



K MANOJ & ASSOCIATES

CHARTERED ACCOUNTANT

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INDEPENDENT AUDITOR'S REPORT

To

The Members,

Unominda EV Systems Private Limited

Plot No. B-64/1

Wazirpur Industrial Area,

Delhi – 110052,

Opinion

We have audited the standalone financial statements of **Unominda EV Systems Private Limited**, which comprise the balance sheet as at 31st March 2022, and the statement of profit and loss for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its Statement of profit & loss.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial statements and auditor's report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The Other Information Comprises the information included in the Board's Report including board but does not include the financial statements and our auditor's report thereon.

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

FLAT NO.411, POCKET A1, 1SRT FLOOR, SECTOR-6, ROHINI, NEW DELHI-110085



In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation of these financial statements that give a true and fair view of the financial position, and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

That Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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



- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. Requirements of the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, are not applicable.
2. As required by section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, and Statement of Profit and Loss, dealt with by this Report are in agreement with the books of account;



- (d) In our opinion the aforesaid financial statements comply with Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) Since the Company's turnover as per last audited financial statements is less than Rs. 50 Crores and its borrowings from bank and financial institutions at any time during the year is less than Rs. 25 Crores, the Company is exempted from getting an audit opinion with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls.

With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i) The Company does not have any pending litigations which would impact its financial position
- ii) The Company does not have any long-term contracts requiring a provision for material foreseeable losses.
- iii) The Company does not have any amounts required to be transferred to the Investor Education and Protection Fund.

UDIN- 22550578AJJHQB4872

For K Manoj & Associates

Chartered Accountant

F. R. No. 033662N


(CA Manoj Kumar)



Proprietor

M. No.: 550578

Place : New Delhi

Dated: 21st May' 2022

UNOMINDA EV SYSTEMS PRIVATE LIMITED
Balance Sheet as at 31 March 2022
 (All amounts in Indian Rs. lakhs, unless otherwise stated)
CIN No. - U35990DL2021PTC391318

Particulars	Note	As at 31 March 2022
ASSETS		
Non-Current Assets		
Property, plant and equipment		-
Capital work-in-progress		-
Right-of-use assets		-
Intangible assets		-
Financial assets		-
Other non current financial assets		-
Other financial assets- Security deposited		-
Deferred tax assets (net)		-
Income tax assets (net)		-
Other non-current assets		-
Total Non-Current Assets		-
Current Assets		
Inventories		-
Financial assets		-
Trade receivables		-
Cash and cash equivalents	1	2.50
Other balances with banks		-
Other financial assets	2	0.03
Other current assets		-
Total Current Assets		<u>2.54</u>
TOTAL ASSETS		<u>2.54</u>
EQUITY AND LIABILITIES		
Equity		
Equity share capital	3	2.51
Other equity		(0.58)
Total Equity		<u>1.93</u>
Liabilities		
Non-current liabilities		
Financial liabilities		-
Borrowings		-
Lease liabilities		-
Provisions		-
Total Non-Current Liabilities		-
Current Liabilities		
Financial liabilities		-
Borrowings		-
Trade payables	4	0.21
Other financial liabilities		-
Other current liabilities		-
Provisions	5	0.40
Total Current Liabilities		<u>0.61</u>
TOTAL EQUITIES AND LIABILITIES		<u>2.54</u>

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For K Manoj & Associates

Chartered Accountant

Firm Reg. No. 033662N

M No. 550578

DELHI

(Manoj Kumar)

Proprietor

M No. 550578

Place: New Delhi

Dated: 21st May' 2022

For and on behalf of the Board

Unominda EV Systems Pvt Ltd

Mr. Sanil Bohra

Director

DIN: 08968197

Mr. Sanjay Jain

Director

DIN: 03364405

UNOMINDA EV SYSTEMS PRIVATE LIMITED
Statement of Profit and Loss for the year ended 31 March 2022
(All amounts in Indian Rs. lakhs, unless otherwise stated)
CIN No. - U35990DL2021PTC391318

Particulars	Note	For the year 31 March 2022
Income		
Revenue from operations		-
Other income		-
Total income		-
Expenses		
Cost of materials consumed		-
Purchase of stock in trade		-
Changes in inventories of finished goods and work in progress		-
Employee benefit expenses		-
Finance costs		-
Depreciation and amortization expense		-
Other expenses	5	0.58
Total expenses		0.58
Profit before tax		(0.58)
Tax expense		
Current tax		-
Tax adjustment pertaining to previous years		-
Total tax expense		-
(Loss) for the year		(0.58)
Other comprehensive income/(loss)		
Items that will not be reclassified subsequently to profit or loss		
Remeasurements of defined benefit plan		-
Other comprehensive income/(loss)		-
Total comprehensive income		(0.58)

Basic earnings/ (loss) per share (in Rs.)

(Face value of Rs. 10 per share)

Diluted earnings/ (loss) per share (in Rs.)

(Face value of Rs. 10 per share)

Significant accounting policies

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached

For K Manoj & Associates

Chartered Accountant

Firm Reg. No. 033662N

(Manoj Kumar)
M. No. 550578
DELHI

Proprietor

M No. 550578

Place: New Delhi

Dated: 21st May' 2022

For and on behalf of the Board
Unominda EV Systems Pvt Ltd

Mr. Sunil Bohra
Director
DIN: 08968197

Mr. Sanjay Jain
Director
DIN: 03364405

UNOMINDA EV SYSTEMS PRIVATE LIMITED
Cash Flow Statement for the year ended 31 March 2022
(All amounts in Indian Rs. lakhs, unless otherwise stated)
CIN No. - U35990DL2021PTC391318

Particulars	For the year ended 31 March 2022
CASH FLOWS FROM OPERATING ACTIVITIES :	
A.	
Loss before tax	(0.58)
Adjustments for:	
Depreciation and amortization expense	-
Finance costs	-
Interest income on fixed deposits and tax refund	-
Unrealised gain/ (loss) on foreign currency fluctuations (net)	-
Operating (loss) before working capital changes	(0.58)
Working capital adjustments :	
Decrease/ (Increase) in other financial assets	-
Decrease/ (Increase) in trade receivables	-
Decrease/ (Increase) in inventories	-
Decrease/ (Increase) in other assets	(0.03)
Increase/ (Decrease) in trade payables	0.21
Increase/ (Decrease) in other financial liabilities	-
Increase/ (Decrease) in provisions	0.40
Increase/ (Decrease) in other current liabilities	-
	0.58
Cash generated used in operations	(0.00)
Income taxes paid	-
Net Cash flows used in operating activities (A)	(0.00)
CASH FLOWS FROM INVESTING ACTIVITIES :	
B.	
Purchase of property, plant and equipment and capital work-in-progress	-
Purchase of intangible assets	-
Government grant received	-
Fixed deposits made	-
Fixed deposits encashed	-
Loan given	-
Interest on income tax refund	-
Interest received on fixed deposits	-
Net cash used in investing activities (B)	-
CASH FLOWS FROM FINANCING ACTIVITIES	
C.	
Proceeds from share capital	2.51
Repayment of lease liabilities	-
Repayment of long term borrowing	-
Repayment of Short Term Borrowing	-
Proceeds from Short Term Borrowing	-
Proceeds from long term borrowing	-
Finance costs	-
Net cash generated from financing activities (C)	2.51



Net increase/ (decrease) in cash and cash equivalents(A+B+C)	2.50
Cash and cash equivalents at the beginning of the year	-
Cash and cash equivalents as at closing	2.50
Balances with banks:	
- on current accounts	2.50
- Bank overdraft	-
- on deposit accounts	
Cheques, drafts in hand	
Cash and cash equivalents at the end of the year	2.50

Note: The Cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard-7 on



UNOMINDA EV SYSTEMS PRIVATE LIMITED**Statement of Changes in equity for the year ended 31 March 2021**

(All amounts in Indian Rs. lakhs, unless otherwise stated)

CIN No. - U35990DL2021PTC391318**(a) Equity share capital****Equity shares of Rs. 10 each issued, subscribed and fully paid**

Particulars	No. of Shares	Amount
Authorised Sahre Capital @10	50,000	500,000
	50,000	500,000
Issue Paid Up Capital @ Rs.10	25,050	250,500
	25,050	250,500

(b) Other equity

Particulars	Reserves and Surplus
	Surplus/(loss) in the Statement of Profit and Loss
Loss for the period	(0.58)
Other comprehensive income/ (losses)	
Balance as at 31 March 2022	(0.58)

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached

For **K Manoj & Associates****Chartered Accountant****Firm Reg. No. 033662N**
(Manoj Kumar)
Proprietor

M No. 550578

Place: New Delhi

Dated: 21st May' 2022

For and on behalf of the Board

Unominda EV Systems Pvt Ltd
Mr. Sunil Bohra

Director

DIN: 08968197


Mr. Sanjay Jain

Director

DIN: 03364405

UNOMINDA EV SYSTEMS PRIVATE LIMITED**Notes to the financial statements for the year ended 31 March 2022**

1.Cash and cash equivalents	For the year ended 31 March 2022
HDFC Bank A/c	2.50
Total	2.50

2. Other financial assets	For the year ended 31 March 2022
GST Receivable	0.03
Total	0.03

4. Trade Payable	For the year ended 31 March 2022
Minda Industries(Proprietor)	0.21
Total	0.21

5. Provisions	For the year ended 31 March 2022
Provision for GST Registration Fees	0.40
Total	0.40

6. Other expenses	For the year ended 31 March 2022
Rent Expenses	0.18
GST Registration fees	0.40
Bank Charges	0.00
Total	0.58



Section	Criteria	Name of Related Party	Relation
9(a)	<p>A person or a close member of that person's family is related to a reporting entity if that person:</p> <p>(i) has control or joint control of the reporting entity;</p> <p>(ii) has significant influence over the reporting entity</p> <p>(iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity</p>	<p>NA</p> <p>NA</p> <p><u>KMPs of Parent Company - Minda Industries Limited</u></p> <p>Mr. Nirmal Kumar Minda and his relatives</p> <p>Mr. Ravi Mehra and his relatives</p> <p>Mr. Anand Kumar Minda and his relatives</p> <p>Ms. Paridhi Minda and her relatives</p> <p>Mr. Satish Sekhri and his relatives</p> <p>Mr. Krishan Kumar Jalan and his relatives</p> <p>Mr. Rakesh Batra and his relatives</p> <p>Ms. Pravin Tripathi and her relatives</p>	<p>Chairman and Managing Director - KMP of Minda Industries Limited</p> <p>Deputy Managing Director - KMP of Minda Industries Limited</p> <p>Non-executive Director of Minda Industries Limited</p> <p>Whole-time Director of Minda Industries Limited</p> <p>Independent Director of Minda Industries Limited</p> <p>Independent Director of Minda Industries Limited</p> <p>Independent Director of Minda Industries Limited</p>
9(b)	<p>An entity is related to a reporting entity if any of the following conditions applies:</p> <p>(i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).</p>	<p>Minda Industries Limited</p> <p><u>Subsidiaries of Minda Industries Limited</u></p> <p>MINDA KYORAKU LIMITED</p> <p>MINDA KOSEI ALUMINIUM WHEEL PRIVATE LIMITED</p> <p>YA AUTO INDUSTRIES (PARTNERSHIP FIRM)</p> <p>MINDA KATOLEC ELECTRONIC SERVICES PRIVATE LIMITED</p> <p>MINDARIKA PRIVATE LIMITED</p> <p>ISYS RTS GMBH</p> <p>HARITA FEHRER LIMITED</p> <p>MI TORICA INDIA PRIVATE LIMITED</p> <p>SAM GLOBAL PTE LTD.</p> <p>MINDA D-TEN INDIA PRIVATE LIMITED</p> <p>GLOBAL MAZINKERT S.L. MADRID</p> <p>UNO MINDA EV SYSTEMS PRIVATE LIMITED</p> <p>UNO MINDA AUTO SYSTEMS PRIVATE LIMITED</p> <p>PT MINDA ASEAN AUTOMOTIVE</p> <p>YA AUTO INDUSTRIES (PARTNERSHIP FIRM)</p> <p>Auto Components (Firm)</p> <p>Samaira Engineering</p> <p>S.M. Auto Industries</p> <p>MITIL POLYMER PRIVATE LIMITED</p> <p>LIGHT & SYSTEMS TECHNICAL CENTRE, S.L. SPAIN</p> <p>CLARTON HORN, SPAIN</p> <p>CLARTON HORN, MOROCCO</p> <p>CLARTON HORN, SIGNALKOUSTIC</p> <p>CLARTON HORN, MEXICO</p> <p>PT MINDA TRADING</p> <p>MINDA INDUSTRIES VIETNAM COMPANY LIMITED</p> <p>MINDA KOREA CO LTD</p> <p>MINDA-DELVIS-GMBH</p> <p>DELVIS PRODUCTS-GMBH</p> <p>DELVIS SOLUTIONS-GMBH</p> <p>UnoMinda Europe GMBH</p> <p>UnoMinda Systems GMBH</p> <p>Great GMBH</p>	<p>Holding Company</p> <p>Subsidiary (67.60%) of Minda Industries Limited</p> <p>Subsidiary (77.36%) of Minda Industries Limited</p> <p>Subsidiary (87.50%) of Minda Industries Limited</p> <p>Subsidiary (51.00%) of Minda Industries Limited</p> <p>Subsidiary (51.00%) of Minda Industries Limited</p> <p>Subsidiary (80.00%) of Minda Industries Limited</p> <p>Subsidiary (51.00%) of Minda Industries Limited</p> <p>Subsidiary (60.00%) of Minda Industries Limited</p> <p>Subsidiary (100.00%) of Minda Industries Limited</p> <p>Subsidiary (51.00%) of Minda Industries Limited</p> <p>Subsidiary (100.00%) of Minda Industries Limited</p> <p>Subsidiary (100.00%) of Minda Industries Limited</p> <p>Subsidiary (100.00%) of Minda Industries Limited</p> <p>Subsidiary (100.00%) of Minda Industries Limited</p> <p>Subsidiary (63.00% & SAM Global 37.00%) of Minda Industries Limited</p> <p>Subsidiary (87.50%) of Minda Industries Limited</p> <p>Subsidiary (95.00%) of Minda Industries Limited</p> <p>Subsidiary (87.50%) of Minda Industries Limited</p> <p>Subsidiary (87.50%) of Minda Industries Limited</p> <p>Step down subsidiary (100.00% by MI Torica)</p> <p>Step down subsidiary (100.00% by Global Mazinkert)</p> <p>Step down subsidiary (100.00% by Global Mazinkert)</p> <p>Step down subsidiary (100.00% by Clarton Horn, Spain)</p> <p>Step down subsidiary (100.00% by Clarton Horn, Spain)</p> <p>Step down subsidiary (100.00% by Clarton Horn, Spain)</p> <p>Step down subsidiary (99.00% PT Minda Asean & 1% SAM Global Pte.)</p> <p>Step down subsidiary (100.00% by SAM Global Pte. Ltd.)</p> <p>Step down subsidiary (100.00% by SAM Global Pte. Ltd.)</p> <p>Step down subsidiary (100.00% by SAM Global Pte. Ltd.)</p> <p>Step down subsidiary (100.00% by Minda-Delvis-GMBH)</p> <p>Step down subsidiary (100.00% by Minda-Delvis-GMBH)</p> <p>Step down subsidiary (55.00% by SAM Global, 40.5% MIL and George Hutter)</p> <p>Step down subsidiary (100.00% by UnoMinda Europe GMBH)</p> <p>Step down subsidiary (100.00% by UnoMinda Europe GMBH)</p>



(iii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

Denso Ten Limited
 TOYODA GOSAI MINDA INDIA PRIVATE LIMITED
 KOSEI MINDA MOLD PRIVATE LIMITED
 MINDA TG RUBBER PRIVATE LIMITED
 ROKI MINDA CO. PRIVATE LIMITED
 MINDA TTE DAPS PRIVATE LIMITED
 DENSO TEN MINDA INDIA PRIVATE LIMITED
 YOGENDRA ENGINEERING (PARTNERSHIP FIRM)
 MINDA WESTPORT TECHNOLOGIES LIMITED
 KOSEI MINDA ALUMINUM COMPANY PRIVATE LIMITED
 MINDA NEXGEN TECH LIMITED
 MINDA ONKYO INDIA PRIVATE LIMITED
 RINDER RIDUCO, S.A.S., COLUMBIA
 TOKAI RIKAI MINDA INDIA PRIVATE LIMITED
 CSE DAKSHINA SOLAR PRIVATE LIMITED
 STRONGSUN RENEWABLES PRIVATE LIMITED
 TOYODA GOSAI SOUTH INDIA PRIVATE LIMITED
 MINDA INVESTMENTS LIMITED
 LITTLESTAR ESTATES PRIVATE LIMITED
 MINDA PROJECTS LIMITED
 MINDA REALTY & INFRASTRUCTURE LIMITED
 S.N. CASTINGS LIMITED
 SHILPALAYA CONSTRUCTIONS PRIVATE LIMITED
 MINDA AUTOMOTIVE LIMITED
 MINDA FINANCE LIMITED
 BAR INVESTMENTS AND FINANCE PRIVATE LIMITED
 MAA RUKMANI DEVI AUTO PRIVATE LIMITED
 MINDA I CONNECT PRIVATE LIMITED
 PIONEER FINEST LIMITED
 SHREEAUMJI INFRASTRUCTURE AND PROJECTS PRIVATE LIMITED
 SINGHAL FINCAP LIMITED
 TOYODA GOSAI MINDA INDIA PRIVATE LIMITED
 MINDA KOSEI ALUMINUM WHEEL PRIVATE LIMITED
 MINDA NABTESCO AUTOMOTIVE PRIVATE LIMITED
 JINDAL SOFT ITALIA SEATING PRIVATE LIMITED

MTNI is an Associate of Denso Ten Limited
 Joint Venture of Minda Industries Limited 47.80%
 Joint Venture of Minda Industries Limited 49.90%
 Joint Venture of Minda Industries Limited 49.90%
 Joint Venture of Minda Industries Limited 49.00%
 Associate of Minda Industries Limited 50.00%
 Joint Venture of Minda Industries Limited 49.00%
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 Associate of Minda Industries Limited 26.00%
 Joint Venture of Minda Industries Limited 50.00%
 Associate of Minda Industries Limited 50.00%
 Joint Venture of Minda Industries Limited 30.00%
 Associate of Minda Industries Limited 27.71%
 Associate of Minda Industries Limited 28.10%
 Subsidiary of Joint Venture (Toyota Gosei Minda India Private Limited)
 Minda Industries Limited is associate Company of Minda Investments Limited
 Subsidiary of Minda Investments Limited
 Subsidiary of Minda Investments Limited
 Subsidiary of Minda Investments Limited
 Subsidiary of Minda Investments Limited
 Subsidiary of Minda Investments Limited
 Associate of Minda Investments Limited
 Associate of Minda Investments Limited
 Associate of Minda Investments Limited
 Associate of Minda Investments Limited
 Associate of Minda Investments Limited
 Associate of Minda Investments Limited
 Associate of Minda Investments Limited
 Associate of Minda Investments Limited
 Joint Venture of Minda Investments Limited
 Joint Venture of Minda Investments Limited
 Joint Venture of Minda Investments Limited



(iii) Both entities are joint ventures of the same third party	<u>Not Applicable</u>		
(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity	<u>Not Applicable</u>		
(v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity, if the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting plan.	<u>Not Applicable</u>		
(vi) The entity is controlled or jointly controlled by a person identified in (a).	Minda Industries (Firm) P&P Management YOGENDRA ENGINEERING (PARTNERSHIP FIRM)		Mr. Nirmal Kumar Minda and Mrs. Suman Minda are equal partners Mr. Nirmal Kumar Minda, Ms. Paridhi Minda and Ms. Pallak Minda are partners (20:40:40) MIL, Mrs. Suman Minda and Mr. Sanjeev Garg are partners(48.9 : 38.6 : 12.5)
(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).	Not Applicable		



UNOMINDA EV SYSTEMS PRIVATE LIMITED
Notes to the financial statements for the year ended 31 March 2022

1. Corporate information

Unominda EV Systems Private Limited (“the Company”) is a private limited company incorporated on 16th December 2021 under the provisions of the Companies Act, 2013. The Company is primarily involved in the manufacturing of auto components including electrical parts and its accessories.

The registered office of the Company is located at B-64/1, Wazirpur Industrial Area, Delhi - 110052.

The financial statement of the company for the year ended March 31, 2022 are authorised for issue in accordance with a resolution of the Board of Directors on

2. Basis of preparation

(a) Statement of compliance

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (‘Ind AS’) specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Companies Act 2013 (the “accounting principles generally accepted in India”).

The financial statements for the year ended 31 March 2022 have been prepared as per the requirements of Schedule III of the Companies Act, 2013.

The accounting policies are applied consistently to all the periods presented in the financial statements.

Details of the Company’s accounting policies are included in Note 3.

(b) Functional and presentation currency

These financial statements are presented in Indian rupees (₹), which is also the Company’s functional currency. All amounts have been rounded-off to the nearest lakhs up to two place of decimal, unless otherwise indicated.

(c) Basis of measurement

The financial statements have been prepared in accordance with the historical cost basis except for the following items:

Items	Measurement Basis
(a) Net defined benefit (asset)/ liability	Present value of defined benefit obligations
(b) Other financial assets and liabilities	Amortised cost

(d) Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.



Critical estimates and judgements

The areas involving critical estimates or judgements are:

- Estimation of income tax (current and deferred)

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

- Estimated useful life of intangible assets

The Company amortizes intangible assets on a straight-line basis over estimated useful lives of the assets. The useful life is estimated based on a number of factors including the effects of obsolescence, demand, competition and other economic factors such as the stability of the industry and known technological advances and the level of maintenance expenditures required to obtain the expected future cash flows from the assets. The estimated useful life is reviewed at least annually.

- Estimated useful life and residual value of property, plant and equipment

The Company depreciates property, plant and equipment on a straight-line basis over estimated useful lives of the assets except certain plant and equipment on which depreciation is provided on written down value basis. The charge in respect of periodic depreciation is derived based on an estimate of an asset's expected useful life and the expected residual value at the end of its life. The life is based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. The estimated useful life is reviewed at least annually.

- Estimation of defined benefit obligation

The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(e) Measurement of fair values

A number of the Company's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:-

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

When measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the changes have occurred.



(f) Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current / non-current classification as per the operating cycle. Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liability as current and non-current.

An asset is classified as current when it is:

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

All other assets are classified as non-current.

A liability is classified as 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.

3. Significant accounting policies

a. Foreign currency transactions

i. Initial recognition and settlement

Foreign currency transactions are translated into the functional currency of the Company using the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions are generally recognised in the statement of profit or loss.

ii. Measurement at reporting date

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognized in the statement of profit or loss.

b. Financial instruments

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



i. Recognition and initial measurement

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at:

- a. **Amortised cost:-** These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit and loss.

Any gain or loss or derecognition is are recognized in profit or loss.

- b. **FVTPL :-** These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss. Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in the Statement of profit or loss.

Financial assets at amortized cost: These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in the Statement of profit or loss. Any gain or loss on derecognition is recognized in the Statement of profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses



are recognized in the statement of profit or loss. Any gain or loss on derecognition is also recognized in the Statement of profit or loss.

iii. Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in the Statement of profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

v. Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by In AS 109, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

c. Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Property, plant and equipment under construction are disclosed as capital work-in-progress. Cost of construction that relate directly to specific property, plant and equipment and that are attributable to construction activity in general are included in capital work-in-progress.



UNOMINDA EV SYSTEMS PRIVATE LIMITED**Notes to the financial statements for the year ended 31 March 2022**

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment under construction are disclosed as capital work-in-progress. Cost of construction that relate directly to specific property, plant and equipment and that are attributable to construction activity in general are included in capital work-in-progress.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the Statement of profit or loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. Depreciation

Depreciation on items of property, plant and equipment (except plant and equipment including tools and dies) is provided as per straight-line method (SLM) basis, as per useful life of the assets estimated by the management, which is equal to the useful life prescribed under Schedule II of the Companies Act, 2013. Depreciation on plant and equipment including tools and dies is provided as per written down method (WDV) basis as per useful life prescribed under Schedule II except in the case of tools and dies, where the life is based on technical evaluation and assessment.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed of).

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. In case of a revision, the unamortized depreciable amount is charged over the revised remaining useful life. Based on internal assessment and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Losses arising from retirement or gains or losses arising from disposal of property, plant and equipment which are carried at cost are recognized in the Statement of Profit and Loss.

The estimated useful lives of items of property, plant and equipment are as follows:

Particulars	Management estimate of useful life (years)
Plant and machinery	15/ 10
Office Equipment	05
Computer Hardware	03
Furniture	10

d. Intangible assets

Intangible assets that are acquired by the Company are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortization and any accumulated impairment loss.



Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

Amortization

Amortization is calculated to write off the cost of intangible assets over their estimated useful lives using the straight-line method (SLM), and is included in amortization expense in the Statement of profit or loss.

- i) Computer software: Amortized over a period of 6 years.

Amortization method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

An intangible asset is derecognized on disposal or when no future economic benefits are expected from its use and disposal.

Losses arising from retirement and gains or losses arising from disposal of an intangible 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.

e. Inventories

Inventories which comprise raw materials, work-in-progress, finished goods, stores and spares, and loose tools are carried at the lower of cost and net realisable value.

Cost of inventories comprises all cost of purchase (net of recoverable taxes, where applicable), cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

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

Raw materials, components, stores and spares and loose tools	-	Weighted average cost
Work-in-progress and finished goods	-	Material cost plus appropriate share of labour, manufacturing overheads.

In determining the cost, weighted average cost method is used. In the case of manufactured inventories and work in progress, fixed production overheads are allocated on the basis of normal capacity of production facilities.

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

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

Appropriate adjustments are made to the carrying value of damaged, slow moving and obsolete inventories based on management's current best estimate.



f. Impairment

i. Impairment of financial instruments

The Company recognizes loss allowances for expected credit losses on financial assets measured at amortized cost.

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that the financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- the breach of contract such as a default or being past due for 90 days or more;
- it is probable that the borrower will enter bankruptcy or other financial re-organisation; or
- The disappearance of active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- Bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. 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 expected credit loss at each reporting date, right from its initial recognition.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.



Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

ii. Impairment of non-financial assets

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

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 CGU (or the asset).

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

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

g. Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

h. Employee benefits

(i) Short term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

(ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund and ESI to Government administered fund which is a defined contribution plan. The Company's contribution is recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.



(iii) Defined benefit plan

Gratuity

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation is present value of the defined benefit obligation for the eligible employees at the end of the reporting period.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses are recognised in Other Comprehensive Income (OCI). The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then- net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the statement of profit and loss as past service cost.

Other long term employee benefits

Compensated absences

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit to such extent is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method. Actuarial gains and losses are recognized in the Statement of Profit and Loss.

i. Provisions and contingencies

(i) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(ii) 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.

j. Taxes

The Government of India, on September 20, 2019, vide Taxation Laws (Amendment) Ordinance 2019, inserted a new Section 115BAB in the Income Tax Act, 1961, which gives option to the Company to pay Income Tax at reduced rates as per the provisions/ conditions defined in the said section. The Company is in the process of evaluating the impact of this Ordinance.



UNOMINDA EV SYSTEMS PRIVATE LIMITED

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

Current income tax

Current income tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

Appendix C to Ind AS 12, Income Taxes dealing with accounting for uncertainty over income tax treatments is applicable from accounting periods beginning on or after 1 April 2019. It does not have any material impact on financial statements of the Company.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized.

Deferred tax assets – unrecognized or recognized, are reviewed at each reporting date and are recognized/reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

Goods and Services Tax (GST) paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of GST 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.



k. Revenue recognition

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

a) Revenue from the sale of product is recognized upfront at the point in time when the product is delivered to the customer. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

b) Revenue from services is recognized in accordance with the terms of contract when the services are rendered and the related costs are incurred.

c) Interest Income is recognized using the effective interest method.

Revenue from related party is recognized based on transaction price which is at arm's length.

Use of significant judgments in revenue recognition:

The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgments to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgment is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

l. Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee.

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease/non-lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date.

The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.



UNOMINDA EV SYSTEMS PRIVATE LIMITED

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

The Company presents right-of-use assets separately in 'non-current assets' and lease liabilities in 'financial liability' in the balance sheet. The lease payments have been classified as financing cash flows.

m. Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all the attached conditions. The carrying amount of property, plant and equipment is reduced by the amount of such government grant received by the company.

n. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year end, except where the results would be anti-dilutive.

o. Contingent liability

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

p. Contingent assets

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.

q. Segment reporting

An operating segment is a component that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the other components, and for which discrete financial information is available.

The Company is engaged in the business of manufacturing of automotive parts and accessories. Accordingly, the Company's activities/ business is reviewed regularly by the Company's Board of directors from an overall business perspective, rather than reviewing its products/services as individual standalone components. Based on the dominant source and nature of risks and returns of the Company, management has identified its business segment as its primary reporting format.

r. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

s. Financial Guarantee Contracts

The Company on a case to case basis elects to account for financial guarantee contracts as a financial instrument or as an insurance contract, as specified in Ind AS 109 on Financial Instruments and Ind AS 104 on Insurance Contracts. The Company has regarded all its financial guarantee contracts as insurance contracts. At the end of each reporting period the Company performs a liability adequacy test, (i.e. it assesses the likelihood of a payout based on current undiscounted estimates of future cash flows), and any deficiency is recognized in profit or loss.



Q. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1 April, 2022, as below:

(i) Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date.

(ii) Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss.

(iii) Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts.

(iv) Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability.

(v) Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration.

The Company is in the process of evaluating the impact of these pronouncements on the financial statements.

Auditor's Report

As per our report of even date attached.

UDIN- 22550578AJJHZB4872

For K Manoj & Associates

Chartered Accountants

F. R. No. 033662N


(CA Manoj Kumar)
Proprietor
M.No. 550578
Place : New Delhi
Date : 21st May' 2022



For and on behalf of the Board


(Sanjay Jain)
Director
DIN: 03364405


(Sunil Bohra)
Director
DIN: 08968197