lacs, unless otherwise stated

24 Increase in inventories of finished goods and work-in-progress**a) Details of Increase In Inventories of finished goods and work-in-progress is as follows:**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Increase in inventories of finished goods and work-in-progress	(45.40)	(88.13)
Total	(45.40)	(88.13)

b) Detailed breakup of the increase in inventories of finished goods and work-in-progress is as follows:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Stock at the beginning of the period:		
- Finished goods	144.16	86.20
- Work in progress	78.92	48.75
Total A	223.08	134.95
Stock at the end of the year:		
- Finished goods	177.84	144.16
- Work in progress	90.64	78.92
Total B	268.48	223.08
Increase in inventories of finished goods and work-in-progress		
- Finished goods	(33.68)	(57.96)
- Work-in progress	(11.72)	(30.17)
Total (A-B)	(45.40)	(88.13)

25 Employee benefit expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, wages and bonus	2,151.34	1,873.54
Contribution to provident and other funds	105.81	96.27
Gratuity (Refer note 33)	56.31	50.62
Staff welfare expenses	197.43	153.71
Total	2,510.89	2,174.15

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.



MINDA KYORAKU LIMITED**Notes to the Ind AS financial statements for the year ended March 31, 2022**

INR in lacs, unless otherwise stated

26 Finance costs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest expense on borrowings	145.98	238.24
Interest expense on lease liabilities	20.54	5.27
Interest on income tax	2.10	13.57
Other charges	3.02	5.16
Total	171.64	262.24

27 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 (also refer note 4A)	1,214.34	1,309.50
Depreciation on right-of-use assets (also refer note 4C)	16.58	4.14
Amortisation on intangible assets (also refer note 5A)	21.58	13.66
	1,252.50	1,327.30

28 Other expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Consumption of stores and spare parts	796.36	552.56
Power and fuel	876.86	728.43
Rent	19.40	9.97
Repairs		
- Building	71.89	92.41
- Plant and equipment	240.88	289.63
- Others	7.04	5.38
Rates and taxes	1.93	5.04
Travelling expenses	107.68	56.52
Payment to auditors (Refer details below)	13.26	18.11
Provision for doubtful debts	2.12	-
Legal and professional charges	207.60	146.23
Sales promotion expenses	18.57	31.30
Packing and forwarding expenses	720.42	448.91
Loss on disposal of fixed assets	3.24	2.22
Royalty	84.67	70.63
SAP license fee and other charges	79.77	51.74
Shared services expenses	715.34	254.29
CSR Expenditure (Refer note 39)	33.50	30.00
Miscellaneous expenses	344.29	296.57
Total	4,344.82	3,089.94



MINDA KYORAKU LIMITED**Notes to the Ind AS financial statements for the year ended March 31, 2022**

INR in lacs, unless otherwise stated

Payment made to auditors is as follows:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
As auditor:		
- Audit fee	8.00	12.75
- Limited review	4.50	3.00
In other capacity		
- Reimbursement of expenses	0.76	2.36
	13.26	18.11

29 Components of Other Comprehensive Income (OCI)

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Re-measurement gains/ (losses) on defined benefit plans (Refer note 32)	26.51	10.14
Income tax effect	(6.67)	(2.55)
	19.84	7.59

30 Earnings per share (EPS)

- a) Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.
- b) Diluted EPS amounts are calculated by dividing the profit attributable to equity holders 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.

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit attributable to the equity share holders of the Company	1,513.72	1,794.21
Weighted average number of equity shares for basic and diluted EPS (in lacs)	620.07	620.07
Basic and diluted earnings per share (face value INR 10 per share)	2.44	2.89

- d) 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.



31 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 country. Future salary increases and pension increases are based on expected future inflation rates for the country. 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 a similar economic environment. 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.



MINDA KYORAKU LIMITED**Notes to the Ind AS financial statements for the year ended March 31, 2022**

INR in lacs, unless otherwise stated

32 Commitments and Contingencies

(a) Capital commitments are Rs. 1,653.95 lacs (March 31, 2021: Rs. 44.42 lacs), net of advances.

(b) Contingent liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Indirect tax matters (Refer Note below)	73.72	73.72
	73.72	73.72

Note

During financial year 2018-2019, Directorate General of Goods and Services Tax Intelligence issued a Show Cause Notice ("SCN") on the Company alleging that the cost of drawing/design/specification received free of cost from one of the customers for manufacture of moulds/dies/parts/components was supposed to be included in the cost of moulds/dies/parts/components (as the transaction value) in supply made to the customer. Accordingly, the SCN proposed as to why Central Excise duty of Rs. 73.72 lacs for the period October 2013 to June 2017 under the provision of Section 11A (4) of Central Excise Act ("CEA") along with penalty should not be demanded and recovered from the Company. The Company, based upon inputs from its tax expert, strongly believes that this SCN is not sustainable.

- (c) 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.

33 Gratuity and other post-employment benefit plans**a) Defined contribution plans**

The Company makes provident fund and ESI contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 105.81 lacs (March 31, 2021: Rs. 96.27 lacs) for provident fund and ESI contributions in the Statement of Profit and Loss (Refer Note 25). The contributions payable to these plans by the Company are at rates specified in the rules of the Schemes.

b) Defined benefit plan

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.



MINDA KYORAKU LIMITED**Notes to the Ind AS financial statements for the year ended March 31, 2022**

INR in lacs, unless otherwise stated

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of obligation as at the beginning of the year	254.05	222.93
Transfer in liability*	0.61	2.03
Interest cost	17.26	15.26
Current service cost	39.05	35.36
Benefits paid	(26.83)	(11.39)
Actuarial (gain)/loss on obligation	(26.51)	(10.14)
Present value of obligation as at the end of the year	257.63	254.05
- Non-current	253.10	249.61
- Current	4.53	4.44

* few employees transferred from other group companies, the liability on account of gratuity for employee upto date of transfer will be borne by the respective companies.

Net employee benefit expense recognized in the employee cost

Particulars	For the year March 31, 2022	For the year March 31, 2021
Current service cost	39.05	35.36
Interest cost	17.26	15.26
Net benefit expense	56.31	50.62

Remeasurements recognised in other comprehensive income

Particulars	For the year March 31, 2022	For the year March 31, 2021
Actuarial (gain)/loss on obligation		
- experience adjustments	(10.17)	(16.15)
- changes in financial assumptions	(16.34)	6.01
Amount recognised in Other Comprehensive Income	(26.51)	(10.14)

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MINDA KYORAKU LIMITED**Notes to the Ind AS financial statements for the year ended March 31, 2022**

INR in lacs, unless otherwise stated

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 (per annum)	7.20% p.a.	6.80% p.a.
Future salary growth rate (per annum)	8%	8%
Retirement Age	58 Years	58 Years
Withdrawal rates:		
upto 30 years	3%	3%
from 31- 44 years	2%	2%
above 44 years	1%	1%
Mortality rate	100%	100%

Assumptions regarding future mortality are based on Indian Assured Lives Mortality (IALM) (2012-14) rates.

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:

Assumptions	For the year ended March 31, 2022		For the year ended March 31, 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	222.29	301.23	218.60	297.83
Future salary growth rate (1% movement)	297.96	224.06	293.20	221.84
Attrition rate (50% of attrition rates)	254.98	260.59	250.76	257.81
Mortality rate (10% of mortality rates)	257.59	257.67	254.00	254.10

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	4.53	4.44
2-5 years	66.96	37.72
6-10 years	57.58	78.33
More than 10 years	845.95	776.08

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MINDA KYORAKU LIMITED

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

INR in lacs, unless otherwise stated

34 Related Parties Transactions**A) Holding company****Sl. No. Name of Party**

- 1 Minda Industries Limited, India

Other related parties with whom transactions have taken place during the year/previous period:

B) Step Down Subsidiary of Holding Company**Sl. No. Name of Party**

- 1 MITIL Polymers Private Limited

C) Joint Venturers/ Entities which exercise significant influence over the Company**Sl. No. Name of Party**

- 1 Kyoraku Co. Limited
2 Nagase & Co. Limited
3 Chiyoda Manufacturing Corporation

D) Joint Ventures/ Associates of Holding company**Sl. No. Name of Party**

- 1 Roki Minda Co. Private Limited
2 Mindarika Private Limited
3 Minda TTE Daps Private Limited
4 Toyoda Gosei Minda India Private Limited
5 Harita Fehrer Limited

E) Key management personnel**Sl. No. Name of Party**

- 1 Nitesh Kumar Minda

F) Other related parties

Associates of a joint venture partner

Sl. No. Name of Party

- 1 Nagase India Private Limited
2 Toyoda Gosei South India Private Limited

A. Holding company

I. Transactions during the year:	Year ended	Year ended
	March 31, 2022	March 31, 2021
(a) Purchase of raw material, components and parts	447.20	550.03
(b) Sale of Goods	10.32	-
(c) Other expenses		
Shared services expenses	636.50	226.61
SAP License fee and Other Charges	79.77	50.62
Rent expenses	2.53	3.05
(d) Reimbursements		
Expenses recovered / received	37.66	5.51
(e) Dividend paid during the year	247.61	83.84



MINDA KYORAKU LIMITED
Notes to the Ind AS financial statements for the year ended March 31, 2022

INR in lacs, unless otherwise stated

II.	Balance outstanding as at the year end:	As at March 31, 2022	As at March 31, 2021
	Payables	321.56	225.12
	Advances from customers (payable)	7.96	-
	Receivables	11.56	-

B. Step Down Subsidiary of Holding Company

I.	Transactions during the year:	Year ended March 31, 2022	Year ended March 31, 2021
	Purchase of raw material, components and parts	1,170.55	801.86

II.	Balance outstanding as at the year end:	As at March 31, 2022	As at March 31, 2021
	Payables	109.65	79.22

C. Joint Venturers/ Entities which exercise significant influence over the Company

I.	Transactions during the year:	Year ended March 31, 2022	Year ended March 31, 2021
(a)	Purchase of raw material, components and parts		
	Kyoraku Co. Limited	57.16	70.28
	Nagase & Co. Limited	479.02	-
(b)	Purchase of property, plant and equipment and intangible assets		
	Nagase & Co. Limited	-	302.95
	Kyoraku Co. Limited	874.03	-
	Chiyoda Manufacturing Corporation	818.01	78.32
(c)	Other expenses		
	Professional Expenses		
	- Kyoraku Co. Limited	79.30	116.21
	- Nagase & Co. Limited	-	160.14
	Shared services expenses		
	- Nagase & Co. Limited	78.84	27.68
	Royalty expenses		
	- Kyoraku Co. Limited	84.67	105.76
(d)	Dividend paid during the year		
	- Kyoraku Co. Limited	37.76	12.80
	- Nagase & Co. Limited	73.17	24.80
	- Chiyoda Manufacturing Corporation	7.30	2.47

II.	Balance outstanding as at the year end:	As at March 31, 2022	As at March 31, 2021
	Payables		
	- Kyoraku Co. Limited	782.19	10.04
	- Nagase & Co. Limited	510.46	358.59
	- Chiyoda Manufacturing Corporation	735.96	70.49



MINDA KYORAKU LIMITED**Notes to the Ind AS financial statements for the year ended March 31, 2022**

INR in lacs, unless otherwise stated

D. Joint Venturers/ Associates of Holding company

I.	Transactions during the year:	Year ended	Year ended
		March 31, 2022	March 31, 2021
(a)	Sale of goods		
	Roki Minda Co. Private Limited	2.43	4.95
	Minda TTE Daps Private Limited	142.52	172.93
	Toyoda Gosei Minda India Private Limited	-	13.57
	Harita Fehrer Limited	30.21	-
(b)	Purchase of raw material, components and parts		
	Toyoda Gosei Minda India Private Limited	-	0.45
	Roki Minda Co. Private Limited	0.66	2.19
(c)	Other expenses		
	Mindarika Private Limited	0.10	-
II.	Balance outstanding as at the year end:	As at	As at
		March 31, 2022	March 31, 2021
(a)	Payables		
	Roki Minda Co. Private Limited	-	0.51
(b)	Receivables/Advances		
	Roki Minda Co. Private Limited	0.44	1.37
	Toyoda Gosei Minda India Private Limited	-	16.95
	Minda TTE Daps Private Limited	-	54.49
	Harita Fehrer Limited	14.22	-

E. Key management personnel

I.	Transactions during the year:	Year ended	Year ended
		March 31, 2022	31 March 2021
	Managerial remuneration *		
	Short term employee benefits		
	Nitesh Kumar Minda	-	71.15

* 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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MINDA KYORAKU LIMITED**Notes to the Ind AS financial statements for the year ended March 31, 2022**

INR in lacs, unless otherwise stated

F) Other related parties

I.	Transactions during the year:	Year ended	Year ended
		March 31, 2022	March 31, 2021
(a)	Purchase of goods		
	- Nagase India Private Limited	416.12	238.75
	- Toyoda Gosei South India Private Limited	1,776.87	1.45
(b)	Sales of Goods		
	- Toyoda Gosei South India Private Limited	1,138.88	13.24
(c)	Other expenses		
	- Toyoda Gosei South India Private Limited	2.14	-
II.	Balance outstanding as at the year end:	As at	As at
		March 31, 2022	March 31, 2021
(a)	Payables		
	- Nagase India Private Limited	91.36	53.64
	- Toyoda Gosei South India Private Limited	462.74	-
(b)	Receivable		
	- Toyoda Gosei South India Private Limited	177.11	16.95

35 Segment Information

The Company is engaged in the business of manufacturing and selling of blow moulding products. 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 Segment' other than those already provided in the Financial Statements.

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.

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MINDA KYORAKU LIMITED**Notes to the Ind AS financial statements for the year ended March 31, 2022**

INR in lacs, unless otherwise stated

36 Fair value

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:

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

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 *	3,570.73	2,916.97	3,570.73	2,916.97
Cash and cash equivalents *	214.05	3,333.55	214.05	3,333.55
Other bank balances	35.48	282.49	35.48	282.49
Loans	21.15	26.33	21.15	26.33
Derivative assets	40.46	-	40.46	-
Other financial assets	168.85	165.52	168.85	165.52
Total	4,050.72	6,724.86	4,050.72	6,724.86

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	3,583.02	2,399.52	3,583.02	2,399.52
Trade payables *	3,784.25	2,267.52	3,784.25	2,267.52
Derivative liability	-	53.65	-	53.65
Other financial liabilities	2,587.42	502.62	2,587.42	502.62
Financial liabilities whose fair value determined using incremental borrowing rate				
Lease liabilities	236.17	246.24	236.17	246.24
Total	10,190.86	5,469.55	10,190.86	5,469.55

* Management has assessed that trade receivables, cash and cash equivalents, and trade payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

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MINDA KYORAKU LIMITED**Notes to the Ind AS financial statements for the year ended March 31, 2022**

INR in lacs, unless otherwise stated

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.

B. 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	3,570.73	-	-	3,570.73
Cash and cash equivalents	214.05	-	-	214.05
Other bank balances	35.48	-	-	35.48
Loans	21.15	-	-	21.15
Derivative assets	40.46	-	40.46	-
Other financial assets	168.85	-	-	168.85
Total	4,050.72	-	40.46	4,010.26

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	3,583.02	-	-	3,583.02
Trade payables	3,784.25	-	-	3,784.25
Other financial liabilities	2,587.42	-	-	2,587.42
Financial liabilities whose fair value determined using incremental borrowing rate				
Lease Liability	236.17	-	-	236.17
Total	10,190.85	-	-	10,190.85



MINDA KYORAKU LIMITED

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

INR in lacs, unless otherwise stated

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	2,916.97	-	-	2,916.97
Cash and cash equivalents	3,333.55	-	-	3,333.55
Other bank balances	282.49	-	-	282.49
Loans	26.33	-	-	26.33
Other financial assets	165.52	-	-	165.52
Total	6,724.86	-	-	6,724.86

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	2,399.52	-	-	2,399.52
Trade payables	2,267.52	-	-	2,267.52
Derivative liability	53.65	-	53.65	-
Other financial liabilities	502.62	-	-	502.62
Financial liabilities whose fair value determined using incremental borrowing rate				
Lease Liability	246.24	-	-	246.24
Total	5,469.55	-	53.65	5,415.90

Management has assessed that trade receivables, cash and cash equivalents, and trade payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

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

37 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 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:



MINDA KYORAKU LIMITED**Notes to the Ind AS financial statements for the year ended March 31, 2022**

INR in lakhs, unless otherwise stated

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 include 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.

Foreign currency risk 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 due to changes in the fair value of monetary assets and liabilities is given below:

Exposure gain/(loss) Rs. in lakhs	March 31, 2022		March 31, 2021	
	Change +1%	Change -1%	Change +1%	Change -1%
USD	8.64	(8.64)	0.06	(0.06)
JPY	11.63	(11.63)	4.01	(4.01)

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MINDA KYORAKU LIMITED**Notes to the Ind AS financial statements for the year ended March 31, 2022**

INR in lacs, unless otherwise stated

B. Liquidity Risk

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

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

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

As at March 31, 2022	On demand	Less than 3 months	3 to 12 months	1-5 Years	More than 5 Years	Total
Borrowings	250.00	-	470.49	2,862.53	-	3,583.02
Trade payable	-	3,784.25	-	-	-	3,784.25
Derivative Liabilities	-	-	-	-	-	-
Other financial liabilities	-	2,490.75	96.67	-	-	2,587.42

As at March 31, 2021	On demand	Less than 3 months	3 to 12 months	1-5 Years	More than 5 Years	Total
Borrowings	-	-	889.24	1,510.28	-	2,399.52
Trade payable	-	2,267.52	-	-	-	2,267.52
Derivative Liabilities	-	53.65	-	-	-	53.65
Other financial liabilities	-	405.95	96.67	-	-	502.62

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

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MINDA KYORAKU LIMITED**Notes to the Ind-AS financial statements for the year ended March 31, 2022**

INR in lacs, unless otherwise stated

C. 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 March 31, 2022, the Company had 4 customers (March 31, 2021: 4 customers) that owed the Company more than Rs. 350 lacs each and accounted for approximately 63% (March 31, 2021: 74%) of all the receivables 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.

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 shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Loans and borrowings	3,583.02	2,399.52
Less:- Cash and cash equivalents	(214.05)	(3,333.55)
Net Debt	3,368.97	(934.03)
Equity (Net Worth)	13,042.89	11,875.17
Total Capital	13,042.89	11,875.17
Capital and Net Debt	16,411.86	10,941.14
Gearing ratio (Net Debt/Capital and Net Debt)	20.53%	-7.87%

Dividends declared by the Company are based on the profit available for distribution. During the year, the Company has paid dividend amounting to Rs. 365.84 lacs (March 31, 2021: Rs. 124.01 lacs). Further, on April 26, 2022, the Board of Directors of the Company have proposed a final dividend of Rs. 0.50 paise per share in respect of the year ended March 31, 2022 subject to the approval of shareholders at the Annual General Meeting. The proposal is subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of approximately Rs. 310.35 lacs.



MINDA KYORAKU LIMITED**Notes to the Ind AS financial statements for the year ended March 31, 2022**

INR in lacs, unless otherwise stated

39 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		33.50	28.18
	In Cash	Yet to be paid in cash	Total
B) Amount spent during the year ended on 31st March, 2022			
(i) Construction / acquisition of assets	-	-	-
(ii) On purposes other than (i) above	33.50	-	33.50
C) Amount spent during the year ended on 31st March, 2021			
(i) Construction / acquisition of assets	-	-	-
(ii) On purposes other than (i) above	30.00	-	30.00

Details of Unspent amount/ (Excess spent) CSR Expenditure

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening balance	(2.51)	(0.69)
Amount required to be spent during the year	33.50	28.18
Amount spent during the year	(33.50)	(30.00)
Closing balance - Unspent amount/ (Excess spent)	(2.51)	(2.51)

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MINDA KYORAKU LIMITED
Notes to the Ind AS financial statements for the year ended March 31, 2022

INR in lacs, unless otherwise stated

40 Ratio Analysis and its elements

Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	% change	Reason for variance
Current ratio	Current Assets	Current Liabilities	0.83	1.80	-54%	Majorly due to increase in capital creditors for new project.
Debt- Equity Ratio	Total Debt*	Shareholder's Equity	0.29	0.22	31%	Increase in borrowing taken for new project.
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	1.80	2.96	-39%	Majorly due to decrease in Net profit.
Return on Equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	0.12	0.16	-25%	
Inventory Turnover ratio	Cost of goods sold	Average Inventory	5.86	6.52	-10%	
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	6.59	6.87	-4%	
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	3.96	3.82	4%	
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	(13.71)	4.54	-402%	Majorly due to increase in capital creditors for new project.
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	0.07	0.11	-34%	Majorly due to decrease in Net profit.
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt* + Deferred Tax Liability	0.13	0.18	-29%	Majorly due to decrease in Net profit. Further, capital employed has also increased.
Return on Investment	Interest (Finance Income)	Investment	-	-	-	

*Total Debt includes lease liabilities



MINDA KYORAKU LIMITED**Notes to the Ind AS financial statements for the year ended March 31, 2022**

INR in lacs, unless otherwise stated

41 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 Lacs	Nature of balance outstanding	Relationship with the Struck off company, if any, to be disclosed
Innovatech Enviro Systems & Service	Purchase of consumables and Spares parts	-	Trade Payable	Vendor (unrelated)
Sumitron Export Pvt. Ltd.	Purchase of consumables 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 Lacs	Nature of balance outstanding	Relationship with the Struck off company, if any, to be disclosed
Innovatech Enviro Systems & Service	Purchase of consumables and Spares parts	-	Trade Payable	Vendor (unrelated)
Sumitron Export Pvt. Ltd.	Purchase of consumables and Spares parts	-	Trade Payable	Vendor (unrelated)

(iii) The Company does not have any charge 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 to or invested funds in any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(b) 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:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(vii) The 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).



MINDA KYORAKU LIMITED

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

INR in lacs, unless otherwise stated

42 Impact of COVID-19 on financial statements

During the past two years, world have 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 impacts 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, required, if any.

43 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

ICAI Firm Registration No.: 301003E/E300005



per Amit Kumar Jain
Partner

Membership No : 097214



Place : New Delhi

Date: April 26, 2022

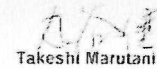
For and on behalf of the Board of Directors of

Minda Kyoraku Limited



Nitesh Minda
Managing Director
DIN No. 00008300

Bhaskar Chandra
Chief Financial Officer



Takeshi Marutani
Director
DIN No. 08775652



Aditi Jain
Company Secretary
Membership No. A57412

