

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Minda Kosei Aluminum Wheel Private Limited

**Report on the Audit of the Ind AS Financial Statements****Opinion**

We have audited the accompanying Ind AS financial statements of Minda Kosei Aluminium Wheel Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its Profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

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

**Other Information**

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

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

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

**Responsibility of Management and those charge with governance for the Ind AS Financial Statements**

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



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

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

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

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

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

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

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

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

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



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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of Sub-section (11) of Section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid/provided by the Company to its directors in accordance with the provision of Section 197 read with the Schedule V of the Act;
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 33(b) to the Ind AS financial statements.
    - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv) a) The management has represented that, to the best of its knowledge and belief, as disclosed in note 45(v) to the financial statement, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the



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- Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The management has represented that, to the best of its knowledge and belief, as disclosed in note 45(vi) to the financial statement, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. No dividend has been declared or paid during the year by the Company.
- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per **Anil Kumar Jain**

Partner

Membership Number: 097214

UDIN: 23097214BGYQOD8218

Place of Signature: Gurugram

Date: May 16, 2023



**Annexure 1 referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date****Re: Minda Kosei Aluminum Wheel Private Limited (“the Company”)**

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

(i)(a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(i)(a)(B) The Company has maintained proper records showing full particulars of intangible assets.

(i)(b) All property, plant and equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(i)(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) are held in the name of the Company.

(i)(d) The Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets during the year ended March 31, 2023.

(i)(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii)(a) The management has conducted physical verification of inventories at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed on such physical verification.

(ii)(b) As disclosed in note 16 (b) to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of financial statements, the monthly returns / statements filed by the Company with such banks are in agreement with the books of accounts of the Company.

(iii) (a) During the year the Company has not made investment in, provided any guarantee or security or granted any loans or advances in nature of loans, secured or unsecured, to companies, firm, limited liability partnerships or any other parties except for loans granted to employees and a fellow subsidiary for which requisite information is given below:

Particulars	Loans (INR in Million)
Aggregate amount granted / provided during the year to:	
- Employees	15.9
- Fellow Subsidiary	577.0
Balance Outstanding as at March 31, 2023:	
- Employees	9.4
- Fellow Subsidiary	577.0

(b) The terms and conditions of loans granted during the year are, prima facie, not prejudicial to the interest of the Company.

(c) In case of loans given, the repayment of principal and payment of interest, as applicable, has been stipulated and are regular.





- (d) There is no overdue amounts for more than 90 days for each loan given.
- (e) There is no loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given.
- (f) The Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) Loans, investments, guarantees and security in respect of which provisions of Sections 185 and 186 of the Companies Act, 2013 are applicable have been complied with by the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) Pursuant to the rules made by the Central Government, the Company is required to maintain cost records as specified under Section 148 (1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii)(a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of custom, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (vii)(b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues which have not been deposited on account of any dispute, are as follow:

Name of Statute	Nature of Dues	Amount (in Rs. Million)	Period to which amount related	Forum where the dispute is pending
Central Excise Act, 1944	Excise duty demand	0.8	2018-2019	CESTAT, New Delhi

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix)(a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) Term loans were applied for the purpose for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short- term basis have been used for long- term purpose by the Company.



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



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- (xix) On the basis of the financial ratios disclosed in note 43 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx)(a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to Sub-section 5 of Section 135 of the Act. This matter has been disclosed in note 42 to the financial statements.
- (b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of Sub-section (6) of Section 135 of Companies Act. This matter has been disclosed in note 42 to the financial statements.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

  
per **Amit Kumar Jain**  
Partner

Membership Number: 097214

UDIN: 23097214BGYQOD8218

Place of Signature: Gurugram

Date: May 16, 2023





**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF MINDA KOSEI ALUMINUM WHEEL PRIVATE LIMITED**

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

We have audited the internal financial controls with reference to Ind AS financial statements of Minda Kosei Aluminum Wheel Private Limited ("the Company") as of March 31, 2023, in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

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

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

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

**Meaning of Internal Financial Controls with Reference to Financial Statements**

A company's internal financial controls with reference to the financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to the 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of



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unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls 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 controls 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, adequate internal financial controls with reference to these Ind AS financial statements and such internal financial controls with reference to these Ind AS financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per **Ankit Kumar Jain**

Partner

Membership Number: 097214

UDIN: 23097214BGYQOD8218

Place of Signature: Gurugram

Date: May 16, 2023



**Minda Kosei Aluminum Wheel Private Limited**  
**Balance Sheet as at March 31, 2023**  
**INR in millions, unless otherwise stated**

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4A	5,223.5	4,158.3
Capital work in progress	4B	793.6	1,574.9
Right-of-use assets	4C	22.7	24.3
Intangible assets	5	82.3	12.3
Intangible assets under development	5	-	26.4
<b>Financial assets</b>			
Other financial assets	6E	48.4	20.7
Deferred tax assets (net)	7	162.9	102.4
Income tax assets (net)	8	-	0.1
Other assets	9	318.4	148.3
<b>Total non-current assets (A)</b>		<b>6,651.8</b>	<b>6,067.7</b>
<b>Current assets</b>			
Inventories	10	1,236.7	1,138.1
<b>Financial assets:</b>			
(i) Trade receivables	11	1,717.2	1,179.0
(ii) Cash and cash equivalents	12	10.2	26.2
(iii) Bank balances other than (ii) above	13	-	25.8
(iv) Loans	6D	586.4	3.3
(v) Other financial assets	6E	62.8	71.5
Other assets	9	68.3	158.0
<b>Total current assets (B)</b>		<b>3,681.6</b>	<b>2,842.9</b>
<b>Total assets (A+B)</b>		<b>10,333.4</b>	<b>8,910.6</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	14	2,495.8	2,495.8
Other equity	15	3,592.6	3,104.4
<b>Total equity (A)</b>		<b>6,088.4</b>	<b>5,600.2</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	16	1,215.1	858.0
(ii) Lease liabilities	4C	22.6	23.8
(iii) Other financial liabilities	17	452.5	687.1
(b) Provisions	18	57.5	49.4
<b>Total non-current liabilities (B)</b>		<b>1,747.7</b>	<b>1,618.3</b>
<b>Current liabilities</b>			
(a) Financial liabilities:			
(i) Borrowings	16	775.5	419.1
(ii) Lease liabilities	4C	1.2	1.2
(iii) Trade payables	19		
(A) Total outstanding dues of micro and small enterprises		24.7	30.3
(B) Total outstanding dues of creditors other than micro and small enterprises		817.8	715.0
(iv) Other financial liabilities	20	576.0	342.8
(b) Current tax liabilities (net)	8	87.9	19.3
(c) Provisions	18	62.4	55.2
(d) Other current liabilities	21	151.8	109.2
<b>Total current liabilities (C)</b>		<b>2,497.3</b>	<b>1,692.1</b>
<b>Total liabilities (D)=(B+C)</b>		<b>4,245.0</b>	<b>3,310.4</b>
<b>Total equity and liabilities (A+D)</b>		<b>10,333.4</b>	<b>8,910.6</b>

Summary of significant accounting policies

The accompanying notes are an integral part of these financial statements

As per our report of even date

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

per Amit Kumar Jain  
Partner

Membership No. : 097214



Place: Gurugram  
Date: May 16, 2023

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

Kundan Kumar Jha  
Managing Director  
DIN No: 07137705

Kantendra Singh Parmar  
Chief Financial Officer

Nirmal Kumar Minda  
Director  
DIN No: 00014942

Shalinee Jaiswal  
Company Secretary  
Membership No.: 58454

**Minda Kosei Aluminum Wheel Private Limited**  
**Statement of Profit and Loss for the year ended March 31, 2023**  
**INR in millions, unless otherwise stated**

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>INCOME</b>			
(a) Revenue from contracts with customers	22	12,872.0	8,129.6
(b) Other income	23	55.3	37.4
<b>Total income (A)</b>		<b>12,927.3</b>	<b>8,167.0</b>
<b>EXPENSES</b>			
(a) Cost of raw materials and components consumed	24	7,826.3	4,665.2
(b) Increase in inventories of finished goods and work-in-progress	25	(269.5)	(208.0)
(c) Employee benefits expense	26	1,063.1	579.2
(d) Finance costs	27	149.3	113.5
(e) Depreciation and amortisation expense	28	904.8	680.5
(f) Other expenses	29	2,627.8	1,358.3
<b>Total expenses (B)</b>		<b>12,301.8</b>	<b>7,168.7</b>
<b>Profit for the year before tax (C)=(A-B)</b>		<b>625.5</b>	<b>998.3</b>
<b>TAX EXPENSES:</b>			
Current tax	8	184.2	319.7
Tax related to earlier years	8	13.3	15.6
Deferred tax	8	(60.4)	(59.2)
<b>Total tax expense (D)</b>		<b>137.1</b>	<b>276.1</b>
<b>Profit for the year (E)=(C-D)</b>		<b>488.4</b>	<b>722.2</b>
<b>Other comprehensive income</b>			
<b>Items that will not to be reclassified to profit or loss in subsequent periods:</b>			
Re-measurement (loss)/gains on defined benefit plans		(0.3)	9.5
Income tax relating to items that will not be reclassified to profit or loss		0.1	(1.7)
<b>Other comprehensive income for the year (net of tax) (F)</b>		<b>(0.2)</b>	<b>7.8</b>
<b>Total comprehensive income for the year</b>		<b>488.2</b>	<b>730.0</b>
<b>(comprising of profit and other comprehensive income) (E+F)</b>			
<b>Earnings per equity share on profit for the year (in Rs.)</b>			
<b>(Nominal Value of share Rs 10 each)</b>			
<b>Basic and Diluted</b>	30	2.0	3.6
Summary of significant accounting policies	3		
The accompanying notes are an integral part of these financial statements			
As per our report of even date			

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

per Amit Kumar Jain  
Partner  
Membership No. : 097214



Place: Gurugram  
Date: May 16, 2023

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

Kundan Kumar Jha  
Managing Director  
DIN No: 07137705

Kamlendra Singh Parmar  
Chief Financial Officer

Nirmal Kumar Minda  
Director  
DIN No: 00014942

Shalinee Jaiswal  
Company Secretary  
Membership No.: 58454

**Minda Kosei Aluminum Wheel Private Limited**  
**Cash Flow Statement for the year ended March 31, 2023**  
**INR in millions, unless otherwise stated**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Cash Flow from Operating Activities</b>		
<b>Profit before tax</b>	625.5	998.3
<b>Adjustment to reconcile profit before tax to net cash flows</b>		
Depreciation and amortisation expenses	904.8	660.5
Provision for doubtful receivable written back	(0.4)	-
Provision for doubtful advances	-	7.8
Finance costs	149.5	113.5
Income from government grant (including interest)	(6.2)	-
Interest income	(5.1)	(9.0)
Loss/(profit) on sale of property, plant and equipment	0.8	(0.2)
Mark-to-market gain from derivative instruments	(3.0)	-
Unrealised (gain) / loss on foreign currency fluctuations (net)	-	(8.2)
<b>Operating profit before working capital changes</b>	<b>1,665.9</b>	<b>1,762.7</b>
<b>Movements in working capital :</b>		
(Increase) in Inventory	(98.6)	(522.0)
(Increase) in trade receivables	(537.8)	(195.4)
Decrease in loans and other financial assets	2.5	2.6
Decrease/(Increase) in other assets	89.7	(11.1)
Increase in trade payables	97.2	28.2
Increase in other financial liabilities	9.8	36.8
Increase in provisions for employee benefits	15.0	60.9
Increase in other current liabilities	42.6	0.6
<b>Cash generated from operations</b>	<b>1,286.3</b>	<b>1,163.3</b>
Income tax paid (net)	(128.8)	(257.9)
<b>Net cash generated from operating activities (A)</b>	<b>1,157.5</b>	<b>905.4</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment, including capital work in progress and advances for property, plant and equipment	(1,458.1)	(1,624.3)
Proceeds from sale of property, plant and equipment	0.3	1.6
Fixed deposits matured	25.8	1.6
Fixed deposits with bank	(24.2)	-
Interest received	4.7	10.2
Loan given to a related party	(577.0)	-
Loan received back from related party	-	15.0
<b>Net cash (used in) investing activities (B)</b>	<b>(2,028.5)</b>	<b>(1,595.9)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	886.1	589.7
Repayments of borrowings	(419.1)	(247.9)
Proceeds from issuance of shares (net of share issue expenses)	-	606.6
Payment of principal portion of lease liability	(1.2)	(1.1)
Proceeds from current borrowings (net)	246.4	-
Interest paid	(98.2)	(76.4)
<b>Net cash generated from financing activities (C)</b>	<b>614.0</b>	<b>870.8</b>
<b>Net (decrease)/increase in cash and cash equivalents (A + B + C)</b>	<b>(257.0)</b>	<b>180.4</b>
Cash and cash equivalents at the beginning of the year	267.2	86.8
<b>Cash and cash equivalents at the end of the year</b>	<b>10.2</b>	<b>267.2</b>



**Minda Kosei Aluminum Wheel Private Limited**  
**Cash Flow Statement for the year ended March 31, 2023**  
**INR in millions, unless otherwise stated**

<b>Components of cash and cash equivalents</b>		
Cash on hand	0.1	0.1
Balances with banks:		
Current accounts	10.1	38.7
Bank deposit (with original maturity of 3 months or less)	-	228.4
<b>Total cash and cash equivalents (refer note 12)</b>	<b>10.2</b>	<b>267.2</b>

**Summary of significant accounting policies** **3**  
**The accompanying notes are an integral part of these financial statements**  
**As per our report of even date**

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



**per Amit Kumar Jain**  
Partner  
Membership No. : 097214

Place: New Delhi  
Date: May 16, 2023



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



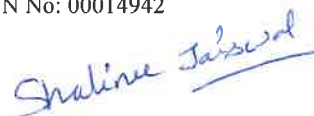
**Kundan Kumar Jha**  
Managing Director  
DIN No: 07137705



**Kamendra Singh Parmar**  
Chief Financial Officer



**Nirmal Kumar Minda**  
Director  
DIN No: 00014942



**Shalinee Jaiswal**  
Company Secretary  
Membership No.: 58454



**Minda Kosei Aluminum Wheel Private Limited**  
**Statement of changes in equity for the year ended March 31, 2023**  
 INR in millions, unless otherwise stated

**A. Equity share capital**

For the year ended March 31, 2023

Equity shares of INR 10 each issued, subscribed and fully	No. in Million	INR in Million
At April 01, 2022	249.6	2,495.8
Issue of share capital	-	-
At March 31, 2023	249.6	2,495.8

For the year ended March 31, 2022

Equity shares of INR 10 each issued, subscribed and fully	No. in Million	INR in Million
At April 01, 2021	188.4	1,883.8
Issue of share capital (Note 14)	61.2	612.0
At March 31, 2022	249.6	2,495.8

**B. Other equity**

Particulars	Attributable to equity shareholders		
	Reserves and surplus		
	Retained earnings	Items of OCI Remeasurement of defined benefit liability / asset	Total
As at April 01, 2021	2,379.8	-	2,379.8
Profit for the year	722.2	-	722.2
Other comprehensive income (net of tax)	-	7.8	7.8
<b>Total comprehensive income</b>	<b>722.2</b>	<b>7.8</b>	<b>730.0</b>
Transferred to retained earnings	7.8	(7.8)	-
Share issue expenses	(5.4)	-	(5.4)
<b>As at April 01, 2022</b>	<b>3,104.4</b>	<b>-</b>	<b>3,104.4</b>
Profit for the year	488.4	-	488.4
Other comprehensive (loss) (net of tax)	-	(0.2)	(0.2)
<b>Total comprehensive income / (loss)</b>	<b>488.4</b>	<b>(0.2)</b>	<b>488.2</b>
Transferred to retained earnings	(0.2)	0.2	-
<b>As at March 31, 2023</b>	<b>3,592.6</b>	<b>-</b>	<b>3,592.6</b>

Summary of significant accounting policies 3  
 The accompanying notes form an integral part of these financial statements  
 As per our report of even date

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

  
 per **Ankit Kumar Jain**  
 Partner  
 Membership No. : 097214



Place: Gurugram  
 Date: May 16, 2023

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

  
**Kundan Kumar Jha**  
 Managing Director  
 DIN No: 07137705

  
**Kamendra Singh Parmar**  
 Chief Financial Officer

  
**Nirmal Kumar Minda**  
 Director  
 DIN No: 00014942

  
**Shalinee Jaiswal**  
 Company Secretary  
 Membership No. : 58454

**MINDA KOSEI ALUMINUM WHEEL PRIVATE LIMITED**  
**Notes to the financial statements for the year ended March 31, 2023**

**1. Corporate information**

Minda Kosei Aluminum Wheel Private Limited ("the Company") was incorporated on March 23, 2015 under the provisions of the Companies Act, 2013. The Company is a wholly owned subsidiary of UNO Minda Limited ("UML") (formerly known as "Minda Industries Limited"). The Company is engaged in the business of manufacturing and supply of aluminium alloy wheels. The registered office of the Company is B-64/1, Wazirpur Industrial Area, Delhi 110052.

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

The financial statements were approved for issue in accordance with a resolution of the directors on May 16, 2023.

**2. Significant accounting policies**

**a) Basis of preparation**

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

The financial statements are presented in INR and all values are rounded to the nearest million (INR 0,00,000), except when otherwise indicated.

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

**b) Basis of measurement**

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

**3. Summary of significant accounting policies**

**(i) Current versus non-current classification**

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

**Assets**

**An asset is 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.

**Liabilities**

**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



**MINDA KOSEI ALUMINUM WHEEL PRIVATE LIMITED**  
**Notes to the financial statements for the year ended March 31, 2023**

- (d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

**Operating cycle**

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

**(ii) Property, plant and equipment**

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

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

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

**Subsequent costs**

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

**Capital work in progress**

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

**Depreciation**

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



**MINDA KOSEI ALUMINUM WHEEL PRIVATE LIMITED**  
**Notes to the financial statements for the year ended March 31, 2023**

Particulars	Management estimate of useful life (years)	Useful life as per Schedule II of Companies Act, 2013 (years)
Building	30	30
Plant & Machinery	1 to 15	15
Furniture and fixtures	10	10
Vehicles	8	8
Office equipment	3 to 10	5
Servers & Networking equipment	6	3
End user devices, such as desktops, laptops, etc.	3	3

The Company based on management estimate depreciates certain items of plant & machinery and office equipment over the estimated useful lives which are different from the useful lives prescribed in Schedule II of Companies Act 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at the end of each financial year and adjusted prospectively, if appropriate. In particular, the Company considers the impact of health, safety and environment legislation in its assessment of expected useful lives and estimated residual values.

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).

**(iii) Intangible assets**

**Recognition and measurement**

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful life of intangible assets are assessed as finite.

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

**Amortisation and useful lives**

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets comprise of computer software and technical know how having an estimated useful life of 3 to 6 years as per the management estimate and are amortized on a straight line basis over the estimated useful economic life. Amortisation method, useful life and residual values are reviewed at the end of each financial year and adjusted if appropriate



**MINDA KOSEI ALUMINUM WHEEL PRIVATE LIMITED**  
**Notes to the financial statements for the year ended March 31, 2023**

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss, when the asset is derecognised.

**(iv) Inventories**

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

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

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

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

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

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

**(v) Foreign currency transaction**

**Functional and presentational currency**

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

**Transactions and balances**

Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses average rate if the average approximates the actual rate at the date of the transaction

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

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss





**MINDA KOSEI ALUMINUM WHEEL PRIVATE LIMITED**  
**Notes to the financial statements for the year ended March 31, 2023**

on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration

**(vi) Revenue recognition**

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

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

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

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

**Sale of goods**

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

**Interest Income**

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

**Government Grants**

Government grant are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in proportionate amount to the extent of fulfilment of export obligation.

**Trade receivables**

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





**MINDA KOSEI ALUMINUM WHEEL PRIVATE LIMITED**  
**Notes to the financial statements for the year ended March 31, 2023**

**(vii) Leases**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**Company as a lessee**

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

**Right-of-use assets**

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

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

- Plant and machinery 15 years

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

**Lease Liabilities**

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

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

**(viii) Retirement and other employee benefits**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received



**MINDA KOSEI ALUMINUM WHEEL PRIVATE LIMITED**  
**Notes to the financial statements for the year ended March 31, 2023**

before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

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

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company recognizes expected cost of short-term employee benefit as an expense, when an employee renders the related service. The entire leave obligations are presented as current liabilities in the balance sheet as the Company does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- ▶ The date of the plan amendment or curtailment, and
- ▶ The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- ▶ Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- ▶ Net interest expense or income.

**(ix) Provisions (other than employee benefits)**

**General**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to passage of the time is recognised as finance cost.

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



**MINDA KOSEI ALUMINUM WHEEL PRIVATE LIMITED**  
**Notes to the financial statements for the year ended March 31, 2023**

**Contingencies**

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

**(x) Financial Instruments**

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

**Financial Assets**

**Initial recognition and measurement**

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section (vi) Revenue from contracts with customers.

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

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

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

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

**Subsequent measurement**

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

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



**MINDA KOSEI ALUMINUM WHEEL PRIVATE LIMITED**  
**Notes to the financial statements for the year ended March 31, 2023**

**Financial Assets at amortised cost**

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

- (i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

**De-recognition**

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

- (i) The contractual rights to receive cash flows from the asset has expired, or
- (ii) The Company has transferred its contractual rights to receive cash flows from the financial asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

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

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

**Financial Liabilities**

**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

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

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



**MINDA KOSEI ALUMINUM WHEEL PRIVATE LIMITED**  
**Notes to the financial statements for the year ended March 31, 2023**

**Subsequent measurement**

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

**Financial Liabilities at fair value through profit or loss**

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to profit or loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in profit and loss. The Company has not designated any financial liability as at fair value through profit or loss.

**Financial liabilities at amortised cost (Loans and borrowings)**

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

**De-recognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

**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.

**Derivative financial instruments**

The Company holds derivative financial instruments to hedge its foreign currency risk exposures.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value and changes therein are generally recognised in statement of profit and loss.

(xi) **Impairment of financial assets**

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

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

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





**MINDA KOSEI ALUMINUM WHEEL PRIVATE LIMITED**  
**Notes to the financial statements for the year ended March 31, 2023**

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

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

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

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

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

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

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

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

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

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

**(xiii) Fair value measurement**

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either

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

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





**MINDA KOSEI ALUMINUM WHEEL PRIVATE LIMITED**  
**Notes to the financial statements for the year ended March 31, 2023**

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for sale in discontinued operations.

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

At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents, if any.

The management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(xiv) Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

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



**MINDA KOSEI ALUMINUM WHEEL PRIVATE LIMITED**  
**Notes to the financial statements for the year ended March 31, 2023**

**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities.

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

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

► When the tax incurred on purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

► When receivables and payables are stated with the amount of tax included

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

**(xv) Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.



**MINDA KOSEI ALUMINUM WHEEL PRIVATE LIMITED**  
**Notes to the financial statements for the year ended March 31, 2023**

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

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

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

**(xvii) Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

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

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

**(xix) Share-based payments**

The holding company of the Company has implemented an Employee Stock Option Scheme under which certain senior employees of the Company are also covered. The cost under the scheme is determined at the fair value of the option on the date when the grant is made using an appropriate valuation model. Further details are given in Note 44.

**(xx) New and amended standards**

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

**a) Ind AS 103 – Reference to Conceptual Framework**

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

The amendments also added an exception to the recognition principle of Ind AS 103 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets or Appendix C, Levies, of Ind AS 37, if incurred separately. The exception requires entities to apply the criteria in Ind AS 37 or Appendix C, Levies, of Ind AS 37, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.



**MINDA KOSEI ALUMINUM WHEEL PRIVATE LIMITED**  
**Notes to the financial statements for the year ended March 31, 2023**

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

These amendments had no impact on the financial statements of the Company as there were no contingent assets, liabilities or contingent liabilities within the scope of these amendments that arose during the year.

**b) Ind AS 16 – Property, Plant and Equipment: Proceeds before intended use**

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

The amendments are effective for annual reporting periods beginning on or after 1 April 2022. These amendments had no impact on the financial statements of the Company as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

**c) Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract**

An onerous contract is a contract under which the unavoidable of meeting the obligations under the contract costs (i.e., the costs that the Company cannot avoid because it has the contract) exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

These amendments had no impact on the financial statements of the Company as there were no onerous contracts entered during the year.

**d) Ind AS 109 – Fees in the '10 per cent' test for derecognition of financial liabilities**

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

These amendments had no impact on the financial statements of the Company as there were no modifications of the Company's financial instruments during the year.

**e) Ind AS 41 Agriculture - Taxation in fair value measurements**

The amendment removes the requirement in paragraph 22 of Ind AS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of Ind AS 41.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022. The amendments had no impact on the financial statements of the Company as it did not have assets in scope of IAS 41 as at the reporting date.



**MINDA KOSEI ALUMINUM WHEEL PRIVATE LIMITED**  
**Notes to the financial statements for the year ended March 31, 2023**

**(xxi) Standards notified but not yet effective**

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective from 01 April 2023.

**a) Definition of Accounting Estimates - Amendments to Ind AS 8**

The amendments to Ind AS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after April 01, 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

The amendments are not expected to have a material impact on the Company's financial statements.

**b) Disclosure of Accounting Policies - Amendments to Ind AS 1**

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to Ind AS 1 are applicable for annual periods beginning on or after April 01, 2023. Consequential amendments have been made in Ind AS 107.

The Company is currently revisiting its accounting policy information disclosures to ensure consistency with the amended requirements.

**c) Deferred Tax related to Assets and Liabilities arising from a Single Transaction -Amendments to Ind AS 12**

The amendments to IND AS 12 narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Consequential amendments have been made in Ind AS 101.

The amendments to Ind AS 12 are applicable for annual periods beginning on or after April 01, 2023. The Company is currently assessing the impact of the amendments.



**Minda Kosei Aluminum Wheel Private Limited**  
**Notes to the financial statements for the year ended March 31, 2023**  
**INR in millions, unless otherwise stated**

**4A. Property, plant and equipment**

Particulars	As at March 31, 2023	As at March 31, 2022
Freehold land	537.2	534.6
Buildings	1,080.9	1,088.0
Plant and equipment	3,548.6	2,490.5
Furniture and fixtures	21.5	25.0
Vehicles	4.6	1.2
Office equipment	17.7	10.5
Computers	13.0	8.5
<b>Total</b>	<b>5,223.5</b>	<b>4,158.3</b>

**4B. Capital work in progress**

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	1,574.9	313.5
Additions	1,174.6	1,729.9
Deletions	(1,955.9)	(468.5)
<b>Closing balance</b>	<b>793.6</b>	<b>1,574.9</b>

**Capital work in progress ageing schedule**

**As at March 31, 2023**

Particulars	<1 year	1-2 years	2-3 years	More than 3 years	Total
- Projects in progress	673.9	119.7	-	-	793.6
- Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>673.9</b>	<b>119.7</b>	<b>-</b>	<b>-</b>	<b>793.6</b>

Note : Above projects are neither overdue, nor exceeded their cost compared to its approved budget.

**As at March 31, 2022**

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

Note : Above projects are neither overdue, nor exceeded their cost compared to its approved budget.

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**4C Leases**

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

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

Particulars	Plant and Machinery	Total
<b>Gross carrying amounts</b>		
Balance at April 1, 2021	-	-
Add: Additions made during the year	26.1	26.1
<b>Balance at March 31, 2022</b>	<b>26.1</b>	<b>26.1</b>
Add: Additions made during the year	-	-
<b>Balance at March 31, 2023</b>	<b>26.1</b>	<b>26.1</b>
<b>Depreciation expense</b>		
Balance at April 1, 2021	-	-
Add: Depreciation charged for the year	1.7	1.7
<b>Balance at March 31, 2022</b>	<b>1.7</b>	<b>1.7</b>
Add: Depreciation charged for the year	1.7	1.7
<b>Balance at March 31, 2023</b>	<b>3.4</b>	<b>3.4</b>
<b>Net carrying amounts</b>		
At March 31, 2022	24.3	24.3
At March 31, 2023	22.7	22.7

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

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Opening balances</b>	25.0	-
Additions	-	26.1
Finance cost accrued during the year	1.8	1.9
Repayment of lease liabilities	(3.0)	(3.0)
<b>Closing balances</b>	<b>23.8</b>	<b>25.0</b>

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

Particulars	As at March 31, 2023	As at March 31, 2022
Current lease liabilities	1.2	1.2
Non-current lease liabilities	22.6	23.8
<b>Total</b>	<b>23.8</b>	<b>25.0</b>

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

Particulars	As at March 31, 2023	As at March 31, 2022
Depreciation expense of right-of-use assets ( refer note 28)	1.7	1.7
Interest expense on lease liabilities ( refer note 27)	1.8	1.9
Expenses related to short-term leases (included in other expenses)( refer note 29)	20.2	3.1

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

Particulars	As at March 31, 2023	As at March 31, 2022
Within 1 year	3.0	3.0
1 to 5 years	11.7	11.8
More than 5 year	22.3	25.2



**Minda Kosei Aluminum Wheel Private Limited**

Notes to financial statements for the year ended March 31, 2023

INR in millions, unless otherwise stated

**4.1 Property, plant and equipment (PPE)**

Particulars	Freehold land	Buildings	Plant and equipment *	Furniture and fixtures	Vehicles	Office equipment	Computers	Total	ROU- Leasehold machinery	Capital work in progress
<b>Gross block</b>										
As at April 01, 2021	531.3	1,230.8	4,696.1	44.6	3.6	25.1	15.1	6,545.6	-	313.5
Additions	3.3	1.0	455.3	0.9	-	4.7	6.6	471.8	26.1	1,729.9
Disposals	-	-	(17.7)	-	-	-	(0.8)	(13.5)	-	(468.5)
As at March 31, 2022	534.6	1,231.8	5,133.7	45.5	3.6	29.8	20.9	6,999.9	26.1	1,574.9
Additions	2.6	34.8	1,890.5	1.0	5.2	12.8	9.0	1,955.9	-	1,174.6
Disposals	-	-	-	-	(3.6)	-	-	(3.6)	-	(1,955.9)
As at March 31, 2023	537.2	1,266.6	7,024.2	46.5	5.2	42.6	29.9	8,952.2	26.1	793.6
<b>Accumulated depreciation</b>										
As at April 01, 2021	-	102.8	2,059.8	16.0	1.9	15.4	9.9	2,205.8	-	-
Charge for the year	-	41.0	599.9	4.5	0.5	3.9	3.2	653.0	1.7	-
Disposal	-	-	(16.5)	-	-	-	(0.7)	(17.2)	-	-
As at March 31, 2022	-	143.8	2,643.2	20.5	2.4	19.3	12.4	2,841.6	1.7	-
Charge for the year	-	41.9	832.4	4.5	0.7	5.6	4.5	889.6	1.7	-
Disposal	-	-	-	-	(2.5)	-	-	(2.5)	-	-
As at March 31, 2023	-	185.7	3,475.6	25.0	0.6	24.9	16.9	3,728.7	3.4	-
<b>Net block</b>										
As at March 31, 2023	537.2	1,080.9	3,548.6	21.5	4.6	17.7	13.0	5,223.5	22.7	793.6
As at March 31, 2022	534.6	1,088.0	2,490.5	25.0	1.2	10.5	8.5	4,158.3	24.3	1,574.9

\* Includes government grant related to Export Promotion Capital Goods in plant and equipment as on March 31, 2023: gross block: Rs. 367.2 million, accumulated depreciation: Rs. 302.1 million (March 31, 2022: gross block: Rs. 367.2 million, accumulated depreciation: Rs. 255.2 million ).

Note:

(i) The Company does not hold any immovable property which is not held in the name of the Company as at March 31, 2023

(ii) Above assets are subject to first pari passu charge to secure bank loans. [refer to note 16]

(iii) On transition to Ind AS, the Company had elected to continue with the carrying value of all properties, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of property, plant and equipment.



5. Intangible assets and intangible asset under development

a) Details of intangible assets:

Particulars	As at March 31, 2023	As at March 31, 2022
Intangible assets		
- Computer software	9.7	12.3
- Technical know how	72.6	-
<b>Total</b>	<b>82.3</b>	<b>12.3</b>

b) Details of intangible assets under development:

Particulars	As at March 31, 2023	As at March 31, 2022
Intangible assets		
- Intangible asset under development	-	26.4
<b>Total</b>	<b>-</b>	<b>26.4</b>

b) Disclosures regarding gross block of intangible assets, accumulated amortisation and net block are as given below:.

Particulars	Computer software	Technical know how	Intangible assets under development	Total
Gross carrying amount				
As at April 01, 2021	30.0	-	-	30.0
Add: Additions	5.6	-	26.4	32.0
As at March 31, 2022	<b>35.6</b>	<b>-</b>	<b>26.4</b>	<b>62.0</b>
Add: Additions	3.3	80.2	53.8	137.3
Less: Capitalised during the year	-	-	(80.2)	(80.2)
As at March 31, 2023	<b>38.9</b>	<b>80.2</b>	<b>-</b>	<b>119.1</b>
Accumulated amortisation				
As at April 01, 2021	17.5	-	-	17.5
Add: Amortisation charge for the year	5.8	-	-	5.8
As at March 31, 2022	<b>23.3</b>	<b>-</b>	<b>-</b>	<b>23.3</b>
Add: Amortisation charge for the year	5.9	7.6	-	13.5
As at March 31, 2023	<b>29.2</b>	<b>7.6</b>	<b>-</b>	<b>36.8</b>
Net block				
As at March 31, 2023	<b>9.7</b>	<b>72.6</b>	<b>-</b>	<b>82.3</b>
As at March 31, 2022	<b>12.3</b>	<b>-</b>	<b>26.4</b>	<b>38.7</b>

Intangible asset under development ageing schedule

As at March 31, 2023

Particulars	Less than 1 year	1-2 years	2-3 years	Total
Project in progress	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

As at March 31, 2022

Particulars	Less than 1 year	1-2 years	2-3 years	Total
Project in progress	26.4	-	-	26.4
<b>Total</b>	<b>26.4</b>	<b>-</b>	<b>-</b>	<b>26.4</b>

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



6 Financial assets

a) Breakup of financial assets:

Particulars	As at March 31, 2023	As at March 31, 2022
A. Trade receivables (Refer note 11)	1,717.2	1,179.0
B. Cash and cash equivalents (Refer note 12)	10.2	267.2
C. Bank balances other than cash and cash equivalents		
<b>Current</b>		
Deposits with original maturity of more than 3 months but remaining maturity of upto 12 months (Refer Note 13) *	-	25.8
D. Loans		
<b>Current</b>		
-Loan to related party	577.0	-
-Loan to employees	9.4	3.3
<b>Total (D)</b>	<b>586.4</b>	<b>3.3</b>
E. Other financial assets		
<b>Non- current</b>		
<b>Financial assets measured at amortised cost:</b>		
Security deposits	24.2	20.7
Bank deposits (due to mature after 12 months from the reporting date)*	24.2	-
	<b>48.4</b>	<b>20.7</b>
<b>Current</b>		
<b>Financial assets measured at fair value through profit or loss:</b>		
Derivatives assets	31.5	28.5
<b>Financial assets measured at amortised cost:</b>		
Interest accrued on deposits	0.5	0.1
Other receivables		
- From related parties	29.01	42.9
- From other than related parties	1.79	0
	<b>62.8</b>	<b>71.5</b>
<b>Total (E)</b>	<b>111.2</b>	<b>92.2</b>
<b>Total (A + B + C + D + E)</b>	<b>2,425.0</b>	<b>1,567.5</b>
<b>Total current</b>	2,376.6	1,546.8
<b>Total Non- current</b>	48.4	20.7
<b>Total</b>	<b>2,425.0</b>	<b>1,567.5</b>

\* Represents fixed deposits pledged with banks against bank guarantee and letter of credit .



**Minda Kosei Aluminum Wheel Private Limited**  
**Notes to financial statements for the year ended March 31, 2023**  
**INR in millions, unless otherwise stated**

**b) Break up of financial assets:**

<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>At amortised cost</b>		
Trade receivables	1,717.2	1,179.0
Cash and cash equivalents	10.2	267.2
Bank balances other than cash and cash equivalents	-	25.8
Loans	586.4	3.3
Other financial assets (excluding derivative assets)	79.7	63.7
<b>At fair value through profit or loss</b>		
Derivatives assets	31.5	28.5
<b>Total</b>	<b>2,425.0</b>	<b>1,567.5</b>

**c) Loans**

**Disclosure required under Section 186(4) of the Companies Act, 2013:** Included in loans are certain intercorporate loans (Sanction limit: Rs.650.0 million but availment of Rs 577.0 million), the particulars of which are disclosed below:-

<b>Name of loanee</b>	<b>Rate of Interest</b>	<b>Due Date</b>	<b>Secured/ Unsecured</b>
Kosei Minda Aluminium Company Private Limited	10.15%	February 26, 2024	Unsecured

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7. Deferred tax assets (net)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Deferred tax assets relates to the following :</b>		
<b>Property, plant and equipment:</b> impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	23.5	-
Provision for employee benefits including bonus	30.2	16.7
Provision in respect of EPCG liability	105.8	97.0
Provision for doubtful receivables	1.9	2.0
Other disallowances including covered by Section 35D Income Tax Act, 1961	0.8	0.6
Unrealised foreign exchange gain/loss	0.3	0.4
Others	0.4	0.2
<b>Total deferred tax assets (A)</b>	<b>162.9</b>	<b>116.9</b>
<b>Deferred tax liability relates to the following :</b>		
<b>Property, plant and equipment:</b> impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	-	14.5
<b>Total deferred tax liabilities (B)</b>	<b>-</b>	<b>14.5</b>
<b>Net deferred tax assets* (A) - (B)</b>	<b>162.9</b>	<b>102.4</b>

\*Movement in deferred tax assets

Particulars	Balance as at March 31, 2022	Recognised in profit or loss	Recognised in OCI	Balance as at March 31, 2023
Property, plant and equipment and intangible assets	(14.5)	38.0	-	23.5
Provision for employee benefits including bonus	16.7	13.4	0.1	30.2
Provision in respect of EPCG liability	97.0	8.8	-	105.8
Provision for doubtful receivables	2.0	(0.1)	-	1.9
Other disallowances including covered by Section 35D Income Tax Act, 1961	0.6	0.2	-	0.8
Unrealised foreign exchange gain/loss	0.4	(0.1)	-	0.3
Others	0.2	0.2	-	0.4
<b>Total</b>	<b>102.4</b>	<b>60.4</b>	<b>0.1</b>	<b>162.9</b>

Particulars	Balance as at March 31, 2021	Recognised in profit or loss	Recognised in OCI	Balance as at March 31, 2022
Property, plant and equipment and intangible assets	(64.1)	49.6	-	(14.5)
Provision for employee benefits including bonus	16.4	2.0	(1.7)	16.7
Provision in respect of EPCG liability	88.2	8.8	-	97.0
Provision for doubtful receivables	-	2.0	-	2.0
Other disallowances including covered by Section 35D Income Tax Act, 1961	1.4	(0.8)	-	0.6
Unrealised foreign exchange gain/loss	3.1	(2.7)	-	0.4
Others	-	0.2	-	0.2
<b>Total</b>	<b>45.0</b>	<b>59.2</b>	<b>(1.7)</b>	<b>102.4</b>



8. Tax assets/ liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Income tax assets (net)</b>		
Income tax assets ( net)	-	0.1
<b>Total</b>	-	<b>0.1</b>
<b>Current tax liabilities (net)</b>		
Current tax liabilities (net)	87.9	19.3
<b>Total</b>	<b>87.9</b>	<b>19.3</b>

The particulars of income tax expense for the year ended March 31, 2023 and March 31,2022 are:

**Profit or loss section:**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Tax expense:</b>		
Current tax	184.2	319.7
Tax related to earlier years	13.3	15.6
Deferred tax	(60.4)	(59.2)
<b>Tax expense reported in the profit or loss section</b>	<b>137.1</b>	<b>276.1</b>

**Other comprehensive income section:**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Tax expense:</b>		
Income tax expense/(credit) relating to remeasurement loss/gains on defined benefit plans	(0.1)	1.7
<b>Tax expense reported in the other comprehensive income section</b>	<b>(0.1)</b>	<b>1.7</b>

**Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2023**

Particulars	As at March 31, 2023	As at March 31, 2022
Accounting profit before income tax	625.5	998.3
Applicable tax rate	25.17%	25.17%
<b>Computed tax expense</b>	<b>157.4</b>	<b>251.3</b>
Tax related to earlier years	13.3	15.6
Other items	(33.6)	9.2
<b>Total income tax expense</b>	<b>137.1</b>	<b>276.1</b>



**9. Other assets**

(Unsecured, considered good)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Non-current</b>		
Capital advances:		
- To related parties	28.5	4.5
- To other than related parties	289.9	143.8
<b>Total (A)</b>	<b>318.4</b>	<b>148.3</b>
<b>Current</b>		
Balance with government authorities	41.6	97.0
Advances to suppliers	22.7	57.2
Prepaid expenses	4.0	3.8
<b>Total (B)</b>	<b>68.3</b>	<b>158.0</b>
<b>Current</b>	<b>68.3</b>	<b>158.0</b>
<b>Non-current</b>	<b>318.4</b>	<b>148.3</b>
<b>Total (A+B)</b>	<b>386.7</b>	<b>306.3</b>

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

Particulars	As at March 31, 2023	As at March 31, 2022
Raw materials and components [Including goods in transit Rs. 40.4 Million (March 31, 2022 Rs. Nil)]	468.8	651.9
Work- in-progress	94.6	96.7
Finished goods	552.3	280.7
Stores and spares	121.0	108.8
<b>Total</b>	<b>1,236.7</b>	<b>1,138.1</b>

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

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

Particulars	As at March 31, 2023	As at March 31, 2022
Carrying amount of inventories (included above) hypothecated as securities for borrowings [refer to note no. 16]	1,236.7	1,138.1

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

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Trade receivables</b>		
Unsecured - considered good		
related parties	15.9	15.7
other than related parties	1701.3	1,163.3
<b>Total</b>	<b>1,717.2</b>	<b>1,179.0</b>

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**Trade receivables ageing schedule**  
**As at March 31, 2023**

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	1,539.3	175.4	2.5	-	-	-	1,717.2
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivable – credit impaired	-	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>1,539.3</b>	<b>175.4</b>	<b>2.5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,717.2</b>

**As at March 31, 2022**

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	1,111.9	67.1	-	-	-	-	1,179.0
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivable – credit impaired	-	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>1,111.9</b>	<b>67.1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,179.0</b>

- b) For terms and conditions relating to related party receivables, refer note 36.  
c) Trade receivables are non-interest bearing and are generally on terms of not more than 30-60 days.



12. Cash and cash equivalents

a) Details of cash and cash equivalents:

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks		
- current account	10.1	38.7
- demand deposits (with original maturity of 3 months or less)	-	228.4
Cash on hand	0.1	0.1
<b>Total</b>	<b>10.2</b>	<b>267.2</b>

b) Changes in liability arising from financing activities

Particulars	Long term borrowing		Lease liability	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Opening balance	1,277.1	938.5	25.0	-
Cash flow				
- Cash inflow	886.1	589.7	1.8	-
- Cash outflow	(419.1)	(247.9)	(3.0)	(1.1)
Add: Created during the year				26.1
Unrealised foreign exchange (gain)/loss	0.1	(3.2)	-	-
<b>Closing balance</b>	<b>1,744.2</b>	<b>1,277.1</b>	<b>23.8</b>	<b>25.0</b>
Long term borrowing (refer note 16)	1,215.1	858.0	-	-
Current maturity of long term borrowing (refer note 16)	529.1	419.1	-	-
Non-current lease liability (refer note 4C)	-	-	22.6	23.8
Current maturity of long term lease liability (refer note 4C)	-	-	1.2	1.2
<b>Total</b>	<b>1,744.2</b>	<b>1,277.1</b>	<b>23.8</b>	<b>25.0</b>

13. Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Deposits with original maturity of more than three months but remaining maturity of upto twelve months*	-	25.8
<b>Total</b>	<b>-</b>	<b>25.8</b>

\* fixed deposits pledged with banks against issue of bank guarantee.

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

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Authorised share capital</b>		
250.2 Million (March 31, 2022: 250.2 Million) equity shares of Rs. 10 each	2,502.0	2,502.0
	<b>2,502.0</b>	<b>2,502.0</b>
<b>Issued, subscribed and paid up</b>		
249.5 Million (March 31, 2022: 249.5 Million) equity shares of Rs. 10 each fully paid up	2,495.8	2,495.8
	<b>2,495.8</b>	<b>2,495.8</b>

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

Particulars	No. of shares (in million)	Amount
At April 01, 2021	189.0	1,890.0
Increase during the year	61.2	612.0
At April 01, 2022	<b>250.2</b>	<b>2,502.0</b>
Increase during the year	-	-
At March 31, 2023	<b>250.2</b>	<b>2,502.0</b>

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

Particulars	No. of shares (in million)	Amount
At April 01, 2021	188.4	1,883.8
Increase during the year	61.2	612.0
At April 01, 2022	<b>249.6</b>	<b>2,495.8</b>
Increase during the year	-	-
At March 31, 2023	<b>249.6</b>	<b>2,495.8</b>

**c) Terms/ rights attached to equity shares:**

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

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

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

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

Name of the shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of shares (in Million)	% holding in the equity shares	No. of shares (in Million)	% holding in the equity shares
Uno Minda Limited (Formerly known as Minda Industries Limited) (Holding company)	249.6	100.0%	193.1	77.4%
Kosci International Trade and Investment Company Limited, Hong Kong	-	0.0%	56.5	22.6%
<b>Total</b>	<b>249.6</b>	<b>100.0%</b>	<b>249.6</b>	<b>100.0%</b>

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

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

g) Shares held by the holding company

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares (in	Amount	No. of shares	Amount
Uno Minda Limited (Formerly known as Minda Industries Limited) (Holding company)	249.6	2,495.8	193.1	1,930.6

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15. Other equity

Particulars	Retained earnings	Total
<b>At April 01, 2021</b>	2,379.8	2,379.8
Profit for the year	722.2	722.2
Other comprehensive income for the year, net of tax	7.8	7.8
Share issue expenses	(5.4)	(5.4)
<b>At March 31, 2022</b>	<b>3,104.4</b>	<b>3,104.4</b>
Profit for the year	488.4	488.4
Other comprehensive income for the year, net of tax	(0.2)	(0.2)
<b>At March 31, 2023</b>	<b>3,592.6</b>	<b>3,592.6</b>

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**Minda Kosei Aluminum Wheel Private Limited****Notes to the financial statements for the year ended March 31, 2023****INR in millions, unless otherwise stated****h) Details of shares held by promoters****As at 31 March 2023**

<b>S. No.</b>	<b>Promoter Name</b>	<b>No. of shares at the beginning of the year</b>	<b>Change during the year</b>	<b>No. of shares at the end of the year</b>	<b>% of Total Shares</b>	<b>% change during the year</b>
Equity shares of INR 10 each fully paid	Uno Minda Limited (Formerly known as Minda Industries Limited)	193.1	56.5	249.6	100%	22.6%
Equity shares of INR 10 each fully paid	Kosei International Trade and Investment Company Limited	56.5	(56.5)	-	0%	-22.6%
<b>Total</b>		<b>249.6</b>	<b>-</b>	<b>249.6</b>	<b>100%</b>	<b>0%</b>

**As at 31 March 2022**

<b>S. No.</b>	<b>Promoter Name</b>	<b>No. of shares at the beginning of the year</b>	<b>Change during the year</b>	<b>No. of shares at the end of the year</b>	<b>% of Total Shares</b>	<b>% change during the year</b>
Equity shares of INR 10 each fully paid	Uno Minda Limited (Formerly known as Minda Industries Limited)	131.9	61.2	193.1	77.4%	7.4%
Equity shares of INR 10 each fully paid	Kosei International Trade and Investment Company Limited	56.5	-	56.5	22.6%	-7.4%
<b>Total</b>		<b>188.4</b>	<b>61.2</b>	<b>249.6</b>	<b>100%</b>	<b>0%</b>

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**16. Borrowings**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Non-current borrowings</b>		
Term loans from banks (secured) *	1,596.2	1,049.7
Foreign currency loan from a bank (secured)**	148.0	227.4
Less: Current maturities of long term borrowing disclosed under current borrowing	(529.1)	(419.1)
	<b>1,215.1</b>	<b>858.0</b>
<b>Current borrowings</b>		
Loans repayable on demand (cash credit)***	246.4	-
Current maturities of long term borrowings	529.1	419.1
	<b>775.5</b>	<b>419.1</b>
<b>Non- current</b>	<b>1,215.1</b>	<b>858.0</b>
<b>Current</b>	<b>775.5</b>	<b>419.1</b>
<b>Total</b>	<b>1,990.6</b>	<b>1,277.1</b>

**a. Terms repayment schedule and security**

Nature of security	Terms of repayment and rate of interest
*Terms loans from banks	
IndusInd bank Rupee loan from bank amounting to Rs. 25.0 million (March 31, 2022: Rs. 76.2 million) is secured by: -First pari passu charge on equitable mortgage over movable fixed assets. -Second pari passu charge on stock and book debts.	Rate of interest - floating @ Indusind Bank base rate 6 month MCLR. Currently 5.75% to 8.59% as at March 31,2023 (March 31, 2022: 5.75% )  Maximum tenor of loan is for 96 months from the date of first disbursement. Principal amount is repayable in 24 quarterly instalments after a moratorium period of 24 months from the date of first disbursement. First disbursement of the loan was in year 2018-19
IndusInd Bank Rupee loan from bank amounting to Rs. 59.0 million (March 31, 2022: Rs. 78.5 million) is secured by: -First pari passu charge on equitable mortgage over movable fixed assets. -Second pari passu charge on stock and book debts.	Rate of interest - floating @ Indusind Bank base rate 6 month MCLR. Currently 5.75% to 8.59% as at March 31,2023 (March 31, 2022: 5.75% )  Maximum tenor of loan is for 87 months from the date of first disbursement. Principal amount is repayable in 24 quarterly instalments after a moratorium period of 18 months from the date of first disbursement. First disbursement of the loan was in year 2015-16





<b>HDFC Bank</b> Ruppee loan from bank amounting to Rs. 195.4 million (March 31, 2022: Rs. 305.3 million) is secured by: - First pari passu charge on equitable mortgage over immovable property (land and building of Gujarat plant) - and movable (property, plant and equipment of Gujarat plant, Bawal Phase I plant and Bawal Phase II plant) - Second pari passu charge on stock and book debts.	Rate of interest - floating @ HDFC Bank base rate 6 month MCLR. Currently 5.75% to 8.45 % as at March 31, 2023 (March 31, 2022 : 5.75 %)  Maximum tenor of loan is for 84 months from the date of first disbursement. Principal amount is repayable in 20 quarterly instalments after a moratorium period of 24 months from the date of first disbursement. First disbursement of the loan was in year 2017-18.
<b>HDFC Bank</b> Ruppee loan from bank amounting to Rs. 832.0 million (March 31, 2022: ₹ 589.7 ) is secured by: - Exclusive charge over immovable PPE (land and building) both present and future of Bawal Plant. - First pari passu charge on equitable mortgage over movable fixed assets (property, plant and equipment of Bawal phase 1 plant and Bawal phase 2). - Second pari passu charge on stock and book debts.	Rate of interest - floating @ HDFC Bank base rate 6 month MCLR. 8.25% linked to 3 months T-bill. . Currently 5.75% to 8.25 % as at March 31, 2023 (5.75 % as at March 31, 2022 )  Maximum tenor of loan is for 54 months from the date of first disbursement. Principal amount is repayable in 18 quarterly instalments including moratorium period of 6 months from the date of first disbursement. First disbursement of the loan was in year 2021-22.
<b>HDFC Bank</b> Ruppee loan from bank amounting to Rs. 484.8 million (March 31, 2022: Rs. Nil million ) is secured by: - Exclusive charge over immovable PPE (land and building) of Bawal plant . - First pari passu charge on equitable mortgage over movable fixed assets (plant and equipment of Bawal phase 1 plant and Bawal phase 2) - Second pari passu charge on stock and book debts	Rate of interest - floating @ HDFC Bank base rate 6 month MCLR. . Currently 8.25% as at March 31, 2023  Maximum tenor of loan is for 60 months from the date of first disbursement. Principal amount is repayable in 12 quarterly instalments after a moratorium period of 12 months from the date of first disbursement. First disbursement of the loan was in year 2022-23.
<b>**Foreign currency loan from a bank</b>	
<b>SCB Bank</b> Foreign currency (USD) loan from bank amounting to Rs. 148 million (March 31, 2022: Rs.227.4 million) is secured by: - First pari passu charge on all movable property plant and equipment (both present and future) of Gujarat plant. - Second pari passu charge on current assets.	Cost of funds + Bank's margin of 1.50%. Currently 8.55% as at March 31, 2023. (March 31, 2022: 8.55%)  Maximum tenor of loan shall not exceed 7 years from the date of first disbursement. Principal amount is repayable in 20 equal quarterly installments after a moratorium period of 24 months from the date of first disbursement.



**\*\*\*Loans repayable on demand (cash credit)**

Loans repayable on demand (cash credit) amounting to Rs 246.4 million (Indusind Bank = 75 million & SCB Bank = 171.4 million) (March 31, 2022:Nil) is secured by :

Indusind Bank:

- First pari passu charge on current assets of the company.
- Second pari passu charge on movable fixed assets of the Company and immovable fixed assets of Bawal plant.

SCB Bank:

- First pari passu charge on current assets of the company.
- Second pari passu charge on movable fixed assets of the Company and immovable fixed assets of Gujarat plant.

Rate of interest : Mutually agreed

- b** The Company has been sanctioned working capital limits in excess of INR 5 Crores in aggregate from bank during the year on the basis of security of current assets of the Company and monthly statements filed by the Company with such banks are in agreement with the books of accounts of the Company.



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## 17 Other financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Non-current</b>		
<b>Financial liabilities measured at amortised cost:</b>		
Amount payable for property, plant and equipment towards land enhancement cost		6.7
Government grant under export promotion capital goods scheme Including Interest [Refer note 34]*	452.5	680.4
<b>Total</b>	<b>452.5</b>	<b>687.1</b>

## \*Movement of Government Grant

Particulars	As at March 31, 2023	As at March 31, 2022
<b>At the beginning of the year</b>		
<b>Non Current (Refer note 17)</b>	680.4	717.5
<b>Current (Refer note 20)</b>	72.4	-
<b>Total</b>	<b>752.8</b>	<b>717.5</b>
Received during the year	38.6	35.3
Released to statement of profit and loss (Refer note 23)	(6.2)	-
<b>At the end of the year</b>	<b>785.2</b>	<b>752.8</b>
<b>Non Current (Refer note 17)</b>	452.5	680.4
<b>Current (Refer note 20)</b>	332.7	72.4
<b>Total</b>	<b>785.2</b>	<b>752.8</b>

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18 . Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Non-current</b>		
<b>Provision for employee benefits</b>		
- Provision for gratuity (refer note 32)	57.5	49.4
<b>Total (A)</b>	<b>57.5</b>	<b>49.4</b>
<b>Current</b>		
<b>Provision for employee benefits</b>		
- Provision for gratuity (refer note 32)	10.9	8.1
- Provision for compensated absences	51.5	47.1
<b>Total (B)</b>	<b>62.4</b>	<b>55.2</b>
<b>Total (A+B)</b>	<b>119.9</b>	<b>104.6</b>

19 . Trade payables

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises (refer note 35)	24.7	30.3
Total outstanding dues of creditors other than micro enterprises and small enterprises	817.8	715.0
<b>Total</b>	<b>842.5</b>	<b>745.3</b>

- a) Trade payables are non-interest bearing and are normally settled in 45 days terms.
- b) Trade payable in respect of related parties is Rs 402.2 million (March 31,2022 : Rs 391.1 million ) , for terms and conditions with related parties, refer note 36.

Trade payables Ageing Schedule  
As at March 31, 2023

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	22.2	1.0	1.5	-	-	24.7
Total outstanding dues of creditors other than micro enterprises and small enterprises	174.3	531.7	83.8	26.1	-	1.9	817.8
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
<b>Total</b>	<b>174.3</b>	<b>553.9</b>	<b>84.8</b>	<b>27.6</b>	<b>-</b>	<b>1.9</b>	<b>842.5</b>



**Trade payables Ageing Schedule**  
**As at March 31, 2022**

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	21.2	9.1	-	-	-	30.3
Total outstanding dues of creditors other than micro enterprises and small enterprises	124.4	513.7	75.0	-	1.9	-	715.0
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
<b>Total</b>	<b>124.4</b>	<b>534.9</b>	<b>84.1</b>	<b>0.0</b>	<b>1.9</b>	<b>0.0</b>	<b>745.3</b>

**20 . Other financial liabilities**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Current</b>		
<b>Financial liabilities measured at amortised cost:</b>		
Employee related payables	71.4	61.6
Interest accrued on borrowings	7.4	4.4
Government grant under Export Promotion Capital Goods Scheme including Interest [Refer note 34]	332.7	72.4
Amount payable for property, plant and equipment		
- to related parties	38.5	23.4
- to others	126.0	181.0
<b>Total</b>	<b>576.0</b>	<b>342.8</b>

**21 . Other current liabilities**

Particulars	As at March 31, 2023	As at March 31, 2022
Advance from customers	-	1.1
Statutory dues payable	151.8	108.1
<b>Total</b>	<b>151.8</b>	<b>109.2</b>

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**22 . Revenue from contracts with customers**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Sale of products</b>		
Finished goods		
Sale of goods	12,758.8	8,054.7
	<b>12,758.8</b>	<b>8,054.7</b>
<b>Other operating revenue:</b>		
Scrap sales	113.2	74.9
	<b>113.2</b>	<b>74.9</b>
<b>Total</b>	<b>12,872.0</b>	<b>8,129.6</b>

**Notes:**

<b>(i) Timing of revenue recognition</b>		
Goods transferred at a point in time	12,872.0	8,129.6
<b>Total revenue from contract with customers</b>	<b>12,872.0</b>	<b>8,129.6</b>

<b>(ii) Revenue by location of customers</b>		
Within India	12,852.2	8,129.6
Outside India	19.8	-
	<b>12,872.0</b>	<b>8,129.6</b>

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

Revenue as per contracted price	12,872.0	8,129.6
<b>Revenue from contract with customers</b>	<b>12,872.0</b>	<b>8,129.6</b>

**(iv) Performance obligations:**

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

**23 . Other income**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income on bank deposit and others	5.1	2.8
Subsidy income	16.7	11.3
Income recognised in respect of government grant under EPCG scheme	6.2	-
Provision for doubtful receivable written back	0.4	-
Management fees	14.4	-
Interest-on Income tax refund	-	6.2
Rental income	7.9	7.2
Mark-to-market gain from derivative instruments	3.0	2.2
Profit on sale of property, plant and equipment	-	0.2
Miscellaneous income	1.6	7.5
<b>Total</b>	<b>55.3</b>	<b>37.4</b>



**24 . Cost of raw materials and components consumed**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening stock of raw materials and components	651.9	357.5
Add : Purchases of raw materials and components	7,643.2	4,959.6
<b>Total</b>	<b>8,295.1</b>	<b>5,317.1</b>
Less : Closing stock of raw materials and components	468.8	651.9
<b>Total</b>	<b>7,826.3</b>	<b>4,665.2</b>

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventories at the beginning of the year		
- Work-in-progress	96.7	60.7
- Finished goods	280.7	108.7
	<b>377.4</b>	<b>169.4</b>
Inventories at the end of the year		
- Work- in -progress	94.6	96.7
- Finished goods	552.3	280.7
	<b>646.9</b>	<b>377.4</b>
<b>Change in inventories</b>		
- Work- in-progress	2.1	(36.0)
- Finished goods	(271.6)	(172.0)
<b>Total</b>	<b>(269.5)</b>	<b>(208.0)</b>

**26 . Employee benefits expense**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages and bonus	920.9	488.0
Contribution to provident and other funds	53.6	29.4
Employee stock option expenses (refer note 44)	31.1	28.4
Staff welfare expenses	57.5	33.4
<b>Total</b>	<b>1,063.1</b>	<b>579.2</b>

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



**27 . Finance costs**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on borrowings	90.9	64.4
Interest under export promotion capital goods scheme	38.5	35.3
Interest under land enhancement scheme	9.6	9.2
Interest on delayed payment of statutory dues	6.7	0.6
Interest on lease liability	1.8	1.9
Other charges	1.8	2.1
<b>Total</b>	<b>149.3</b>	<b>113.5</b>

**28 . Depreciation and amortisation expense**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on property, plant and equipment	889.6	653.0
Amortisation on intangible assets	13.5	5.8
Depreciation on right of use assets	1.7	1.7
<b>Total</b>	<b>904.8</b>	<b>660.5</b>

**29 . Other expenses**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Stores and spares consumed	363.8	226.0
Power and fuel	1,330.7	520.0
Repairs and maintenance		
-Plant and equipment	26.4	27.5
-Building	6.9	3.3
- Others	33.1	24.5
Freight expense	81.9	34.0
Testing expense	5.9	7.6
Insurance	13.5	13.0
Travelling and conveyance	58.2	25.8
Legal and professional	64.5	29.5
Provision for doubtful advances	-	7.8
Rent	20.2	3.1
Rates and taxes	4.9	3.0
Loss on sale of property, plant and equipment	0.8	-
Auditor's remuneration*	2.6	2.0
Foreign exchange fluctuation	12.7	7.5
Support services	18.7	18.7
Customer support fees	123.8	100.3
Management fees	185.0	116.8
Royalty expense	188.8	120.2
Corporate social responsibility expenditure (Refer Note 42)	17.6	16.3
Miscellaneous expenses	67.6	51.4
<b>Total</b>	<b>2,627.8</b>	<b>1,358.3</b>



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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Payment to auditors		
<b>As auditor:</b>		
Audit fee	1.8	1.1
Limited review fee	0.6	0.6
<b>In other capacity:</b>		
Reimbursement of expenses	0.4	0.3
<b>Total</b>	<b>2.8</b>	<b>2.0</b>

**30. Earnings per share (EPS)**

- a) Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.
- b) Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.
- c) **The following reflects the income and share data used in the basic and diluted EPS computations:**

Particulars	March 31, 2023	March 31, 2022
Profit attributable to the equity holders of the Company	488.4	722.2
Weighted average number of equity shares for basic and diluted EPS (In Number)	249.6	198.6
<b>Basic and diluted earnings per share(in Rs.) (face value Rs. 10 per share)</b>	<b>2.0</b>	<b>3.6</b>

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



### **31 . Significant accounting judgements, estimates and assumptions**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

#### **Judgements**

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

#### **Assessment of lease term:**

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

#### **Revenue from contracts with customers**

The Company applied the following judgments that significantly affect the determination of the amount and timing of revenue from contracts with customers:

Certain contracts for the sale of products include a right of price revision on account of change of commodity prices/purchase price that give rise to variable consideration. In estimating the variable consideration, the Company is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

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

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

#### **Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.



#### **Property, plant and equipment**

The useful lives and residual values of property, plant and equipment are determined by the management based on technical assessment by the management. The Company believes that the derived useful life best represents the period over which the Company expects to use these assets.

#### **Obligation under EPCG scheme**

For more details refer [Refer note 34]

#### **Intangible assets**

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

#### **Taxes**

Uncertainties exist with respect to the interpretation of tax regulations, changes in tax laws, and the amount and timing of future taxable income. Differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

#### **Defined benefit plans**

The cost of defined benefit plans (i.e. Gratuity and compensated absences) is determined using actuarial valuation. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of long term government bonds with extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables. Future salary increases and pension increases are based on expected future inflation rates. Further details about the assumptions used, including a sensitivity analysis, are given in note 32.

#### **Impairment of financial assets**

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

#### **Impairment of non-financial assets**

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

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





### **Lease incremental borrowing rate**

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

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## 32 . Post employment defined benefit plan

### a) Defined contribution plans

The Company makes provident fund and Employee State Insurance contributions to defined contribution plans for qualifying employees. Under the Scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs 53.6 Millions (March 31, 2022: Rs 29.4 Millions). for provident fund and ESI contributions in the Statement of profit and loss (refer note 26). The contributions payable to these plans by the Company are at rates specified in the rules of the Schemes.

### b) Gratuity scheme

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

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and amounts recognized in the balance sheet for the gratuity plan.

#### Net employee benefit expense recognized in the employee cost:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current service cost	12.7	10.1
Interest cost obligation	4.1	2.3
<b>Total</b>	<b>16.8</b>	<b>12.4</b>

#### Amount recognised in Other Comprehensive Income:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Actuarial loss/ (gain) on defined benefit obligation	0.3	(9.5)
<b>Amount recognised in Other Comprehensive Income</b>	<b>0.3</b>	<b>(9.5)</b>

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Actuarial gain arising from changes in financial assumptions	(1.3)	(2.9)
Actuarial loss/gain arising from changes in experience adjustments	1.6	(6.6)
<b>Total</b>	<b>0.3</b>	<b>(9.5)</b>

#### Balance sheet

#### Changes in the present value of the defined benefit obligation are, as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Defined benefit obligation at the beginning of the year	57.5	33.8
Current service cost	12.7	10.1
Interest cost	4.1	2.3
Acquisition adjustment	-	21.8
Benefits paid	(6.2)	(1.0)
Actuarial (gain)/ loss on obligations - OCI	0.3	(9.5)
<b>Defined benefit obligation at the end of the year</b>	<b>68.4</b>	<b>57.5</b>
<b>Non- current</b>	<b>57.5</b>	<b>49.4</b>
<b>Current</b>	<b>10.9</b>	<b>8.1</b>



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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Discount rate	7.36%	7.20%
Rate of increase in compensation level	8%	8%
Retirement Age	58 Years	58 Years
<b>Withdrawal rates:</b>		
	3%	3%
From 31 to 44 years	2%	2%
Above 44 years	1%	1%
Mortality rate	100% of IALM 2012-14	100% of IALM 2012-14

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

A quantitative sensitivity analysis for significant assumption as at March 31, 2023 is shown below:

Gratuity plan	Defined benefit obligation	
Assumptions	For the year ended March 31, 2023	For the year ended March 31, 2022
Increase in discount rate of 1%	60.7	51.3
Decrease in discount rate of 1%	76.9	65.2
Increase in future salary of 1%	75.9	63.9
Decrease in future salary of 1%	61.7	52.2
Increase in attrition rate of 0.50%	68.8	57.2
Decrease in attrition rate of 0.50%	68.0	57.9
Increase in mortality rate of 10%	68.4	57.5
Decrease in mortality rate of 10%	68.4	57.5

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

#### Maturity profile of defined benefit obligation

Particulars	As at March 31, 2023	As at March 31, 2022
Within 1 year	10.9	8.1
2-5 years	16.3	14.9
6-10 years	18.8	18.1
More than 10 years	153.6	143.8

#### The weighted average duration of the defined benefit plan obligation

Particulars	As at March 31, 2023	As at March 31, 2022
The weighted average duration of the defined benefit plan obligation at the end of the reporting period	12 years	12 years

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

Estimated amount of contracts remaining to be executed on capital account Rs. 560.9 million, net of advances on March 31, 2023 (March 31, 2022: Rs. 346.5 million ).

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

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Excise Matter *	0.8	28.2

During financial year 2018-2019, Directorate General of Goods and Services Tax Intelligence issued a Show Cause Notice ("SCN") on the Company alleging that the cost of drawing/design/specification received free of cost from one of the customers for manufacture of moulds/dies/parts/components was supposed to be included in the cost of moulds/dies/parts/components (as the transaction value) in supply made to the customer. During the current year, Company has received demand order from Directorate General of GST Intelligence dated August 25, 2022, wherein the said authority has reduced the liability from Rs 28.2 million to Rs 0.8 million. The Company has filed an appeal against the said demand with CESTAT, New Delhi and is pending adjudication till date.

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

As per the Scheme, subject to fulfilment of certain conditions, the Company is eligible for 90% of the net State Goods and Services Tax (SGST) paid to State Government as subsidy; subject to maximum of one tenth of the eligible fixed investment in a particular year. The Company is in the process of assessing the compliance of various conditions as enunciated under the Scheme. Accordingly, Company as matter of prudence has not recognised incentive income amounting to Rs. 698.8 million during the year ended March 31, 2023 (March 31, 2022: Rs. 448.8 million)

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

**iv) The Company has suo-moto examined the decision made by Hon'ble Supreme Court of India judgement in the case of Northern Operating Systems Private Limited ("NOS") (2022-TIOL-48-SC-ST-LB) for the applicability of GST on 'secondment of employees by overseas group entity to Indian entity' and compared it with the fact pattern of the Company. The Company has also obtained opinion from an independent consultant in this regard and based on the same, management has concluded that that the fact pattern in case of the Company is different from the above case, and thus there is no GST implication on the Company.**

In view of the above, the management believes that no adjustment is required to be made in the financial statements in this regard.



- 34 The Company had imported duty free capital goods under Export Promotion Capital Goods (EPCG) Scheme. Liability of customs duty towards export obligation undertaken by the Company amounts to Rs 367.2 million as at March 31, 2023 (March 31, 2022: Rs 367.2 million). Under the said scheme, the Company has the obligation to export the goods equivalent to 6 times of the amount of custom duty saved i.e., Rs 2,203.2 million (March 31, 2022 : Rs 2,203.2 million) within a specified time period. If the export obligation is not fulfilled, the Company will have to repay the amount of custom duty saved along with interest. Based on the export trend of the Company, there is uncertainty over the fulfillment of export obligation. Accordingly, the Company has considered the duty liability in respect of unfulfilled export obligation as financial liability and recognised the same at amortised cost.

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

Particulars	As at March 31, 2023	As at March 31, 2022
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.		
Principal amount due to micro and small enterprises	24.7	30.3
Interest due on above	0.4	0.0
<b>Total</b>	<b>25.1</b>	<b>30.3</b>
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	0.4	-
The amount of interest accrued and remaining unpaid at the end of accounting year.	0.6	0.2
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006	-	-

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**Minda Kosei Aluminum Wheel Private Limited**  
**Notes to the financial statements for the year ended March 31, 2023**  
**INR in millions, unless otherwise stated**

**36. Related Parties**

**1) Names of related parties and related party relationships**

**A) Related Parties where control exists**

**Holding company**

- i) UNO Minda Limited (Formerly known as Minda Industries Limited)

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

**Entities having significant influence**

- i) Kosei International Trade and Investment Company Limited ( till March 27,2023)

**Subsidiaries/ Associates of enterprises having significant influence**

- i) Kosei Aluminium Thailand Co Limited (till March 27,2023)  
ii) Kosei Aluminium Co Limited (till March 27,2023)  
iii) Kosei Minda Mould Pvt Ltd (till March 27,2023)

**Fellow Subsidiary**

- i) Kosei Minda Mould Pvt Ltd ( w.e.f. March 28,2023)  
ii) Kosei Minda Aluminium Private Limited ( w.e.f March 28,2023)

**Key Managerial Personnel ("KMP")**

- i) Yoshihiro Toda ( till December 25,2022)  
ii) Kundan Kumar Jha

**Other related parties**

- i) Minda Infrastructure LLP (significant influence of relatives of director)  
ii) Pallak Minda (Relative of director)  
iii) Paridhi Minda (Relative of director)  
iv) Suman Minda (Relative of director)

**A. Holding company**

I.	Transactions during the year	Year ended	Year ended
		March 31, 2023	March 31, 2022
a)	<b>Sale of goods</b>	100.7	77.3
b)	<b>Other expenses</b>		
	Purchase of raw materials and components	5,838.0	-
	ESOP Expenses	31.1	28.4
	Support Services	18.7	18.7
	Customer Support Fees	123.8	100.3
	Management fees	185.0	116.8
	Miscellaneous expenses	28.6	25.0
<b>II. Balance outstanding as at the year end</b>			
		Year ended	Year ended
		March 31, 2023	March 31, 2022
	Payables	402.2	145.8
	Receivables / advances	27.7	5.8





**Minda Kosei Aluminum Wheel Private Limited**  
**Notes to the financial statements for the year ended March 31, 2023**  
**INR in millions, unless otherwise stated**

**B. Enterprise having significant influence (till March 27,2023)**

<b>I. Transactions during the year</b>	<b>Year ended March 31, 2023</b>	<b>Year ended March 31, 2022</b>
a) Purchase of raw material, components and parts	476.6	813.6
b) Sale of goods	2.7	-
c) Purchase of property, plant and equipment	241.6	274.7
d) Reimbursements		
Employee benefits recovered / received	1.5	1.6
e) Other expenses		
Testing expenses	0.8	3.6
Legal and professional	2.0	1.9
Royalty expenses	49.9	32.4

<b>II. Balance outstanding as at the year end</b>	<b>Year ended March 31, 2023</b>	<b>Year ended March 31, 2022</b>
Payables	-	245.3
Receivables / advances	-	4.5

Since the party has ceased to be a related party on March 27,2023, the balances outstanding with them as on March 31,2023 has not been disclosed.

**Subsidiaries/Associates of Enterprise having significant influence and fellow subsidiary**

<b>I. Transactions during the year</b>	<b>Year ended March 31, 2023</b>	<b>Year ended March 31, 2022</b>
a) Purchase of property, plant and equipment		
- Kosei Minda Mould Private Limited	109.1	90.2
b) Purchase of raw materials and components		
- Kosei Minda Mould Private Limited	-	6.4
c) Reimbursements		
Expenses recovered / received		
- Kosei Minda Mould Private Limited	0.3	0.2
d) Other Income		
Kosei Minda Mould Private Limited		
- Rental Income	7.9	7.2
- Management Fees	14.4	-
- Miscellaneous Income	-	0.8
Kosei Minda Aluminium Private Limited		
- Interest Income	0.5	-
e) Other expenses		
Miscellaneous Expenses		
- Kosei Minda Mould Private Limited	0.3	1.1
Royalty expense		
- Kosei Aluminum Co Limited	90.4	58.8
- Kosei Aluminium Thailand Co Limited	44.6	29.0
f) Loan given		
Kosei Minda Aluminium Private Limited	577.0	-



**Minda Kosei Aluminum Wheel Private Limited**  
**Notes to the financial statements for the year ended March 31, 2023**  
**INR in millions, unless otherwise stated**

II. Balance outstanding as at the year end	Year ended March 31, 2023	Year ended March 31, 2022
<b>Payables</b>		
Kosei Minda Mould Pvt Limited	38.5	23.4
<b>Receivables / Advances</b>		
Kosei Minda Mould Pvt Limited	16.6	2.2
Kosei Aluminium Co Limited	-	7.7
Kosei Minda Aluminium Private Limited	0.5	-
<b>Loans</b>		
Kosei Minda Aluminium Private Limited	577.0	-

**E Key management personnel**

Transactions during the year	Year ended March 31, 2023	Year ended March 31, 2022
<b>Managerial remuneration *</b>		
<b>Short term employee benefits</b>		
Kundan Kumar Jha	38.2	35.4
Yoshihiro Toda	5.4	7.8

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

**F Other related parties**

I. Transactions during the year	Year ended March 31, 2023	Year ended March 31, 2022
a) <b>Purchase of property, plant and equipment</b>		
- Minda Infrastructure LLP	170.5	326.2
b) <b>Other expenses</b>		
<b>Rent expenses</b>		
Pallak Minda (Relative of director)	0.9	0.8
Paridhi Minda (Relative of director)	1.0	0.9
Suman Minda (Relative of director)	0.5	0.5
II. Balance outstanding as at the year end	Year ended March 31, 2023	Year ended March 31, 2022
<b>Receivables / Advances</b>		
Minda Infrastructure LLP	28.5	2.5

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### 37 Segmental information

#### a) Business segments:

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

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

#### b) Geographical segments-

The analysis of geographical segment is based on geographical location of the Company:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Revenue</b>		
Within India	12,852.24	8,129.60
Outside India	19.76	-
<b>Total</b>	<b>12,872.00</b>	<b>8,129.60</b>

### 38 Capital management

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

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

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

Particulars	As at March 31, 2023	As at March 31, 2022
Loans and borrowings*	1990.6	1277.1
Less:- Cash and cash equivalents	10.2	267.2
<b>Net debt</b>	<b>1980.4</b>	<b>1009.9</b>
Equity ( Net Worth )	6,088.4	5,600.2
<b>Total Capital</b>	<b>6,088.4</b>	<b>5,600.2</b>
<b>Capital and Net Debt</b>	<b>8,068.8</b>	<b>6,610.1</b>
<b>Gearing ratio (Net Debt/Capital and Net Debt)</b>	<b>24.5%</b>	<b>15.3%</b>

\*Borrowings does not include lease liabilities

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**Minda Kosei Aluminum Wheel Private Limited****Notes to the financial statements for the year ended March 31, 2023****INR in millions, unless otherwise stated****39 Fair values**

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

**a) Fair value of financial assets:**

Particulars	Carrying value		Fair value	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>At amortised cost</b>				
Trade receivables	1,717.2	1,179.0	1,717.2	1,179.0
Cash and cash equivalents	10.2	267.2	10.2	267.2
Bank balances other than cash and cash equivalents	-	25.8	-	25.8
Loans	586.4	3.3	586.4	3.3
Other financial assets	79.7	63.7	79.7	63.7
<b>At fair value through profit or loss</b>				
Derivative assets	31.5	28.5	31.5	28.5
<b>Total</b>	<b>2,425.0</b>	<b>1,567.5</b>	<b>2,425.0</b>	<b>1,567.5</b>

**b) Fair value of financial liabilities:**

Particulars	Carrying value		Fair value	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>At amortised cost</b>				
Borrowings	1,990.6	1,277.1	1,990.6	1,277.1
Trade payables	842.5	745.3	842.5	745.3
Other financial liabilities	1,028.5	1,029.9	1,028.5	1,029.9
<b>Total</b>	<b>3,861.6</b>	<b>3,052.3</b>	<b>3,861.6</b>	<b>3,052.3</b>

**Discount rate used in determining fair value**

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

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.



**Minda Kosei Aluminum Wheel Private Limited****Notes to the financial statements for the year ended March 31, 2023****INR in millions, unless otherwise stated****40. Fair value hierarchy**

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

**Level 1:** Quoted (unadjusted) prices in active markets for identical assets or liabilities.

**Level 2:** Valuation techniques for which the lowest level input that has a significant effect on the fair value measurement are observable, either directly or indirectly.

**Level 3:** Valuation techniques for which the lowest level input which has a significant effect on the fair value measurement is not based on observable market data.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities

**Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2023**

Particulars	Total (Carrying Value)	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial assets</b>				
Trade receivables	1,717.2	-	-	1,717.2
Cash and cash equivalents	10.2	-	-	10.2
Loans	586.4	-	-	586.4
Derivative assets	31.5	-	31.5	-
Other financial assets	79.7	-	-	79.7
<b>Total</b>	<b>2,425.0</b>	<b>-</b>	<b>31.5</b>	<b>2,393.5</b>

**Quantitative disclosures fair value measurement hierarchy for liabilities as at March 31, 2023:**

Particulars	Total (Carrying Value)	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Borrowings	1,990.6	-	-	1,990.6
Trade payables	842.5	-	-	842.5
Lease liability	23.8	-	-	23.8
Other financial liabilities	1,028.5	-	-	1,028.5
<b>Total</b>	<b>3,885.4</b>	<b>-</b>	<b>-</b>	<b>3,885.4</b>



**Minda Kosei Aluminum Wheel Private Limited**  
**Notes to the financial statements for the year ended March 31, 2023**  
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**Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2022:**

Particulars	Total (Carrying Value)	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial assets</b>				
Trade receivables	1,179.0	-	-	1,179.0
Cash and cash equivalents	267.2	-	-	267.2
Bank balances other than cash and cash equivalents	25.8	-	-	25.8
Loans	3.3	-	-	3.3
Derivative assets	28.5	-	28.5	-
Other financial assets	63.7	-	-	63.7
<b>Total</b>	<b>1,567.5</b>	<b>-</b>	<b>28.5</b>	<b>1,539.0</b>

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

Particulars	Total (Carrying Value)	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Borrowings	1,277.1	-	-	1,277.1
Trade payables	745.3	-	-	745.3
Lease liability	25.0	-	-	25.0
Other financial liabilities	1,029.9	-	-	1,029.9
<b>Total</b>	<b>3,077.3</b>	<b>-</b>	<b>-</b>	<b>3,077.3</b>

There have been no transfers between Level 1, Level 2 and Level 3 during the year.





#### 41 Financial risk management objectives and policies

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

The Company is exposed to market risk, credit risk and liquidity risk. The Company's management oversees the management of these risks. The Company's management is supported by finance department that advises on financial risks and the appropriate financial risk governance framework for the Company. The finance department provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

##### A. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk.

The sensitivity analyses in the following sections relate to the position as at March 31, 2023 and March 31, 2022.

##### i) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from borrowings with variable rates, which exposes the Company to cash flow interest rate risk. During March 31, 2022 and March 31, 2023, the Company's borrowings at variable rate were denominated in INR.

##### Interest rate risk exposure

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Variable rate borrowings	1,842.6	1,049.7
Fixed rate borrowings	148.0	227.4
	<u>1,990.6</u>	<u>1,277.1</u>

##### Sensitivity analysis

For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

##### Impact on profit after tax

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Interest rates-increase by 50 basis points*	(6.9)	(3.9)
Interest rates-decrease by 50 basis points*	6.9	3.9

\* Holding all other variables constant

##### ii) Foreign currency risk

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

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

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

##### Details of hedged foreign currency exposures:

Particulars	Currency	As at March 31, 2023		As at March 31, 2022	
		Foreign currency in million	Amount in INR (million)	Foreign currency in million	Amount in INR (million)
Foreign currency loan from bank	USD	1.8	148.0	3.0	227.4
Trade payable	USD	0.8	67.4	2.0	150.7

##### Particulars of un-hedged foreign currency exposure

Particulars	As at 31 March 2023			As at 31 March 2022		
	Foreign currency in million	Exchange rate (in absolute Rs.)	Amount in INR (million)	Foreign currency in million	Exchange rate (in absolute Rs.)	Amount in INR (million)
<b>Trade payables</b>						
USD	0.8	82.2	68.0	2.2	75.8	166.2
EUR	0.0	89.6	2.7	0.0	84.7	2.4
JPY	4.7	0.6	2.9	0.4	0.6	0.2
<b>Trade receivables</b>						
EUR	0.2	89.6	15.3	-	-	-



#### Foreign currency sensitivity

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

Trade Payables Currency	Impact on Profit before tax	
	March 31, 2023	March 31, 2022
<b>USD Sensitivity</b>		
INR/USD - Increase by 5%	(3.4)	(8.5)
INR/USD -decrease by 5%	3.4	8.5
<b>EURO Sensitivity</b>		
INR/EURO- Increase by 5%	(0.1)	(0.1)
INR/EURO- decrease by 5%	0.1	0.1
<b>JPY Sensitivity</b>		
INR/JPY- Increase by 5%	(0.1)	(0.0)
INR/JPY- decrease by 5%	0.1	0.0

Trade Recievables Currency	Impact on Profit before tax	
	March 31, 2023	March 31, 2022
<b>EURO Sensitivity</b>		
INR/EUR - Increase by 5%	0.8	0.1
INR/EUR -decrease by 5%	(0.8)	(0.1)

#### B. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks , foreign exchange transactions and other financial instruments.

##### Trade receivables

Customer credit risk is managed by the Company subject to the Company's established policy, procedures and controls relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating. Outstanding customer receivables are regularly monitored. At 31 March 2023, the Company had 3 customers (31 March 2022: 3 customers) that owed the Company more than Rs. 230 millions each and accounted for approximately 95% (31 March 2022: 90%) of all the receivables and contract asset outstanding.

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

#### C. Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including loans from banks at an optimised cost.

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

As at March 31, 2023	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings	-	384.9	390.6	1,215.1	-	1,990.6
Trade payables	-	842.5	-	-	-	842.5
Other financial liabilities	-	242.3	332.7	452.5	-	1,028.5
As at March 31, 2022	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings	-	106.8	312.3	858.0	-	1,277.1
Trade payables	-	745.3	-	-	-	745.3
Other financial liabilities	-	349.5	680.4	-	-	1,029.9

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



**Minda Kosei Aluminum Wheel Private Limited**  
**Notes to the financial statements for the year ended March 31, 2023**  
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**Corporate Social Responsibility:**

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	
A) Gross Amount required to be spent by the Company during the year	17.6	16.3	
B) Amount spent in cash during the year ended on 31st March, 2023	In Cash	Yet to be paid in cash	Total
i) Construction/Acquisition of any asset	27.0	-	27.0
ii) On purposes other than (i) above	5.0	-	5.0
C) Amount spent in cash during the year ended on 31st March, 2022	In Cash	Yet to be paid in cash	Total
i) Construction/Acquisition of any asset	0.0	-	-
ii) On purposes other than (i) above	5.4	10.9	16.3
Details of unspent amount of CSR Expenditure			
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	
Opening balance	14.4	7.2	
Amount required to be spent during the year	17.6	16.3	
Amount spent during the year for current year	(17.6)	(5.4)	
Amount spent during the year for previous year	(14.4)	(3.7)	
Closing balance	-	14.4	

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#### 43 Ratio Analysis and its elements

Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	% Change	Reasons For Variance
Current ratio	Current Assets	Current Liabilities	1.5	1.7	-12.3%	Not applicable
Debt- Equity Ratio	Total Debt*	Shareholder's Equity	0.3	0.2	42.3%	Majorly on account of increase in terms loans
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	3.0	4.6	-34.9%	Not applicable
Return on Equity	Net Profits after taxes	Average Shareholder's Equity	8%	15%	-42.9%	Majorly due to increase in operating cost.
Inventory Turnover ratio	Cost of goods sold	Average Inventory	6.4	5.1	24.8%	Not applicable
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	8.9	7.5	18.5%	Not applicable
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	9.6	6.8	41.6%	Majorly due to increase the procurement in advance basis.
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets - Current liabilities	10.9	7.1	53.9%	Majorly on account of increase in short term borrowing and reclassification of EPCG interest.
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	0.04	0.09	-55.5%	Majorly due to increase in operating cost.
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Lease Liability	10%	20%	-52.2%	Majorly due to increase in borrowing and reduction in profit.
Return on Investment	Interest (Finance Income)	Investment=Average fixed deposits	2%	1%	92.6%	Majorly due to increase in Fixed Deposit interest.

\*Debt includes lease liabilities



#### **44 Share-based compensation**

The Company had participated in the UNO Minda Employee Stock Option Scheme – 2019 and during the year ended March 31, 2020, the Nomination and Remuneration Committee of UNO Minda Limited (formerly known as Minda Industries Limited) ("the Parent Company") had approved the grant of certain number of equity shares of face value of Rs. 2 each in terms of the Employee Stock Option Scheme 2019("the Scheme"). The Scheme is monitored and supervised by the Nomination and Remuneration Committee of the Board of Directors of the Parent Company in compliance with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and amendments thereof from time to time. Parent company issues the equity shares and recovers the expenses from the Company. Expenses incurred during the year in this regard, amounts to Rs.31.1 Million (March 31, 2022: Rs.28.4 Million).

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**45 Other Statutory Information**

(i) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(ii) The Company has transactions with companies struck off as given below :

**For year ended March 31, 2023**

Name of struck off company	Nature of transactions with struck-off company	Balance outstanding	Nature of balance outstanding	Relationship with the Struck off company
Pyrotek India Pvt.Ltd.	Purchase of Stores and Spares parts	0.1	Trade payable	Vendor (unrelated)
Sew Eurodrive India Pvt. Ltd	Purchase of Spares	(0.1)	Supplier advance	Vendor (unrelated)

**For year ended March 31, 2022**

Name of struck off company	Nature of transactions with struck-off company	Balance outstanding	Nature of balance outstanding	Relationship with the Struck off company
Pyrotek India Pvt.Ltd.	Purchase of Stores and Spares parts	0.3	Trade payable	Vendor (unrelated)
Sunbeam Auto Pvt. Ltd.	Purchase of Stores and Spares parts	0.0	Trade payable	Vendor (unrelated)

(iii) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.

(iv) The Company has not traded or invested in crypto currency or virtual currency during the financial year.

(v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vii) The Company has not entered into any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey) or any other relevant provisions of the Income Tax Act, 1961.





**Minda Kosei Aluminum Wheel Private Limited**  
**Notes to the financial statements for the year ended 31 March 2023**  
**INR in millions, unless otherwise stated**

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- 46 Previous year's figures have been regrouped/ reclassified, wherever necessary, to conform to this year's classification.
- 47 The Board of Directors at its meeting held on March 20, 2023, approved termination of Joint Venture Agreement between shareholders of the Company i.e. Kosei International Trade and Investment Company Limited ("KITI") and Uno Minda Limited (formerly known as Minda Industries Limited) ("UML"). Further, a Technical Assistance Agreement with Kosei Group, Japan was also approved wherein the Kosei Group shall continue to provide its Technical Assistance to the Company.

Further, two of the shareholders of the Company i.e. Kosei International Trade and Investment Company Limited and Minda Investments Limited, have transferred their entire shareholding in the Company to UML on March 27, 2023 respectively. Accordingly, the Company has become a wholly owned subsidiary of UML w.e.f March 27, 2023. Pursuant to this, Directors of the Company at its meeting held on March 27, 2023 approved a Scheme of Amalgamation for merger of the Company with UML. The Company is seeking approval from Hon'ble National Company Law Tribunal ("NCLT") for the said merger and relevant accounting will be done once the Company will receive the order from NCLT.

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

Chartered Accountants

Firm Registration No.:301003E/E300005



**per Amit Kumar Jain**  
Partner

Membership No. : 097214



Place: Gurugram  
Date: May 16, 2023

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



**Kundan Kumar Jha**  
Managing Director  
DIN No: 07137705



**Nirmal Kumar Minda**  
Director  
DIN No: 00014942



**Kamendra Singh Parmar**  
Chief Financial Officer



**Shalinee Jaiswal**  
Company Secretary  
Membership No.: 58454