

Minda Kosei Aluminum Wheel Private Limited

Statutory Audit for the year ended

31 March 2018

BSR & Co. LLP

Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Members of Minda Kosei Aluminum Wheel Private Limited

Report on the Audit of the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Minda Kosei Aluminum Wheel Private Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS 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 Ind AS financial statements that give a true and fair view of the state of affairs, profit/ (loss) and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS 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 of the Ind AS financial statements 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Ind AS financial statements.

We are also responsible to 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 entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the 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 2018, its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.



- e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the 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 contract for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since, they do not pertain to the financial year ended 31 March 2018. However, amounts as appearing in the audited financial statements for the year ended 31 March 2017 have been disclosed- refer note 13 to the Ind AS financial statements.

For B S R & Co. LLP

Chartered Accountants

ICAI Firm registration number: 101248W/W-100022



Tarun Gupta

Partner

Membership No.: 507892

Place: Gurugram

Date: 5 May 2018

Annexure A referred to in our Independent Auditor's Report to the Members of Minda Kosei Aluminum Wheel Private Limited on the Ind AS financial statements for the year ended 31 March 2018

- (i) (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets (property, plant and equipment and other intangible assets).
- (b) According to the information and explanations given to us, 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 programme, 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 observed 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) According to the information and explanations given to us, the inventories, except goods-in-transit, has been physically verified by the management during the period at reasonable intervals. In our opinion, the frequency of such verification is reasonable. As informed to us, the discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) According to the information and explanations given to us, 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) According to the information and explanations given to us, 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, Goods and Service Tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues, to the extent applicable, have generally been regularly deposited with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Goods and Service Tax, Service tax, Duty of Customs, Duty of Excise, Value Added tax, Cess and other material statutory dues, to the extent applicable, were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, and on the basis of the records of the Company examined by us, there are no dues of Income-tax, Sales-tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax 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 or borrowings to any banks. 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 any money by way of initial public offer or further public offer (including debt instrument) during the year. Further, 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 by the Company or 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 based on 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, all 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 Ind AS 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

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placement of its shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.

- (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) According to the information and explanations given to us, 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



Tarun Gupta

Partner

Membership No.: 507892

Place: Gurugram
Date : 5 May 2018

Annexure B to the Independent Auditor's Report of even date on the Ind AS financial statements of Minda Kosei Aluminum Wheel Private Limited for the year ended 31 March 2018

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

We have audited the internal financial controls with reference to financial statements of Minda Kosei Aluminum Wheel Private Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements 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 Act.

Auditor's Responsibility

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

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

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



Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2018, based on the internal control over financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For B S R & Co. LLP

Chartered Accountants

ICAI Firm registration number:101248W/W-100022



Tarun Gupta

Partner

Membership No.: 507892

Place: Gurugram

Date: 5 May 2018

Minda Kosei Aluminum Wheel Private Limited

Statutory Audit for the year ended

31 March 2018

Minda Kosei Aluminum Wheel Private Limited
Balance Sheet as at 31 March 2018

(All figures are in ₹ Million, except share data and unless otherwise stated)

	Note No.	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
ASSETS				
Non-current assets				
Property, plant and equipment	4.	3,175.1	2,228.7	381.8
Capital work in progress	4.	1,090.1	74.9	1,073.2
Other intangible assets	5.	12.4	8.9	0.6
Intangible assets under development	5.	-	-	2.2
Financial assets				
Loans	6.	5.0	1.9	1.9
Other financial assets	7.	55.1	2.4	2.4
Deferred tax assets (net)	8.	-	48.3	-
Non-current tax assets (net)	9.	53.7	-	0.3
Other non-current assets	10.	83.2	134.3	57.9
Current assets				
Inventories	11.	507.4	275.1	68.2
Financial assets				
Trade receivables	12.	672.6	281.1	3.2
Cash and cash equivalents	13.	203.5	145.3	26.1
Bank Balances other than cash and cash equivalents	14.	41.9	3.6	3.4
Loans	6.	1.0	1.6	1.9
Other financial assets	7.	28.4	33.3	2.5
Other current assets	10.	291.1	21.1	36.7
TOTAL ASSETS		6,220.5	3,260.5	1,662.3
EQUITY AND LIABILITIES				
Equity				
Equity share capital	15.	1,883.8	1,067.6	600.0
Other equity		555.7	238.7	(22.5)
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	16.	779.8	401.4	349.0
Provisions	17.	282.3	13.5	7.2
Deferred tax liabilities (net)	8.	7.4	-	-
Government grants	18.	367.2	221.9	126.2
Current liabilities				
Financial liabilities				
Borrowings	16.	1,003.8	698.4	226.0
Trade payables				
Total outstanding dues of micro enterprises and small enterprises	19.	17.5	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		873.8	467.8	115.1
Other financial liabilities	20.	350.9	75.1	234.2
Other Current Liabilities	21.	96.5	16.7	3.7
Provisions	17.	1.8	0.5	0.2
Government grants	18.	-	37.6	23.2
Current tax liabilities (net)	9.	-	21.3	-
TOTAL EQUITY AND LIABILITIES		6,220.5	3,260.5	1,662.3

Significant accounting policies

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

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration No.:101248W/W-100022

Tarun Gupta
Partner
Membership No. : 507892

Place: Gurugram
Date: 5 May 2018

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

Kundan Kumar Jha
Managing Director
DIN No: 07137705

Place: Gurugram
Date: 5 May 2018

Yoshihiro Toda
Director
DIN No: 08121667

Place: Gurugram
Date: 5 May 2018

Ankur Agrawal
Chief Financial Officer

Place: Gurugram
Date: 5 May 2018

Rahul Kumar
Company Secretary
Membership No:ACS35354
Place: Gurugram
Date: 5 May 2018

Minda Kosei Aluminum Wheel Private Limited

Statement of Profit and Loss for the year ended 31 March 2018

(All figures are in ₹ Million, except share data and unless otherwise stated)

	Note No.	Year ended 31 March 2018	Year ended 31 March 2017
Income			
Revenue from operations	22	4,565.2	2,182.7
Other income	23	17.4	41.6
Total Income		4,582.6	2,224.3
Expenses			
Cost of materials consumed	24	2,325.6	1,098.0
Changes in inventories of finished goods and work-in-progress	25	(125.7)	(93.2)
Excise duty	22	132.0	244.8
Employee benefits expense	26	251.2	140.4
Finance costs	27	83.3	58.0
Depreciation and amortisation expense	28	349.3	205.2
Other expenses	29	755.1	301.7
Total Expenses		3,770.8	1,954.9
Profit before exceptional items and tax		811.8	269.4
Exceptional items	30	318.9	-
Profit before tax		492.9	269.4
Tax expense:			
Current tax (including Minimum Alternate Tax)		120.4	57.7
Deferred tax charge/(credit)		55.9	(48.6)
Profit for the year		316.6	260.3
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement gains / (losses) on defined benefit plans		0.6	1.3
Income tax effect		(0.2)	(0.4)
Net other comprehensive income		0.4	0.9
Total comprehensive income for the year		317.0	261.2
Basic and diluted earnings per share (in ₹) (Face value of ₹ 10 per share)		2.62	2.70

Significant accounting policies

3

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

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm Registration No.:101248WW-100022

Tarun Gupta

Partner

Membership No. : 507892

Place: Gurugram

Date: 5 May 2018

For and on behalf of the Board of Directors

of Minda Kosei Aluminum Wheel Private Limited


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Managing Director
DIN No: 07137705

Place: Gurugram
Date: 5 May 2018


Yoshihiro Toda
Director
DIN No: 08121667

Place: Gurugram
Date: 5 May 2018



Ankur Agrawal
Chief Financial Officer

Place: Gurugram
Date: 5 May 2018



Rahul Kumar
Company Secretary
Membership No: ACS35354
Place: Gurugram
Date: 5 May 2018

Minda Kosei Aluminum Wheel Private Limited

Statement of Changes in equity for the year ended 31 March 2018

(All figures are in ₹ Million, except share data and unless otherwise stated)

A. Equity share capital

Balance as at 1 April 2016	600.0
Changes in equity share capital during 2016-17	467.6
Balance as at 31 March 2017	1,067.6
Changes in equity share capital during 2017-18	816.2
Balance as at 31 March 2018	<u>1,883.8</u>

B. Other equity

	Attributable to equity shareholders		
	Reserves and surplus		Total
	Retained earnings	Remeasurement of defined benefit liability / asset	
As at 1 April 2016	(22.5)	-	(22.5)
Profit for the year	260.3	-	260.3
Other comprehensive income (net of tax)	-	0.9	0.9
Total comprehensive income	260.3	0.9	261.2
Transferred to retained earnings	0.9	(0.9)	-
As at 31 March 2017	238.7	-	238.7
Profit for the year	316.6	-	316.6
Other comprehensive income (net of tax)	-	0.4	0.4
Total comprehensive income	316.6	0.4	317.0
Share-based payment	-	-	-
Transferred to retained earnings	0.4	(0.4)	-
As at 31 March 2018	555.7	-	555.7

Significant accounting policies

3

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

As per our report of even date attached

For BSR & Co. LLP

Chartered Accountants

Firm Registration No.:101248W/W-100022

For and on behalf of the Board of Directors

of Minda Kosei Aluminum Wheel Private Limited

Tarun Gupta

Partner

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Place: Gurugram

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Managing Director

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Date: 5 May 2018

Rahul Kumar

Company Secretary

Membership No:ACS35354

Place: Gurugram

Date: 5 May 2018

Minda Kosei Aluminum Wheel Private Limited
Statement of Cash Flow for the year ended 31 March 2018
(All figures are in ₹ Million, except share data and unless otherwise stated)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
A. Cash flow from operating activities		
Profit for the year before tax	492.9	269.4
Adjustments for :		
Depreciation and amortisation	349.3	205.2
Unrealised foreign exchange loss/ (gain)	20.5	(34.4)
Loss on fixed assets sold / discarded	0.1	0.7
Government grant	(32.5)	(23.2)
Finance costs	83.3	58.0
Interest Income	(16.5)	(10.0)
Operating profit before working capital changes	897.1	465.7
Working capital adjustments:		
(Increase) in inventories	(232.3)	(206.9)
(Increase) in trade receivables	(391.5)	(277.8)
Decrease/ (Increase) in loans & other financial assets	3.0	(30.2)
(Increase) / Decrease in other assets	(269.8)	15.6
Increase in trade payables	411.6	356.3
Increase in other financial liabilities	4.0	4.2
Increase in provisions	270.1	6.6
Increase in other current liabilities	79.8	13.0
	(125.1)	(119.2)
Cash generated from / (used) in operations	772.0	346.5
Income tax paid	(194.4)	(38.3)
Net cash from operating activities	577.6	308.2
B. Cash flow from investing activities:		
Purchase of property, plant and equipment and other intangible assets	(1,888.0)	(1,200.6)
Proceeds from sale of property, plant and equipment	0.1	-
Fixed deposits with banks	(90.9)	(0.3)
Interest received	15.9	9.1
Net cash used in investing activities	(1,962.9)	(1,191.8)
C. Cash flows from financing activities		
Proceeds from borrowings	442.2	85.0
Repayments of borrowings	(28.8)	-
Proceeds from equity shares	816.2	467.6
Proceeds / (repayments) of borrowings (net)	296.2	503.4
Interest paid	(82.3)	(53.2)
Net cash from financing activities	1,443.5	1,002.8
Net increase in cash and cash equivalents (A+B+C)	58.2	119.2
Cash and cash equivalents at the beginning of the year	145.3	26.1
Cash and cash equivalents at the end of the year	203.5	145.3

The Cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard-7 on Statement of Cash flows as notified under section 133 of the Companies Act, 2013.

Amendment to Ind AS 7

Effective 01 April 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material impact on the financial statements.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration No.:101248W/W-100022

Tarun Gupta
Partner
Membership No.: 507892

Place: Gurugram
Date: 5 May 2018

For and on behalf of the Board of Directors
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Rahul Kumar
Company Secretary
Membership No: ACS35354
Place: Gurugram
Date: 5 May 2018

Minda Kosei Aluminum Wheel Private Limited
Notes to the financial statements for the year ended 31 March 2018

1. Corporate information

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.

The Company has started its commercial production w.e.f. 20 April 2016.

2. Basis of preparation

A. Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The financial statements up to and for the year ended 31 March 2017 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

As these are the Company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 39.

The financial statements were authorised for issue by the Company's Board of Directors on 5 May 2018.

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 millions and one decimal thereof, unless otherwise indicated.

C. Basis of measurement

The financial statements have been prepared on 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.



Minda Kosei Aluminum Wheel Private Limited
Notes to the financial statements for the year ended 31 March 2018

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

Judgements

The areas involving critical estimates or judgements are:

- Estimation of income tax (current and deferred) – Note 8
- Estimated useful life of other intangible asset – Note 5
- Estimated useful life and residual value of property, plant and equipment – Note 4
- Recognition and measurement of provisions and contingencies – Note 31
- Estimation of defined benefit obligation – Note 32

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances.

E. Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current / non-current classification. The Company as presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by the Ministry of Corporate Affairs.

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

All other assets are classified as non-current.

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.



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Notes to the financial statements for the year ended 31 March 2018

3. Significant accounting policies

The accounting policies set out below have been applied consistently to the period presented in these financial statements.

A. Foreign currency transactions

i. Initial recognition and settlement

Foreign currency transactions are translated into the functional currency 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 profit or loss.

ii. Measurement at the reporting date

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Nonmonetary 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 recognised in 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 recognised when they are originated. All other financial assets and financial liabilities are initially recognised 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; or
- b) FVTPL

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 amortised 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



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Notes to the financial statements for the year ended 31 March 2018

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

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised 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 recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii. Derecognition

Financial assets

The Company derecognises 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 recognised 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 derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises 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 recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.



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Notes to the financial statements for the year ended 31 March 2018

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 realise 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 amortised 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 Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

D. 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.

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.

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.

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.

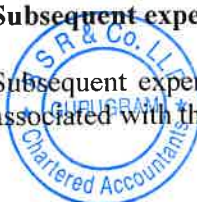
Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii. Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment (see Note 4)

iii. Subsequent expenditure

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



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Notes to the financial statements for the year ended 31 March 2018

iv. Depreciation

Depreciation on items of property, plant and equipment is provided as per straight-line method 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 except in the case of certain plant and equipment, the life is based on technical evaluation and assessment.

Freehold land is not depreciated.

Depreciation on additions/ (disposals) is provided on a pro-rata basis i.e. from / (upto) 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. 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 fixed assets 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)
Buildings	30
Plant and equipment	2/10/15
Furniture and fixtures	10
Vehicles	8
Office equipment	5
Computers	3/6

E. Other intangible assets

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

Subsequent expenditure

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

Amortisation

Amortisation is calculated to write off the cost of other intangible assets over their estimated useful lives using the straight-line method, and is included in amortisation expense in profit or loss.

The estimated useful lives are as follows:

- Computer software

3/6 years



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

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its other intangible assets recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such other intangible assets.

F. Impairment

i. Impairment of financial instruments

The Company recognises loss allowances for expected credit loss on financial assets measured at amortised cost.

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



Minda Kosei Aluminum Wheel Private Limited
Notes to the financial statements for the year ended 31 March 2018

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 amortised 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 if there is indication of any impairment. If any indication exists, the asset's recoverable amount is estimated.

Assets that do not generate independent cash flows are grouped together into cash generating units (CGU).

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 recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount.

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 amortisation, if no impairment loss had been recognised.

G. Borrowing cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs).



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For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period.

All other borrowing costs are expensed in the period in which they occur.

H. Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to statement of profit or loss on a straight-line basis over the period of the lease, unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

I. 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 (net of recoverable taxes, where applicable), costs 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	-	Weighted average cost
Work-in-progress and finished goods	-	Material cost plus appropriate share of labour, manufacturing overheads.

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.

J. Revenue recognition

(i) Sale of goods:

Measurement of revenue:

Revenue is measured at the fair value of the consideration received or receivable. Sales are recognised when the significant risks and rewards of ownership are transferred to the buyer as per the terms of contract and are recognised. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates and amounts collected on behalf of third parties.



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Notes to the financial statements for the year ended 31 March 2018

Timing of recognition:

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(ii) Interest income is recognised using the effective interest method.

K. 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) Share-based payment transactions

The Company accounts for equity settled stock options for the parent company using the fair value method.

(iii) 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 (EPF) and Employees' State Insurance 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.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

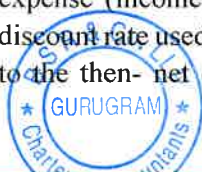
(iv) Defined benefit plan

Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

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



Minda Kosei Aluminum Wheel Private Limited
Notes to the financial statements for the year ended 31 March 2018

(iii) Income taxes

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

Current tax

Current 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 recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

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

Deferred tax assets are recognised to the extent that it is probable that future 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 history of recent losses, the company recognises 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 – unrecognised or recognised, are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefits 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 deferred tax liabilities are offset only 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 authorities.

Minimum Alternative tax ('MAT') under the provisions of Income-tax Act, 1961 is recognised as current tax in profit or loss. The credit available under the Act in respect of MAT paid is recognised as deferred tax 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 recognised as deferred tax asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.



Minda Kosei Aluminum Wheel Private Limited
Notes to the financial statements for the year ended 31 March 2018

N. Earnings per share

Basic earnings per share are calculated by dividing the net profit 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 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.

P. 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 and supply of aluminium alloy wheels and/or aluminium general casting parts. 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.

Q. 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.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short term deposits, as defined above.

R. Recent accounting pronouncement

Standards issued but not yet effective

Ind AS 115, Revenue from Contracts with Customers

Ind AS 115, establishes a comprehensive framework for determining whether, how much and when revenue should be recognised. It replaces existing revenue recognition guidance, including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and Guidance Note on Accounting for Real Estate Transactions. Ind AS 115 is effective for annual periods beginning on or after 1 April 2018 and will be applied accordingly.

The Company has completed an initial assessment of the potential impact of the adoption of Ind AS 115 on accounting policies followed in its financial statements. The quantitative impact of



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Notes to the financial statements for the year ended 31 March 2018

adoption of Ind AS 115 on the financial statements in the period of initial application is not reasonably estimable as at present.

(i) Sales of goods

For the sale of goods, revenue is currently recognised when the goods are delivered, which is taken to be the point in time at which the customer accepts the goods and the related risks and rewards of ownership are transferred. Revenue is recognised at this point provided that the revenue and costs can be measured reliably, the recovery of the consideration is probable and there is no continuing management involvement with the goods.

Under Ind AS 115, revenue will be recognised when a customer obtains control of the goods. The revenue from these contracts will be recognised as the products are being manufactured. The Company's initial assessment indicates that this will result in revenue, and some associated costs, for these contracts being recognised earlier than at present – i.e. before the goods are delivered to the customers' premises.

(ii) Transition

The Company plans to apply Ind AS 115 using the cumulative effect method, with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 April 2018) in retained earnings. As a result, the Company will not present relevant individual line items appearing under comparative period presentation.

Ind AS 21, The Effects of Changes in Foreign Exchange Rates

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from 1 April 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.



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Notes to the financial statements for the year ended 31 March 2018

(All figures are in ₹ Million, except share data and unless otherwise stated)

4. Property, Plant And Equipment And Capital Work In Progress

a. Reconciliation of carrying amount

	Freehold land	Buildings	Plant and equipment*	Furniture and fixtures	Vehicles	Office equipment	Computers	Total	Capital work in progress
Gross carrying value (deemed cost)									
As at 1 April 2016	220.7	-	154.9	-	2.7	0.8	2.7	381.8	-
Add: Additions made during the year	27.9	271.1	1,726.1	16.2	3.5	6.0	1.4	2,052.3	-
Less: Disposals / adjustments during the year	-	-	-	-	2.7	-	-	2.7	-
As at 31 March 2017	248.6	271.1	1,881.0	16.2	3.5	6.8	4.1	2,431.5	-
Add: Additions made during the year	35.3	438.9	789.4	17.8	0.1	8.7	2.3	1,292.4	-
Less: Disposals / adjustments during the year	-	-	-	-	-	-	0.1	0.1	-
As at 31 March 2018	283.9	710.0	2,670.4	34.0	3.6	15.5	6.3	3,723.8	-
Accumulated depreciation									
As at 1 April 2016	-	-	-	-	-	-	-	-	-
Add: Depreciation charge for the year	-	8.4	190.4	1.5	0.2	1.2	1.1	202.9	-
Less: On disposals / adjustments during the year	-	-	-	-	0.2	-	-	0.2	-
As at 31 March 2017	-	8.4	190.4	1.5	0.0	1.2	1.1	202.6	-
Add: Depreciation charge for the year	-	11.4	328.9	1.8	0.4	1.9	1.6	346.0	-
Less: On disposals / adjustments during the year	-	-	-	-	-	-	0.0	0.0	-
As at 31 March 2018	-	19.8	519.3	3.3	0.4	3.1	2.7	548.6	-
Net carrying value									
As at 31 March 2018	283.9	690.2	2,151.1	30.7	3.2	12.4	3.6	3,175.1	1,090.1
As at 31 March 2017	248.6	262.7	1,690.6	14.7	3.5	5.6	3.0	2,228.7	74.9
As at 1 April 2016	220.7	-	154.9	-	2.7	0.8	2.7	381.8	1,073.2

* Includes government grant in Plant and equipment as on 01 April 2016: Gross Block: ₹ 149.4 million, Accumulated Depreciation: Nil; 31 March 2017: Gross Block: ₹ 282.7 million, Accumulated Depreciation: ₹ 23.2 million and 31 March 2018: Gross Block: ₹ 367.2 million, Accumulated Depreciation: ₹ 68.0 million) (refer note 18)

The Company has elected Ind AS 101 exemption and continue with the carrying value for all of its property, plant and equipment as its deemed cost as at the date of transition.



Minda Kosei Aluminum Wheel Private Limited

Notes to the financial statements for the year ended 31 March 2018

(All figures are in ₹ Million, except share data and unless otherwise stated)

4. Property, Plant And Equipment And Capital Work In Progress (Contd.)

b. Security

As at 31 March 2018, properties with a carrying amount of ₹ 4,264.6 million (31 March 2017: ₹ 2,303.9 million, 1 April 2016: ₹ 1,455.1 million) are subject to first pari passu charge to secure bank loans [refer to note no. 16]

c. Capital work in progress

Capital work in progress includes pre-operative expenditure of ₹ 40.1 million (31 March 2017: ₹ Nil, 1 April 2016: ₹ 72.9 million) and borrowing costs of ₹ 3.1 million (31 March 2017: ₹ 1.9 million, 1 April 2016: ₹ 23.3 million).

5. Other Intangible Assets

Reconciliation of carrying amount

A. Gross carrying value (deemed cost)

Computer software

As at 1 April 2016	0.6
Add: Additions during the year	10.6
Less: Disposals / adjustments during the year	-
As at 31 March 2017	11.2
Add: Additions during the year	6.8
Less: Disposals / adjustments during the year	-
As at 31 March 2018	18.0

Accumulated amortisation

As at 1 April 2016	-
Add: Amortisation charge for the year	2.3
Less: On disposals/adjustments during the year	-
As at 31 March 2017	2.3
Add: Amortisation charge for the year	3.3
Less: On disposals / adjustments during the year	-
As at 31 March 2018	5.6

Net carrying value

As at 31 March 2018	12.4
As at 31 March 2017	8.9
As at 1 April 2016	0.6

The Company has elected Ind AS 101 exemption and continue with the carrying value for all of other intangible assets as its deemed cost as at the date of transition.

B. Intangible assets under development
- Computer software

As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
-	-	2.2
-	-	2.2



Minda Kosei Aluminum Wheel Private Limited
Notes to the financial statements for the year ended 31 March 2018
(All figures are in ₹ Million, except share data and unless otherwise stated)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
6. Loans			
<i>(unsecured considered good unless otherwise stated)</i>			
Non-current			
Security deposits	5.0	1.9	1.9
	<u>5.0</u>	<u>1.9</u>	<u>1.9</u>
Current			
Security deposits	0.4	1.1	1.2
Loan to employees	0.6	0.5	0.7
	<u>1.0</u>	<u>1.6</u>	<u>1.9</u>
	<u>6.0</u>	<u>3.5</u>	<u>3.8</u>
7. Other Financial Assets			
Non-current			
Bank deposits (due to mature after 12 months from the reporting date)*	55.1	2.4	2.4
	<u>55.1</u>	<u>2.4</u>	<u>2.4</u>
Current			
Interest accrued on deposits	1.2	0.6	0.3
Other receivables			
- From related parties	0.6	-	-
- From others than related parties	26.3	32.7	0.1
From related parties			
On account of employee benefits	0.3	-	2.1
	<u>28.4</u>	<u>33.3</u>	<u>2.5</u>

* Represents fixed deposits pledged with banks as margin money for various limits from bank.



Minda Kosel Aluminum Wheel Private Limited
Notes to the financial statements for the year ended 31 March 2018
 (All figures are in ₹ Million, except share data and unless otherwise stated)

8. Deferred tax asset (net)/ Deferred tax liabilities (net)

	Year ended 31 March 2018	Year ended 31 March 2017
a. Amount recognised in the Statement of profit or loss		
Current tax		
for current period	120.4	57.7
Deferred tax	55.9	(48.6)
Tax expense for the year recognised in the Statement of profit or loss	176.3	9.1

b. Income tax recognised in other comprehensive income

	Year ended 31 March 2018	Year ended 31 March 2017
	Before tax	Before tax
	Net of tax	Net of tax
	Tax (expense) / benefit	Tax (expense) / benefit
Remeasurements of defined benefit plan	0.6	0.4
	(0.2)	1.3
	(0.2)	1.3
	(0.4)	(0.4)
	0.9	0.9

c. Reconciliation of effective tax rate

	Year ended 31 March 2018	Year ended 31 March 2017
	Rate (%)	Rate (%)
	Amount	Amount
Profit before tax	493.5	269.4
Tax using company's domestic tax rate	172.5	93.1
Effect of:		
Recognised in OCI during the year	(0.2)	(0.2)
Change in unrecognised temporary differences	(51.5)	(116.0)
Recognition of previously unrecognised tax losses	(119.7)	107.8
Non-deductible expenses / income	0.2	(6.9)
Deduction u/s 32 AC of the Income tax Act, 1961 (additional depreciation)	-	(77.6)
Export promotion capital grant	23.0	-
Change in tax rate	(24.3)	-
Effective tax rate	0.0%	0.0%



INCOME TAX (contd.)

d. Deferred tax assets / liabilities

	Deferred tax assets			(Deferred tax liabilities)			Net deferred tax assets / (liabilities)		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Property, plant and equipment and other intangible assets (net)	-	-	-	(164.3)	(114.3)	(0.7)	(164.3)	(114.3)	(0.7)
Provision for employee benefits	7.3	4.9	2.8	-	-	-	7.3	4.9	2.6
Provision for interest on EPCG scheme	91.1	-	-	-	-	-	91.1	-	-
Exceptional item (EPCG)	8.0	-	-	-	-	-	8.0	-	-
Other disallowances under Income Tax Act, 1961	1.4	-	-	-	(10.7)	-	1.4	(10.7)	-
Expenditure covered by section 35D of Income-tax Act, 1961	3.8	2.4	1.5	-	-	-	3.8	2.4	1.5
Other financial liabilities (bonus to employees)	2.1	0.9	-	-	-	-	2.1	0.9	-
Carried forward tax losses	-	3.5	3.5	-	-	-	-	3.5	3.5
Unabsorbed depreciation	-	104.3	0.9	-	-	-	-	104.3	0.9
Carried forward tax credits	43.4	57.7	-	-	-	-	43.4	57.7	-
	157.1	173.7	8.5	(164.3)	(125.0)	(0.7)	(7.2)	48.7	7.8

Deferred tax liabilities

Deferred tax assets (to the extent of deferred tax liabilities)

Deferred tax assets (liability) recognised

As at 01 April 2016, the Company has unabsorbed depreciation/business losses as per Income Tax Act, 1961. In the absence of probable certainty of sufficient future taxable profits, deferred tax asset has been recognised only to the extent of deferred tax liability.

e. Movement of temporary differences

Net deferred tax assets / (liabilities)

	Unrecognised temporary differences			Unrecognised temporary differences			Unrecognised tax losses		
	As at 1 April 2016	As at 31 March 2017	As at 31 March 2018	As at 1 April 2016	As at 31 March 2017	As at 31 March 2018	As at 1 April 2016	As at 31 March 2017	As at 31 March 2018
Property, plant and equipment and other intangible assets (net)	(0.7)	(113.6)	-	(114.3)	(60.0)	-	-	-	(164.3)
Provision for employee benefits	2.6	2.3	-	4.9	2.4	-	-	-	7.3
Provision for interest on EPCG scheme	-	-	-	-	91.1	-	-	-	91.1
Exceptional item (EPCG)	-	-	-	-	8.0	-	-	-	8.0
Other disallowances under Income Tax Act, 1961	-	(10.7)	-	(10.7)	12.1	-	-	-	1.4
Expenditure covered by section 35D of Income-tax Act, 1961	1.5	0.9	-	2.4	1.4	-	-	-	3.8
Other financial liabilities (bonus to employees)	-	0.9	-	0.9	1.2	-	-	-	2.1
Carried forward tax losses	3.5	-	-	3.5	(3.5)	-	-	-	-
Unabsorbed depreciation	0.9	-	103.4	104.3	-	(104.3)	-	-	-
Carried forward tax credits	-	57.7	-	57.7	-	(14.3)	-	-	43.4
	7.8	(120.2)	161.1	48.7	62.7	(118.6)	(14.3)	48.7	(7.2)



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Notes to the financial statements for the year ended 31st March 2018
(All figures are in ₹ Million, except share data and unless otherwise stated)

INCOME TAX (contd.)

f. Tax losses and tax credits for which no deferred tax asset was recognised expire as follows:

Expire year	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Gross Amount	Unrecognised tax effect	Gross Amount	Unrecognised tax effect	Gross Amount	Unrecognised tax effect
Business Loss	-	-	10.1	3.5	10.1	3.5
2023-2024	-	-	-	-	-	-
Unabsorbed depreciation	-	-	301.4	104.3	2.7	0.9
Never expire	-	-	-	-	-	-
MAT Credit	-	-	-	57.7	-	-
2024-2025	-	43.4	-	-	-	-
2025-2026	-	43.4	311.5	165.5	12.8	4.4



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	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
9. Non Current Tax Assets (Net)/ Current Tax Liabilities (Net)			
Non-current tax assets (net)	53.7	-	0.3
Current tax liabilities (net)	-	21.3	-
10. Other Assets	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<i>(Unsecured, considered good, unless otherwise stated)</i>			
Non-current			
Capital advances:			
- To related parties	19.0	112.2	-
- To others than related parties	64.2	22.1	57.9
	83.2	134.3	57.9
Current			
Balance with government authorities	283.7	18.3	35.4
Advances to suppliers:			
- To others than related parties	5.1	2.2	1.3
Prepaid expenses	2.3	0.6	-
	291.1	21.1	36.7
	374.3	155.4	94.6
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
11. Inventories			
<i>(valued at lower of cost or net realisable value)</i>			
Raw materials and components	197.7	151.7	61.8
[Includes raw material in transit 69.8 million (31 March 2017: ₹ 10.7 million, 1 April 2016: ₹ Nil)]			
Work in progress	17.6	44.7	-
Finished goods - Wheels	203.5	50.7	2.2
[Includes wheels in transit 29.4 million (31 March 2017: ₹ 8.2 million, 1 April 2016: ₹ 2.2 million)]			
Stores and spares	88.6	28.0	4.2
	507.4	275.1	68.2
Carrying amount of inventories (included in above) hypothecated as securities for borrowings [refer to note no. 16]	507.4	275.1	68.2

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
12. Trade Receivables			
Unsecured - considered good			
- from others	672.6	281.1	3.2
	672.6	281.1	3.2



Minda Kosei Aluminum Wheel Private Limited
Notes to the financial statements for the year ended 31st March 2018
(All figures are in ₹ Million, except share data and unless otherwise stated)

13. Cash And Cash Equivalents

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Balances with banks			
- current account	48.8	1.9	25.4
- demand deposits (with original maturity of less than 3 months)	154.4	143.0	-
Cash on hand	0.3	0.4	0.7
	<u>203.5</u>	<u>145.3</u>	<u>26.1</u>

The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made since the requirement does not pertain to financial year ended 31 March 2018. Corresponding amounts as appearing in the audited financial statements for the period ended 31 March 2017 have been disclosed below:

<i>in absolute ₹</i>			
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.

14. Bank Balances Other Than Cash And Cash Equivalents

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Bank deposits (due to mature within 12 months of the reporting date)	41.9	3.6	3.4
	<u>41.9</u>	<u>3.6</u>	<u>3.4</u>



Minda Kosei Aluminum Wheel Private Limited
Notes to the financial statements for the year ended 31st March 2018
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15 A. Share Capital

a) Details of share capital

Authorised share capital

189,000,000 (31 March 2017: 108,000,000, 1 April 2016: 60,000,000) equity shares of ₹ 10 each

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
	1,890.0	1,080.0	600.0
	<u>1,890.0</u>	<u>1,080.0</u>	<u>600.0</u>
	1,883.8	1,067.6	600.0
	<u>1,883.8</u>	<u>1,067.6</u>	<u>600.0</u>

Issued, subscribed and paid up

188,380,000 (31 March 2017: 106,760,000, 1 April 2016: 60,000,000) equity shares of ₹ 10 each fully paid up

b) Reconciliation of outstanding equity shares at the beginning and at the end of the reporting period

	Number of shares	Amount (₹ in millions)
As at 1 April 2016	60,000,000	600.0
Add: Shares issued during the year	46,760,000	467.6
As at 31 March 2017	106,760,000	1,067.6
Add: Shares issued during the year	81,620,000	816.2
As at 31 March 2018	<u>188,380,000</u>	<u>1,883.8</u>

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

Name of the shareholder	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Minda Industries Limited, India (Holding Company)	131,861,100	74,727,100	41,995,100
Minda Industries Limited, India (% held)	69.997%	69.995%	69.992%
Kosei International Trade and Investment Company Limited, Hong Kong	56,514,000	32,028,000	18,000,000
Kosei International Trade and Investment Company Limited, Hong Kong (% held)	30.000%	30.000%	30.000%

d) Rights, preferences and restrictions attached to equity shares

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

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

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

e) There are no bonus issue or buy back of equity shares since the incorporation of the company.



Minda Kosei Aluminum Wheel Private Limited
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15 B. Capital Management

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders; and
- maintain an optimal capital structure to reduce the cost of capital.

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain the future development of the business.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt, consistent with others in the industry. The Company monitors capital using a gearing ratio, which is calculated as:

Net debt (total borrowings net of cash and cash equivalents) divided by "Total equity" (as shown in the Balance Sheet).

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Interest bearing loans and borrowings	1,851.3	1,132.3	575.0
Less: Cash and cash equivalents	(203.5)	(145.3)	(26.1)
Total debts	1,647.8	987.0	548.9
Equity share capital	1,883.8	1,067.6	600.0
Other equity	555.7	238.7	(22.5)
Total equity	2,439.5	1,306.3	577.5
Debt to equity ratio	0.7	0.8	1.0

15 C. Earning Per Share

	As at 31 March 2018	As at 31 March 2017
Profit for the year attributable to the equity shareholders (₹ in millions)	316.6	260.3
Weighted average number of equity shares outstanding	120,668,261	96,251,101
Basic and diluted earnings per share (face value ₹ 10 per share) (in ₹)	2.6	2.7



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16 . Borrowings

Non-current borrowings

Secured

Rupee loan from banks	717.4	434.0	349.0
Foreign currency loan from banks	130.1	-	-
Less: Amount included under 'other financial liabilities'	67.7	32.6	-
	<u>779.8</u>	<u>401.4</u>	<u>349.0</u>

Current borrowings

Secured

Buyer's credit from banks	1,003.8	698.4	226.0
	<u>1,003.8</u>	<u>698.4</u>	<u>226.0</u>
	<u>1,783.6</u>	<u>1,099.8</u>	<u>575.0</u>

a. Terms repayment schedule and security

Nature of security	Terms of repayment and rate of interest
Yes Bank Rupee loan from banks amounting to ₹ 227.3 million (31 March 2017: ₹ 170 million, 1 April 2016: ₹ 170 million) 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. Currently 8.75% at 31 March 2018. Maximum tenor of loan is for 96 months from the date of first disbursement. Principal amount is repayable in 24 quarterly instalments after a moratorium period of 24 months from the date of first disbursement. First disbursement of the loan was in year 2015-16.
IndusInd Bank Rupee loan from banks amounting to ₹ 253.1 million (31 March 2017: ₹ 264.0 million, 1 April 2016: ₹ 179.0 million) 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 - 11% for first year and thereafter floating @ Yes Bank base rate plus 0.50% per annum. Currently 8.75% at 31 March 2018. Maximum tenor of loan is for 96 months from the date of first disbursement. Principal amount is repayable in 24 quarterly instalments after a moratorium period of 24 months from the date of first disbursement. First disbursement of the loan was in year 2015-16.
SCB Bank Foreign currency loan from banks amounting to ₹ 130.1 million (31 March 2017: ₹ Nil, 1 April 2016: ₹ Nil) is secured by: - First pari passu charge on all movable fixed assets (both present and future) - Second pari passu charge over all present and future book debts, outstandings moneys receivable etc. due and owing from any person/authority and also second pari passu charge on all present and future stock in trade.	LIBOR/Cost of funds + Bank's margin of 1.50%. Currently 8.55% at 31 March 2018. Maximum tenor of loan shall not exceed 7 years from the date of first disbursement. Principal amount is repayable in 20 equal quarterly installments with first repayment date to not go beyond 31 December 2019.
HDFC Bank Rupee loan from banks amounting to ₹ 237.0 million (31 March 2017: ₹ Nil, 1 April 2016: ₹ Nil) is secured by: - First pari passu charge on equitable mortgage over immovable fixed assets and movable fixed assets (plant and equipment of Gujarat plant - Second pari passu charge on stock and book debts	Rate of interest will be mutually decided between both the parties. Currently 8.70 % as at 31 March 2018. 84 months including moratorium period of 24 months
Buyers credit facility The company has availed Buyer's credit from banks (amounting to ₹ 1003.8 million (31 March 2017: ₹ 698.4 million, 1 April 2016: ₹ 226.1 million) from whom it has availed rupee loan, the terms and conditions of which are same as specified for term loan and are considered as co-terminus with term loan.	Rate of interest for is based on LIBOR + specified rate, which changes from time to time and is mutually decided as the time of taking/renewal of Buyers' credit Maximum tenor of loan shall not exceed the dates of term loan and each buyer's credit is due for payment (either by roll forward or by payment) in less than 1 year.



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	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
17 . Provisions			
Non-current			
Provision for employee benefits			
- Provision for gratuity (refer to note no. 32)*	11.4	6.3	4.0
- Provision for compensated absences	7.8	7.2	3.2
Other provisions			
- Provision for interest under Export promotion capital grant scheme (refer to note no. 30)	263.1	-	-
	<u>282.3</u>	<u>13.5</u>	<u>7.2</u>
Current			
Provision for employee benefits			
- Provision for gratuity (refer to note no. 32)	0.1	0.1	0.1
- Provision for compensated absences	1.7	0.4	0.1
	<u>1.8</u>	<u>0.5</u>	<u>0.2</u>
	<u>284.1</u>	<u>14.0</u>	<u>7.4</u>

* includes amount recoverable from related parties ₹ 0.3 million (31 March 2017: ₹ 3.2 million. 1 April 2016 ₹ 2.0 million)

18 . Government Grants

Export promotion capital grant			
Current portion	-	37.6	23.2
Non current portion	367.2	221.9	126.2
	<u>367.2</u>	<u>259.5</u>	<u>149.4</u>
Opening balance	259.5	149.4	
Add: Grants received during the year	84.5	133.3	
Less: Released to profit or loss (also refer to note no. 22 and note no. 30)	(23.2)	23.2	
Closing balance	<u>367.2</u>	<u>259.5</u>	

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
19 . Trade Payables			
Total outstanding dues of micro enterprises and small enterprises	17.5	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	873.8	467.8	115.1
	<u>891.3</u>	<u>467.8</u>	<u>115.1</u>

(i) All trade payables are 'current'

(ii) Disclosure as required under the Micro, Small and Medium Enterprises Development Act, 2006 based on the information available with the Company is as follows:

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
The amounts remaining unpaid to suppliers as at the end of the year	17.5	-	-
- Principal			
- Interest			
The amount of payments made under the Act beyond the appointed day during the year	-	-	-
The amount of interest paid under the act beyond the appointed day during the year			
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the Act	-	-	-



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20 . Other Financial Liabilities

Current

Current maturities of long term borrowings (refer to note no. 16)	67.7	32.6	-
Employee related payables	8.8	4.8	0.6
Interest accrued on borrowings	3.3	1.8	-
Payables for property, plant and equipment			
- from related parties	31.5	17.0	-
- from others	239.6	18.9	233.6
	<u>350.9</u>	<u>75.1</u>	<u>234.2</u>

21 . Other Current Liabilities

Statutory dues	96.5	16.7	3.7
	<u>96.5</u>	<u>16.7</u>	<u>3.7</u>

22 . Revenue From Operations

Sale of products (including excise duty)

Finished goods

	Year ended 31 March 2018	Year ended 31 March 2017
Sale of aluminum wheels	4,493.8	2,141.5
	<u>4,493.8</u>	<u>2,141.5</u>

Other operating revenue:

Scrap sales (including excise duty)	38.9	18.0
Tool sales	32.5	23.2
Government grants	71.4	41.2
	<u>4,565.2</u>	<u>2,182.7</u>

In accordance with Ind AS 18 on "Revenue" and Schedule III to the Companies Act, 2013, Sales for the previous year ended 31 March 2017 were reported gross of Excise Duty and net of Value Added Tax (VAT)/ Sales Tax. Excise Duty was reported as a separate expense line item. Consequent to the introduction of Goods and Services Tax (GST) with effect from July 2017, VAT/Sales Tax, Excise Duty etc. have been subsumed into GST and accordingly the same is not presented as part of sales as per the requirements of Ind AS 18. This has resulted in lower reported sales in the current year in comparison to the sales reported under the pre-GST structure of indirect taxes. Accordingly, financial statements for the year ended 31 March 2018 and in particular, Sales and ratios in percentage of sales, are not comparable with the figures of the previous year.

23 . Other Income

	Year ended 31 March 2018	Year ended 31 March 2017
Interest income on bank deposit and others	16.5	10.0
Foreign exchange fluctuation (net)	-	30.4
Miscellaneous income	0.9	1.2
	<u>17.4</u>	<u>41.6</u>



Minda Kosei Aluminum Wheel Private Limited

Notes to the financial statements for the year ended 31st March 2018
(All figures are in ₹ Million, except share data and unless otherwise stated)

24 . Cost Of Materials Consumed

Opening stock of raw materials, components and parts
Add : Purchases of raw materials, components and parts

Less : Closing stock of raw materials, components and parts

Year ended 31 March 2018	Year ended 31 March 2017
151.7	61.8
<u>2,371.6</u>	<u>1,187.9</u>
2,523.3	1,249.7
<u>197.7</u>	<u>151.7</u>
<u>2,325.6</u>	<u>1,098.0</u>

25 . (A) Changes In Inventories Of Finished Goods And Work-In-Progress

Opening stock
- Work in progress
- Finished goods

Closing stock
- Work in progress
- Finished goods

Changes in inventories of finished goods and work in progress

- Work in progress
- Finished goods

44.7	-
<u>50.7</u>	<u>2.2</u>
95.4	2.2
17.6	44.7
<u>203.5</u>	<u>50.7</u>
221.1	95.4
27.1	(44.7)
<u>(152.8)</u>	<u>(48.5)</u>
(125.7)	(93.2)

26 . Employee Benefits

Salaries, wages and bonus
Contribution to provident and other funds (refer to note no. 32)
Employee stock option expenses (refer to note no. 38)
Staff welfare expenses

214.0	122.0
15.3	8.8
3.0	1.2
<u>18.9</u>	<u>8.4</u>
251.2	140.4

27 . Finance Costs

Interest on borrowings
Interest on income tax
Exchange fluctuations regarded as an adjustment to borrowing cost
Other charges

51.6	47.6
0.6	2.4
23.8	-
<u>7.3</u>	<u>8.0</u>
83.3	58.0

28 . Depreciation And Amortisation Expense

Depreciation of property, plant and equipment
Amortisation of other intangible assets

Year ended 31 March 2018	Year ended 31 March 2017
346.0	202.9
<u>3.3</u>	<u>2.3</u>
349.3	205.2



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(All figures are in ₹ Million, except share data and unless otherwise stated)

29 . Other Expenses

Stores and packing materials consumed	174.7	95.4
Power and fuel	237.9	133.6
Repairs and maintenance		
-Plant and equipment	12.7	4.6
-Building	2.7	-
- Others	13.1	4.7
Freight expense	24.2	9.4
Testing expense	17.8	2.1
Insurance	3.6	1.5
Travelling and conveyance	21.8	13.1
Legal and professional	11.3	21.0
Rent (refer to note no. 34)	5.8	1.5
Rates and taxes	9.3	4.8
Auditor's remuneration		
- Statutory audit	2.3	0.5
- Other services	0.3	-
- Reimbursement of expenses	0.2	-
Foreign exchange fluctuation	32.4	-
Management fees	80.6	-
Royalty expense	82.9	-
Miscellaneous expenses	21.5	9.5
	755.1	301.7

Detail of corporate social responsibility expenditure

a. Amount required to be spent by the Company during the year	2.5	-
b. Amount spent in cash during the year on		
(i) Construction / acquisition of assets	-	-
(ii) On purpose other than (i) above	2.5	-
	Year ended	Year ended
	31 March 2018	31 March 2017

30 . Exceptional items

Interest under Export promotion capital goods scheme (see note below)	318.9	-
	318.9	-

The Company has imported duty free capital goods under Export Promotion Capital Goods Scheme (EPCG) scheme. Liability of Customs duty towards export obligation undertaken by the Company amounting to ₹ 367.2 million (31 March 2017: ₹ 282.7 million, 1 April 2016: ₹ 149.4 million). Under the said scheme, the Company has obligation to export the goods equivalent to 6 times of the amount of custom duty saved i.e., ₹ 2203.2 million (31 March 2017: ₹ 1696.2 million, 1 April 2016: ₹ 896.4 million).

During the quarter ended 31 March 2018, the Company has reassessed the export contracts and evaluated that those export contracts will not be achieved. Hence, the Company has provided for the duty and interest thereon in respect of duty saved under EPCG.

Exceptional item comprises of following:

- Interest expense ₹ 263.2 million (discounted) in respect of duty saved.
- Reversal of amortised grant released to Statement of profit and loss of ₹ 55.7 million recognised upto 31 December 2017

Liability in respect of duty saved shown under non-current government grants of ₹ 367.2 million.

31 . Contingent Liabilities And Commitments
(to the extent not provided for)

Contingent liabilities

- (a) The Company has made sales to various customers against C-form issued under Central Sales Tax Act, 1956 on account of which the Company has paid 2% sales tax in place of 14.5%. Total outstanding forms amounting to ₹ 308.6 million (31 March 2017: ₹ 116.6 million, 1 April 2016: ₹ Nil).
If the Company does not collect the forms in prescribed time, then the Company may have to pay differential tax, including interest and penalty thereon.

Capital commitments (net of advance)

Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances ₹ 281.1 million (31 March 2017: ₹ 453.8 million, 1 April 2016: ₹ 249.2 million).



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(All figures are in ₹ Million, except share data and unless otherwise stated)

32. Employee Benefits

a) Assets and liabilities relating to employee benefits

Non-current

Net defined benefit liability - Gratuity
Provision for compensated absences

As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
(11.4)	(6.3)	(4.0)
(7.8)	(7.2)	(3.2)
(19.2)	(13.5)	(7.2)

Current

Net defined benefit liability - Gratuity
Provision for compensated absences
Total employee benefit liabilities

(0.1)	(0.1)	(0.1)
(1.7)	(0.4)	(0.1)
(1.8)	(0.5)	(0.2)

Total

(21.0)	(14.0)	(7.4)
---------------	---------------	--------------

b) Defined benefit plan - Gratuity

The Company has a defined benefit gratuity plan, governed by the Payment of Gratuity Act, 1972. The scheme provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment. Vesting occurs upon completion of five years of service.

The above defined benefit plan exposes the Company to following risks:

Interest rate risk:

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Salary inflation risk:

Higher than expected increases in salary will increase the defined benefit obligation.

Demographic risk:

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Company has not changed the processes used to manage its risks from previous periods. The funds are managed by specialised team of Life Insurance Corporation of India.

Funding

This is an unfunded benefit plan for qualifying employees.

Reconciliation of the net defined benefit (asset) / liability

- Reconciliation of present value of defined benefit obligation

	Year ended 31 March 2018	Year ended 31 March 2017
Balance at the beginning of the year	6.4	4.1
Current service cost	4.1	2.1
Past service cost	0.9	-
Interest cost	0.5	0.3
Benefits paid	(0.1)	(0.0)
Actuarial gain (loss) recognised in other comprehensive income		
- experience adjustments	0.1	(1.6)
- changes in financial assumptions	(0.7)	0.3
Acquisition adjustment*	0.3	1.2
Balance at the end of the year	11.5	6.4

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



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Notes to the financial statements for the year ended 31st March 2018

(All figures are in ₹ Million, except share data and unless otherwise stated)

Employee Benefits (Contd.)

	Year ended 31 March 2018	Year ended 31 March 2017
Expense recognised in profit or loss		
Current service cost	4.1	2.1
Interest cost	0.5	0.3
Past service cost	0.9	-
	5.5	2.4
Remeasurements recognised in other comprehensive income		
Actuarial (gain) / loss arising during the year	(0.6)	(1.3)
Return on plan assets (greater) / less than discount rate	-	-
	(0.6)	(1.3)

Defined benefit obligations

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Actuarial assumptions			
Discount rate (per annum)	7.80%	7.35%	7.94%
Future salary growth rate (per annum)	8.00%	8.00%	8.00%
Attrition rate			
upto 30 years	3.00%	3.00%	3.00%
from 31- 44 years	2.00%	2.00%	2.00%
above 44 years	1.00%	1.00%	1.00%

Assumptions regarding future mortality are based on Indian Assured Lives Mortality (IALM) (2006-08) rates.

As at 31 March 2018, the weighted average duration of the defined benefit obligation was 15 years.

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	Year ended 31 March 2018		Year ended 31 March 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	10.1	13.3	5.6	7.4
Future salary growth rate (1% movement)	13.2	10.1	7.2	5.6
Attrition rate (50% of attrition rates)	11.3	11.7	6.2	6.5
Mortality rate (10% of mortality rates)	11.5	11.5	6.3	6.3

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same methods (present value of defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Expected benefit payments

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

	Year ended 31 March 2018	Year ended 31 March 2017
Within 1 year	0.1	
2-5 years	1.9	Not available
6-10 years	6.7	
More than 10 years	40.6	

c) Defined contribution plans

The Company makes contribution towards employees' provident fund and employees' state insurance plan scheme. Under the schemes, the Company is required to contribute a specified percentage of payroll cost, as specified in the rules of the scheme, to these defined contribution schemes. The Company has recognised ₹ 15.3 million (previous year ₹ 8.8 million) during the year as expense towards contribution to these plans.

	Year ended 31 March 2018	Year ended 31 March 2017
Provident fund	12.5	7.8
Employees' state insurance scheme	2.8	1.0
	15.3	8.8

Provident fund
Employees' state insurance scheme



Minda Kosei Aluminum Wheel Private Limited

Notes to the financial statements for the year ended 31st March 2018

(All figures are in ₹ Million, except share data and unless otherwise stated)

33. Financial Instruments - Fair Values And Risk Management

a. Financial instruments by category and fair values

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

		31 March 2018	31 March 2017	1 April 2016
	Note No.	Amortised cost	Amortised cost	Amortised cost
Financial assets				
Non-current				
Loans	6.	5.0	1.9	1.9
Other financial assets	7.	55.1	2.4	2.4
Current				
Trade receivables	12.	672.6	281.1	3.2
Cash and cash equivalents	13.	203.5	145.3	26.1
Bank Balances other than cash and cash equivalents	14.	41.9	3.6	3.4
Loans	6.	1.0	1.6	1.9
Other financial assets	7.	28.4	33.3	2.5
		1,007.5	469.2	41.4
Financial liabilities				
Non-current				
Borrowings	16.	779.8	401.4	349.0
Current				
Borrowings	16.	1,003.8	698.4	226.0
Trade payables	19.	891.3	467.8	115.1
Other financial liabilities	17.	350.9	75.1	234.2
		3,025.8	1,642.7	924.3

Assets and liabilities which are measured at amortised cost

1. Fair value of trade receivables, cash and cash equivalents, Bank Balances other than cash and cash equivalents, current loans, other current financial assets, trade payables, other current financial liabilities and borrowings approximate their carrying amount, largely due to the short-term nature of these instruments.

2. Interest rates on long term borrowings (including current maturities) are equivalent to the market rate of interest. Accordingly, the carrying value of such borrowings approximates fair value.

3. Fair value of margin money with banks included in non-current other financial assets is equivalent to their carrying amount, as the interest rate on them is equivalent to market rate.

4. Fair value of all other non-current assets have not been disclosed as the change from carrying amount is inconsequential.



Financial Instruments - Fair Values And Risk Management (Contd.)

b. Financial risk management

The Company, as active suppliers for the automobile industry expose its business and products to various market risks, credit risk and liquidity risk. The Company's management structure with the main activities make necessary organised risk management system. The regulations, instructions, implementation rules and in particular, the regular communication throughout the tightly controlled management process consisting of planning, controlling and monitoring collectively form the risk management system used to define, record and minimise operating, financial and strategic risks. Below notes explain the sources of risks in which the Company is exposed to and how it manages the risks:

(i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivable from customers. The carrying amount of financial assets represent the maximum credit risk exposure.

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customers. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The Company primarily has the exposure from following type of customers:

- Original Equipment Manufacturer (OEM)

The Company's marketing team has established a policy under which each new vendor is analysed individually for creditworthiness before transacting with the vendor. The Company's review includes due diligence by external agency, financial statements, industry information, promoter's background and in some cases bank references.

The Company's expected probability of default is nil and all major payments are received on due dates without any significant delays, hence no loss allowance has been provided in trade receivables.

The Company's exposure to credit risk for trade receivable by the type of customers is as follows:

	Carrying amount		
	31 March 2018	31 March 2017	1 April 2016
OEM	672.6	281.1	3.2

Ageing in respect of trade receivables is as follows:

	31 March 2018			
	Total	Less than 3 months	3 -12 months	1-5 years
Trade receivables	672.6	672.6	-	-
	672.6	672.6	-	-

	31 March 2017			
	Total	Less than 3 months	3 -12 months	1-5 years
Trade receivables	281.1	280.2	0.9	-
	281.1	280.2	0.9	-

	1 April 2016			
	Total	Less than 3 months	3 -12 months	1-5 years
Trade receivables	3.2	3.2	-	-
	3.2	3.2	-	-



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Notes to the financial statements for the year ended 31st March 2018

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Financial Instruments - Fair Values And Risk Management (Contd.)

Loans and other financial assets

a) The Company has given security deposits to Government departments and vendors for securing services from them. As these are well established organisations and have strong capacity to meet the obligations, risk of default is negligible or nil.

b) The Company provides loans to employees for their personal needs and repayment by deduction from the salary of the employees. Loans are given only to those employees who have served a minimum period as per the approved policy of the Company. The expected probability of default is negligible or nil.

The Company's exposure to credit risk for loans and other financial assets is as follows:

	Carrying amount		
	31 March 2018	31 March 2017	1 April 2016
Security deposits	5.4	3.0	3.1
Loans to employees	0.6	0.5	0.7
Bank deposits (due to mature after 12 months from the reporting date)	55.1	2.4	2.4
Interest accrued on deposits	1.2	0.6	0.3
Other receivables	27.3	32.7	2.1
	89.6	39.2	8.6

Cash and cash equivalents

Credit risk on cash and cash equivalents and Bank balances other than cash and cash equivalents is limited as the Company generally invests in deposits with international and domestic banks with high repute.



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Notes to the financial statements for the year ended 31st March 2018

(All figures are in ₹ Million, except share data and unless otherwise stated)

Financial Instruments - Fair Values And Risk Management (contd.)

Financial risk management (contd.)

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities, when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Long term cash flow requirement is monitored through long term plans. In the line of long term planning, short term plans are reviewed on quarterly basis and compared with actual position on monthly basis to assess the performance of the Company and liquidity position.

The Company monitors the level of expected cash inflows on trade receivables and loans together with expected cash outflows on trade payables and other financial liabilities. In addition to this, the Company maintains the following line of credit:

- The Company is having credit limit from banks on account of borrowings, working capital, cash credit etc., of USD 8.6 million and ₹2,050 million.

Exposure to liquidity risk

The following are the remaining undiscounted contractual maturities of financial liabilities including interest at the reporting date:

31 March 2018

	Contractual cash flow						Carrying amount
	Total	On demand	Less than 3 months	3 -12 months	1-5 years	More than 5 years	
Non derivative financial liabilities							
Foreign currency loan from banks	130.1	-	-	-	91.1	39.0	130.1
Rupee loan from banks	717.4	-	13.0	54.7	590.5	59.2	717.4
Secured buyer's credit from banks	1,003.8	-	307.2	696.6	-	-	1,003.8
Employee related payables	8.8	-	2.8	6.0	-	-	8.8
Interest accrued on borrowings	3.3	-	1.8	1.5	-	-	3.3
Payable for property, plant and equipment	271.1	-	254.5	16.6	-	-	271.1
Trade payables	891.3	-	742.3	149.0	-	-	891.3
	3,025.8	-	1,321.6	924.4	681.6	98.2	3,025.8

31 March 2017

	Contractual cash flow						Carrying amount
	Total	On demand	Less than 3 months	3 -12 months	1-5 years	More than 5 years	
Non derivative financial liabilities							
Rupee loan from banks	434.0	-	-	32.6	381.1	20.3	434.0
Secured buyer's credit from banks	698.4	-	258.5	439.9	-	-	698.4
Employee related payables	4.8	-	2.1	2.7	-	-	4.8
Interest accrued on borrowings	1.8	-	1.8	-	-	-	1.8
Payable for property, plant and equipment	35.9	-	17.7	18.2	-	-	35.9
Trade payables	467.8	-	389.6	78.2	-	-	467.8
	1,642.7	-	669.7	571.6	381.1	20.3	1,642.7
Derivative financial liabilities							
Forward contracts *	70.1	-	-	70.1	-	-	-
	70.1	-	-	-	-	-	-

1 April 2016

	Contractual cash flow						Carrying amount
	Total	On demand	Less than 3 months	3 -12 months	1-5 years	More than 5 years	
Non derivative financial liabilities							
Rupee loan from banks	349.0	-	-	-	250.8	98.2	349.0
Secured buyer's credit from banks	226.0	-	-	226.0	-	-	226.0
Employee related payables	0.6	-	0.6	-	-	-	0.6
Payable for property, plant and equipment	233.6	-	-	233.6	-	-	233.6
Trade payables	115.1	-	95.9	19.2	-	-	115.1
	924.3	-	96.5	478.8	250.8	98.2	924.3

* Contractual cash flows in respect to forward contracts represents the hedging cost to be paid in subsequent periods. These cash flows have been given for contracts disclosed under financial assets and financial liabilities.



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Notes to the financial statements for the year ended 31st March 2018

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Financial Instruments - Fair Values And Risk Management (Cond.)

Financial risk management (contd.)

(iii) Market risk

Market risk is the risk that changes in market prices - such as pricing, currency risk and interest rate risk- will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising the return. The Company uses derivatives to manage market risks. All such transactions are carried out within the guidelines set by the Company.

Price risk

Fluctuation in commodity price in market affects directly and indirectly the price of raw material and components used by the Company. The key raw material for the Company's is aluminium. There is substantial fluctuations in prices of aluminium. The Company has arrangements with its major customers for passing on the price impact.

Currency risk

The company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and functional currency of the Company, i.e. INR (₹). The currencies in which these transactions are primarily denominated are US dollar, Japanese Yen and Euro. The Company uses forward exchange contracts and currency swap contracts to hedge its currency risk as per the approved policy of the Company. The Company's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rate when necessary to address short term imbalances. However, the Company has not designated these derivatives as hedge relationship.

Exposure to currency risk

31 March 2018

	USD	JPY	EUR
Borrowings	(2.5)	(1,425.0)	(0.6)
Trade payables and other financial liabilities	(6.9)	(255.0)	-
Less: Forward contract outstanding	-	-	-
Net exposure of recognised financial assets/(liabilities)	(9.4)	(1,680.0)	(0.6)

31 March 2017

Borrowings	(0.9)	(992.7)	(0.7)
Trade payables and other financial liabilities	(2.5)	(5.9)	-
Less: Forward contract outstanding	1.1	-	-
Net exposure of recognised financial assets/(liabilities)	(4.5)	(998.6)	(0.7)

1 April 2016

Borrowings	(0.5)	(228.9)	(0.7)
Trade payables	-	(2.9)	-
Payables for property, plant and equipment	-	(112.7)	-
Less: Forward contract outstanding	-	-	-
Net exposure of recognised financial assets/(liabilities)	(0.5)	(344.5)	(0.7)

Sensitivity analysis

A reasonably possible strengthening/ (weakening) of USD, JPY and EURO against INR (₹) at the end of the year, would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amount shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Profit / (Loss) ₹ in million	
	Strengthening	Weakening
31 March 2018		
USD (0.5% movement)	(3.1)	3.1
JPY (0.5% movement)	(5.2)	5.2
EURO (0.5% movement)	(0.2)	0.2
31 March 2017		
USD (0.5% movement)	(1.5)	1.5
JPY (0.5% movement)	(2.9)	2.9
EURO (0.5% movement)	(0.2)	0.2

USD: US Dollar, JPY: Japanese Yen, EUR: Euro



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Financial Instruments - Fair Values And Risk Management (Cond.)
Financial risk management (contd.)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

The Company tries to manage the risk partly by entering into fixed-rate instruments and partly by borrowing at a floating rate.

Exposure to Interest rate risk

The Company has the following exposure in interest bearing borrowings as on reporting date:

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Fixed interest borrowings	1,133.9	698.4	226.0
Variable interest borrowings	717.4	434.0	349.0

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

Variable interest borrowings include rupee loan from banks which carry MCLR based interest rate.

Sensitivity analysis

A reasonably possible change of 1% in interest rate at the reporting date, would have affected profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

Year ended	Profit / (Loss) 1% increase	1% decrease
31 March 2018	0.7	(0.7)
31 March 2017	0.5	(0.5)

34. Operating Leases

Leases as lessee

The Company enters into operating lease arrangements for warehouse and guest houses. Some of the significant terms and conditions for the arrangements are:

- agreements may generally be terminated by either party by serving one to three month's notice / mutual consent i.e. all the leases are cancellable.
- the lease arrangements are generally renewable on the expiry of lease period subject to mutual agreement.
- no subletting of the premises or any part thereof is permissible without the prior written consent of lessor.

(a) Amount recognised in profit or loss:

	Year ended 31 March 2018	Year ended 31 March 2017
Lease expense for the year	5.8	1.5



Minda Kosei Aluminum Wheel Private Limited**Notes to the financial statements for the year ended 31st March 2018**

(All figures are in ₹ Million, except share data and unless otherwise stated)

35. Related Parties

Related party and nature of related party relationship where control exists:-

A) Ultimate Holding Company and Holding company : Minda Industries Limited, India

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

B) Other enterprise over which Key Management personnel is able to exercise significant influence**SI N Name of Party**

- 1 Kosei Minda Aluminum Company Private Limited

C) Joint Venture partner**SI N Name of Party**

- 1 Kosei International Trade and Investment Company Limited

D) Associate companies

- 1 Kosei North Aluminum Hokkaido Co Limited
- 2 Minda Projects Limited
- 3 Kosei Aluminium Thailand Co Limited
- 4 Kosei Aluminum Co Limited
- 5 Minda Nex Gen Tech Pvt Limited

E) Key management personnel

- 1 Naveesh Garg (Managing Director) (upto 10 April 2017)
- 2 K K Jha (Managing Director) (wef 10 April 2017)
- 3 Yoshiyuki Nomura (Director) (wef 07 October 2016)
- 4 Nirmal Kumar Minda (Director) (wef 23 March 2015)
- 5 Deepali Chandhoke (Independent Director) (wef 27 July 2016)
- 6 Vikrama Singh (Independent Director) (wef 7 October 2016)

F) Other related parties

- 1 Pallak Minda (Relative of director)
- 2 Paridhi Minda Jindal (Relative of director)

Transactions with related parties

	Year ended 31 March 2018	Year ended 31 March 2017	
A. Holding company			
a) Purchase of other intangible assets	4.1	7.1	
b) Employee Benefits	3.0	-	
c) Other expenses			
Repairs and maintenance	3.5	-	
Management fees	80.6	-	
Legal and professional	-	8.4	
(d) Reimbursements			
Expenses recovered / received	-	0.9	
Expense re-imbursed / paid	3.6	1.2	
(e) Issue of share capital	571.4	327.3	
(f) Sale of property, plant and equipment	0.1	-	
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
(a) Balance outstanding as at the year end			
Payables	88.9	4.2	173.9
Receivables / Advances	0.1	-	-



Minda Kosei Aluminum Wheel Private Limited
Notes to the financial statements for the year ended 31st March 2018
(All figures are in ₹ Million, except share data and unless otherwise stated)

Related Parties (contd.)

	Year ended 31 March 2018	Year ended 31 March 2017	
B. Other enterprise over which Key Management personnel is able to exercise significant influence			
(a) Purchase of raw material, components and parts	262.0	181.6	
(b) Purchase of property, plant and equipment	23.5	53.9	
(c) Other operating revenue / income	0.1	-	
(d) Other expenses			
Testing expenses	9.1	-	
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
(a) Balance outstanding as at the year end			
Payables	65.6	153.7	87.5
Receivables / Advances	0.1	-	-
	Year ended 31 March 2018	Year ended 31 March 2017	
C. Joint venture partner			
a) Purchase of raw material, components and parts	1,538.5	846.5	
b) Purchase of property, plant and equipment	937.0	604.6	
c) Other expenses			
Legal and professional	-	4.5	
(d) Reimbursements			
Expenses recovered / received	-	1.8	
Expense re-imbursed / paid	0.5	0.4	
(e) Issue of share capital	244.9	140.3	
(f) Employee Benefits (net off from expenses)	0.3	-	
(g) Capital advances	19.0	-	
(h) Other expenses			
Testing expenses	1.6	-	
Legal and professional	0.2	-	
Repairs and maintenance	0.3	-	
Royalty expenses	22.5	-	
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
(a) Balance outstanding as at the year end			
Payables	655.5	235.3	-
Receivables / Advances	-	92.1	-
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
D. Associate companies			
a) Sale of goods			
Kosei North Aluminum Hokkaido Co Limited	0.3	-	-
b) Purchase of property, plant and equipment			
Minda Projects Limited	663.5	-	-
c) Other expenses			
Testing expenses			
- Kosei Aluminium Thailand Co Limited	0.2	-	-
Royalty expense			
- Kosei Aluminum Co Limited	40.3	-	-
- Kosei Aluminium Thailand Co Limited	20.1	-	-
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
(a) Balance outstanding as at the year end			
Payables			
Kosei Aluminum Co Limited	36.1	-	-
Minda Projects Limited	27.0	-	-
Kosei Aluminium Thailand Co Limited	18.2	-	-
Receivables / Advances			
Kosei North Aluminum Hokkaido Co Limited	0.3	-	-
Minda Nex Gen Tech Pvt Limited	0.3	-	-



Minda Kosei Aluminum Wheel Private Limited
Notes to the financial statements for the year ended 31st March 2018
(All figures are in ₹ Million, except share data and unless otherwise stated)

Related Parties (contd.)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
E. Other related parties			
(a) Other expenses			
Rent expenses			
- Pallak Minda	2.4	-	-
- Paridhi Minda Jindal	2.8	-	-
(a) Balance outstanding as at the year end			
Payables			
Pallak Minda	0.1	-	-
Paridhi Minda Jindal	0.1	-	-
	Year ended 31 March 2018	Year ended 31 March 2017	
F. Key management personnel			
Managerial remuneration *			
Short term employee benefits	25.9	18.6	
Share based payment	3.0	-	
Sitting fees	0.3	0.1	

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

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 was 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 for the period 31 March 2017. However, royalty at the rate of 2% of the net turnover and management fees at the rate of 2% of the net turnover was payable by the Company to Kosei International Trade and Investment Company Limited and Minda Industries Limited (the "Joint Venture Partners") respectively for the period 31 March 2018.

Minda Industries Limited (Holding Company) has provided letter of comfort to various banks from whom the Company has availed various credit facilities. This is considered as an Insurance contract pursuant to Ind AS.

36. Operating Segments

a. Basis for segmentation

An operating segment is a component of the Company 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 Company's other components, and for which discrete financial information is available.

The Company is engaged in the business of manufacturing of alloy wheels which constitutes a single business segment, accordingly, disclosure requirement of Ind AS 108, "Operating Segments" are not required to be given. The Company operates within one geography i.e., India and all the non-current assets (excluding Deferred tax asset and Income tax asset) lies in India. Therefore, disclosure for geographical segment is also not required. Results of the Company are reviewed regularly by the Company's Board of Directors to assess the performance of the Company and to make decisions accordingly.

b. Major customer

Revenue from two customers of the Company are more than 90% of the Company's total revenue.



Minda Kosei Aluminum Wheel Private Limited**Notes to the financial statements for the year ended 31st March 2018**

(All figures are in ₹ Million, except share data and unless otherwise stated)

37. The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing regulation under Sections 92-92F of the Income-tax Act, 1961. Since, the law requires existence of such information and documentation to be contemporaneous in nature, the Company continuously updates its documentation to determine whether the transactions entered into with the associated enterprises during the financial year on an arm's length basis. The management is of the opinion that such transactions 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.

38. Share-based compensation

The Company had participated in the Minda Industries Limited Employee Stock Option Scheme 2016 and during the year ended 31 March 2017, the Nomination & Remuneration Committee of Minda Industries Limited ('the Parent Company') had approved the grant of 90,000 equity shares of face value of Rs. 2/- to its Director Mr. Kundan Kumar Jha 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 Company accounts for Equity Stock Options of the Parent Company as per the accounting treatment prescribed by the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (as amended from time to time) and the Ind AS - 102 on Share Based Payment.

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 (₹) per share
Minda Employee Stock Option Scheme 2016	2016-17	21 March 2017	40,000	Achieving target of market capitalization of parent Company on or before 31 March 2018	1 Year from the date of vesting	392

The number of share options under stock benefit plan is as follows:

Scheme	Year	Outstanding at the beginning of the year 01.04.2017	Granted during the year	Forfeited/lapsed/expired during the year	Exercised during the year	Exercisable at the end of the year 31.03.2018	Outstanding at the end of the year 31.03.2018
Minda Employee Stock Option Scheme 2016	2016-17	90000*	-	-	-	40,000	40,000

Fair valuation

The parent company has provided the fair value of Share based payment cost that have been done by an independent valuer on the date of grant using the Black-Scholes Model.

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

Particulars	As at 31 March 2018	As at 31 March 2017
Risk-free interest rate (%)	6.13%- 6.15 %	6.13%- 6.15 %
Expected life of options (years) [(year of vesting) +(contractual option term)/2]	1.53 year - 1.85 years	1.53 year - 1.85 years
Expected volatility (%)	27.92% - 43.62 %	27.92% - 43.62 %
Dividend yield	4.61%- 6.90%	4.61%- 6.90%

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.

* Out of Total 0.90 Lacs options outstanding as on 01.04.2017; 0.50 Lacs options granted to Mr. Naveesh Garg, has been transferred to parent company on 01.04.2017.

The above disclosure is based on the information, to the extent available with the Company.



39. EXPLANATION OF TRANSITION TO IND AS

As stated in note 2 A, these are the Company's first financial statements prepared in accordance with Ind AS. For the year ended 31 March 2017, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006 notified under section 133 of the Act and other relevant provisions of the Act ('previous GAAP').

The accounting policies set out in note 3 have been applied in preparing these financial statements for the year ended 31 March 2018 including the comparative information for the year ended 31 March 2017 and the opening Ind AS balance sheet on the date of transition i.e. 1 April 2016.

In preparing its Ind AS balance sheet as at 1 April 2016 and in presenting the comparative information for the year ended 31 March 2017, the Company has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

Optional exemptions availed

Property, plant and equipment and other intangible assets

As permitted by Ind AS 101, the Company has elected to continue with carrying value under previous GAAP for all items of property, plant and equipment and other intangible assets. The carrying values of property, plant and equipment and other intangible assets as aforesaid have been adjusted for making adjustments relating to site restoration costs, business combination of entities under common control and government grants.

Mandatory exceptions

Estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS or as at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is a objective evidence that those estimates were in error. However the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition or at the end of comparative period, as the case may be.

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statements that were not required under the previous GAAP are as follows:

- Determination of discounted value for financial instruments carried at amortised cost.

Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.



Minda Kosei Aluminum Wheel Private Limited
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(All figures are in ₹ Million, except share data and unless otherwise stated)

EXPLANATION OF TRANSITION TO IND AS (continued)

Reconciliation of equity	Note	As at the date of transition 1 April 2016			As at 31 March 2017	
		Previous GAAP	Ind AS adjustment	Ind AS	Previous GAAP *	Ind AS adjustment
Non-current assets						
Property, plant and equipment	(a)	232.4	149.4	381.8	1,969.2	259.5
Capital work in progress		1,073.2	-	1,073.2	74.9	-
Other intangible assets		0.6	-	0.6	8.9	-
Intangible assets under development		2.2	-	2.2	-	-
Financial assets		-	-	-	-	-
Loans	(b)	1.9	-	1.9	59.6	(57.7)
Other financial assets		2.4	-	2.4	2.4	-
Deferred tax assets (net)	(b)	-	-	-	-	48.3
Non-current tax assets (net)		0.3	-	0.3	-	-
Other non-current assets		57.9	-	57.9	134.3	-
Total non-current assets		1,370.9	149.4	1,520.3	2,249.3	250.1
Current assets						
Inventories		68.2	-	68.2	275.1	-
Financial assets						
Trade receivables		3.2	-	3.2	281.1	-
Cash and cash equivalents		26.1	-	26.1	145.3	-
Bank Balances other than cash and cash equivalents		3.4	-	3.4	3.6	-
Loans		1.9	-	1.9	1.6	-
Other financial assets		2.5	-	2.5	33.3	-
Other current assets		36.7	-	36.7	21.1	-
Total current assets		142.0	-	142.0	761.1	-
TOTAL ASSETS		1,512.9	149.4	1,662.3	3,010.4	250.1



EXPLANATION OF TRANSITION TO IND AS (continued)



Minda Kosei Aluminum Wheel Private Limited

Notes to the financial statements for the year ended 31st March 2018

(All figures are in ₹ Million, except share data and unless otherwise stated)

EXPLANATION OF TRANSITION TO IND AS (continued)

Reconciliation of total comprehensive income for the year ended 31 March 2017

	Note	Year ended 31 March 2017		
		Previous GAAP *	Ind AS adjustment	Ind AS
Revenue from operations	(c) ,(d) ,(e)	1,928.7	254.0	2,182.7
Other income		41.6	-	41.6
TOTAL REVENUE		1,970.3	254.0	2,224.3
EXPENSES				
Cost of materials consumed		1,098.0	-	1,098.0
Changes in inventories of finished goods, stock-in-trade and work-in-progress		(93.2)	-	(93.2)
Excise duty	(c)	-	244.8	244.8
Employee benefits expense	(f)	139.0	1.4	140.4
Finance costs		58.0	-	58.0
Depreciation and amortization expense	(d)	182.0	23.2	205.2
Other expenses	(e)	315.7	(14.0)	301.7
TOTAL EXPENSES		1,699.5	255.4	1,954.9
Profit before tax and exceptional items		270.8	(1.4)	269.4
Exceptional Items				
Profit before tax		270.8	(1.4)	269.4
Tax expense:				
Current tax (Minimum Alternate Tax for the year)		57.7	-	57.7
Deferred tax		(48.6)	-	(48.6)
Profit for the year		261.7	(1.4)	260.3
OTHER COMPREHENSIVE INCOME				
Items that will not to be reclassified subsequently to profit or loss				
Re-measurement gains / (losses) on defined benefit plans	(f)	-	1.3	1.3
Income tax effect		-	(0.4)	(0.4)
Net other comprehensive income not to be reclassified subsequently to profit or loss		-	0.9	0.9
Total comprehensive income for the year, net of tax		261.7	(0.5)	261.2



Minda Kosei Aluminum Wheel Private Limited

Notes to the financial statements for the year ended 31st March 2018

(All figures are in ₹ Million, except share data and unless otherwise stated)

EXPLANATION OF TRANSITION TO IND AS (continued)

Notes to the reconciliation (continued)

(a) Export promotion capital goods scheme (EPCG)

Under Ind AS, Government grants relating to the purchase of property, plant and equipment shall be presented in the balance sheet by setting up the grant as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income. Consequently, deferred income of ₹149.4 million is recorded after taking ₹149.4 million to purchase of property, plant and equipment as at 01 April 2016. Further ₹133.3 million deferred income recorded after taking ₹133.3 million to purchase of property, plant and equipment during the year ended March 2017. Further, an amount of ₹23.2 million was credited to profit or loss during 31 March 2017.

(b) MAT credit entitlement

Under previous GAAP, MAT credit entitlement was grouped under long term loans and advances. However, under Ind AS, the same is reclassified as a part of deferred tax.

(c) Excise duty

Under previous GAAP, revenue from sale of goods was presented net of excise duty on sales. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. Excise duty is presented as an expense in profit or loss. This has resulted in an increase in the revenue from operations and expenses for the year ended 31 March 2017. The total comprehensive income for the year ended and equity as at 31 March 2017 has remain unchanged.

The impact arising from the change is as follows:

	Increase / (Decrease) Year ended 31 March 2017
Statement of Profit and Loss	
Revenue from operations	244.8
Excise duty	244.8
Adjustment before income tax - Profit / (Loss)	-

(d) Government grants

Under previous GAAP, the Company had recognised government grants related to capital assets and were presented as net from the cost of property, plant and equipment. As per Ind AS 20, the Company has presented government grants related to assets, in balance sheet by setting up the grant as deferred income

The impact arising from the change as follows:

	Increase / (Decrease) Year ended 31 March 2017
Statement of Profit and Loss	
Other operating revenue (government grants)	23.2
Depreciation and amortisation expense	23.2
Adjustment before income tax - Profit / (Loss)	-

	As at 31 March 2017	As at 1 April 2016
Balance sheet		
Property, plant and equipment	259.5	149.4
Government grant/ deferred income	259.5	149.4
Adjustment to retained earnings	-	-

(e) Cash discount

Amount of ₹ 14.0 million has been reclassified from cash discount expense to discount as deduction from sales for the year ended 31 March 2017.

The impact arising from the change as follows:

	Increase / (Decrease) Year ended 31 March 2017
Statement of Profit and Loss	
Revenue	14.0
Cash discount	14.0
Adjustment before income tax - Profit / (Loss)	-

(f) Actuarial gain and loss

Under Ind AS, all actuarial gains and losses are recognised in other comprehensive income. Under pervious GAAP, the Company recognised actuarial gains and losses in profit or loss. However, this has no impact on the total comprehensive income and total equity as on 1 April 2016 and 31 March 2017.



Minda Kosei Aluminum Wheel Private Limited
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 (All figures are in ₹ Million, except share data and unless otherwise stated)

EXPLANATION OF TRANSITION TO IND AS (continued)

Notes to the reconciliation (continued)

Cash flow statement

The transition from previous GAAP to Ind AS has affected the cash flow for the year ended 31 March 2017 as follows:

	Previous GAAP	Ind AS adjustment	Ind AS
Cash flows from / (used) in operating activities	308.2	-	308.2
Cash flows from / (used) in investing activities	(1,191.8)	-	(1,191.8)
Cash flows from / (used) in financing activities	1,002.8	-	1,002.8
Net increase / (decrease) in cash and cash equivalents	<u>119.2</u>	<u>-</u>	<u>119.2</u>

As per our report of even date attached:

For B S R & Co. LLP
Chartered Accountants
 Firm Registration No.:101248W/W-100022

Tarun Gupta
 Partner
 Membership No. : 507892

Place: Gurugram
 Date: 5 May 2018

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


Kundan Kumar Jha
 Managing Director
 DIN No: 07137705

Place: Gurugram
 Date: 5 May 2018


Yoshihiro Toda
 Director
 DIN No: 08121667

Place: Gurugram
 Date: 5 May 2018



Ankur Agrawal
 Chief Financial Officer

Place: Gurugram
 Date: 5 May 2018



Rahul Kumar
 Company Secretary
 Membership No: ACS 35354

Place: Gurugram
 Date: 5 May 2018