

Minda Kosei Aluminum Wheel Private Limited

Statutory Audit for the period ended

31 March 2017

B S R & Co. LLP

Chartered Accountants

Building No.10, 8th Floor, Tower-B
DLF Cyber City, Phase - II
Gurgaon - 122 002, India

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Independent Auditor's Report

To the Members of **Minda Kosei Aluminum Wheel Private Limited**

Report on the Financial Statements

We have audited the accompanying financial statements of Minda Kosei Aluminum Wheel Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting 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 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the

appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial control over financial reporting of the Company and operating effectiveness of such controls, refer to our separate report in "Annexure B"
- (g) 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 did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

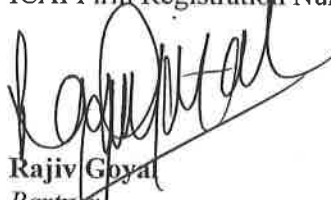
B S R & Co. LLP

- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
- (iv) The Company has provided requisite disclosure in the financial statements as to holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 and in accordance with the books of account maintained by the Company. Refer note 43 to the financial statements.

For B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 101248W/W-100022



Rajiv Goyal
Partner
Membership No.: 094549

Place: Gurgaon
Date: 27 April 2017

Annexure A referred to in our Independent Auditor's Report to the members of Minda Kosei Aluminum Wheel Private Limited on the financial statements for the year ended 31 March 2017:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In accordance with this program, certain fixed assets were verified during the year. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deed of the immovable property is held in the name of the Company.
- (ii) The inventory, except stock lying with third party and goods-in-transit, has been physically verified by the management during the period at reasonable intervals. As informed to us, the discrepancies noticed on verification between the physical stocks and the book records were not material. In our opinion, the frequency of such verification is reasonable. For stock lying with third parties at the year end, written confirmations have been obtained.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register required under section 189 of the Companies Act, 2013. Accordingly, para 3(iii) of the Order is not applicable.
- (iv) The Company has not given any loans, or made any investments, or provided any guarantee, or security as specified under section 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3(iv) of the Order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) to Section 148 of the Companies Act, 2013 in respect of any activities undertaken by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues to the extent applicable, have generally been regularly deposited with the appropriate authorities, except for deposit of income tax where there have been delays in few cases.

According to the information and explanations given to us, no undisputed amounts payable in respect of including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.

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- (b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax or cess which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans to its bankers. The Company did not have any outstanding debentures or dues on account of loans or borrowings to any financial institutions or government during the year.
- (ix) According to the information and explanations given to us, the Company did not raise money by way of initial public offer or further public offer (including debt instruments) and the term loans taken by the Company have been applied for the purpose for which they were raised.
- (x) According to the information and explanations given to us, no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the managerial remuneration has been paid or provided by the Company in accordance with provisions of section 197 read with Schedule V of the Companies Act, 2013.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of its shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 101248W/W-100022



Rajiv Goyal
Partner
Membership No.: 094549

Place: Gurgaon

Date: 27 April 2017

Annexure B to the Independent Auditor's Report of even date on the financial statements of Minda Kosei Aluminum Wheel Private Limited for the year ended 31 March 2017

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

We have audited the internal financial controls over financial reporting of Minda Kosei Aluminum Wheel Private Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

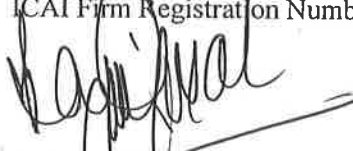
Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting, issued by the Institute of Chartered Accountants of India.

For B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 101248W/W-100022



Rajiv Goyate

Partner

Membership No: 094549

Place: Gurgaon

Date: 27 April 2017

Minda Kosei Aluminum Wheel Private Limited
Balance Sheet as at 31 March 2017
(All amounts are in Indian Rupees, unless otherwise stated)

	Note No.	As at 31 March 2017	As at 31 March 2016
EQUITY AND LIABILITIES			
Shareholders' fund			
Share capital	3	1,067,600,000	600,000,000
Reserves and surplus	4	238,951,436	(22,562,649)
		1,306,551,436	577,437,351
Non-current liabilities			
Long-term borrowings	5	401,450,000	349,000,000
Long-term provisions	6	13,516,818	7,221,486
Deferred tax liabilities (net)	12	9,134,671	-
		424,101,489	356,221,486
Current liabilities			
Short-term borrowings	7	698,390,976	226,067,553
Trade payables	8	-	-
(A) Total outstanding dues of micro enterprises and small enterprises; and		-	-
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		467,818,820	115,132,561
Other current liabilities	9	92,004,185	238,063,085
Short-term provisions	10	21,858,503	192,589
		1,280,072,484	579,455,788
Total		3,010,725,409	1,513,114,625
ASSETS			
Non-current assets			
Fixed assets			
- Tangible assets	11	1,969,456,477	232,595,180
- Intangible assets	11	8,949,311	616,716
- Capital work in progress		74,925,341	1,073,221,832
- Intangible assets under development		-	2,213,780
Long-term loans and advances	13	193,831,908	60,210,631
Other non-current assets	14	2,447,000	2,447,000
		2,249,610,037	1,371,305,139
Current assets			
Inventories	15	275,124,345	68,292,629
Trade receivables	16	313,777,891	3,240,185
Cash and bank balances	17	148,933,296	29,439,542
Short-term loans and advances	18	22,649,654	40,542,843
Other current assets	19	630,186	294,287
		761,115,372	141,809,486
Total		3,010,725,409	1,513,114,625
Significant accounting policies	2		

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

As per our report of even date attached

For BSR & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

Rajiv Gera
Partner
Membership No.: 094549

Place: Gurgram
Date : 27 April 2017

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

Kundan Kumar Jha
Managing Director
DIN No.: 01034597

Place: Gurgram
Date : 27 April 2017

Yoshiyuki Nomura
Director
DIN No.: 07610601

Place: Gurgram
Date : 27 April 2017

Ankur Agrawal
Chief Financial Officer

Place: Gurgram
Date : 27 April 2017

Sachin Mehta
Company Secretary
Membership No.: A45008
Place: Gurgram
Date : 27 April 2017

Minda Kosei Aluminum Wheel Private Limited
Statement of Profit and Loss for the year ended 31 March 2017
(All amounts are in Indian Rupees, unless otherwise stated)

	Note No.	For the year ended 31 March 2017	For the period from 23 March 2015 to 31 March 2016
Revenue from operations	20		
Sale of products (gross)		2,155,487,061	228,717,522
Less: Excise duty		244,792,510	27,504,490
Sale of products (net)		<u>1,910,694,551</u>	<u>201,213,032</u>
Other operating revenues		<u>18,003,361</u>	<u>-</u>
		<u>1,928,697,912</u>	<u>201,213,032</u>
 Other income	21	 41,594,362	 5,325,196
Total revenue		<u><u>1,970,292,274</u></u>	<u><u>206,538,228</u></u>
 Expenses			
Cost of materials consumed	22	1,097,984,983	193,833,508
Increase in inventories of work in progress and finished goods	23	(93,116,197)	(2,242,626)
Employee benefits	24	139,079,661	15,050,348
Finance costs	25	57,967,515	44,760
Depreciation and amortisation	26	182,005,952	462,544
Other expenses	27	315,721,604	21,952,343
Total expenses		<u><u>1,699,643,518</u></u>	<u><u>229,100,877</u></u>
Profit / (Loss) before tax		<u><u>270,648,756</u></u>	<u><u>(22,562,649)</u></u>
 Tax Expenses			
Current tax (Minimum Alternate Tax)		57,662,061	-
Minimum alternate tax credit entitlement		(57,662,061)	-
Deferred tax (credit) / charge		9,134,671	-
Profit / (Loss) for the year / period		<u><u>261,514,085</u></u>	<u><u>(22,562,649)</u></u>
 Profit/(Loss) per equity share (nominal value of share Rs. 10)	28		
Basic and diluted Profit/(loss) per share (Rs.)		2.72	(0.71)
 Significant accounting policies	2		


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

As per our report of even date attached


For BSR & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022


Rajiv Goyal
Partner
Membership No.: 094549
Place: Gurgram
Date: 27 April 2017


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


Kundan Kumar Jha
Managing Director
DIN No.: 01034597

Place: Gurgram
Date: 27 April 2017


Yoshiyuki Nomura
Director
DIN No.: 07610601

Place: Gurgram
Date: 27 April 2017


Ankur Agrawal
Chief Financial Officer
Place: Gurgram
Date: 27 April 2017


Sachin Mehta
Company Secretary
Membership No.: A45008
Place: Gurgram
Date: 27 April 2017

Minda Kosei Aluminum Wheel Private Limited
Cash flow statement for the period for the year ended 31 March 2017
(All amounts are in Indian Rupees, unless otherwise stated)

Particulars	For the year ended 31 March 2017	For the period from 23 March 2015 to 31 March 2016
A. Cash Flow from operating activities		
Profit/(Loss) before tax	270,648,756	(22,562,649)
Adjustments:		
Depreciation and amortisation	182,005,952	462,544
Interest income on bank deposits	(10,027,189)	(3,027,879)
Finance costs	57,967,515	-
Unrealised foreign exchange gain	(34,418,161)	(284,961)
Loss on sale of assets	665,868	-
Operating cash flow before working capital changes	466,842,741	(25,412,945)
Adjustments:		
Increase in trade payables	356,115,939	115,417,520
Increase in provisions	6,639,228	7,414,075
Increase in other current liabilities	17,237,686	4,375,003
Increase in trade receivables	(310,537,706)	(3,240,185)
Increase in inventories	(206,831,716)	(68,292,629)
Decrease/(Increase) in loans and advances	17,949,185	(42,501,038)
Cash used in operations	347,415,357	(12,240,199)
Income taxes paid	(38,402,717)	(302,789)
Net cash used in operating activities (A)	309,012,640	(12,542,988)
B. Cash flow from investing activities:		
Purchase of fixed assets including capital work-in-progress and capital advances	(1,201,386,163)	(1,129,168,161)
Bank deposits (having original maturity of more than three months)	(265,058)	(5,808,500)
Interest received on deposits	9,691,290	2,733,593
Net cash used in investing activities (B)	(1,191,959,931)	(1,132,243,068)
C. Cash flow from financing activities		
Proceeds from borrowings	588,311,904	570,864,098
Proceeds from equity shares	467,600,000	600,000,000
Interest paid on borrowings	(53,735,917)	-
Net cash from financing activities (C)	1,002,175,987	1,170,864,098
D. Net increase in cash and cash equivalents (A+B+C)	119,228,696	26,078,042
E. Cash and cash equivalents as at the beginning of period	26,078,042	-
F. Cash and cash equivalents as at the end of year (see below)	145,306,738	26,078,042
Net increase in cash and cash equivalents	119,228,696	26,078,042
Notes to cash flow statement		
1. Components of cash and cash equivalents:		
Cash on hand	398,535	681,168
Balance with schedule banks on current account	144,908,203	25,396,874
	145,306,738	26,078,042

2. The Cash Flow Statement has been prepared in accordance with the 'Indirect Method' as set out in the Accounting Standard (AS) - 3 on 'Cash Flow Statement', specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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

As per our report of even date attached

For B S K & Co. LLP
Chartered Accountants
CAI Firm Registration No.: 01248W/W-100022

Rajiv Goyal
Partner
Membership No.: 094549

Place: Gurgram
Date: 27 April 2017

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

Kundan Kumar Jha
Managing Director
DIN No.: 01034597

Yoshiyuki Nomura
Director
DIN No.: 07610601

Place: Gurgram
Date: 27 April 2017

Place: Gurgram
Date: 27 April 2017

Ankur Agrawal
Chief Financial Officer

Place: Gurgram
Date: 27 April 2017

Sachin Mehta
Company Secretary
Membership No.: A45008

Place: Gurgram
Date: 27 April 2017

Minda Kosei Aluminum Wheel Private Limited

Notes to the financial statements for the year ended 31 March 2017

(All amounts are in Indian Rupees, unless otherwise stated)

1. Company overview

Minda Kosei Aluminum Wheel Private Limited ("the Company") is a private limited company incorporated on 23 March 2015 under the Companies Act, 2013. It is a venture between Minda Industries Limited, Minda Investments Limited and Kosei International Trade and Investment Company Limited. The Company is primarily engaged in the business of manufacturing and supply of aluminium alloy wheels and/or aluminium general casting parts.

Company has started commercial production during the current year.

2. Significant accounting policies

(i) Basis of preparation of financial statements

These financial statements have been prepared and presented on the accrual basis of accounting and comply with the Accounting Standards referred to in section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, the relevant provisions of the Companies Act, 2013, pronouncements of the Institute of Chartered Accountants of India and other accounting principles generally accepted in India, to the extent applicable. The financial statements are presented in Indian rupees.

(ii) Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent assets and liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively.

(iii) Current and non-current classification

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

Assets

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

- a. it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is expected to be realised within 12 months after the reporting date; or
- d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.



Minda Kosei Aluminum Wheel Private Limited
Notes to the financial statements for the year ended 31 March 2017
(All amounts are in Indian Rupees, unless otherwise stated)

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

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

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

All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

(iv) Fixed assets and depreciation

(a) Tangible fixed assets and depreciation

Tangible fixed assets are carried at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an item of tangible fixed asset comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditures related to an item of tangible fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Borrowing costs are interest and other costs (including exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred by the Company in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of those tangible fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalized. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Exchange differences (favourable as well as unfavorable) arising in respect of translation/settlement of long term foreign currency borrowings attributable to the acquisition of a depreciable asset are also included in the cost of the asset.

Tangible fixed assets under construction are disclosed as capital work-in-progress.

Depreciation on tangible fixed assets is provided as per straight-line method basis, as per the 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 except in the case of tools and dies, the life based on technical advice ranges between 1 to 2 years.

Freehold land is not depreciated.



Minda Kosei Aluminum Wheel Private Limited
Notes to the financial statements for the year ended 31 March 2017
(All amounts are in Indian Rupees, unless otherwise stated)

Depreciation is being provided on a pro-rata basis i.e. from the date on which asset is ready for use.

Assets costing up to Rs. 5,000 are fully depreciated in the year of purchase.

Depreciation for the year is recognised in the Statement of Profit and Loss.

The useful lives are reviewed by the management at each financial year-end and revised, if appropriate. In case of a revision, the unamortized depreciable amount is charged over the revised remaining useful life.

A fixed asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal.

Assets retired from active use and held for disposal, if any, are stated at the lower of their net book value and net realizable value and shown under 'Other current assets'.

Losses arising from retirement or gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

(b) Intangible fixed assets and amortisation

Acquired 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 accumulated amortisation and accumulated impairment losses, if any.

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

Intangible assets are amortised in the Statement of Profit or Loss over their estimated useful lives, from the date that they are available for use based on the expected pattern of consumption of economic benefits of the asset. Accordingly, at present, these are being amortised on straight line basis. In accordance with the applicable Accounting Standard, the Company follows a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. However, if there is persuasive evidence that the useful life of an intangible asset is longer than ten years, it is amortised over the best estimate of its useful life. Such intangible assets and intangible assets that are not yet available for use are tested annually for impairment.

Computer software has been amortized over a period of 3 years.

Amortisation method and useful lives are reviewed at each reporting date. If the useful life of an asset is estimated to be significantly different from previous estimates, the amortisation period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortisation method is changed to reflect the changed pattern.

An intangible asset is derecognised 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 recognised in the Statement of Profit and Loss.



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Notes to the financial statements for the year ended 31 March 2017

(All amounts are in Indian Rupees, unless otherwise stated)

(c) Capital work-in-progress

Fixed assets under construction and cost of assets not put to use before the year-end, are disclosed as capital work-in-progress.

(v) Leases

Operating leases

Assets acquired under leases other than finance leases are classified as operating leases. The total lease rentals (including scheduled rental increases) in respect of an asset taken on operating lease are charged to the Statement of Profit and Loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern of the benefit.

(vi) Inventories

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

Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

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.

Finished goods inventory is inclusive of excise duty.

Inventories in transit are valued at cost.

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

(vii) Revenue recognition

- a) Revenue from sale of goods in the course of ordinary activities is recognised when the property in the goods or all significant risks and rewards of ownership are transferred to the customer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods and regarding its collection. The amount recognized as revenue is inclusive of excise duty and exclusive of sales tax, value added taxes (VAT) and is net of returns, trade discounts and quantity discounts.



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Notes to the financial statements for the year ended 31 March 2017

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- b) Interest income is recognised on a time proportionate basis taking into account the amount outstanding and the interest rate applicable.

(viii) Foreign currency transactions

(a) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(b) Conversion

Foreign Currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Nonmonetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are, translated using the exchange rates that existed when such values were determined.

(c) Exchange differences

The Company accounts for exchange differences arising on translation / settlement of foreign currency monetary items as below:

- i) Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset.
- ii) Exchange differences arising on other long-term foreign currency monetary items are accumulated in the Foreign Currency Monetary Item Translation Difference Account' and amortized over the remaining life of the concerned monetary item.
- iii) All other exchange differences are recognized as income or as expense in the period in which they arise. For the purpose of i) and ii) above, the Company treats a foreign currency monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination. In accordance with MCA circular dated 09 August 2012, exchange differences for this purpose, are total differences arising on long-term foreign currency monetary items for the period.

(ix) Provisions

A provision is recognised if, as a result of a past event, the Company has a present 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. The provisions are measured on an undiscounted basis.

Contingencies

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



(x) 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.

(xi) Employee benefits

a) Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

b) Post-employment benefits

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 Employees' Provident Fund and Employees' State Insurance schemes to government administered funds which are defined contribution plans. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined benefit plans

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of plan assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis. The calculation of the Company's obligation is performed annually by a qualified actuary using the projected unit credit method.

The Company recognises all actuarial gains and losses arising from defined benefit plan immediately in the Statement of Profit and Loss. All expenses related to defined benefit plan are recognised in employee benefits expense in the Statement of Profit and Loss. The Company recognises gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

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 during service or 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.



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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.

Termination benefits

Termination benefits are recognized as an expense when, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation

c) Employee Stock Compensation cost

The company accounts for equity settled stock options for the parent company as per the accounting treatment prescribed by the guidance note on employee share-based payment issued by the institute of chartered accountant of India using the intrinsic value method.

(xii) Income taxes

Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Income-tax expense is recognised in Statement of Profit or Loss except that tax expense related to items recognised directly in reserves is also recognized in those reserves.

Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the applicable tax rates and tax laws. Deferred tax is recognised in respect of timing differences between taxable income and accounting income i.e. differences that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognized as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognized as an asset is reviewed at each balance sheet date and written down to the extent, the aforesaid convincing evidence no longer exists.

Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate



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(xiii) Earnings per share

Basic earnings/ (loss) per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average numbers of equity shares outstanding during the year are adjusted for events of bonus issue and share split. For the purpose of calculating diluted earnings/ (loss) per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed to be converted as of the beginning of the period, unless they have been issued at a later date.

(xiv) Cash and cash equivalent

Cash and cash equivalent include cash on hand, cash balance with bank, demand deposits with banks with original maturities of three months or less and highly liquid investments.



	As at 31 March 2017	As at 31 March 2016
3 Share Capital		
Authorised capital		
108,000,000 (previous year 60,000,000) equity shares of Rs. 10 each	1,080,000,000	600,000,000
Issued, subscribed and paid-up capital		
106,760,000 (previous year 60,000,000) equity shares of Rs. 10 each	1,067,600,000	600,000,000
	<u>1,067,600,000</u>	<u>600,000,000</u>

(a) Reconciliation of shares outstanding at the beginning and at the end of the reporting year / period

	As at 31 March 2017		As at 31 March 2016	
Equity shares:	Number of shares	Amount	Number of shares	Amount
At the commencement of the year / period	60,000,000	600,000,000	-	-
Addition during the year / period	46,760,000	467,600,000	60,000,000	600,000,000
At the end of the year / period	<u>106,760,000</u>	<u>1,067,600,000</u>	<u>60,000,000</u>	<u>600,000,000</u>

(b) Rights/Preferences and Restrictions attached to shares

The Company has a single class of equity shares having par value of Rs. 10 each. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets.

The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. Failure to pay any amount called up on shares may lead to forfeiture of the shares.

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

(c) Shares held by holding company

	As at 31 March 2017		As at 31 March 2016	
	Number of shares	Amount	Number of shares	Amount
Equity shares of Rs. 10 each, fully paid-up held by: Minda Industries Limited, India	74,727,100	747,271,000	41,995,100	419,951,000

(d) Details of shareholders holding more than 5% of a class of shares

	As at 31 March 2017		As at 31 March 2016	
	Number of shares	%age of holding in shares	Number of shares	%age of holding in shares
Minda Industries Limited, India	74,727,100	69.995%	41,995,100	69.992%
Kosei International Trade and Investment Company Limited, Hongkong	32,028,000	30.000%	18,000,000	30.000%

4 Reserves and surplus

	As at 31 March 2017	As at 31 March 2016
Surplus / (Deficit) in the statement of Profit and Loss		
Balance at the commencement of the year / period	(22,562,649)	-
Profit / (loss) for the year / period	261,514,085	(22,562,649)
Balance at the end of the year / period	<u>238,951,436</u>	<u>(22,562,649)</u>

5 Long-term borrowings

	As at 31 March 2017	As at 31 March 2016
Term loans		
From banks (Secured)	434,000,000	349,000,000
Less: Current maturities of term loan (Refer note 9)	(32,550,000)	-
	<u>401,450,000</u>	<u>349,000,000</u>



Nature of security	Terms of repayment
(a) Yes Bank Term loan amounting to Rs. 170,000,000 (Previous period: Rs. 170,000,000) is secured by: - First pari passu charge on all movable and immovable fixed assets (both present and future). - Second pari passu charge on all current assets (both present and future). - Letter of Comfort from Minda Industries Limited (Holding Company).	Rate of interest - 11% for first year and thereafter floating @ Yes Bank base rate plus 0.50% per annum. Maximum tenor of loan is for 96 months from the date of first disbursement. Principal amount is repayable in 24 quarterly installments after a moratorium period of 24 months from the date of first disbursement.
(b) IndusInd Bank Term loan amounting to Rs. 264,000,000 (Previous period: Rs. 179,000,000) is secured by: - First pari passu charge on all movable fixed assets (both present and future) including all the underlying assets acquired from the proceeds of the term loan facility and charge by way of equitable mortgage on immovable property (Land and Building) located at Bawal, Haryana. - Second pari passu charge by way of hypothecation on all the present and future current assets. - Letter of Comfort from Minda Industries Limited (Holding Company).	Rate of interest - IndusInd Bank base rate plus 0.15% per annum. Maximum tenor of loan shall not exceed 8 years from the date of first disbursement. Principal amount is repayable in 24 quarterly installments after a moratorium period of 2 years from the date of first disbursement.

6 Long-term provisions

Provision for employee benefits (refer to note 33)

- Provision for gratuity*

- Provision for compensated absences

- * includes amount recoverable from related parties Rs. 3,225,819 (previous period Rs. 2,089,818)

As at
31 March 2017

As at
31 March 2016

6,303,237

4,022,382

7,213,581

3,199,104

13,516,818

7,221,486

7 Short-term borrowings

Secured:

Buyer's credit from banks

698,390,976

226,067,553

698,390,976

226,067,553

Bank Name (facility)	Term of repayment	As at 31 March 2017	As at 31 March 2016
(a) Yes Bank			
USD	after 360 days 12 months Libor + 40-60 bps	55,212,649	31,366,425
Euro	after 358 days 12 months Euribor + 45-65 bps	43,466,109	47,122,239
JPY	after 360 days 12 months Libor + 35-80 bps	376,942,969	105,101,213
Buyer's credit is secured by: - First pari passu charge on all movable and immovable fixed assets (both present and future). - Second pari passu charge on all current assets (both present and future).			
(b) IndusInd Bank			
Euro	after 358 days 12 months Euribor + 75-230 bps	8,737,428	9,479,978
USD	after 358 days 12 month Libor + 40-60 bps	5,341,645	
JPY	177 days 12 months Libor + 80 bps	208,690,176	32,997,698
Buyer's credit is secured by: - First pari passu charge on all movable fixed assets (both present and future) including all the underlying assets acquired from the proceeds of the term loan facility and charge by way of equitable mortgage on immovable property (Land and Building) located at Bawal, Haryana. - Second pari passu charge by way of hypothecation on all the present and future current assets. - Letter of Comfort from Minda Industries Limited (Holding Company).			
Total		698,390,976	226,067,553

8 Trade payables

Trade payables*

* For dues to micro and small enterprises refer to note 37

As at
31 March 2017

As at
31 March 2016

467,818,820

115,132,561

467,818,820

115,132,561

9 Other current liabilities

Current maturities of long term debt

Interest accrued but not due on buyer's credit

Capital creditors

Other Payables

- Payable to employees

- Bonus payable

- Statutory dues

As at
31 March 2017

As at
31 March 2016

32,550,000

-

1,866,135

-

35,975,361

233,688,082

2,209,295

576,910

2,696,182

-

16,707,212

3,798,093

92,004,185

238,063,085

10 Short-term provisions

Provision for employee benefits (refer to note 33)

- Provision for gratuity

- Provision for compensated absences

Others

- Provision for taxation (including minimum alternate tax)

As at
31 March 2017

As at
31 March 2016

68,363

59,203

468,122

133,386

21,322,018

21,858,503

192,589



11 Fixed Assets as at 31 March 2017

Asset description	Gross block			Accumulated depreciation / amortisation			Net block As at 31 March 2017	Net block As at 31 March 2016
	As at 01 April 2016	Additions during the year	Disposals during the year	As at 31 March 2017	As at 01 April 2016	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	As at 31 March 2017
Tangible								
Freehold land	220,712,134	27,880,100	-	248,592,234	-	-	-	248,592,234
Building	-	271,160,355	-	271,160,355	-	8,413,035	-	262,747,320
Plant and machinery	5,643,799	1,453,086,422	-	1,458,730,221	97,602	145,335,837	-	1,313,296,782
Furniture and fixtures	49,951	16,185,062	-	16,235,013	1,666	1,501,595	-	14,731,752
Vehicles	2,774,020	3,552,548	(2,774,020)	3,552,548	44,768	192,291	(183,527)	3,499,016
Office equipment	881,223	6,046,315	-	6,927,538	15,722	1,242,363	-	5,669,453
Computers	2,919,044	1,443,066	-	4,362,110	225,233	1,115,119	-	3,021,758
Moulds and Dies	-	41,543,502	-	41,543,502	-	12,835,708	-	28,707,794
Electric Installation	-	98,318,109	-	98,318,109	-	9,127,741	-	89,190,368
	232,980,171	1,919,215,479	(2,774,020)	2,149,421,630	384,991	179,763,689	(183,527)	1,969,456,477
Intangible								
Computer Software	694,269	10,574,858	-	11,269,127	77,553	2,242,263	-	8,949,311
	694,269	10,574,858	-	11,269,127	77,553	2,242,263	-	8,949,311
Total	233,674,440	1,929,790,337	(2,774,020)	2,160,690,757	462,544	182,005,952	(183,527)	1,978,405,788

Fixed Assets as at 31 March 2016

Asset description	Gross block			Accumulated depreciation / amortisation			Net block As at 31 March 2016	Net block As at 23 March 2015
	As at 23 March 2015	Additions during the period	Disposals during the period	As at 31 March 2016	As at 23 March 2015	Depreciation / amortisation expense for the period	Eliminated on disposal of assets	As at 31 March 2016
Tangible								
Freehold land	-	220,712,134	-	220,712,134	-	-	-	220,712,134
Plant and machinery	-	5,643,799	-	5,643,799	-	97,602	-	5,546,197
Furniture and fixtures	-	49,951	-	49,951	-	1,666	-	48,285
Vehicles	-	2,774,020	-	2,774,020	-	44,768	-	2,729,252
Office equipment	-	881,223	-	881,223	-	15,722	-	865,501
Computers	-	2,919,044	-	2,919,044	-	225,233	-	2,693,811
	-	232,980,171	-	232,980,171	-	384,991	-	232,595,180
Intangible								
Computer Software	-	694,269	-	694,269	-	77,553	-	616,716
	-	694,269	-	694,269	-	77,553	-	616,716
Total	-	233,674,440	-	233,674,440	-	462,544	-	233,211,896



	As at 31 March 2017	As at 31 March 2016
12 Deferred tax asset / (liability) (net)		
Deferred tax liabilities on		
Excess of depreciation/ amortisation on fixed assets under income-tax law over depreciation/amortisation provided in accounts	114,370,287	771,299
Other disallowances under the Income-tax Act, 1961	10,724,494	-
Total deferred tax liabilities	125,094,781	771,299
Deferred tax assets on		
Provision for employee benefits	5,796,662	2,565,863
Brought forward losses and unabsorbed depreciation	107,803,471	4,421,877
Expenditure covered by section 35D of Income-tax Act, 1961	2,359,977	1,544,516
Total deferred tax assets	115,960,110	8,532,256
Net deferred tax asset/ (liability) recognised in the financial statements	(9,134,671)	-
13 Long-term loans and advances		
<i>(Unsecured and considered good unless otherwise stated)</i>		
Capital advances	134,267,647	57,949,646
Security deposits	1,902,200	1,902,200
Advance income tax	-	302,789
MAT credit receivable	57,662,061	-
Other receivables	-	55,996
	193,831,908	60,210,631
14 Other non-current assets		
<i>(Unsecured and considered good unless otherwise stated)</i>		
Bank deposits (due to mature after 12 months from the reporting date)	2,447,000	2,447,000
	2,447,000	2,447,000
15 Inventories		
<i>(Valued at the lower of cost and net realisable value)</i>		
Raw materials (including goods in transit Rs. 10,710,1883 (Previous period: Rs. Nil)	151,744,690	61,844,882
Work in Progress	44,666,043	-
Stores and spares	28,020,832	4,205,121
Finished goods (including goods in transit Rs. 8,210,786 (Previous period: Rs. 2,242,626)	50,692,780	2,242,626
	275,124,345	68,292,629
(a) Details of inventory		
Finished goods		
Aluminium wheels	50,692,780	2,242,626
	50,692,780	2,242,626



16 Trade receivables

	As at 31 March 2017	As at 31 March 2016
Trade receivables outstanding for period exceeding six months from the date they are due for payment		
Unsecured considered good	113,362	-
Other receivables		
- Unsecured, considered good	313,664,529	3,240,185
	<u>313,777,891</u>	<u>3,240,185</u>

17 Cash and bank balances

	As at 31 March 2017	As at 31 March 2016
Cash and cash equivalents		
Cash on hand	398,535	681,168
Balances with banks		
- on current account	1,908,203	25,396,874
- On deposit accounts (with original maturity of 3 months or less)	143,000,000	
Other bank balances		
Bank deposits (due for realisation within 12 months of the reporting date)	3,626,558	3,361,500
	<u>148,933,296</u>	<u>29,439,542</u>
Details of bank balances/deposits		
On deposit accounts with original maturity of 3 months or less included under 'Cash and cash equivalents	143,000,000	
Bank deposits due to mature within 12 months of the reporting date included under 'Other bank balances'	3,626,558	3,361,500
Bank deposits due to mature after 12 months of the reporting date included under 'Other non current assets' (refer to note 14)	2,447,000	2,447,000

18 Short-term loans and advances

(Unsecured and considered good unless otherwise stated)

To parties other than related parties

	As at 31 March 2017	As at 31 March 2016
Security deposits	1,140,500	1,155,500
Prepaid expenses	586,119	15,544
Advance to supplier	2,144,688	1,253,471
Other loans and advances		
- Advance to employees	468,320	658,204
- Balance with government authorities	18,310,027	35,370,306

To related parties

	As at 31 March 2017	As at 31 March 2016
Recoverable from related parties on account of employee benefits (refer to note 33 (c))		2,089,818
	<u>22,649,654</u>	<u>40,542,843</u>

19 Other current assets

(Unsecured and considered good unless otherwise stated)

	As at 31 March 2017	As at 31 March 2016
Interest accrued on deposits	630,186	294,287
	<u>630,186</u>	<u>294,287</u>



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	For the year ended 31 March 2017	For the period from 23 March 2015 to 31 March 2016
20 Revenue from operations		
Sale of products (gross)	2,155,487,061	228,717,522
	<u>2,155,487,061</u>	<u>228,717,522</u>
Less: Excise duty	244,792,510	27,504,490
Sale of products (net)	<u>1,910,694,551</u>	<u>201,213,032</u>
 Other operating income		
Sale of scrap	18,003,361	-
Revenue from operations	<u>1,928,697,912</u>	<u>201,213,032</u>
 Details of sales (finished goods):		
Aluminium wheels	1,901,294,551	201,213,032
Others	9,400,000	-
	<u>1,910,694,551</u>	<u>201,213,032</u>
21 Other income	For the year ended 31 March 2017	For the period from 23 March 2015 to 31 March 2016
Interest income on bank deposits	10,027,189	3,027,879
Foreign exchange fluctuation (net)	30,397,368	2,297,317
Miscellaneous Income	1,169,805	-
	<u>41,594,362</u>	<u>5,325,196</u>
22 Cost of materials consumed ' 	For the year ended 31 March 2017	For the period from 23 March 2015 to 31 March 2016
Inventory at the beginning of the year/ period	61,844,882	-
Add : Purchases during the year / period	1,187,884,791	255,678,390
Less : Inventory at the end of the year / period	151,744,690	61,844,882
Cost of materials consumed	<u>1,097,984,983</u>	<u>193,833,508</u>
 Break-up of cost of materials consumed		
Aluminum wheels	1,091,418,488	193,833,508
Others	6,566,495	-
	<u>1,097,984,983</u>	<u>193,833,508</u>
23 Increase in inventories of work in progress and finished goods	For the year ended 31 March 2017	For the period from 23 March 2015 to 31 March 2016
Stock at the beginning of the year / period:		
- Work in progress	-	-
- Finished goods	2,242,626	-
	<u>2,242,626</u>	<u>-</u>
Stock at the end of the year / period:		
- Work in progress	44,666,043	-
- Finished goods	50,692,780	2,242,626
	<u>95,358,823</u>	<u>2,242,626</u>
	<u>(93,116,197)</u>	<u>(2,242,626)</u>
24 Employee benefits	For the year ended 31 March 2017	For the period from 23 March 2015 to 31 March 2016
Salaries, wages and bonus	119,636,384	13,721,494
Contribution to provident and other funds	8,825,296	731,332
Employee stock option expenses (Refer Note 42)	1,162,086	-
Gratuity (refer to note 33)	1,046,695	551,983
Staff welfare expenses	8,409,200	45,539
	<u>139,079,661</u>	<u>15,050,348</u>



Minda Kosei Aluminum Wheel Private Limited
Notes to financial statements for the year ended 31 March 2017
(All amounts are in Indian Rupees, unless otherwise stated)

25 Finance costs

	For the year ended 31 March 2017	For the period from 23 March 2015 to 31 March 2016
Interest expense on borrowings	47,636,752	-
Other charges	7,965,300	44,760
Interest on income tax	2,365,463	-
	57,967,515	44,760

26 Depreciation and amortisation

	For the year ended 31 March 2017	For the period from 23 March 2015 to 31 March 2016
Depreciation of tangible assets	179,763,689	384,991
Amortisation of intangible assets	2,242,263	77,553
	182,005,952	462,544

27 Other expenses

	For the year ended 31 March 2017	For the period from 23 March 2015 to 31 March 2016
Consumption of stores and spare parts (refer to note 36)	95,373,125	5,623,471
Rent (refer to note 38)	1,494,963	60,000
Power and Fuel	133,617,434	-
Repairs and maintenance - Machinery	4,554,177	-
Repairs and maintenance - Others	4,729,070	-
Insurance charges	1,454,155	319,218
Travelling and conveyance	13,089,302	1,237,541
Communication costs	1,014,606	64,986
Printing and stationery	370,062	131,656
Legal and professional fees	20,986,885	3,112,885
Payment to auditor *	500,000	503,735
Rates and taxes	4,848,528	6,065,562
Testing expense	2,081,568	15,350
Freight outward	9,429,558	1,167,506
Loss on sale of fixed assets	665,868	-
Director's Remuneration	88,324	-
Bank charges	26,461	10,790
Cash discounts	13,991,774	1,761,858
Miscellaneous expenses	7,405,744	1,877,785
	315,721,604	21,952,343

* Payment to the auditors (excluding service tax)

Statutory audit	500,000	500,000
Reimbursement of expenses	-	3,735
	500,000	503,735

28 Earnings/ loss per share

	For the year ended 31 March 2017	For the period from 23 March 2015 to 31 March 2016
Net profit / (loss) after tax attributable to equity shareholders	261,514,085	(22,562,649)
Number of shares at the beginning of the year / period	60,000,000	-
Weighted average number of equity shares issued during the year / period	36,251,101	31,642,326
Total number of shares outstanding at the end of the year/ period	96,251,101	31,642,326
Basic and diluted profit / (loss) per equity share of face value of Rs. 10 each	2.72	(0.71)



29 Contingent liabilities

(a) Bank guarantee given by the Company and outstanding as at 31 March 2017 amounting to Rs. 119,970,314 (Previous period Rs. 28,733,500).

(b) Liability of Customs duty towards export obligation undertaken by the Company under "Export Promotion Capital Goods Scheme (EPCG)" amounting to Rs. Rs 282,655,590 (Upto Previous period Rs. 149,374,231)

During the current year, the company has imported Capital goods under EPCG and saved duty to the tune of Rs. 133,281,359 (Previous period Rs. 149,374,231). As per the EPCG terms and conditions, Company needs to export goods amounting to Rs 1695,933,540 (upto Previous period Rs. 896,245,386) in 6 years i.e. 6 times of duty saved on import of Capital goods on FOB basis within a period of 6 years (Block year 1st to 4th ~ 50% and 5th to 6th ~ 50%) till year ended 31 March 2022. If Company does not export goods in prescribed time, then the Company may have to pay duty on import of capital goods, including interest and penalty thereon.

30 Capital and other commitments (net of advance)

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances Rs. 184,538,190 (Previous period Rs. 124,779,276) as on 31 March 2017 aggregates to Rs. 453,809,961 (Previous period Rs. 249,239,088).

31 Segment Information

As the Company's business activity primarily falls within a single business and geographical segment i.e. aluminium alloy wheels for automotive sector, thus there are no additional disclosures to be provided under Accounting Standard 17 - 'Segment Reporting'. The management considers that the various goods and services provided by the Company constitutes single business segment, since the risk and rewards from these services are not different from one another.

32 Related Party Disclosures

(i) Related party and nature of relationship where control exists

Holding Company Minda Industries Limited, India

(ii) Related party and nature of related party relationship with whom transactions have taken place during the year / previous period:

Other enterprise over which key Management personnel is able to exercise significant influence Mindarika Private Limited
Kosei Minda Aluminum Company Private Limited

Joint Venture partner Kosei International Trade and Investment Company Limited

Key management personnel Naveesh Garg (Managing Director)
Yoshiyuki Nomura (Director) (w.e.f 7 October 2016)
Ankur Agarwal (Chief Financial Officer)
Sachin Mehra (Company Secretary) (w.e.f 11 May 2016)

(iii) Transaction with related parties:

Transaction with related parties	Holding Company	Enterprise over key anagement	Joint venture companies	Key management personnel
Purchase of goods	(0)	181,626,740 (286,190,165)	828,375,554 (15,618,334)	- (0)
Purchase of stores and spares	(0)	(0)	18,084,524 (0)	- (0)
Purchase of capital goods	7,117,925 (178,000,520)	53,949,369 (0)	604,664,242 (383,033,852)	- (0)
Expenses recovered	909,899 (3,139,453)	6,120 (18,602)	1,813,173 (0)	- (0)
Reimbursement of expenses paid	1,196,273 (5,578,610)	- (810,138)	412,209	- (0)
Issue of share capital	327,320,000 (419,951,000)	140,280,000 (180,000,000)	- (0)	- (0)
Service received	8,359,948 (0)	- (0)	4,511,197 (0)	- (0)
Remuneration	- (0)	- (0)	- (0)	20,051,974 (14,097,475)
Balance Payable	4,200,332 (173,992,669)	153,747,229 (87,463,548)	235,329,764 (0)	35,610 (0)
Balance Receivable	- (0)	- (0)	92,076,362 (0)	120,000 (0)

Amount written in brackets are of previous period.



(iv) Details of related parties with whom transactions exceed 10% of the class of transaction:

Related Party	Nature of transaction	For the year ended 31 March, 2017	For the period 23 March 2015 to 31 March 2016
Kosei Minda Aluminum Company Private Limited	Purchase of goods	181,626,740	286,190,165
Kosei International Trade and Investment Company Limited	Purchase of goods	828,375,554	-
Minda Industries Limited	Purchase of capital goods	7,117,925	178,000,520
Kosei Minda Aluminum Company Private Limited	Purchase of capital goods	53,949,369	-
Kosei International Trade and Investment Company Limited	Purchase of capital goods	604,664,242	383,033,852
Kosei International Trade and Investment Company Limited	Purchase of stores and spares	18,084,524	-
Kosei International Trade and Investment Company Limited	Service received	4,511,197	-
Minda Industries Limited	Service received	8,359,948	-
Kosei International Trade and Investment Company Limited	Expenses recovered	1,013,177	-
Kosei Minda Aluminum Company Private Limited	Expenses recovered	6,120	810,138
Minda Industries Limited	Expenses recovered	909,899	-
Minda Industries Limited	Reimbursement of expenses paid	-	5,578,610
Kosei International Trade and Investment Company Limited	Reimbursement of expenses paid	412,209	-
Minda Industries Limited	Reimbursement of expenses paid	1,196,273	3,139,453
Minda Industries Limited	Issue of share capital	327,320,000	419,951,000
Kosei International Trade and Investment Company Limited	Issue of share capital	140,280,000	180,000,000
Kosei International Trade and Investment Company Limited	Balance Receivable	92,076,362	10,497,760
Kosei International Trade and Investment Company Limited	Balance Payable	235,329,764	87,463,548
Minda Industries Limited	Balance Payable	4,200,332	173,992,669
Kosei Minda Aluminum Company Private Limited	Balance Payable	153,747,229	87,463,548
Naveesh Garg	Remuneration	13,795,969	12,797,479
Ankur Agrawal	Remuneration	1,124,100	1,299,996
Sachin Mehta	Remuneration	331,577	-
Yoshiyuki Nomura	Remuneration	4,800,328	-
Ankur Agrawal	Balance Receivable	120,000	-
Naveesh Garg	Balance Payable	35,610	-

- (a) Minda Industries Limited, India has given a letter of comfort for Rs. 132,000,000 (Previous period Rs. 132,000,000) to bank for loan taken by the company (Refer Note 5 and 7 for details).
- (b) As per the joint venture agreement, royalty at the rate of 2% of the net turnover and management fees at the rate of 1% of the net turnover is payable by the Company to Kosei International Trade and Investment Company Limited and Minda Industries Limited (the "Joint Venture Partners") respectively. The Joint Venture Partners have waived off the aforesaid royalty and management fee for the year ended 31 March 2017. Accordingly, no such expenditure has been accrued in the books of account or disclosed in the financial statements.

33 Disclosure pursuant to Accounting Standard-15 on "Employee Benefits"

(a) Defined contribution plan

An amount of Rs. 7,782,306 (Previous period Rs.695,709) for the year, has been recognized as an expense in respect of the Company's contribution towards Provident Fund, deposited with the government authorities and has been included under employee benefit expense in the Statement of Profit and Loss. Further an amount of Rs. 1,040,484 (Previous period Rs.32,317) for the year, has been recognized as an expense in respect of the Company's contribution towards ESI Fund, and has been included under employee benefit expense in the Statement of Profit and Loss.

(b) Defined benefit plans

Gratuity is payable to all eligible employees of the Company on retirement/exit, death or permanent disablement in terms of the provisions of the Payment of Gratuity Act, 1972. Gratuity is unfunded.

- The obligation for compensated absences is recognized in the same manner as Gratuity.

(i) Changes in present value of obligation:

Particulars	For the year ended 31 March 2017		For the period from 23 March 2015 to 31 March 2016	
	Gratuity	Compensated absences	Gratuity	Compensated absences
Present value of obligation as at the beginning of the year	4,081,585	3,332,490	-	-
Acquisition adjustment	-	-	3,529,606	-
Interest cost	324,078	264,600	-	-
Past service cost	-	713,528	-	2,447,594
Current service cost	2,079,614	3,950,715	686,305	884,896
Benefits paid	-	(630,834)	-	-
Actuarial (gain)/loss on obligation	(113,677)	51,204	(134,326)	-
Present value of obligation as at the end of year	6,371,600	7,681,703	4,081,585	3,332,490
- Long term	6,303,237	7,213,581	4,022,382	3,199,104
- Short term	68,363	468,122	59,203	133,386
Total	6,371,600	7,681,703	4,081,585	3,332,490



(ii) Actuarial gain / loss recognised is as follows:

Particulars	For the year ended 31 March 2017		For the period from 23 March 2015 to 31 March 2016	
	Gratuity	Compensated absences	Gratuity	Compensated absences
Actuarial gain for the period – obligation	1,387,125	(51,204)	134,326	-
Actuarial gain for the period - plan assets	-	-	-	-
Total gain for the period	(1,387,125)	51,204	(134,326)	-
Actuarial gain recognized in the period	(1,387,125)	51,204	(134,326)	-
Unrecognized actuarial gain at the end of period	-	-	-	-

(ii) The amounts recognized in the Balance Sheet are as follows:

Particulars	As at 31 March 2017		As at 31 March 2016	
	Gratuity	Compensated Absences	Gratuity	Compensated Absences
Present value of obligation as at end of the year / period	6,371,600	7,681,703	4,081,585	3,332,490
Unfunded status	(6,371,600)	(7,681,703)	(4,081,585)	(3,332,490)
Net asset / (liability) recognised in balance sheet	(6,371,600)	(7,681,703)	(4,081,585)	(3,332,490)

(iii) Expense recognised in the statement of Profit and Loss:

Particulars	For the year ended 31 March 2017		For the period from 23 March 2015 to 31 March 2016	
	Gratuity	Compensated absences	Gratuity	Compensated absences
Current service cost	2,079,614	3,950,715	686,305	884,896
Past service cost	-	713,708	-	2,447,594
Interest cost	324,078	264,600	-	-
Net actuarial gain / (loss) recognized in the period	(1,356,997)	51,204	(134,326)	-
Expenses recognized in the statement of profit and losses	1,046,695	4,980,227	551,983	3,332,490

(iv) Experience on actuarial Gain / (Loss) for PBO and Plan Assets:

Particulars	31 March 2017	31 March 2016
On Plan PBO	1,644,506	134,326
On Plan assets	-	-

(v) Enterprise best estimate of contribution during the next year is:

Particulars	For the year ended 31 March 2017	For the period from 23 March 2015 to 31 March 2016
Compensated absences	4,815,160	1,566,783
Gratuity	3,896,076	1,550,945

(vi) Principal actuarial assumptions at the Balance Sheet date are as follows:

(a) Economic assumptions:

The principal assumptions are the discount rate and salary growth rate. The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities and the salary growth rate taking account of inflation, seniority, promotion and other relevant factors on long term basis. Valuation assumptions are as follows which have been agreed by the company:

Particulars	For the year ended 31 March 2017	For the period from 23 March 2015 to 31 March 2016
Discount rate per annum	7.35%	7.94%
Future Salary Increase	8.00%	8.00%

(b) Demographic assumptions:

Particulars	For the year ended 31 March 2017	For the period from 23 March 2015 to 31 March 2016
(i) Retirement Age (Years)	58	58
(ii) Mortality Table	IALM (2006 - 08)	
(iii) Ages	Withdrawal rate (%)	
Up to 30 years	3.00	3.00
From 31 to 44 years	2.00	2.00
Above 44 year	1.00	1.00



Minda Kosei Aluminum Wheel Private Limited
Notes forming part of the financial statements for year ended 31 March 2017
(All amounts are in Indian Rupees, unless otherwise stated)

(c) Transfer of employees

During the current year certain employees of Minda Industries Limited (MIL) & MJ Casting were transferred to Minda Kosei Aluminum Wheel Private Limited (the Company). As per the terms of the agreement, the liability on account of gratuity for employee upto date of transfer will be borne by the respective companies. The amount receivable from MIL & MJCL towards gratuity is Rs. 1,060,130 (Previous period : Rs. 1,699,665) and Rs. 94,473 (Previous period: Rs. 371,551) respectively.

34 CIF value of imports:

Particulars	For the year ended 31 March 2017	For the period from 23 March 2015 to 31 March 2016
Raw Material	897,097,767	13,074,818
Stores and Spares	5,574,233	2,543,526
Capital Goods	593,608,703	422,142,895
Total	1,496,280,703	437,761,239

35 Expenditure in foreign currency:

Particulars	For the year ended 31 March 2017	For the period from 23 March 2015 to 31 March 2016
Travelling	1,020,923	1,172,289
Legal & Professional	4,400,417	-
Repair & Maintenance	27,411	-
Miscellaneous	955,911	-
Total	6,404,662	1,172,289

36 Details of consumption:

(a) Value of Imported and indigenous materials consumed:

Particulars	For the year ended 31 March 2017		For the period from 23 March 2015 to 31 March 2016	
	Amount	%	Amount	%
Raw material				
Imported	977,206,635	89%	-	0%
Indigenous	120,778,348	11%	193,833,508	100%
Total	1,097,984,983	100%	193,833,508	100%
Stores and spare parts				
Imported	3,246,141	3%	-	0%
Indigenous	92,126,984	97%	5,623,471	100%
Total	95,373,125	100%	5,623,471	100%

37 The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that Micro and Small Enterprises should mention in their correspondence with their customers the Entrepreneurs Memorandum number as allocated after filing of the Memorandum. Based on information received and available with the Company, there are no amounts payable to Micro and Small Enterprises as at 31 March 2017. Further, the Company has not received any claim for interest from any supplier under the said Act.

38 Leases

The Company has taken premises on cancellable operating leases. The lease rentals recognized in the Statement of Profit and Loss for the period ended 31 March 2017 is Rs. 1,035,408 (Previous period: Rs. 60,000).

39 Particulars of derivative instruments and unhedged foreign currency exposure:

(a) Derivative instruments outstanding

Particulars	As at 31 March 2017			As at 31 March 2016		
	FC Amount	Exchange rate (in Rs.)	Amount (in Rs.)	FC Amount	Exchange rate (in Rs.)	Amount (in Rs.)
Trade Payables						
USD	1,073,208	65.30	70,076,789	-	-	-

(b) Unhedged foreign currency exposure

Particulars	As at 31 March 2017			As at 31 March 2016		
	FC Amount	Exchange rate (in Rs.)	Amount (in Rs.)	FC Amount	Exchange rate (in Rs.)	Amount (in Rs.)
Capital Creditors						
JPY	-	-	-	112,700,000	0.60	67,620,000
Trade Payables						
JPY	5,969,017	0.59	3,529,480	2,893,688	0.60	1,745,183
USD	2,480,389	65.74	163,060,783	-	-	-
Buyer's Credit (including interest)						
USD	928,045	65.74	61,009,678	466,554	67.23	31,366,425
JPY	992,695,280	0.59	586,980,719	228,981,779	0.60	138,098,911
EUR	741,082	70.52	52,261,103	741,449	76.34	56,602,217

- 40 During the year / period, in relation to a new plant which is in construction stage, the Company has included following expenses of revenue nature to the cost of capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts included in CWIP by the Company:

Particulars	For the year ended 31 March 2017	For the period from 23 March 2015 to 31 March 2016
Salaries and wages	-	27,634,781
Interest expense	1,900,517	23,342,580
Travelling expenses	-	4,300,270
Consumables	-	23,126,059
Other expenses	-	17,797,164
Add: Opening Balance	1,900,517	96,200,854
	96,200,854	-
Less: Allocated to fixed assets	98,101,371	96,200,854
	98,101,371	-
Total		96,200,854

Note: The above expenses have been netted off in the respective line items in the Statement of Profit and Loss.

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

42 Share-based compensation

The Company has participated in the Minda Industries Limited Employee Stock Option Scheme 2016 and during the year, the Nomination & Remuneration Committee of Minda Industries Limited ('the Parent Company') has approved the grant of 90,000 options to certain eligible employees in terms of the Employee Stock Option Scheme 2016. The scheme is monitored and supervised by the Nomination and Remuneration Committee of the Board of Directors of Minda Industries Limited in compliance with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and amendments thereof from time to time.

The terms and conditions related to the grant of the share options are as follows:

Scheme	Year	Date of Grant	Number of options granted	Vesting conditions	Exercise period	Exercise price (INR) per share
Minda Employee Stock Option Scheme 2016	2016-17	23-Nov-16	50,000	Achieving target of market capitalisation.	1 Year from the date of vesting	180
Minda Employee Stock Option Scheme 2016	2016-17	21-Mar-17	40,000	Achieving target of market capitalisation	1 Year from the date of vesting	392

The number and weighted average exercise prices of share options under employee stock benefit plan is as follows:

Scheme	Descriptions	Year	Outstanding at the beginning of the year	Granted during the year	Forfeited/ Expired during the year	Exercised during the year	Outstanding at the end of the year
Minda Employee Stock Option Scheme 2016	Number of Shares Options	2016-17	-	90,000	-	-	90,000
Minda Employee Stock Option Scheme 2016	Weighted average exercise price	2016-17	-	274	-	-	274

The options outstanding at 31 March 2017 have an exercise price and a weighted average contractual life as given below:

31-Mar-17		
Number of outstanding share options	Range of exercise price	Weighted average remaining life
90,000	180 - 392	1.35 years

The parent company has adopted the intrinsic value method as permitted by the Guidance Note on Accounting for Employee Share Based Payment issued by the Institute of Chartered Accountants of India in respect of stock options granted.

The Company's profit for the year and earnings per share would have been as under, had the compensation cost for employees' stock options been recognized based on the fair value at the date of grant in accordance with Black Scholes model. The parent company has determined the fair value of the underlying shares by an independent valuer.

Particulars	For the year ended 31 March 2017
Profit for the year	261,514,085
Add: Reduction in employee compensation cost based on intrinsic value method	-
Less: Employee compensation expenses as per fair value method method	1,350,218
Profit for the year as per fair value method	260,163,867
Basic Earnings Per Share (EPS)	
Weighted average number of equity shares	96,251,101
Basic EPS as reported (in Rs.)	2.72
Proforma Basic EPS (in Rs.)	2.70
Diluted Earnings Per Share (EPS)	
Weighted average number of equity shares (including dilutive ESOP shares)	96,251,101
Diluted EPS as reported (in Rs.)	2.72
Proforma Diluted EPS (in Rs.)	2.70



The following assumptions were used for calculation of fair value of grants:

Particulars	Grant Dates	
	23 Nov 2016	21 Mar 2017
Share Price based on valuation carried out by an independent valuer	265.10	435.55
Exercise price	180	392
Risk-free interest rate (%)	6.13%	6.13%
Expected life of options (years) [(year to vesting) + (contractual option term)/2]	1.85 Year	1.85 Year
Expected volatility (%)	43.62%	43.62%
Dividend yield	4.61%	4.61%

The risk free interest rates are determined based on the zero-coupon yield curve for Government Securities or Government bonds with maturity equal to the expected term of the option. Volatility calculation is based on annualized standard deviation of the continuously compounded rate of return of the stock over a period of time. The historical period taken into account to match the expected life of the option. Dividend yield has been arrived by dividing the dividend for the period with the current market price.

Effect of share-based payment plan on the Statement of Profit and Loss:

Particulars	As at 31 March 2017
Expense arising from employee share-based payment plan	1,162,086

43 Disclosure on specified bank notes (SBNs)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated 31 March 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016 the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on 08 November 2016	509,500	12,432	521,932
Add: Permitted receipts	62,000	370,675	432,675
Less: Permitted payments	-	(251,676)	(251,676)
Less: Amount deposited in Banks	(571,500)	-	(571,500)
Closing cash in hand as on 30 December 2016	-	131,431	131,431

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8 November 2016.

44 Subsequent to the year end, the board appointed Mr. Kundan Kumar Jha as Managing Director. The appointment is effective 10 April 2017.

45 Previous period figures are for the period 23 March 2015 to 31 March 2016 and thus not comparable with the current year figures.

46 Previous period figures have been reclassified/ regrouped, wherever required, to confirm to current year classification.

For BSR & Co. LLP
Chartered Accountants

ICAI Firm Registration No.:
101748W/M-180012

Rajiv Goyal
Partner
Membership No.: 094549

Place: Gurugram
Date: 27 April 2017

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

Kundan Kumar Jha
Managing Director
DIN No.: 01034597

Place: Gurugram
Date: 27 April 2017

Yoshiyuki Nomura
Director
DIN No.: 07610601

Place: Gurugram
Date: 27 April 2017

Ankur Agrawal
Chief Financial Officer

Place: Gurugram
Date: 27 April 2017

Sachin Mehta
Company Secretary
Membership No.: A45008
Place: Gurugram
Date: 27 April 2017