

INDEPENDENT AUDITOR'S REPORT

To The Members of Furukawa Minda Electric Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Furukawa Minda Electric Private Limited ("the Company"), which comprise the Balance Sheet as at 31 March, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and 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 financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in Board's Report including Annexures to the Board's Report, but does not include the financial statements and our auditor's report thereon.



- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these 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 Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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



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

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 Section 143(3) of the Act, based on our audit we report, to the extent applicable 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 of the aforesaid financial statements.
 - 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 Other Comprehensive Income, the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rule, 2015.
 - e) On the basis of the written representations received from the directors as on 31 March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2022 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, section 197 of the Act related to the managerial remuneration is not applicable.
 - 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 financial statements. Refer Note 32.1 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. Refer Note 36 to the financial statements.



- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. Refer to Note 37 to the financial statements.
- iv. (a) The Management has represented that, to the best of it's knowledge and belief, 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, 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 on behalf of the Ultimate Beneficiaries.
- (b) The Management has represented, that, to the best of it's knowledge and belief, 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, 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.
- (c) Based on the audit procedures performed that has 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 (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)



Jitendra Agarwal

Partner

(Membership No. 087104)

UDIN: 22087104AIV0XX2081

Place: Gurugram

Date: May 12, 2022

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

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

We have audited the internal financial controls over financial reporting of **FURUKAWA MINDA ELECTRIC PRIVATE LIMITED** ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 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 internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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



Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has maintained, in all material respects, an adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of 31 March 2022, based on the criteria for internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)



Jitendra Agarwal

Partner

(Membership No. 087104)

UDIN: 22087104AIV0XX2081

Place: Gurugram

Date: May 12, 2022

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, capital work in progress and relevant details of right-of-use assets.

The Company has maintained proper records showing full particulars of intangible assets.

- (b) The Property, Plant and Equipment and capital work-in-progress were physically verified during the year by the Management which, in our opinion, provides for physical verification at reasonable intervals.

No Material discrepancies were noticed on such verification.

- (c) According to the information and explanations given to us and the records examined by us and based on our examination of the registered sale deed provided to us, we report that, the title deeds of all the immovable properties disclosed in the financial statements included in property, plant and equipment and capital work-in progress are held in the name of the Company as at the balance sheet date.

- (d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.

- (e) No proceedings have been initiated during the year or are pending against the Company as at 31 March 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

- (ii) (a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account. There was no inventory lying with the third parties.

- (b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions on the basis of security of current assets, and hence reporting under clause (ii)(b) of the Order is not applicable.



- (iii) (a) The Company has not made investments in, provided guarantee or security and granted loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties other than the loans to employees during the year, the details of which are given below:

(Amount in Rs. Lakhs)

Particulars	Loans
A. Aggregate amount granted/ provided during the year to employees:	64.17
B. Balance outstanding as at the balance sheet date in respect above cases	26.72

- (b) The terms and conditions of the grant of all the above-mentioned loans and advances in the nature of loans provided, during the year are, in our opinion, *prima facie*, not prejudicial to the Company's interest.
- (c) In respect of loans granted or advances in the nature of loans provided by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.
- (d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted and advances in the nature of loans provided by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) No loan or advance in the nature of loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.
- (iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.



(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) In respect of Statutory Dues:

(a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Customs, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities during the year.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Income-tax, Service Tax, duty of Custom, cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputes are given below:

Name of Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates*	Amount unpaid (Rs. in lakhs)
Income Tax Act, 1961	Income tax	Transfer Pricing Officer	2009-10 & 2010-11	139.63
Income Tax Act, 1961	Income tax	Income Tax Appellate Tribunal	2011-12	0.06
Income Tax Act, 1961	Income tax	Deputy Commissioner of Income Tax	2014-15	3.70
Income Tax Act, 1961	Income tax	CIT Appeals	2016-17	317.23

* Period in respect of Income-tax represents assessment year.

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during the year.

(ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.



- (c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, the funds raised on short-term basis aggregating Rs. 161.98 Lakhs have been used for long-term purposes.
- (e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.
- (f) The Company has not raised any loans during the year on the pledge of securities and hence reporting on clause (ix)(f) of the Order is not applicable.
- (x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and up to the date of this report.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports issued to the Company during the year and covering the period April-2021 to September-2021 and the draft of the internal audit reports were issued after the balance sheet date covering the period October-21 to March-22 for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.



- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.

The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.

- (xvii) The Company has incurred cash losses amounting to Rs. 141.78 lakhs during the financial year covered by our audit and Rs. 2,073.95 lakhs in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, and confirmation from the parent company to provide requisite financial and operational support to the Company as and when required together with the corporate guarantee provided by the parent company to the Company's lenders against the short term borrowings obtained by the Company (refer to note 2(b) of the financial statements), nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report which is not mitigated indicating that the 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) The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)



Jitendra Agarwal

Jitendra Agarwal

Partner

(Membership No. 087104)

UDIN: 22087104AIV0XX2081

Place: New Delhi

Date: May 12, 2022

FURUKAWA MINDA ELECTRIC PRIVATE LIMITED
BALANCE SHEET AS AT 31 March, 2022
(All amounts are in Rs. Lakhs except wherever stated otherwise)

	Notes	As at 31 March, 2022	As at 31 March, 2021
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3(a)	6,809.79	7,178.31
(b) Capital work-in-progress	3(b)	118.13	343.86
(c) Other Intangible assets	4 (a)	215.89	19.11
(d) Intangible assets under development	4 (b)	-	198.00
(e) Right-of-use assets	5	7.58	52.90
(f) Financial assets			
i. Other financial assets	7	15.67	37.36
(g) Non-current tax assets	8	475.10	658.15
(h) Other non-current assets	9	-	0.65
Total non-current assets		7,642.16	8,488.34
Current assets			
(a) Inventories	10	6,763.62	7,355.58
(b) Financial assets			
i. Trade receivables	11	1,912.34	2,155.98
ii. Cash and cash equivalents	12	1,193.59	2,772.85
iii. Loans	6	26.72	35.49
iv. Other financial assets	7	362.17	385.49
(c) Other current assets	9	2,265.38	3,052.86
Total current assets		12,523.82	15,758.25
Assets held for sale	3(c)	16.52	-
Total assets		20,182.50	24,246.59
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	11,750.00	11,750.00
(b) Other equity	14	(13,851.90)	(12,507.11)
Total equity		(2,101.90)	(757.11)
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
i. Lease liabilities	15	-	7.84
(b) Provisions	17	247.03	284.73
Total non-current liabilities		247.03	292.57
Current liabilities			
(a) Financial liabilities			
i. Borrowings	19	15,342.00	14,596.00
ii. Lease liabilities	20	7.84	44.74
iii. Trade payables	21		
(i) total outstanding dues of micro enterprises and small enterprises		139.46	153.65
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		6,251.42	9,680.69
iv. Other financial liabilities	16	68.38	98.45
(b) Provisions	17	8.92	6.82
(c) Other current liabilities	18	219.35	130.78
Total current liabilities		22,037.37	24,711.13
Total liabilities		22,284.40	25,003.70
Total equity and liabilities		20,182.50	24,246.59

See accompanying notes to the financial statements

1-50

In terms of our report of even date attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Jitendra Agarwal
Jitendra Agarwal
Partner
(Membership No. 087104)



Place: New Delhi
Date : 12 May, 2022

For and on behalf of the Board of Directors of
FURUKAWA MINDA ELECTRIC PRIVATE LIMITED

Neeraj Sharma *Ashok Minda* *Masahito Tokuda*
Neeraj Sharma **Ashok Minda** **Masahito Tokuda**
CFO, President and Director Director
Whole Time Director
Company Secretary
Company Secretary



Place: Bawal
Date : 12 May, 2022

FURUKAWA MINDA ELECTRIC PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 March, 2022
(All amounts are in Rs. Lakhs except wherever stated otherwise)

	Notes	Year ended 31 March, 2022	Year ended 31 March, 2021
Income			
I	Income from operations	35,950.19	32,278.11
II	Other income	520.01	960.08
III	Total income (I + II)	36,470.20	33,238.19
Expenses			
IV	(a) Cost of materials consumed	27,709.76	25,951.44
	(b) Changes in inventories of finished goods and work-in-progress	(162.66)	(752.01)
	(c) Employee benefits expense	5,105.32	5,699.45
	(d) Finance costs	1,026.65	1,050.83
	(e) Depreciation and amortisation expense	985.82	1,057.36
	(f) Other expenses	3,174.67	2,855.35
	Total expenses (IV)	37,839.56	35,862.42
V	Loss before tax expense (III - IV)	(1,369.36)	(2,624.23)
Tax expense			
VI	Current tax	-	-
	Deferred tax	-	-
	Total tax expense (VI)	-	-
VII	Loss for the year (V-VI)	(1,369.36)	(2,624.23)
Other comprehensive income/(loss)			
VIII	Items that will not be reclassified to profit or loss		
	- Remeasurement of the defined benefit plans	24.57	(7.14)
	Total other comprehensive income/(loss) (VIII)	24.57	(7.14)
IX	Total comprehensive Loss for the year (VII+VIII)	(1,344.79)	(2,631.37)
Earnings per equity share (face value of Rs. 10 each) :			
X	Basic (in Rs.)	(1.17)	(2.23)
	Diluted (in Rs.)	(1.17)	(2.23)

See accompanying notes to the financial statements

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In terms of our report of even date attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Jitendra Agarwal

Jitendra Agarwal
Partner
(Membership No. 087104)



For and on behalf of the Board of Directors of
FURUKAWA MINDA ELECTRIC PRIVATE LIMITED

MASAHITO
TOKUDA

संस्थापक निदेशक
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संस्थापक निदेशक
संस्थापक निदेशक

Neeraj Sharma
CFO, President and
Whole Time Director

Ashok Minda
Director

Masahito Tokuda
Director

Praveen
Company Secretary



Place: New Delhi
Date : 12 May, 2022

Place: Bawal
Date : 12 May, 2022

FURUKAWA MINDA ELECTRIC PRIVATE LIMITED
STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH, 2022
(All amounts are in Rs. Lakhs except wherever stated otherwise)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
A. Cash flow from operating activities		
Loss after tax	(1,344.79)	(2,631.37)
Adjustments for :		
Depreciation and amortisation expense	985.82	1,057.36
Finance costs	1,026.65	1,050.83
Unrealised foreign exchange gain/ (loss)	(83.25)	(177.35)
Allowance for doubtful trade receivables and advances	43.22	1.26
Loss on disposal/discard of property, plant and equipment (net)	0.72	4.67
Interest income earned on financial assets not designated as at fair value through profit or loss	(1.85)	(6.71)
Liabilities / provisions no longer required written back	(201.42)	(642.19)
Operating profit/(Loss) before working capital changes	425.10	(1,343.50)
Changes in working capital:		
<u>Adjustments for (increase)/ decrease in operating assets:</u>		
Inventories	591.96	(1,699.51)
Trade receivables	196.49	(1,077.48)
Other current assets	772.81	(369.86)
Other non-current assets	-	0.26
Other current financial assets	23.32	(145.71)
Other non-current financial assets	21.69	(29.02)
<u>Adjustments for increase / (decrease) in operating liabilities:</u>		
Trade payables	(3,152.15)	1,310.35
Other financial liabilities - current	-	(351.85)
Other current liabilities	85.86	19.32
Provisions - current	2.09	(61.62)
Provisions - non-current	(37.70)	41.10
Cash used in operations	(1,070.53)	(3,707.52)
Net income tax refund	183.05	73.02
Net cash used in operating activities	(887.48)	(3,634.50)
	(A)	
B. Cash flow from investing activities		
Payments for purchase of property, plant and equipment including capital advances	(137.31)	(684.92)
Payments for purchase of other intangible assets	(256.57)	(10.82)
Proceeds from sale of property, plant and equipment	20.65	23.50
Loans		
- Given	(64.17)	(43.86)
- Realised	72.94	50.96
Net cash used in investing activities	(364.46)	(665.14)
	(B)	
C. Cash flow from financing activities		
Borrowings- current		
- Proceeds	7,459.00	8,141.29
- Repayments	(6,713.00)	(2,969.03)
Repayment of principal of lease liabilities	(41.95)	(124.93)
Repayment of interest on lease liabilities	(2.78)	(7.11)
Finance costs	(1,028.59)	(1,051.96)
Net cash from financing activities	(327.32)	3,988.26
	(C)	
Net decrease in cash and cash equivalents	(A+B+C)	(311.38)
Cash and cash equivalents as at the beginning of the year	2,772.85	3,084.23
Cash and cash equivalents as at the end of the year	1,193.59	2,772.85
(Refer to note 12)*		
* Comprises:		
a. Cash on hand		
b. Balance with scheduled banks		
i. in current accounts		
	1,193.59	2,772.85
	1,193.59	2,772.85

See accompanying notes to the financial statements
 In terms of our report of even date attached

For Deloitte Haskins & Sells LLP
 Chartered Accountants
 Firm's Registration No. 117366W/W-100018

Jitendra Agarwal
Jitendra Agarwal
 Partner
 (Membership No. 087104)



Place: New Delhi
 Date : May 12, 2022

For and on behalf of the Board of Directors of
FURUKAWA MINDA ELECTRIC PRIVATE LIMITED

Neera Sharma
Neera Sharma
 CFO, President and
 Whole Time Director

Ashok Minda
Ashok Minda
 Director

Masahito Tokuda
Masahito Tokuda
 Director

Company Secretary
Company Secretary
 Place: New Delhi
 Date : May 12, 2022



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FURUKAWA MINDA ELECTRIC PRIVATE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH, 2022
 (All amounts are in Rs. Lakhs except wherever stated otherwise)

A. Equity share capital

Balance as at 1 April, 2021	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance as at 31 March, 2022
11,750.00	-	11,750.00	-	11,750.00
Balance as at 1 April, 2020	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance as at 31 March, 2021
11,750.00	-	11,750.00	-	11,750.00

B. Other equity

Reserves and surplus

Retained earnings / (deficit)	Deemed capital contribution (refer to note 42)	Remeasurement of defined benefit obligations	Total
(9,848.89)	0.90	(27.75)	(9,875.74)
(9,848.89)	0.90	(27.75)	(9,875.74)
0.90	(0.90)	-	(7.14)
(2,624.23)	-	-	(2,624.23)
(12,472.22)	-	(34.89)	(12,507.11)
(12,472.22)	-	(34.89)	(12,507.11)
(1,369.36)	-	24.57	(1,369.36)
(13,841.58)	-	(10.32)	(13,851.90)

Balance as at 1 April,
 Changes in accounting policy or prior period errors
 Restated balance as at April 1, 2021
 Other comprehensive income for the year, net of income tax
 Transfer from deemed capital contribution (Refer note 14.2)
 (Loss) for the year
Balance as at 31 March, 2021
 Changes in accounting policy or prior period errors
 Restated balance as at April 1, 2021
 Other comprehensive income for the year, net of income tax
 (Loss) for the year
Balance as at 31 March, 2022

See accompanying notes to the financial statements
 In terms of our report of even date attached

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For Deloitte Haskins & Sells LLP
 Chartered Accountants
 (Firm's Registration No. 117366W/W-100018)

Jitendra Agarwal
Jitendra Agarwal
 Partner
 (Membership No. 087104)



Place : New Delhi
 Date : 12 May, 2022

For and on behalf of the Board of Directors of
FURUKAWA MINDA ELECTRIC PRIVATE LIMITED

MASAHITO
 TOKUDA



Masahito Tokuda
 Director

Ashok Minda
Ashok Minda
 Director

Neeraj Sharma
Neeraj Sharma
 CFO, President and
 Whole Time Director

Company Secretary
Company Secretary

Place : New Delhi
 Date : 12 May, 2022



57

FURUKAWA MINDA ELECTRIC PRIVATE LIMITED
Notes to the Financial Statements

1. Background

FURUKAWA MINDA ELECTRIC PRIVATE LIMITED ('FME' or 'the Company') is a private limited Company incorporated on 07 November, 2006 with its registered office at Unit No. 18, Lower Ground Floor, Eros Metro Mall, Sector-14, Dwarka, New Delhi - 110075. The Company is in the business of manufacturing wire harness and steering rotator component for automobiles and has manufacturing facilities at Bawal (Haryana), Noida (Uttar Pradesh) and warehousing facility at Vithalapur (Gujarat).

2. Significant accounting policies

(a) Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 read with section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(b) Going concern assumption

The Company has incurred a net loss of Rs. 1,344.79 lakhs (previous year of Rs. 2,631.37 lakhs) during the year ended 31 March, 2022 resulting into accumulated losses as at 31 March, 2022 amounting to Rs. 13,851.90 lakhs (as at 31 March, 2021 - Rs. 12,507.11 lakhs) which has eroded the net worth of the Company and the Company's current liabilities exceeded its current assets by Rs. 9,497.03 lakhs (as at 31 March, 2021 - Rs. 8,952.88 lakhs).

These conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. The ability of the Company to continue as a going concern is dependent on the continued financial and operational support from its Parent Company i.e. Furukawa Electric Co., Ltd. and meeting its financial obligations in the normal course of business. However, the financial statements of the Company have been prepared on the basis that the Company is a going concern as the Company does not anticipate any challenge in its ability to continue as a going concern or meeting its financial obligations, the Parent Company has confirmed to continue to provide requisite financial and operational support for the continued operations of the Company as and when required. The Parent Company has also provided corporate guarantee to the lenders against the short-term borrowings obtained by the Company. The management expects that based on its operations, the Company will be able to meet its liabilities in the normal course of business. (Refer to note 47).



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FURUKAWA MINDA ELECTRIC PRIVATE LIMITED
Notes to the Financial Statements

(c) Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:


- Level 1 inputs are quoted markets (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

(d) Use of estimates and critical accounting judgments

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.



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FURUKAWA MINDA ELECTRIC PRIVATE LIMITED
Notes to the Financial Statements

Estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key source of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of useful lives of property, plant and equipment and provision for employee benefits.

Useful lives of property, plant and equipment [Refer to note 2 (e)]

The Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. There is no such change in the useful life of the assets

Provision for employee benefits

The policy for the employee benefits have been explained under note 2 (j). Also refer to note 26 and 34.

(e) Property, plant and equipment

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses(if any).

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Freehold land is not depreciated.

Depreciation on tangible property, plant and equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed based on technical advice as under taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, etc.

Category of asset	Useful life
Plant and machinery - tools and applicators	5 years
Plant and machinery - moulds	5 years
Vehicles	5 years
Leasehold improvements	Period of lease or assessed useful life, whichever is lower



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FURUKAWA MINDA ELECTRIC PRIVATE LIMITED
Notes to the Financial Statements

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Assets costing less than Rs. 5,000 individually are fully depreciated in the year of purchase.

(f) Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses (if any). Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses (if any).

Internally generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

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FURUKAWA MINDA ELECTRIC PRIVATE LIMITED
Notes to the Financial Statements

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Useful lives of intangible assets

Estimated useful lives of intangible assets are as follows:

Software - 3 years
SAP – 5 years
New product development - 5 years

(g) Impairment of property, plant and equipment and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.



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FURUKAWA MINDA ELECTRIC PRIVATE LIMITED
Notes to the Financial Statements

(h) Leasing

The Company adopted Ind AS 116 "Leases" effective April 1, 2019 and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method by recognising a lease liability at the date of initial application at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate and recognising a right-of-use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application.

The effect of the adoption of Ind AS 116 is disclosed in note 38.

The Company as a Lessee

The Company assesses, whether the contract is, or contains, a lease. A Contract is, or contains, a lease if the contract involves:

- (a) The use of an identified asset,
- (b) The right to obtain substantially all the economic benefits from use of the identified asset, and
- (c) The right to direct the use of the identified asset.

The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The lease liability include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives and receivable and
- Payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payment to be made under reasonably certain extension options are also included in the measurement of liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lease payments are discounted using the lessee's incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.



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FURUKAWA MINDA ELECTRIC PRIVATE LIMITED
Notes to the Financial Statements

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payment made.

The right-of-use assets are measured at cost comprising the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date of the lease less any lease incentives received, any initial direct costs and restoration costs.

The right-of-use assets is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

The Company applies Ind AS 36 to determine whether a right-of use asset is impaired and accounts for any identified impairment loss as specified in note (g) of the significant accounting policies.

The Company as a Lessor:

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income.

The respective lease assets are included in balance sheet based on their nature.

The Company did not need to make any adjustments to the accounting for assets held as lessor as result of adopting the new standard.

(i) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.



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FURUKAWA MINDA ELECTRIC PRIVATE LIMITED
Notes to the Financial Statements

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

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

For the impairment policy on financial assets measured at amortised cost, refer 'Impairment of financial assets' below.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

For the impairment policy on debt instruments at FVTOCI, refer 'Impairment of financial assets' below.

All other financial assets are subsequently measured at fair value.



FURUKAWA MINDA ELECTRIC PRIVATE LIMITED
Notes to the Financial Statements

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.



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FURUKAWA MINDA ELECTRIC PRIVATE LIMITED
Notes to the Financial Statements

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss 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 Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit -adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.



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FURUKAWA MINDA ELECTRIC PRIVATE LIMITED
Notes to the Financial Statements

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would

have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Foreign exchange gains or losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.



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FURUKAWA MINDA ELECTRIC PRIVATE LIMITED
Notes to the Financial Statements

- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability or (where appropriate) a shorter period, to the gross carrying amount on initial recognition.



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FURUKAWA MINDA ELECTRIC PRIVATE LIMITED
Notes to the Financial Statements

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

(j) Employee Benefits

Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each semi-annual reporting period. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur.



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FURUKAWA MINDA ELECTRIC PRIVATE LIMITED
Notes to the Financial Statements

Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

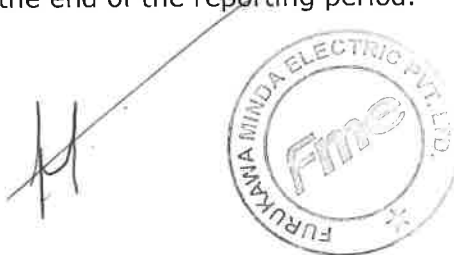
(k) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the Statement of Profit and Loss because it excludes items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.



FURUKAWA MINDA ELECTRIC PRIVATE LIMITED
Notes to the Financial Statements

Effective April 1, 2019, the Company has adopted Appendix C to Ind AS 12 – Income taxes, which clarifies how to apply the recognition and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

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

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

(I) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on Weighted average basis and includes all applicable costs incurred in bringing goods to their present location and condition. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Cost of work-in-progress and finished goods include applicable manufacturing overheads.

Stores and spares are valued at cost comprising of purchase price, freight and handling charges, non- refundable taxes and duties and other directly attributable cost less provision for obsolescence.



FURUKAWA MINDA ELECTRIC PRIVATE LIMITED
Notes to the Financial Statements

(m) Provisions, Contingent Liabilities and Contingent Assets

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Constructive obligation is an obligation that derives from an entity's actions where:

- by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities; and
- as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial assets.

(n) Revenue recognition

The Company derives revenue primarily from sale of wire harness and steering rotator component to automobile companies.

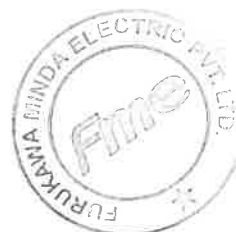
Effective 1 April, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives had not been retrospectively adjusted. The following is a summary of new and/or revised significant accounting policies related to revenue recognition. Refer to note 2(n) "Revenue Recognition," in the Company's 2018 Financial Statements for the policies in effect for revenue prior to April 1, 2018. The effect on adoption of Ind AS 115 was insignificant.

Revenue is recognised net of discount upon transfer of control of promised products to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products.

Revenue from sale of wire harness, steering rotator component and other components is recognised when control of the products has transferred, i.e. when the products



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FURUKAWA MINDA ELECTRIC PRIVATE LIMITED
Notes to the Financial Statements

have been shipped to the customer's specific location (delivery) and in some cases when the products have been dispatched from the Company's premises (dispatch).

Revenues in excess of invoicing are classified as contract assets (referred to as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which are referred to as unearned revenues) refer to note 11(f).

In arrangements for sale of wire harness, steering rotator component and other components, the Company has applied the guidance in Ind AS 115, Revenue from contract with customers, by applying the revenue recognition criteria for each distinct performance obligation.

For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price.

The Company presents revenues net of indirect taxes in its Statement of Profit and Loss.

Disaggregated revenue information

The Company presents disaggregated revenues from contracts with customers for the year ended March 31, 2022 by customer type and performance obligation. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors (Refer to note 22).

(o) Foreign currencies

The functional currency of the Company is Indian Rupee.

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration. In case, there are multiple payments or receipts in advance, the Company shall determine a date of the transaction for each payment or receipt of advance consideration.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses



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FURUKAWA MINDA ELECTRIC PRIVATE LIMITED
Notes to the Financial Statements

resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

The date of the transaction for the purpose of determining the exchange rate to be used on initial recognition of the related asset, expense or income (or part of it) is the date on which the Company initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

Effective 1 April, 2018, the Company has adopted Appendix B to Ind AS 21- Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. The effect on account of adoption of this amendment was insignificant.

(p) Borrowing costs

Borrowings costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for the intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

(q) Earnings per equity share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive



FURUKAWA MINDA ELECTRIC PRIVATE LIMITED
Notes to the Financial Statements

potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

(r) Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value, and bank overdraft and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(s) Cash flow statement

Cash flows are reported using the indirect method, where by profit after tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

(t) Operating cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

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FURUKAWA MINDA ELECTRIC PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(All amounts are in Rs. Lakhs except wherever stated otherwise)

3 (a). Property, plant and equipment and capital work-in-progress

	Freehold land	Buildings	Plant and equipment	Vehicles	Furniture and fixtures	Computers	Office equipment	Total
Cost								
As at 31 March, 2020	1,183.36	1,355.37	8,734.68	166.93	133.19	162.90	108.72	11,845.15
Additions during the year	-	27.25	243.27	23.87	1.92	15.88	19.17	331.36
Disposals during the year	-	-	(106.52)	(24.38)	(37.68)	(26.76)	(51.77)	(247.11)
As at 31 March, 2021	1,183.36	1,382.62	8,871.43	166.42	97.43	152.02	76.12	11,929.40
Additions during the year	-	329.14	285.81	-	2.48	24.03	19.80	661.26
Disposals during the year	-	-	(28.45)	(28.45)	-	(31.04)	-	(59.49)
Reclassified as Assets Held for Sale (Refer to note below)	-	-	(660.43)	-	(3.32)	-	(11.16)	(674.91)
As at 31 March, 2022	1,183.36	1,711.76	8,496.81	137.97	96.59	145.01	84.76	11,856.26
Depreciation and impairment								
Balance as at 31 March, 2020	-	217.91	3,552.77	46.62	56.11	119.48	67.59	4,060.48
Charge for the year	-	55.27	764.09	34.64	13.38	25.05	17.12	909.55
Elimination on disposal of assets	-	-	(90.58)	(16.11)	(33.99)	(26.64)	(51.62)	(218.94)
Balance as at 31 March, 2021	-	273.18	4,226.28	65.15	35.50	117.89	33.09	4,751.09
Charge for the year	-	68.23	734.90	28.54	9.68	23.66	15.70	880.71
Elimination on disposal of assets	-	-	(534.61)	(7.08)	(2.02)	(31.04)	(10.58)	(38.12)
Reclassified as Assets Held for Sale (Refer to note below)	-	-	-	-	-	-	-	(547.21)
Balance as at 31 March, 2022	-	341.41	4,426.57	86.61	43.16	110.51	38.21	5,046.47
Net book Value								
As at 31 March 2021	1,183.36	1,109.44	4,645.15	101.27	61.93	34.13	43.03	7,178.31
As at 31 March 2022	1,183.36	1,370.35	4,070.24	51.36	53.43	34.50	46.55	6,809.79

Notes :
During the current year, the Company on the basis of physical verification and assessment of its property, plant and equipment has recognised impairment loss of Rs. 111.19 lakhs against assets not in use or damaged and accordingly, classified assets amounting to Rs. 16.51 lakhs as assets held for sale, refer to note below.



FURUKAWA MINDA ELECTRIC PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(All amounts are in Rs. Lakhs except wherever stated otherwise)

3 (b) Capital work-in-progress
At cost

	As at 31 March, 2022	As at 31 March, 2021
	118.13	343.86

Plant and machinery

CWIP Ageing Schedule as at March 31, 2022

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	118.13	-	-	-	118.13
Projects temporarily suspended	-	-	-	-	-

CWIP Ageing Schedule as at March 31, 2021

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	343.86	-	-	-	343.86
Projects temporarily suspended	-	-	-	-	-

For Capital Work in Progress, whose completion is overdue as compared to its original plan, the project wise details of when the project is expected to be completed is given below as at March 31, 2022

CWIP	To be completed in				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	39.51	-	-	-	39.51
YHB/VHC Line	72.88	-	-	-	72.88
CCIS-II	112.39	-	-	-	112.39
Total	224.78	-	-	-	224.78
Projects temporarily suspended	-	-	-	-	-

For Capital Work in Progress, whose completion is overdue as compared to its original plan, the project wise details of when the project is expected to be completed is given below as at March 31, 2021

CWIP	To be completed in				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	324.30	-	-	-	324.30
New Building Bawal plant	324.30	-	-	-	324.30
Total	648.60	-	-	-	648.60
Projects temporarily suspended	-	-	-	-	-



FURUKAWA MINDA ELECTRIC PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(All amounts are in Rs. Lakhs except wherever stated otherwise)

3 (c) Assets Held for Sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. As at each balance sheet date, the management reviews the appropriateness of such classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Property, plant and equipment once classified as held for sale are not depreciated or amortized.

Particulars	As at March 31, 2022	As at March 31, 2021
Plant and Equipment	16.52	-



FURUKAWA MINDA ELECTRIC PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
 (All amounts are in Rs. Lakhs except wherever stated otherwise)

4 (a) Other intangible assets

Cost	Software	New product development	Total
As at 31 March, 2020	76.84	20.81	97.65
Additions during the year	10.82	-	10.82
Disposals during the year	(8.11)	-	(8.11)
As at 31 March, 2021	79.55	20.81	100.36
Additions during the year	256.57	-	256.57
Disposals during the year	-	-	-
As at 31 March, 2022	336.12	20.81	356.93
Amortisation			
As at 31 March, 2020	56.54	19.54	76.08
Amortisation charge for the year	12.01	1.27	13.28
Disposals during the year	(8.11)	-	(8.11)
As at 31 March, 2021	60.44	20.81	81.25
Amortisation charge for the year	59.79	-	59.79
Disposals during the year	-	-	-
As at 31 March, 2022	120.23	20.81	141.04
Net Block			
As at 31 March, 2022	215.89	-	215.89
As at 31 March, 2021	19.11	-	19.11

Notes:

- 1 Software: Computer software licences are stated at cost less accumulated amortisation. These costs are amortised using the straight-line method over their estimated useful lives of three years.
- 2 New product development: New product development is the internally-generated intangible asset which is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria. These costs are amortised using the straight-line method over their estimated useful lives of five years.

4(b). Intangible assets under development (IAUD)

(At Cost)	As at 31 March, 2022	As at 31 March, 2021
SAP Software	-	198.00

IAUD Ageing Schedule as at March 31, 2022

IAUD	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

IAUD Ageing Schedule as at March 31, 2021

IAUD	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	198.00	-	-	-	198.00
Projects temporarily suspended	-	-	-	-	-

For IAUD, whose completion is overdue as compared to its original plan, the project wise details of when the project is expected to be completed is given below as at March 31, 2022

CWIP	To be completed in				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

For IAUD, whose completion is overdue as compared to its original plan, the project wise details of when the project is expected to be completed is given below as at March 31, 2021

CWIP	To be completed in				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	198.00	-	-	-	198.00
Projects temporarily suspended	-	-	-	-	-



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94

FURUKAWA MINDA ELECTRIC PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(All amounts are in Rs. Lakhs except wherever stated otherwise)

5. Right-of-use assets (refer to note 38)

	As at 31 March, 2022	As at 31 March, 2021
Carrying amount of warehouse	7.58	52.90
Total	7.58	52.90
Cost or deemed cost		328.34
As at 31 March, 2020		-
Transition impact of Ind AS 116		90.64
Additions during the year		-
Disposals during the year		-
As at 31 March, 2021		418.98
Additions during the year		-
Disposals during the year		-
As at 31 March, 2022		418.98
Amortisation		231.55
As at 31 March, 2020		134.53
Amortisation for the year (Refer to note 28)		-
As at 31 March, 2021		366.08
Amortisation charge for the year (Refer to note 28)		45.32
As at 31 March, 2022		411.40
Net carrying amount		7.58
As at 31 March, 2022		52.90
As at 31 March, 2021		52.90



31

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FURUKAWA MINDA ELECTRIC PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(All amounts are in Rs. Lakhs except wherever stated otherwise)

6 Financial assets - Loans

	As at 31 March, 2022		As at 31 March, 2021	
	Non-current	Current	Non-current	Current
(a) Unsecured, considered good	-	26.72	-	14.49
-Loan to employees	-	-	-	21.00
-Loan to director	-	26.72	-	35.49

7 Other financial assets

	As at 31 March, 2022		As at 31 March, 2021	
	Non-current	Current	Non-current	Current
(a) Security deposits				
(i) Unsecured, considered good	15.67	49.16	37.36	30.73
(ii) Unsecured, considered doubtful	-	15.64	-	10.00
	15.67	64.80	37.36	40.73
Less: Impairment allowance for doubtful security deposits	-	(15.64)	-	(10.00)
	15.67	49.16	37.36	30.73
(b) Unbilled revenue (Refer to note 11(f))	-	313.01	-	354.72
(c) Advance recoverable from related parties [Refer to note 40(c)]				
(i) Unsecured, considered good	-	-	-	0.04
(ii) Unsecured, considered doubtful	-	0.04	-	519.79
	-	0.04	-	519.83
Less: Allowance for doubtful advances	-	(0.04)	-	(519.79)
	-	-	-	0.04
	15.67	362.17	37.36	385.49

8 Tax assets

Non-current tax assets

Advance tax (inclusive of TDS recoverable)

	As at 31 March, 2022	As at 31 March, 2021
	475.10	658.15
	475.10	658.15

9 Other assets

	As at 31 March, 2022		As at 31 March, 2021	
	Non-current	Current	Non-current	Current
(a) Capital advances				
- Unsecured, Considered good	-	-	0.65	-
	-	-	0.65	-
(b) Advance to suppliers				
- Unsecured, Considered good	-	18.91	-	35.89
- Unsecured, Considered doubtful	-	6.59	-	0.03
	-	25.50	-	35.92
Less: Impairment allowance	-	(6.59)	-	(0.03)
	-	18.91	-	35.89
(c) Advance to employees	-	0.28	-	0.28
(d) Recoverable from related parties*	-	418.60	-	862.64
(e) Prepaid expenses	-	107.33	-	64.97
(f) Balance with statutory/government authorities	-	1,720.26	-	2,089.09
	-	2,265.38	0.65	3,052.86

*Expenses incurred on behalf of Japanese Expats which is to be borne by Parent Company and Fellow Subsidiary (refer note 40).



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FURUKAWA MINDA ELECTRIC PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(All amounts are in Rs. Lakhs except wherever stated otherwise)

	As at 31 March, 2022	As at 31 March, 2021
10 Inventories (lower of cost or net realisable value)		
(a) Raw materials and components [including goods in transit Rs. 1,447.36 lakhs (As at 31 March, 2021: Rs. 1,607.79 lakhs)]	4,724.02	5,515.23
(b) Work-in-progress	280.21	302.89
(c) Finished goods	1,519.93	1,334.59
(d) Stores and spares	239.46	202.87
	6,763.62	7,355.58

Notes:

- a) The cost of inventories recognised as expense during the year was Rs. 34,673.62 lakhs (previous year Rs. 32,206.32 lakhs).
b) Mode of valuation has been stated in note 2(l).
c) The cost of inventories recognised as an expense includes Rs. 44.26 lakhs (previous year Rs. 70.85 lakhs) in respect of write-down of inventory to net realisable value.

	As at 31 March, 2022	As at 31 March, 2021
11 Trade receivables		
Trade receivables	1,889.38	2,090.82
Receivables from related parties [Refer to note 40 (c)]	22.96	65.16
Total receivables	1,912.34	2,155.98
Current	1,912.34	2,155.98
Non-current	-	-
Break-up of trade receivables		
- Unsecured, considered good	1,912.34	2,155.98
- Credit impaired	7.01	1.26
Total	1,919.35	2,157.24
Allowance for doubtful debts	(7.01)	(1.26)
Total trade receivables	1,912.34	2,155.98

Trade Receivables Ageing Schedule as at 31 March, 2022 and 31 March, 2021

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months-	1-2 years	2-3 years	More than 3 years	
i) Undisputed Trade receivables - considered good	1,609.49	302.85	-	-	-	-	1,912.34
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	2,022.77	113.93	7.48	4.13	7.67	-	2,155.98
iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables-considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	3.02	3.99	-	-	7.01
	0.20	0.66	0.16	0.08	0.16	-	1.26
Total as on March 31, 2022	1,609.49	302.85	3.02	3.99	-	-	1,919.35
Total as on March 31, 2021	2,022.97	114.59	7.64	4.21	7.83	-	2,157.24

Notes:

- a) The average credit period on sale of goods is 15 to 90 days.
b) The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

Ageing

Within the credit period
0-90 days past due
91-180 days past due
More than 181 days past due

Expected credit loss (%)

0.01% - 0.50%
0.50% - 1.00%
1.00% - 2.00%
2.00% - 25.00%



FURUKAWA MINDA ELECTRIC PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(All amounts are in Rs. Lakhs except wherever stated otherwise)

c) Age of receivables:

Within the credit period
 0-90 days past due
 91-180 days past due
 More than 181 days past due

As at 31 March, 2022	As at 31 March, 2021
1,609.49	2,022.97
293.86	95.71
8.99	18.88
7.01	19.68
1,919.35	2,157.24

d) Movement in the expected credit loss allowance (net)

Balance as at the beginning of the year
 Movement in expected credit loss allowance on trade receivables
 Balance at the end of the year

As at 31 March, 2022	As at 31 March, 2021
(1.26)	(139.99)
(5.75)	138.73
(7.01)	(1.26)

e) Of the trade receivables balance as at the year end, the Company's largest customers who represents more than 10% of the total balance of trade receivables as at 31 March, 2022 are as follows:

Particulars	As at 31 March, 2022	As at 31 March, 2021
Trade receivables		
Customer A	546.87	1,093.30
Customer B	454.68	474.92
	1,001.55	1,568.22

f) **Contract balances**

Trade receivables
 Contract asset (Unbilled revenue) (Refer to note 7)
 Contract liabilities (Unearned revenue)

As at 31 March, 2022	As at 31 March, 2021
1,912.34	2,155.98
313.01	354.72
-	-

Movement in contract balances during the year:

	As at 31 March, 2022	As at 31 March, 2021
A. Contract assets		
Opening balance	354.72	125.48
Addition during the year	313.01	354.72
Receipt during the year	354.72	125.48
Closing balance	313.01	354.72
B. Contract liabilities		
Opening balance	-	351.85
Add: Addition during the year	-	-
Less: Adjusted during the year	-	351.85
Closing balance	-	-

12 Cash and cash equivalents

(a) Cash on hand
 (b) Balances with scheduled banks
 - in current accounts

Cash and cash equivalents as per the Cash Flow Statement

As at 31 March, 2022	As at 31 March, 2021
-	-
1,193.59	2,772.85
1,193.59	2,772.85



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FURUKAWA MINDA ELECTRIC PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
 (All amounts are in Rs. Lakhs except wherever stated otherwise)

	As at 31 March, 2022	As at 31 March, 2021
13 Equity share capital		
Equity share capital	11,750.00	11,750.00
	11,750.00	11,750.00
Authorised share capital		
117,500,000 fully paid equity shares of Rs. 10 each (As at 31 March, 2021 : 117,500,000 fully paid equity shares of Rs. 10 each)	11,750.00	11,750.00
Issued and subscribed capital		
117,500,000 fully paid equity shares of Rs. 10 each (As at 31 March, 2021: 117,500,000)	11,750.00	11,750.00
	11,750.00	11,750.00

13.1 Fully paid equity shares

	Numbers	Rs. in lakhs
Balance as at 31 March, 2020	117,500,000	11,750.00
Issued during the year	-	-
Balance as at 31 March, 2021	117,500,000	11,750.00
Issued during the year	-	-
Balance as at 31 March, 2022	117,500,000	11,750.00

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 and is entitled for dividend approved in the Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

13.2 Details of shares held by each shareholder holding more than 5%

	As at 31 March, 2022		As at 31 March, 2021	
	Numbers	% holding	Numbers	% holding
Fully paid equity shares				
Minda Corporation Limited	29,375,000	25.0%	29,375,000	25.0%
Furukawa Electric Co., Ltd	52,875,000	45.0%	52,875,000	45.0%
Furukawa Automotive Systems INC.	35,250,000	30.0%	35,250,000	30.0%

13.3 List of promoters holding share as at March 31, 2022 and as at March, 2021

	As at 31 March, 2022		As at 31 March, 2021	
	Numbers	% holding	Numbers	% holding
Fully paid equity shares				
Minda Corporation Limited	29,375,000	25.0%	29,375,000	25.0%
Furukawa Electric Co., Ltd	52,875,000	45.0%	52,875,000	45.0%
Furukawa Automotive Systems INC.	35,250,000	30.0%	35,250,000	30.0%

14 Other equity

	As at 31 March, 2022	As at 31 March, 2021
Retained earnings / (deficit)	(13,851.90)	(12,507.11)
	(13,851.90)	(12,507.11)

14.1 Retained earnings / (deficit)

	As at 31 March, 2022	As at 31 March, 2021
Balance at the beginning of the year	(12,507.11)	(9,876.64)
(Loss) for the year	(1,369.36)	(2,624.23)
Transfer from deemed capital contribution (Refer to note 14.2)	-	0.90
Other comprehensive income for the year, net of income tax	24.57	(7.14)
Balance at the end of the year	(13,851.90)	(12,507.11)

Note:

The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on requirements of the Companies

14.2 Deemed capital contribution (Refer to note 41)

	As at 31 March, 2022	As at 31 March, 2021
Opening balance	-	0.90
Less: Transferred to retained earnings during the year	-	0.90
Closing balance	-	-



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FURUKAWA MINDA ELECTRIC PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(All amounts are in Rs. Lakhs except wherever stated otherwise)

	Year ended 31 March, 2022	Year ended 31 March, 2021
15 Lease Liabilities (Non current)		
i. Lease Liabilities	-	7.84
	-	7.84
16 Other financial liabilities		
Current		
i. Interest accrued but not due on borrowings	6.46	8.40
ii. Payables for purchase of property, plant and equipment and capital work-in-progress	61.92	90.05
	68.38	98.45
17 Provisions		
Non-current		
Employee benefits		
i. Provision for compensated absences	72.07	93.55
ii. Provision for gratuity (net) (Refer to note 34)	174.96	191.18
	247.03	284.73
Current		
(a) Employee benefits		
i. Provision for compensated absences	2.36	3.11
ii. Provision for gratuity (net) (Refer to note 34)	6.56	3.71
(b) Provision for closure of facility (Refer to note below)	-	-
	8.92	6.82
Carrying amount at the beginning of the year	-	62.95
Less: Utilised during the year	-	(22.01)
Less: Provision written back	-	(40.94)
Carrying amount at the end of the year	-	-
Note :		
(a) During the financial year 2019-2020, the Company had decided to close its Noida facility. The management had worked on disposal/installation of assets/shifting of inventory and assets/compensation and had estimated an amount of Rs. 62.95 lakhs towards provision for closure of facility which had been provided for in the books of account as on 31 March, 2020. Post settlement, the balance provision of Rs. 40.94 lakhs has been written back during the previous year.		
18 Other liabilities		
Current		
i. Statutory liabilities	198.08	111.28
ii. Advance from customers	21.27	19.50
	219.35	130.78
19 Borrowings (Current)		
Unsecured - at amortised cost		
i. Working capital loan repayable on demand (Refer to note a)	101.00	102.00
ii. Short term loans from banks (Refer to note b)	15,241.00	14,494.00
	15,342.00	14,596.00
Notes :		
a Working capital loan from MUFG bank is backed by corporate guarantee from Furukawa Electric Co., Ltd. (Parent Company). It is repayable on demand and carries interest rate of 5.75% per annum (31 March, 2021: 6.4% per annum).		
b Short term loans from MUFG bank, Duetsche Bank & Mizuho bank are backed by corporate guarantee from Furukawa Electric Co., Ltd. (Parent Company). It is repayable on demand and carried interest rate of 5.75% to 6.30% per annum (31 March, 2021: 5.90% to 8.00% per annum)		
20 Lease liabilities (Current)		
i. Lease liabilities (Refer to note 38)	7.84	44.74
	7.84	44.74



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FURUKAWA MINDA ELECTRIC PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(All amounts are in Rs. Lakhs except wherever stated otherwise)

21 Trade payables

i.	Total outstanding dues of micro, small and medium enterprises (Refer to note i below)	139.46	153.65
ii.	Total outstanding dues of creditors other than micro, small and medium enterprises (Refer to note ii below)	<u>6,251.42</u>	<u>9,680.69</u>
		6,390.88	9,834.34

Trade Payables Ageing Schedule as at March 31, 2022 and as at March 31, 2021

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3	
(i) MSME	139.46	-	-	-	-	139.46
	153.65	-	-	-	-	-
(ii) Others	5,543.50	630.69	4.97	2.64	69.63	6,251.43
	7,400.93	2,085.71	119.26	22.87	51.92	9,680.69
(iii) Disputed dues- MSME	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-
	-	-	-	-	-	-
Total as on March 31, 2022	5,682.96	630.69	4.97	2.64	69.63	6,390.89
Total as on March 31, 2021	7,554.58	2,085.71	119.26	22.87	51.92	9,680.69

Notes:

- i. The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:
- | | | | |
|-----|---|--------|--------|
| (a) | (i) the principal amount remaining unpaid to any supplier | 139.46 | 153.65 |
| | (ii) interest due thereon | - | - |
| (b) | interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day | - | - |
| (c) | interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006 | - | - |
| (d) | interest accrued and remaining unpaid | - | - |
| (e) | further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006. | - | - |
- Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.
- ii. The average credit period is upto 0-90 days for the Company. Interest is paid / payable on the overdue amount as per the contract terms, if any.



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FURUKAWA MINDA ELECTRIC PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(All amounts are in Rs. Lakhs except wherever stated otherwise)

	<u>Year ended</u> <u>31 March, 2022</u>	<u>Year ended</u> <u>31 March, 2021</u>
22 Revenue from operations		
Sales of products	35,614.69	32,009.62
Other operating revenue : - Scrap sales	335.50	268.49
	<u>35,950.19</u>	<u>32,278.11</u>
Disaggregation of revenue		
a. Customer type		
(i) Non-Government		
- Customer A	23,153.95	26,450.83
- Customer B	4,433.42	3,381.15
- Others	8,027.32	2,177.64
(ii) Government	-	-
Total	<u>35,614.69</u>	<u>32,009.62</u>
b. Performance obligation		
- Delivery	30,666.88	27,783.05
- Dispatch	4,947.81	4,226.57
Total	<u>35,614.69</u>	<u>32,009.62</u>
Note: Control in all revenue transactions is transferred at a point in time		
Reconciliation of revenue		
Gross revenue	35,788.93	32,178.90
Less: Discount	174.24	169.28
Net revenue from contract with customers	<u>35,614.69</u>	<u>32,009.62</u>
23 Other Income		
Interest income earned on financial assets not designated as at fair value through profit or loss		
Other financial assets (carried at amortised cost)	1.85	6.71
	<u>(A) 1.85</u>	<u>6.71</u>
Other gains (net)		
Net foreign exchange gain	271.84	291.30
Liabilities / provisions no longer required written back	201.42	642.19
Miscellaneous income	44.90	19.88
	<u>(B) 518.16</u>	<u>953.37</u>
	<u>(A+B) 520.01</u>	<u>960.08</u>
24 Cost of materials consumed		
Opening stock	5,515.23	4,568.79
Add: Purchases	26,918.55	26,897.88
	32,433.78	31,466.67
Less: Closing stock (Refer to note 10)	4,724.02	5,515.23
Total cost of materials consumed	<u>27,709.76</u>	<u>25,951.44</u>
25 Changes in inventories of finished goods and work in progress		
Inventories at the beginning of the year (A):		
Finished goods	1,334.59	579.78
Work-in-progress	302.89	305.69
Inventories at the end of the year (B):		
Finished goods	1,519.93	1,334.59
Work-in-progress	280.21	302.89
Net increase (B-A)	<u>162.66</u>	<u>752.01</u>
26 Employee benefit expense		
Salaries and wages	4,614.23	5,104.83
Contribution to provident and other funds (Refer to note 34)	183.80	178.62
Gratuity expense (Refer to note 34)	41.16	46.58
Staff welfare expenses	266.13	369.42
	<u>5,105.32</u>	<u>5,699.45</u>
27 Finance costs		
Interest costs:		
- Interest on short term borrowings	975.96	1,006.13
- Interest expense on lease	2.78	7.11
- Loan guarantee fee	43.73	37.46
- Other interest expense	4.18	0.13
	<u>1,026.65</u>	<u>1,050.83</u>



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FURUKAWA MINDA ELECTRIC PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(All amounts are in Rs. Lakhs except wherever stated otherwise)

	Year ended 31 March, 2022	Year ended 31 March, 2021
28 Depreciation and amortisation expense		
Depreciation of plant, property and equipment	880.71	909.55
Amortisation of intangible assets	59.79	13.28
Amortisation of right-of-use assets (Refer to note 4 and 38)	45.32	134.53
	985.82	1,057.36
29 Other expenses		
Jobwork charges	602.66	612.26
Consumption of stores and spare parts	241.94	275.85
Power and fuel	88.81	92.31
Rent (Refer to note 38)	282.55	252.02
Repairs and maintenance		
- Buildings	14.51	27.00
- Plant and Machinery	175.82	90.62
- Others	186.26	189.80
Travelling and conveyance	35.75	46.35
Legal and professional fees	80.41	133.71
Communication expenses	8.12	13.81
Insurance	72.79	67.35
Rates and taxes	48.37	62.22
Advertisement and business promotion	1.52	0.89
Royalty	696.19	509.68
Freight and forwarding charges	215.35	150.66
Bank charges	10.83	4.27
Allowance for doubtful trade receivables and advances	43.22	1.26
Loss on disposal/discard of property, plant and equipment (net)	0.72	4.67
Impairment loss on property, plant and equipment (refer to note 3)	111.19	-
Payment to auditors (Refer to note below)	78.92	86.44
Printing and stationery	15.49	12.30
Expense related to CSR activity	3.65	22.01
Security expense	48.80	46.96
Miscellaneous expenses#	110.80	152.91
Total	3,174.67	2,855.35

Does not include any item of expenditure with a value of more than 1% of the revenue from operations

I. Payment to the Auditors		
Statutory audit including quarterly review	72.10	72.10
For taxation matters	6.18	6.18
For other services	-	5.67
Reimbursement of expenses	0.64	2.49
Total	78.92	86.44



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FURUKAWA MINDA ELECTRIC PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(All amounts are in Rs. Lakhs except wherever stated otherwise)

	Year ended 31 March, 2022	Year ended 31 March, 2021
	Rs. per share	Rs. per share
30 Earnings per equity share		
Basic/diluted earnings per equity share	(1.17)	(2.23)
	(1.17)	(2.23)

30.1 Basic/diluted earnings per equity share

The earnings and weighted average number of equity shares used in the calculation of basic/diluted earnings per equity share are as follows:

(Loss) for the year attributable to the equity shareholders of the Company	(1,369.36)	(2,624.23)
Earnings used in the calculation of basic/diluted earnings per share (Rs. lakhs)	(1,369.36)	(2,624.23)
Weighted average number of equity shares for the purposes of basic/diluted earnings per equity share	117,500,000	117,500,000
Basic earnings per equity share	(1.17)	(2.23)
Diluted earnings per equity share	(1.17)	(2.23)

Note: The Company did not have any potentially dilutive securities in any of the period presented.

31 Capital and other commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) 123.42 359.61

32 Contingent liabilities

Claims against the Company not acknowledged as debts*

Income tax 463.09 143.39

* Based on the discussions with the solicitor/expert opinions taken/status of the case, the management believes that the Company has strong chances of success in above mentioned cases and hence no provision is considered necessary at this point in time as the likelihood of liability devolving on the Company is less than probable.

32.1 Pending litigations

(a) During the previous year, a draft assessment order was issued by the assessing officer for the assessment year 2016-17, whereby adjustments amounting to Rs. 2,706.08 lakhs were made on account of transfer pricing adjustments which could result in reduction of brought forward losses. The Company had approached the Dispute Resolution Panel ('DRP') and filed an objection application against the order of the Assessing Officer ('AO').

Due to the lockdown imposed by the Government of India, the scheduled hearing could not take place post the year end. The management is of view that the Company has strong chances of success and the grounds of the draft assessment order are not tenable.

During the previous year, DRP hearing was held in May 2020 and partial relief was granted amounting to Rs. 1,679.40 lakhs. Consequently, the net addition are at Rs. 1,026.60 lakhs. During the current year, final order was received from AO, with incorporated impact of DRP recommendations. Further, the Company has filed an appeal with Income Tax Appellate Tribunal ('ITAT') on 23 May, 2021.

Penalty proceedings have been initiated against the Company stating demand amounting to Rs. 317.23 lakhs by the AO for non-submission of documents to the AO. During the year, the Company has filed an appeal against the penalty notice with CIT (A) on 24 April, 2022.

(b) During the previous year, a draft assessment order was issued by the assessing officer for the assessment year 2017-18, whereby adjustments amounting to Rs. 2,852.54 lakhs were made on account of transfer pricing adjustments which could result in reduction of brought forward losses. The Company had approached the Dispute Resolution Panel (DRP) and filed an objection application against the order of the assessing officer.

The DRP has sustained the order and an appeal has been filed with ITAT on 28 March, 2022.

(c) During the previous year, a draft assessment order was issued by the assessing officer for the assessment year 2018-19, whereby adjustments amounting to Rs. 4,884 lakhs were made on account of transfer pricing adjustments which could result in reduction of brought forward losses. The Company had approached the Dispute Resolution Panel (DRP) and filed an objection application against the order of the assessing officer.

The DRP recommendations are received, where the TPO has suggested to reduce the quantum of adjustment to only international transactions. TPO passed the order with Rs. Nil additions.

(d) During the F.Y. 2018-19, the Company had received a notice dated 3 February, 2019 from the Office of Directorate General of Goods & Services Tax Intelligence, Gurugram Zonal Unit contending to show cause why the valuation of the goods should not be re-determined as per the Central Excise Valuation (Determination of Price of Excise Goods) Rules, 2002, Excise duty (including cess) for an amount of Rs. 960.20 lakhs and interest and penalty there-on should not be levied.

The Company made the submission on 17 March, 2021 by hand and appeared in the online hearing of 19 March, 2021. Till date no further hearing are made.

33 Segment information

The Company is engaged mainly in the business of "manufacturing of wire harness for automobiles". The Board of Directors of the Company, which has been identified as being the chief operating decision maker (CODM), evaluates the Company's performance, allocates resources based on the analysis of the various performance indicators of the Company as a single unit. Therefore, there is no reportable segment for the Company, in accordance with the requirements of Ind AS 108- 'Operating Segment Reporting', notified under the Companies (Indian Accounting Standard) Rules, 2015.

Information about major customers:

Customers who contributed more than 10% revenue to company are as:

Customer A	23,153.95	26,450.83
Customer B	4,433.42	3,381.15
Customer C	3,790.88	

No other single customer contributed 10% or more to the Company's revenue for 2021-22 and 2020-21.



34. Employee benefits

i. Defined contribution plan

The Company makes contribution towards provident fund to a defined contribution retirement benefit plan for qualifying employees. The Company's contribution to the employees provident fund is deposited with the regional provident fund commissioner. Under the scheme, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit scheme to fund the benefits.

The total expense recognised in profit or loss of Rs. 160.01 lakhs (for the year ended 31 March, 2021: Rs. 150.49 lakhs) for provident fund contribution and Rs. 23.79 lakhs (for the year ended 31 March, 2021 Rs. 28.13 lakhs) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes. As at 31 March, 2022, contributions of Rs. 26.77 lakhs (as at 31 March, 2021: Rs. 30.90 lakhs) due in respect of 2021-2022 (2020-2021) reporting period had not been paid over to the plans. The amounts were paid subsequent to the end of the respective reporting periods.

ii. Defined Benefit plan

a. Gratuity plan

Gratuity liability arises on retirement, withdrawal, resignation, and death of an employee. The aforesaid liability is calculated on the basis of 15 days salary (i.e. last drawn salary plus dearness allowance) for each completed year of service or part thereof in excess of 6 months, subject to a maximum of Rs. 20 lakhs. Vesting occurs upon completion of 5 years of service.

The present value of the defined benefit obligation and the related current service cost are measured using the Projected Unit Credit method with actuarial valuations being carried out at each balance sheet date.

The gratuity plan typically exposes the Company to actuarial risks such as: interest rate risk, longevity risk and salary risk.

Interest risk (discount rate risk)	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.



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FURUKAWA MINDA ELECTRIC PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS

In respect of the plan in India, the most recent actuarial valuation of the present value of the defined benefit obligation were carried out as at 31 March, 2021 by Charan Gupta Consultants Private Limited, Fellow, Institute of Actuaries of India. The present value of defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

Principal actuarial assumptions:

S. No.	Particulars	See Note below	Year ended 31 March, 2022	Year ended 31 March, 2021
i.	Discount rate (p.a.)	1	7.26%	6.76%
ii.	Salary escalation rate (p.a.)	3	6.00%	6.00%

Note:

1. The discount rate is based on the prevailing market yields of India Government securities as at the balance sheet date for the estimated term of obligations.
2. The gratuity plan is unfunded.
3. The estimates of future salary increases considered take into account the inflation, seniority, promotion and other relevant factors.

Demographic assumptions:

S. No.	Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
1.	Retirement age	58/60 years	58/60 years
2.	Mortality table	Indian Assured Lives Mortality (2012-14) modified Ult.	Indian Assured Lives Mortality (2012-14) modified Ult.
3.	Withdrawal rate		
	Up to 30 Years	3%	3%
	31 to 44 years	2%	2%
	Above 44 years	1%	1%

The following table sets out the funded status of the defined benefit scheme and the amount recognised in the financial statements:



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FURUKAWA MINDA ELECTRIC PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS

- i. Amounts recognised in the Statement of Profit and Loss in respect of these defined benefits plans are as follows:

Particulars	Year ended 31 March, 2022 Rs. in lakhs	Year ended 31 March, 2021 Rs. in lakhs
Current service cost	27.99	35.26
Net interest expenses	13.17	11.32
Components of defined benefit costs recognised in profit or loss	41.16	46.58

- ii. Remeasurement on the net defined benefit liability:

Particulars	Year ended 31 March, 2022 Rs. in lakhs	Year ended 31 March, 2021 Rs. in lakhs
Actuarial (gains) / loss arising from changes in demographic assumptions	-	-
Actuarial (gain)/loss on arising from change in financial assumption	(9.34)	1.23
Actuarial (gain)/loss on arising from experience adjustment	(15.23)	5.91
Component of defined benefit costs recognised in other comprehensive income	(24.57)	7.14

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' in the Statement of Profit and Loss.

The remeasurement of the net defined benefit liability is included in the other comprehensive income.

- iii. The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefits plans as follows:

Particulars	As at 31 March, 2022 Rs. in lakhs	As at 31 March, 2021 Rs. in lakhs
Present value of defined benefit obligation	(181.52)	(194.88)
Fair value of plan assets	-	-
Funded status surplus/(deficit)	(181.52)	(194.88)



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FURUKAWA MINDA ELECTRIC PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS

iv. Movement in the fair value of the defined benefit obligation:

Particulars	Year ended 31 March, 2022 Rs. in lakhs	Year ended 31 March, 2021 Rs. in lakhs
Opening defined benefit obligation	194.88	166.45
Current service cost	27.99	35.26
Interest cost on defined benefit obligation	13.17	11.32
Actuarial (gains) / loss arising from changes in demographic assumptions	(24.57)	7.14
Benefits paid	(29.95)	(25.29)
Closing defined benefit obligations	181.52	194.88

Particulars	Year ended 31 March, 2022 Rs. in lakhs	Year ended 31 March, 2021 Rs. in lakhs
- Non-current portion	174.96	191.17
- Current portion	6.56	3.71

v. Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase, withdrawal rate and mortality. The sensitivity analysis below has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	As at 31 March, 2022 Rs. in lakhs		As at 31 March, 2021 Rs. in lakhs	
	Decrease	Increase	Decrease	Increase
Discount Rate (-/+50bps) (% change compared to base due to sensitivity)	14.52	(13.07)	16.55	(14.85)
Salary Growth Rate (-/+50bps) (% change compared to base due to sensitivity)	(11.95)	13.16	(13.42)	14.71

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FURUKAWA MINDA ELECTRIC PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS

Sensitivities due to mortality and withdrawals are not material and hence impact of change due to these not calculated.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit liability recognised in the Balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

vi. The expected maturity analysis of defined benefit obligation is as follows:

	31 March, 2022	31 March, 2021
	Rs. in lakhs	Rs. in lakhs
Within 1 year	6.56	3.71
Between 1-2 years	3.28	3.38
Between 2-3 years	4.81	3.58
	31 March, 2022	31 March, 2021
	Rs. in lakhs	Rs. in lakhs
Between 3-4 years	3.37	7.34
Between 4-5 years	3.33	3.53
Beyond 5 years	160.17	173.35



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**FURUKAWA MINDA ELECTRIC PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS**

b. Actuarial assumptions for compensated absences

S. No.	Particulars	Refer Note below	Year ended 31 March, 2022	Year ended 31 March, 2021
i.	Discount rate (p.a.)	1	7.26%	6.76%
ii.	Expected rate of return on assets (p.a.)	2	-	-
iii.	Salary escalation rate (p.a.)	3	6.00%	6.00%

Note:

1. The discount rate is based on the prevailing market yields of India Government securities as at the balance sheet date for the estimated term of obligations.
2. The compensated absences plan is unfunded.
3. The estimates of future salary increases considered take into account the inflation, seniority, promotion and other relevant factors.



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FURUKAWA MINDA ELECTRIC PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
 (All amounts are in Rs. Lakhs except wherever stated otherwise)

35. Financial instruments

35.1 Capital management

The Company has accumulated losses as at 31 March, 2022 amounting to Rs. 13,851.90 lakhs (As at 31 March, 2021: Rs. 12,507.11 lakhs). The Parent Company has confirmed to provide requisite financial and operational support for the continued operations of the Company as and when required. The Capital structure of the Company consists of net debt (borrowings as detailed in note 19 offset by cash and cash equivalents) and equity share capital. The management reviews the capital structure of the Company on a periodic basis. As part of this review, the management considers cost of capital and the risks associated with each class of capital.

	As at 31 March, 2022	As at 31 March, 2021
Gearing ratio		
Debt (i)	15,342.00	14,596.00
Cash and cash equivalents	(1,193.59)	(2,772.85)
Net debt	14,148.41	11,823.15
Total equity	(2,101.90)	(757.11)
Net debt to equity ratio	(6.73)	(15.62)
Debt		
Borrowings (Refer to note 19)	15,342.00	14,596.00
	15,342.00	14,596.00
Total equity		
Equity share capital	11,750.00	11,750.00
Other equity	(13,851.90)	(12,507.11)
	(2,101.90)	(757.11)

(i) Debt is defined as short-term borrowings, as described in note 19.

35.2 Categories of financial instruments

Financial assets

Measured at amortised cost

(a) Trade receivables	1,912.34	2,155.98
(b) Cash and cash equivalents	1,193.59	2,772.85
(c) Loans	26.72	35.49
(d) Other financial assets	377.84	422.85
	3,510.49	5,387.17

Financial liabilities

Measured at amortised cost

(a) Borrowings	15,342.00	14,596.00
(b) Lease liabilities	7.84	52.58
(c) Trade payables	6,390.88	9,834.34
(d) Other financial liabilities	68.38	98.45
	21,809.10	24,581.37

35.3 Financial risk management

The Company's activities expose it to a variety of financial risks which includes market risk (including interest rate risk and foreign currency risk), credit risk and liquidity risk.

The Company seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures in relation to the floating interest rate loans. The use of financial derivatives is governed by the Company's policies approved by the Board of Directors.

The Company's focus is to ensure liquidity which is sufficient to meet the Company's operational requirements. The Company monitors and manages key financial risks so as to minimise potential adverse effects on its financial performance. The Company has a risk management policy which covers the risks associated with the financial assets and liabilities. The details for managing each of these risks are summarised ahead.

35.4 Market risk

Market risk is the risk that the expected cash flows or fair value of a financial instrument could change owing to changes in market prices. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

35.5 Interest rate risk management

The Company is exposed to interest rate risk as the Company borrows funds at both fixed and floating interest rates. The Company manages the risk by maintaining an appropriate mix between fixed and floating rate borrowings. (Refer to note 19)

Interest rate sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for borrowings at the end of year. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the year was outstanding for the whole year. A 50 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.

For the year ended 31 March, 2022 and 31 March, 2021, every percentage point depreciation / appreciation in the interest rate will affect the Company's profit/(loss) before tax by Rs. 162.89 lakhs for the year ended 31 March, 2022 (Rs. 146.07 lakhs for the year ended 31 March, 2021).



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FURUKAWA MINDA ELECTRIC PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(All amounts are in Rs. Lakhs except wherever stated otherwise)

Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in exchange rates. The Company undertakes transactions denominated in foreign currencies; consequently, exposure to exchange rate fluctuations arise. The carrying amount of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Particulars	Currency	As at	
		31 March, 2022	31 March, 2021
Trade receivables	JPY	-	5.83
	Equivalent INR	-	3.87
Trade receivables	USD	0.31	0.58
	Equivalent INR	23.20	42.59
Trade payables	EURO	1.32	0.84
	Equivalent INR	112.10	71.92
Trade payables	JPY	4,329.79	6,409.67
	Equivalent INR	2,694.43	4,253.46
Trade payables	USD	1.35	1.24
	Equivalent INR	102.41	91.22

For the year ended 31 March, 2022 and 31 March, 2021, every percentage point depreciation / appreciation in the exchange rate between the Indian rupee and USD/ EURO/ JPY, will affect the Company's profit/(loss) before tax by Rs. 26.81 lakhs and Rs. 44.63 lakhs respectively.

35.6 Fair value measurements

35.6.1 Fair value of the financial assets and liabilities that are not measured at fair value (but fair value disclosures are required)

	As at		As at	
	31 March, 2022		31 March, 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Financial assets at amortised cost:				
- Trade receivables	1,912.34	1,912.34	2,155.98	2,155.98
- Loans	26.72	26.72	35.49	35.49
- Other financial assets	377.84	377.84	422.85	422.85
Financial liabilities				
Financial liabilities held at amortised cost:				
- Borrowings	15,342.00	15,342.00	14,596.00	14,596.00
- Lease liabilities	7.84	7.84	52.58	52.58
- Trade payables	6,390.88	6,390.88	9,834.34	9,834.34
- Other financial liabilities	68.38	68.38	98.45	98.45

Fair value hierarchy

	Fair value hierarchy as at 31 March, 2022			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at amortised cost:				
- Trade receivables	-	-	1,912.34	1,912.34
- Loans	-	-	26.72	26.72
- Other financial assets	-	-	377.84	377.84
- Cash and cash equivalents	-	-	1,193.59	1,193.59
Total	-	-	3,510.49	3,510.49
Financial liabilities				
Financial liabilities held at amortised cost:				
- Borrowings	-	-	15,342.00	15,342.00
- Lease liabilities	-	-	7.84	7.84
- Trade payables	-	-	6,390.88	6,390.88
- Other financial liabilities	-	-	68.38	68.38
Total	-	-	21,809.10	21,809.10

	Fair value hierarchy as at 31 March, 2021			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at amortised cost :				
- Trade receivables	-	-	2,155.98	2,155.98
- Loans	-	-	35.49	35.49
- Other financial assets	-	-	422.85	422.85
- Cash and cash equivalents	-	-	2,772.85	2,772.85
Total	-	-	5,387.17	5,387.17
Financial liabilities				
Financial liabilities held at amortised cost:				
- Borrowings	-	-	14,596.00	14,596.00
- Lease liabilities	-	-	52.58	52.58
- Trade payables	-	-	9,834.34	9,834.34
- Other financial liabilities	-	-	98.45	98.45
Total	-	-	24,581.37	24,581.37



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FURUKAWA MINDA ELECTRIC PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(All amounts are in Rs. Lakhs except wherever stated otherwise)

35.7 Credit risk management

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Apart from the customers as disclosed in note 11(e), the Company does not have significant credit risk exposure to any single counterparty.

35.8 Liquidity risk management

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Company manages liquidity risk by maintaining adequate banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows. The Company generates sufficient cash flows from current operations which together with the available cash and cash equivalents provide liquidity both in the short-term as well as in the long-term. Note 35.8.2 below sets out details of unutilised facilities that the Company has at its disposal to further reduce liquidity risk.

35.8.1 Expected maturity for financial liabilities

The table below provide details regarding the contractual maturities of financial liabilities, including estimated interest payments as at:

	0-1 year	1-2 years	2-5 years	5+ years	Total
31 March, 2022					
Non-derivative financial liabilities					
Borrowings*	15,342.00	-	-	-	15,342.00
Lease liabilities	7.84	-	-	-	7.84
Trade payables	6,390.88	-	-	-	6,390.88
Other financial liabilities	-	-	-	-	-
- Interest accrued	6.46	-	-	-	6.46
- Payables for purchase of property, plant and equipment and capital work-in-progress	61.92	-	-	-	61.92
31 March, 2021					
Non-derivative financial liabilities					
Borrowings*	14,596.00	-	-	-	14,596.00
Lease liabilities	44.74	7.84	-	-	52.58
Trade payables	9,834.34	-	-	-	9,834.34
Other financial liabilities	-	-	-	-	-
- Interest accrued	8.40	-	-	-	8.40
- Payables for purchase of property, plant and equipment and capital work-in-progress	90.05	-	-	-	90.05

*includes undiscounted interest.

The following tables detail the Company's remaining expected maturity financial assets. The tables have been drawn up based on the undiscounted cash flows of financial assets.

Expected maturity for financial assets:

	0-1 year	1-2 years	2-5 years	5+ years	Total
31 March, 2022					
Financial assets					
Current					
Trade receivables	1,912.34	-	-	-	1,912.34
Cash and cash equivalents	1,193.59	-	-	-	1,193.59
Loans	26.72	-	-	-	26.72
Other financial assets	362.17	-	-	17.17	379.34
31 March, 2021					
Financial assets					
Trade receivables	2,155.98	-	-	-	2,155.98
Cash and cash equivalents	2,772.85	-	-	-	2,772.85
Loans	35.49	-	-	-	35.49
Other financial assets	385.49	25.41	-	11.95	422.85



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FURUKAWA MINDA ELECTRIC PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
 (All amounts are in Rs. Lakhs except wherever stated otherwise)

35.8.2 Financing facilities

	As at 31 March, 2022	As at 31 March, 2021
Unsecured working capital loan facility:		
- amount used	101.00	102.00
- amount unused	1.00	-
	102.00	102.00
Unsecured short term loan from banks:		
- amount used	15,241.00	14,494.00
- amount unused	5,552.40	5,559.40
	20,793.40	20,053.40

36 The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

37 There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

38 Leases

	As at 31 March, 2022	As at 31 March, 2021
Lease liabilities recognised		
Current lease liabilities	7.84	44.74
Non-current lease liabilities	-	7.84
Total	7.84	52.58

The weighted average discount rate applied to lease liabilities as at April 1, 2021 is 8.55% for the remaining lease term.

ii) Amounts recognised in the Statement of Profit and Loss

The Statement of Profit and Loss shows the following amount relating to leases for the year ended 31 March, 2022

Amortisation of right-of-use assets (Refer to note 28)	45.32	134.53
Interest on lease liabilities	2.78	7.11
Short term lease expenses	282.55	252.02

iii) Changes in the carrying value of right-of-use assets for the year ended 31 March, 2022

Balance as at 1 April, 2021	52.90	96.79
Additions during the year	-	90.64
Amortisation	45.32	134.53
Balance as at 31 March, 2022	7.58	52.90

The amortisation expense on right-of-use assets is included under depreciation and amortisation expense in the Statement of Profit and Loss.

iv) Movement in lease liabilities during the year ended 31 March, 2022

Balance as on 1 April, 2021	52.58	97.58
Additions/(deletions)	-	87.03
Finance cost accrued during the period	2.78	7.11
Less: Payment of lease liabilities (including interest)	47.52	139.14
Balance as on 31 March, 2022	7.84	52.58

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2022 on an undiscounted basis:

Less than one year	7.84	44.74
One to two years	-	7.84
Two to five years	-	-
More than five years	-	-
Balance as on March 31, 2022	7.84	52.58

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The following is the break-up of current and non-current lease liabilities as at March 31, 2022:

Current lease liabilities	7.84	44.74
Non-current lease liabilities	-	7.84



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FURUKAWA MINDA ELECTRIC PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(All amounts are in Rs. Lakhs except wherever stated otherwise)

39 Income taxes

Year ended 31 March, 2022	Year ended 31 March, 2021
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39.1 Income tax recognised in the Statement of Profit and Loss

The company has not recognised current tax provision nor has recognised deferred tax expense.

The income tax expense for the year can be reconciled to the accounting profit as follows:

(Loss) before tax	(1,369.36)	(2,624.23)
Income tax expense	(427.24)	(818.76)
Effect of expenses that are not deductible in determining taxable profit	348.22	354.66
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	79.02	464.10
	-	-

The tax rate used for the financial years 2021-2022 and 2020-2021 reconciliations above is the corporate tax rate of 31.20% and 31.20% respectively payable by corporate entities in India on taxable profits under the Indian tax law.

39.2 Deferred tax assets / (liabilities) (net)

	As at 31 March, 2022	As at 31 March, 2021
Deferred tax assets / (liability) consists of		
a) Book/ tax depreciation difference	(409.29)	(421.75)
b) Employee benefits	291.36	152.09
c) Unabsorbed depreciation	1,297.61	1,052.96
d) Allowance for doubtful trade receivables and advances	43.22	-
e) 94B disallowance	648.15	390.19
f) Others	-	0.57
Deferred tax assets (net)	1,871.05	1,174.06

Deferred tax assets recognised

Note:

The Company has carried out its tax computation in accordance with Ind AS 12 'Income Taxes'. In the absence of reasonable certainty that future taxable profits will be available against which temporary differences can be utilised, no deferred tax assets have been recognised on any temporary differences and unused tax losses.

Detail of temporary differences and unused tax losses for which no deferred tax asset is recognised in the balance sheet:

Particulars	Rs. in lakhs	
	As at 31 March, 2022	As at 31 March, 2021
With no expiry date	5,996.98	3,763.01
With expiry date*	2,538.59	1,487.48
	8,535.57	5,250.49

The Company had decided not to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 dated September 20, 2019. Accordingly, the Company has measured its deferred tax liabilities basis the old rate i.e. 30.00% corporate tax rate prescribed in the said section.

* As at 31 March, 2022, the expiry was 31 March, 2030



41

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FURUKAWA MINDA ELECTRIC PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(All amounts are in Rs. Lakhs except wherever stated otherwise)

40 Related Party Disclosures

a. List of related parties

Parent Company

Furukawa Electric Co., Ltd.

Fellow Subsidiaries

Furukawa Automotive Systems INC.
Furukawa Automotive Systems (Thailand) Co. Ltd.
Furukawa Automotive Systems Indonesia
Furukawa Electric Autoparts Phillipines, Inc
Furukawa Sangyo Kaisha India Private Limited
Furukawa Automotive Systems Lima Philipines INC
Furukawa Automotive Systems Asia Pacific
Permintax Furukawa Autoparts

Entity with significant influence over the entity

Minda Corporation Limited

Enterprises owned or significantly influenced by shareholders or key management personnel or their relatives

Minda Stoneridge Instruments Ltd

Key Managerial Personnel

Mr. Neeraj Sharma, Chief Financial Officer, President and Whole Time Director (CFO from 14 March, 2022)
Mr. Masahiro Kuroki, Joint President, Director
Mr. Ashok Minda, Director
Mr. Keiichi Nishimura, Director (upto 20 December 2021)
Mr. Masahito Tokuda, Additional Director (from 5 January 2022)
Mr. Amit Kumar Dubey, Chief Financial Officer (upto 18 August 2021)
Ms. Megha Sharma, Chief Financial Officer (from 18 August 2021 & upto 11 March 2022)
Ms. Kanika Sukheeja, Company Secretary



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FURUKAWA MINDA ELECTRIC PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(All amounts are in Rs. Lakhs except wherever stated otherwise)

Particulars	Parent Company		Fellow subsidiaries		Entity with significant influence over the entity		Enterprises owned or significantly influenced by shareholders or key management personnel or their relatives		Key managerial personnel	
	Year ended 31 March, 2022	Year ended 31 March, 2021	Year ended 31 March, 2022	Year ended 31 March, 2021	Year ended 31 March, 2022	Year ended 31 March, 2021	Year ended 31 March, 2022	Year ended 31 March, 2021	Year ended 31 March, 2022	Year ended 31 March, 2021
	b. Transaction with Related Parties									
Purchase of plant and machinery (including CWIP)										
Furukawa Automotive Systems INC.	-	88.35	156.77	-	-	-	-	-	-	-
Loans given to key managerial personnel										
Mr. Neeraj Sharma	-	-	-	-	-	-	-	-	-	21.00
Mr. Amit Kumar Dubey	-	-	-	-	-	-	-	-	-	8.00
Mrs Megha Sharma	-	-	-	-	-	-	-	-	5.00	-
Loans repaid by key managerial personnel										
Mr. Neeraj Sharma	-	-	-	-	-	-	-	-	(21.00)	(10.89)
Mr. Amit Kumar Dubey	-	-	-	-	-	-	-	-	7.20	(1.50)
Mrs Megha Sharma	-	-	-	-	-	-	-	-	(5.00)	-
Sales (including scrap sales)										
Minda Corporation Limited	-	-	-	-	2.08	-	54.03	-	-	-
Furukawa Automotive Systems INC.	-	37.59	104.26	-	-	-	-	-	-	-
Furukawa Automotive Systems (Thailand) Co. Ltd.	-	22.65	29.90	-	-	-	-	-	-	-
Furukawa Automotive Systems Indonesia	-	33.69	86.13	-	-	-	-	-	-	-
Furukawa Automotive Systems Lima Philippines INC	-	0.23	-	-	-	-	-	-	-	-
Permintax Furukawa Autoparts	-	3.82	-	-	-	-	-	-	-	-
Furukawa Electric Autoparts Philippines, Inc	-	1.77	-	-	-	-	-	-	-	-
Purchase of raw materials and other components										
Furukawa Automotive Systems INC.	-	9,853.86	9,413.81	-	-	-	-	-	-	-
Minda Corporation Limited	-	-	-	-	283.42	-	323.80	-	-	-
Furukawa Automotive Systems Asia Pacific	-	-	6.25	-	-	-	-	-	-	-
Furukawa Sangyo Kaisha India Private Limited	-	470.60	556.32	-	-	-	-	-	-	-
Compensation of key managerial personnel*										
Short-term employee benefits										
Mr. Neeraj Sharma	-	-	-	-	-	-	-	-	135.54	129.36
Mr. Masahiro Kuroki	-	-	-	-	-	-	-	-	80.00	80.00
Mr. Amit Kumar Dubey	-	-	-	-	-	-	-	-	45.67	57.19
Ms. Kanika Sukheela	-	-	-	-	-	-	-	-	10.82	10.76
Ms Megha Sharma	-	-	-	-	-	-	-	-	18.99	-
Finance cost										
Furukawa Electric Co., Ltd.	43.73	37.46	0.02	-	-	-	-	-	-	-
Furukawa Automotive Systems INC.	-	(18.49)	-	-	-	-	-	-	-	-



FURUKAWA MINDA ELECTRIC PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
 (All amounts are in Rs. Lakhs except wherever stated otherwise)

Particulars	Parent Company		Fellow subsidiaries		Entity with significant influence over the entity		Enterprises owned or significantly influenced by shareholders or key management personnel or their relatives		Key managerial personnel	
	Year ended 31 March, 2022	Year ended 31 March, 2021	Year ended 31 March, 2022	Year ended 31 March, 2021	Year ended 31 March, 2022	Year ended 31 March, 2021	Year ended 31 March, 2022	Year ended 31 March, 2021	Year ended 31 March, 2022	Year ended 31 March, 2021
Jobwork charges										
Minda Corporation Limited	-	-	-	-	37.73	97.01	-	-	-	-
Repairs and maintenance of plant and machinery										
Furukawa Automotive Systems INC.	-	-	0.58	1.25	-	-	-	-	-	-
Repairs and maintenance expenses										
Minda Corporation Limited	-	-	-	-	7.29	-	-	-	-	-
Travelling expenses										
Furukawa Electric Co., Ltd.	1.01	-	-	-	-	-	-	-	-	-
Freight Expenses										
Furukawa Electric Autoparts Philippines, Inc	-	-	15.29	-	-	-	-	-	-	-
Royalty expense										
Furukawa Automotive Systems INC.	-	-	696.19	509.68	-	-	-	-	-	-
Expenses incurred on behalf of Japanese Expats										
Furukawa Electric Co., Ltd.	177.73	172.19	-	-	-	-	-	-	-	-
Furukawa Automotive Systems INC.	-	-	239.61	216.85	-	-	-	-	-	-
Salary expense of Japanese Expats										
Furukawa Electric Co., Ltd.	119.52	150.00	-	-	-	-	-	-	-	-
Furukawa Automotive Systems INC.	-	-	200.49	210.00	-	-	-	-	-	-
Miscellaneous expenses										
Furukawa Automotive Systems INC.	-	-	7.62	12.68	-	-	-	-	-	-

* The compensation to key managerial personnel does not include the provision made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.



FURUKAWA MINDA ELECTRIC PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
 (All amounts are in Rs. Lakhs except wherever stated otherwise)

c. Balance at the year end

Particulars	Parent Company		Fellow Subsidiary		Key management personnel of the entity		Entity with significant influence over the entity			Enterprises owned or significantly influenced by shareholders or key managerial personnel or their relatives		
	As on March 31, 2022	As on March 31, 2021	As on 31 March, 2022	As on 31 March, 2021	As on 31 March, 2022	As on 31 March, 2021	As on 31 March, 2022	As on 31 March, 2021	As on 31 March, 2022	As on 31 March, 2021	As on 31 March, 2022	As on 31 March, 2021
Trade receivables												
Furukawa Automotive Systems INC.	-	-	2.33	18.56	-	-	-	-	-	-	-	-
Minda Corporation Ltd	-	-	-	-	-	-	-	-	18.47	-	-	-
Furukawa Automotive Systems Indonesia	-	-	18.59	17.13	-	-	-	-	-	-	-	-
Furukawa Automotive Systems (Thailand) Co. Ltd.	-	-	2.29	11.20	-	-	-	-	-	-	-	-
Loan to Key management personnel												
Mr. Neeraj Sharma	-	-	-	-	-	21.00	-	-	-	-	-	-
Mr. Amit Kumar Dubey	-	-	-	-	-	7.20	-	-	-	-	-	-
Advance recoverable from related party												
Furukawa Automotive Systems INC.	-	-	-	519.79	-	-	-	-	-	-	-	-
Minda Corporation Limited	-	-	-	-	-	-	0.04	-	0.04	-	-	-
Allowance for doubtful advances from related party												
Furukawa Automotive Systems INC.	-	-	-	(519.79)	-	-	-	-	-	-	-	-
Advance from customers												
Minda Stoneridge Instruments Ltd	-	-	-	-	-	-	-	-	-	-	0.25	0.25
Expenses incurred on behalf of Japanese Expats												
Recoverable from related party												
Furukawa Electric Co., Ltd.	178.99	482.94	-	-	-	-	-	-	-	-	-	-
Furukawa Automotive Systems INC.	-	-	239.61	379.70	-	-	-	-	-	-	-	-
Salary for Japanese expats payable to related party												
Furukawa Electric Co., Ltd.	119.52	300.00	-	-	-	-	-	-	-	-	-	-
Furukawa Automotive Systems INC.	-	-	200.49	364.78	-	-	-	-	-	-	-	-
Trade payables												
Minda Corporation Limited	-	-	-	-	-	-	79.27	-	114.34	-	-	-
Furukawa Electric Co., Ltd.	13.98	13.62	-	-	-	-	-	-	-	-	-	-
Furukawa Automotive Systems INC.	-	-	2,815.39	4,573.60	-	-	-	-	-	-	-	-
Furukawa Automotive Systems Asia Pacific	-	-	1.23	-	-	-	-	-	-	-	-	-
Furukawa Sangyo Kaisha India Private Limited	-	-	214.46	177.91	-	-	-	-	-	-	-	-

Furukawa Electric Co., Ltd. has given corporate guarantee in respect of sanction amount of Rs. 20,895.40 lakhs (As at 31 March, 2021: Rs. 20,155.40 lakhs) for Short term loans, working capital loan and cash credit obtained by the Company. Outstanding amount in respect thereof as at the year end aggregates to Rs.15,342.00 lakhs (As at 31 March, 2021: Rs. 14,596.00 lakhs).



FURUKAWA MINDA ELECTRIC PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(All amounts are in Rs. Lakhs except wherever stated otherwise)

41 Under the employee share based payment plans, certain employees of the Company were granted stock options of Minda Corporation Limited ('MCL'). The plan was assessed, managed and administered by the MCL. All of the plans granted to employees were equity-settled.

The Company applied Ind AS 102 - Share based payments, ('Ind AS 102') to share based payment transactions. Pursuant to this standard, stock options granted to the employee by MCL were measured at fair value and recognised in the Statement of Profit and Loss over the vesting period of the options and crediting deemed capital contribution in other equity. The fair value of stock options was determined by the MCL using the Black Scholes option pricing model.

Under the Plan, upto 5,341,840 stock options could have been issued to eligible employees of MCL and its subsidiaries, whether working in India or out of India, including any Director of MCL and its subsidiaries, whether whole time or otherwise excluding the Independent Directors. Options were to be granted at price equal to the latest available closing price discounted by 50% or such other percentage as may be decided by the Nomination and Remuneration Committee. Under the Plan, each option, upon vesting, entitled the holder to acquire one equity share of Rs. 2 each. The options granted were to vest gradually over a period not earlier than one year and not later than five years from the date of grant of such Options. Vesting of options was a function of achievement of performance criteria or any other criteria, as specified by the Committee and communicated in the grant letter.

The vested options were exercised during the earlier years. Further, during the earlier years, this employee share based payment plan for the employees stands terminated due to change in the shareholding pattern of the Company / vesting conditions not being met as a result thereof. Accordingly, as per IND AS 102, amounts in respect of the remaining unvested options were transferred from deemed capital contribution to retained earnings.

42 The Code on Social Security,2020 ('Code') relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

43 CORPORATE SOCIAL RESPONSIBILITY (CSR)

Gross amount required to be spent by the Company during the year Rs. 6.65 lakhs (March 31, 2021 : Rs 19.00 lakhs)

	<u>As at</u> <u>31 March, 2022</u>	<u>As at</u> <u>31 March, 2021</u>
Amount spent during the year on:		
(i) Construction / acquisition of any asset		
- in cash	1.12	13.10
- yet to be paid in cash	-	-
	<u>1.12</u>	<u>13.10</u>
(ii) On purpose other than above		
- in cash	2.53	8.91
- yet to be paid in cash	-	-
	<u>2.53</u>	<u>8.91</u>
Unspent amount	-	-
Total	3.65	22.01



44

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FURUKAWA MINDA ELECTRIC PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
 (All amounts are in Rs. Lakhs except wherever stated otherwise)

44. Analytical Ratios

Ratios	31 March, 2022		Proposed for Annual Accounts	Numerator	Denominator	Mar'22	Mar'21	Variance %	Reason For Variance
	Numerator	Denominator							
Current ratio	Current Assets	Current Liabilities	Current Assets Current Liabilities excluding current maturity of long term borrowings	12,523.82	22,037.37	0.57	0.64	-11%	
Debt equity ratio	Total Debt	Shareholder's Equity		15,342.00	(2,101.90)	-7.30	-19.28	-62%	Reason for decrease in variance is due to decrease in losses as compared to previous year.
Debt Service Coverage Ratio	Earnings available for debt service	Debt service	(Profit/(Loss) before tax + finance costs (including interest capitalised) + depreciation & amortisation) (Finance costs (including interest capitalised) for the period + principal repayments made during the period for long term debts + non cash operating expenses)	643.84	1,026.65	0.63	-0.49	-229%	Reason for decrease in variance is due to decrease in losses as compared to previous year.
Return on equity ratio	Net Profits after taxes - Preference Dividend (if any)	Average Shareholder's Equity	(Profit/Loss After Tax) / (Avg Share holders equity excluding MTM of Investments through OCI)	-1,369.36	-1,429.50	0.96	-4.70	-120%	Reason for decrease in variance is due to decrease in losses as compared to previous year.
Inventory Turnover ratio	Cost of goods sold OR sales	Average Inventory	Sale of Products and services Average inventory	35,950.19	7059.60	5.09	4.96	3%	
Trade receivables turnover ratio	Net Credit Sales	Average Accounts Receivable	Sale of Products and services (Average Accounts Receivable - Rebate to customers)	35,614.69	2,034.16	17.51	19.79	-12%	
Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables		26,918.55	8,188.59	3.29	2.78	18%	
Net capital turnover ratio	Net Sales	Working Capital	Sale of products and services / Current assets- Current liabilities (excluding current maturity of long term debts)	35,950.19	-9,513.54	-3.78	-3.61	5%	
Net profit ratio	Net Profit after tax	Net Sales		(1,369.36)	35,950.19	-4%	-8%	-53%	Reason for decrease in variance is due to decrease in losses as compared to previous year.
Return on capital employed	Earning before interest and taxes	Capital Employed	EBIT (Including other income) / (Average Tangible Net worth excl. MTM of Investment through OCI + Total Debt + Minority Interest)	(342.71)	13,539.50	-3%	-13%	-80%	Reason for decrease in variance is due to decrease in losses as compared to previous year.
Return on investment	(Realised gain + Unrealised gain (including OCI))+ Dividend + Interest)	Average value of investment	(Realised gain + Unrealised gain (including OCI)+ Dividend + Interest) / Average value of investment	-	-	0%	0%	0%	The Company does not have any investments.



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FURUKAWA MINDA ELECTRIC PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(All amounts are in Rs. Lakhs except wherever stated otherwise)

45 Reconciliation of liabilities arising from financing activities

The table below details the changes in Company's liabilities arising from financing activities, including both cash and non-cash

Particulars	As at 31 March, 2020	Cash Flow	Non-cash Changes	As at 31 March, 2021
Current borrowings	9,423.73	5,172.27	-	14,596.00
Total liabilities from financing activities	9,423.73	5,172.27	-	14,596.00

Particulars	As at 31 March, 2021	Cash Flow	Non-cash Changes	As at 31 March, 2022
Current borrowings	14,596.00	746.00	-	15,342.00
Total liabilities from financing activities	14,596.00	746.00	-	15,342.00

46 Management has assessed impairment based on the future cash flows of the Company in accordance with Ind AS 36 (Impairment of Assets). During the year the company has recognised Rs. 111.19 Lakhs impairment loss on Property, Plant and Equipment (refer note 3).

47 In evaluating the impact of COVID-19 on its ability to continue as a going concern, possible impact on its business operations, its overall liquidity position and in assessing the recoverability of the receivables, inventories, tangible and intangible assets, financial assets, and other current/ non-current assets, the Company has considered internal and external information including economic forecasts available. The Company has performed sensitivity analysis on the assumptions used and based on such information and assessment, the Company expects to recover the carrying amount of these assets. The impact of the pandemic may differ from that estimated as at the date of approval of these Financial Statements. The Company will continue to closely monitor any material changes to future economic conditions.



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FURUKAWA MINDA ELECTRIC PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(All amounts are in Rs. Lakhs except wherever stated otherwise)

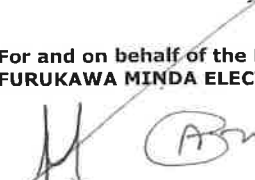
48. Additional disclosures

Sl. No.	Particulars	Note in financial statements
(i)	Details of Benami Property held	The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
(ii)	Relationship with Struck off Companies	The Company does not have any transactions with struck-off companies.
(iii)	Registration of charges or satisfaction with Registrar of Companies (ROC)	The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
(iv)	Details of Crypto Currency or Virtual Currency	The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
(v)	Utilisation of Borrowed funds and share premium	The Company have not advanced or loaned or invested funds to any other person or entity, 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)	Utilisation of Borrowed funds and share premium	The Company have not received any fund from any person or entity, 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)	Undisclosed income	The Company does not have any 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).
(viii)	Borrowings secured against current assets	The Company has not availed any facilities from banks on the basis of security of current assets.


49. The financial statements were approved by the Board of Directors on 12 May, 2022

50. Previous year's figures are given in brackets and italics. Previous year's figures have been regrouped/ re-classified wherever necessary to confirm with current year's classification.

**For and on behalf of the Board of Directors of
FURUKAWA MINDA ELECTRIC PRIVATE LIMITED**


Neeraj Sharma
CFO, President and
Whole Time Director


Ashok Minda
Director


**MASAHI
O TOKUDA**
Masahito Tokuda
Director


Company Secretary

Place: Bawal
Date : 12 May, 2022

