



Annual Report  
Mikuni India Private Limited  
*Financial Year 2021-22*

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**Making Dreams**  
Exciting Reality





## MIKUNI INDIA PRIVATE LIMITED

SP2-19(A), 20 & 21(A) New Industrial Complex (Majarakath), Neemrana, 301705, Behror,  
Alwar, Rajasthan, India  
CIN: U50300RJ2008FTC027384  
Telephone: +91-1494-246870, Fax: +91-1494-246875  
Website: [www.mikuni.co.in](http://www.mikuni.co.in)

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### NOTICE

NOTICE is hereby given that 14<sup>th</sup> Annual General Meeting of the members of Mikuni India Private Limited will be held on Wednesday, the 06<sup>th</sup> Day of July 2022 through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM) in accordance with the applicable provisions of the Companies Act, 2013 read with MCA General Circular No. 20/2020, 02/2021, 19/2021, 21/2021 and 02/2022 dated May 05, 2020, January 13, 2021, December 08, 2021, December 14, 2021 and May 05, 2022 respectively at SP2-19(A), 20 & 21(A), New Industrial Complex (Majrakath), Neemrana, Tehsil - Behror, District- Alwar - 301705, Rajasthan (Deemed Venue) at 10:30 A.M. to transact the following business(s):

#### ORDINARY BUSINESS: -

1. To receive, consider and adopt the Balance Sheet as on 31<sup>st</sup> March 2022, the statement of Profit & Loss for the year ended on that date together with notes to financial statements and Cash Flow Statement and the Reports of Directors' and Auditors' thereon;

#### SPECIAL BUSINESS: -

2. To appoint Mr. Pardeep Khanna (DIN: 09567179) as Whole time Director of the Company by passing the following resolution, with or without modification(s), as an **Ordinary Resolution**:

**"RESOLVED THAT** Mr. Pardeep Khanna (DIN: 09567179), who was appointed as an Additional Director by the Board of Directors of the Company w.e.f. 12<sup>th</sup> April 2022 on the Board of the Company in terms of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting, be and is hereby appointed as a Whole time Director of the Company."

3. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(b) of the Companies (Audit and Auditors) Rules, 2014 ("the Act") and pursuant to the approval by the Board of Director at their meeting dated 19<sup>th</sup> May, 2022 for appointment of M/s Goyal, Goyal & Associates, Cost Accountants, as the Cost Auditors of the Company for the financial year 2022-23, the consent of the Company be and is hereby accorded for ratification of the remuneration of INR 1,60,000/- (Indian Rupees One Lakh Sixty Thousand only) as professional charges for cost audit inclusive of services towards preparation of cost records excluding out of pocket expenses plus



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applicable taxes, if any, to M/s. Goyal, Goyal & Associates, Cost Accountants, as the Cost Auditors of the Company for the financial year 2022-23 for conducting the audit of the cost accounting records of the Company."

By order of the Board  
For MIKUNI INDIA PRIVATE LIMITED

Place: Neemrana, Alwar  
Date: 11<sup>th</sup> June 2022

TAKAYOSH  
I HOSHINA

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TAKAYOSHI HOSHINA  
Date: 2022.06.11  
11:45:59 +05'30'

Mr. Takayoshi Hoshina  
Managing Director  
DIN: 08095960



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### Notes:

1. Statement pursuant to Section 102(1) of the Companies Act, 2013 (the “Act”), in respect of the Special Business to be transacted at the Annual General Meeting (“AGM”) is annexed hereto.
2. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular 20/2020 dated May 5, 2020 read with circulars 02/2021 dated January 13, 2021, circular 19/2021 dated December 08, 2021 and 21/2021 dated December 14, 2021, 2021 and circular 02/2022 dated May 05, 2022 (collectively referred to as “MCA Circulars”) permitted the holding of the “AGM” through Video Conferencing (VC) / Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue. Accordingly, in compliance with the provisions of the Act, and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
3. Since the AGM is being held through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. In compliance with the aforesaid MCA Circulars (collectively referred to as “Circulars”). Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company.
5. Members whose email address is not registered can register the same by emailing the **Company Secretary uma\_badlani@mikuni.co.in** so that they can receive all communications from the Company electronically. The Notice of AGM is also placed on the website of the Company addressed as **mikuni.co.in**
6. Copies of Directors’ report and Auditors’ report, Statement of Profit and Loss and Balance Sheet together with notes to financial statements and Cash Flow Statement of the Company are enclosed.
7. Corporate Members intending to send their authorised representative(s) to attend the meeting are requested to send a certified copy of the Board Resolution authorising their representative(s) to attend and vote on their behalf at the Annual General Meeting as required under Section 113 of the Companies Act, 2013.
8. Since the AGM will be held through VC/OAVM, the route Map of the Venue of the Meeting is not annexed hereto.



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By order of the Board  
For MIKUNI INDIA PRIVATE LIMITED

**Place:** Neemrana, Alwar

**Date:** 11<sup>th</sup> June 2022

TAKAYOSH  
I HOSHINA

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TAKAYOSHI  
HOSHINA  
Date: 2022.06.11  
11:46:34 +05'30'

**Mr. Takayoshi Hoshina**  
**Managing Director**  
**DIN: 08095960**



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### **DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE:**

In compliance with the MCA Circulars, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company.

Shareholders are requested to forward their e-mail addresses to the Company at Email / other address if they haven't done so in order for them to receive the Annual Report & other communication from the Company.

### **PROCEDURE FOR JOINING THE AGM THROUGH VC / OAVM:**

- The Company will provide VC / OAVM facility to its Members for participating at the AGM.
- Members will be able to attend the AGM through VC / OAVM by clicking on the link which will be separately sent on the registered email addresses of the members.

### **Steps to be followed:**

- Click on the link of Meeting (The Link shall be given separately via mail).
- Sign in with the registered mail to join the meeting.
- It is suggested to complete the whole process for joining meeting at least two days before the meeting for smooth joining and to avoid technical difficulties at the time of meeting. Members who need assistance to join AGM, may contact Mr. Fumio Naruse, Whole time Director of the Company at his email Id: [fumio\\_naruse@mikuni.co.jp](mailto:fumio_naruse@mikuni.co.jp) at least 2 hours before start of the Meeting. Kindly quote your name & Folio no. in all your communications.
- Members attending the AGM through VC / OAVM shall be reckoned for the purpose of quorum under Section 103 of the Act.
- Members can vote during the AGM by show of hand and through Chat option also.



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### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

#### **Item No. 2**

The Board has proposed the appointment of Mr. Pardeep Khanna as an Additional Director of the Company pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company w.e.f. April 12, 2022, who shall hold office up to the date of ensuing AGM and is eligible for appointment as a Whole time Director.

Accordingly, the Board recommends the resolution in relation to the appointment of Mr. Pardeep Khanna as Whole time Director, for the approval by the members of the Company.

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested, financially or otherwise in this resolution.

#### **Item No. 3**

The Board has approved the appointment of M/s. Goyal, Goyal & Associates, Cost Accountants as the Cost Auditors of the Company, at a remuneration of INR 1,60,000/- (Indian Rupees One Lakh Sixty Thousand only) as professional charges for cost audit inclusive of services towards preparation of cost records excluding out of pocket expenses plus applicable taxes, if any for the financial year 2022-23.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit & Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the members is sought.

The Directors recommends the resolution for members' approval as an Ordinary Resolution.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution.

By order of the Board  
For MIKUNI INDIA PRIVATE LIMITED

**Place:** Neemrana, Alwar

**Date:** 11<sup>th</sup> June 2022

TAKAYOSHI  
I HOSHINA

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TAKAYOSHI HOSHINA  
Date: 2022.06.11  
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**Mr. Takayoshi Hoshina**  
**Managing Director**  
**DIN: 08095960**



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### DIRECTOR'S REPORT

To,  
The Members of  
Mikuni India Private Limited

Your Directors are pleased in presenting the Fourteenth Annual Report on your Company's business and operations, together with the Audited Financial Statement of Accounts and the Auditors' Report for the financial year ended on 31<sup>st</sup> March 2022.

### FINANCIAL RESULTS

| Financial Results:                             | 2021-22<br>(in INR) | 2020-21<br>(in INR) |
|--|---------------------|---------------------|
| Profit/(Loss) before depreciation and interest | 1,12,27,05,152      | 1,060,801,198       |
| Less: Depreciation                             | 49,13,65,607        | 467,284,098         |
| Less: Interest                                 | 17,70,92,593        | 171,144,804         |
| Profit/ (Loss) before tax                      | 45,42,46,952        | 422,372,296         |
| Less: Tax Expense- Current Tax (MAT)           | 7,93,66,027         | 73,796,887          |
| Less: MAT Credit                               | 6,87,61,588         | (72,663,732)        |
| Less: Prior period tax adjustments             | -                   | -                   |
| Less: Deferred Tax Charge/(Credit)             | 912,46,050          | 40,294,320          |
| Profit/ (Loss) after tax                       | 21,48,73,287        | 380,944,821         |
| Balance brought forward                        | 313,868,957         | (67,075,864)        |
| Profit/ (Loss) carried over to Balance Sheet   | 52,87,42,244        | 313,868,957         |

The Company has registered positive results in its manufacturing operations. During the year 2021-22, the Company has achieved net Profit (after Interest and tax) amounting to INR 21,48,73,287/- towards its manufacturing operations.

Further, the Company is confident to achieve better results for the time to come.

### COMPANY'S PERFORMANCE & OPERATIONS

Your Directors take the pleasure to inform you that the Company has started gaining the requisite momentum. Currently, your Company is supplying all two-wheeler OEM's (Original Equipment manufacturer) in India. Company has also started focusing on four-wheeler Companies in India as Indian economy increasing year on year.

### FUTURE PROSPECTS

Situation in FY22-23 will be spent in sorting out possibilities arising with opening of Market due to relaxations of COVID-19 in the first quarter. Fortunately, your Directors are endeavoring to explore diversified business opportunities in different segments of automobile market and optimistic to give good results in the year ahead keeping in view of fact that its commercial





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operations in both automotive sector and two-wheeler segments are to be commercialized in full swing. The Directors also expect that our customers will be normalizing their production from Q2 of the present Financial Year. Some improvements in sales is expected from our two-wheeler makers due to general shift towards personal vehicles against public transport for maintaining social distancing. The Company is developing various new products for customer requirement. With the present projections the Company is expected to improve its turnover against FY 21-22.

### **DIVIDEND**

To retain the earnings of the Company, the Directors do not recommend any dividend for the year under review.

### **RESERVES**

No amount was transferred to the reserves during the financial year ended 31<sup>st</sup> March 2022

### **AUTHORISED SHARE CAPITAL**

The Authorized Share-Capital of the Company was increased from INR 1,650,000,000/- (Indian Rupees One Hundred and Sixty-Five Crore Only) divided into 16,50,00,000 (Sixteen Crore Fifty Lakhs) Equity Shares of INR 10/- each to INR 173,50,00,000/- (Indian Rupees One Hundred Seventy-Three Crore and Fifty Lakhs Only) divided into 17,35,00,000 (Seventeen Crore Thirty-Five Lakhs) Equity Shares of INR 10/- each in Company's Shareholder's Meeting dated 22<sup>nd</sup> September 2021.

### **PAID-UP SHARE CAPITAL**

The Paid-up Share-Capital of the Company was increased from INR 1,650,000,000/- (Indian Rupees One Hundred and Sixty-Five Crore Only) divided into 16,50,00,000 (Sixteen Crore Fifty Lakhs) Equity Shares of INR 10/- each to INR 173,50,00,000/- (Indian Rupees One Hundred Seventy-Three Crore and Fifty Lakhs Only) divided into 17,35,00,000 (Seventeen Crore Thirty-Five Lakhs) Equity Shares of INR 10/- each in Company's Board Meeting dated 12<sup>th</sup> November 2021 during the year under review.

### **HOLDING / ASSOCIATE / SUBSIDIARY / JOINT VENTURE COMPANY**

As on 31<sup>st</sup> March 2022, the Company is a subsidiary of Mikuni Corporation, Japan and associate company of Mikuni (Thailand) Co. Ltd., Thailand. Further, the Company is not having any Associate / Subsidiary / Joint Venture Company.

### **PUBLIC DEPOSITS**

The Company has neither invited, accepted and nor renewed any deposits during the period under review.

### **CHANGE IN THE NATURE OF BUSINESS**



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During the year under review, there was no change in the nature of business of the Company.

### **ANNUAL RETURN**

Annual Return of the Company will be available on website of the Company the link of which is [www.mikuni.co.in](http://www.mikuni.co.in).

### **MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENT RELATE AND THE DATE OF THE REPORT**

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year to which this financial statement relates and the date of this report. Sales of the Company for the initial first quarters of the Financial Year 2021-22 have been affected due to COVID-19 disease and ultimately has brought lesser profits comparatively to previous financial year. The Company has started fetching profits in the first quarter of this financial year.

### **DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

During the year under review, there were no orders passed by the regulators or courts or tribunals which will impact the going concern status and company's operations in future

### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186**

The Company has not made any loan, guarantee and investment u/s 186 of the Companies act, 2013.

### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

The Company has entered into contracts of arrangement with related parties which were on Arm Length basis, hence accordingly Form AOC -2 is attached as Annexure-A.

### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

During the period under review, the following Directors and KMP have been appointed/Resigned during the year:

1. Mr. Fumio Naruse has been appointed as Additional Director on April 08, 2021 and has been regularized at Annual General Meeting as on September 22, 2021.
2. Mr. Hidenao Kitajima has been appointed as Additional Director on April 16, 2021 and has been regularized at Annual General Meeting as on September 22, 2021.



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3. Mr. Tadashi Sasaki and Mr. Masao Kira have been appointed as Additional Director on April 29, 2021 and has been regularized at Annual General Meeting as on September 22, 2021.
4. Mr. Dinesh Chandra Gupta has resigned from the post of Directorship w.e.f. 31<sup>st</sup> March 2022.
5. The designation of Mr. Toru Misawa has been changed from Director to Whole-time Director w.e.f. October 12, 2021.
6. Mrs. Hemanshu Yadav has resigned from the post of Company Secretary as on May 31, 2021.
7. Ms. Uma Badlani has been appointed for the post of Company Secretary w.e.f. October 12, 2021.

### **MEETINGS OF THE BOARD OF DIRECTORS, COMMITTEE AND SHAREHOLDERS**

The Board of Directors of the Company met 12 (Twelve) times on 16.04.2021, 19.05.2021, 17.06.2021, 15.07.2021, 18.08.2021, 16.09.2021, 12.10.2021, 12.11.2021, 16.12.2021, 14.01.2022, 18.02.2022 and 17.03.2022 respectively in respect of such meetings proper notices were given and the proceedings were properly recorded and signed in the minute's books maintained for the purpose. The number of Board Meetings attended by each Director is as follows: -

| Name of the Director     | Number of Meetings     |  |   |
|--------------------------|------------------------|--|---|
|                          | Held during the tenure | Attended during the tenure (in person) | Attended during the tenure (through VC) |
| Mr. Shigeru Ikuta        | 12                     | 0                                      | 12                                      |
| Mr. Takayoshi Hoshina    | 12                     | 10                                     | 2                                       |
| Mr. Toru Misawa          | 12                     | 5                                      | 7                                       |
| Mr. Tetsu Inaba          | 12                     | 11                                     | 1                                       |
| Mr. Dinesh Chandra Gupta | 12                     | 8                                      | 1                                       |
| Mr. Fumio Naruse         | 11                     | 9                                      | 2                                       |
| Mr. Masao Kira           | 11                     | 0                                      | 10                                      |
| Mr. Tadashi Sasaki       | 11                     | 0                                      | 10                                      |
| Mr. Hidenao Kitajima     | 11                     | 0                                      | 11                                      |
| Mr. Michihiko Aoshima    | 12                     | 0                                      | 11                                      |

Further there was One CSR Committee meeting held during the Financial Year on 14<sup>th</sup> January 2022.

Further, the Annual General Meeting for the financial year 2020-21 was held on 22<sup>nd</sup> September 2021 and no Extra-Ordinary General Meetings of the Company held during the Year.

### **COMPLIANCES OF SECRETARIAL STANDARDS**

During the Financial Year the Company has duly complied with all the requirements as laid down in the applicable Secretarial Standards.



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### **DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 134 of the Companies Act, 2013 the Directors confirm the following in respect of the audited Annual Accounts for the year ended on 31<sup>st</sup> March 2022:

- (i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year covered under this Report and of the profit of the company for the year;
- (iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) the directors had prepared the annual accounts on a going concern basis; and
- (v) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **AUDITORS AND AUDITOR'S REPORT**

#### **a) Statutory Auditors**

M/s Sanjay Ramesh Chopra & Co., Chartered Accountants (Firm Registration No. 023951N), submitted their Audit Report before the Board of Directors.

The Notes on financial statements referred to in Auditor's Report are self-explanatory and do not call for any further comments. The Auditor's Report does not contain any qualification, reservation or adverse remarks or disclaimer.

#### **b) Internal Auditor**

M/s. S V M & Company., FRN 025216N, Chartered Accountants were appointed as Internal Auditors in Board Meeting of the Company held on 15<sup>th</sup> July 2021 for the financial year 2021-22.

The Company has stringent internal audit procedures, with the audit being conducted internally by the Internal Auditors.

#### **c) Cost Auditor**

In terms of the Companies (Cost Records and Audit) Rules, 2014 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Company has



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maintained cost records in its books of accounts for the financial year 2021-22 in respect of products at its registered office.

M/s. Goyal, Goyal & Associates, Cost Accountants, have been appointed as Cost Auditor of the Company to conduct audit of cost accounting records maintained by the Company, for product(s)/services covered under Companies Act, 2013, for the year ending on 31st March 2022.

Pursuant to the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(b) of the Companies (Audit and Auditors) Rules, 2014 ("the Act") remuneration to be paid to M/s Goyal, Goyal & Associates, is proposed to be ratified by the members of the Company in the ensuing Annual General Meeting of the Company.

### **FRAUDS REPORTED BY AUDITORS**

The Auditors of the Company has not reported any fraud under section 143(12) of the Companies Act 2013.

### **CORPORATE SOCIAL RESPONSIBILITY**

Pursuant to the provision of Section 135 of the Companies Act, 2013 read with CSR Rules, the Corporate Social Responsibility Committee has the following members:

|  |          |
|--|----------|
| Mr. Shigeru Ikuta, Director and Chairman | Chairman |
| Mr. Takayoshi Hoshina, Managing Director | Member   |
| Mr. Tetsu Inaba Whole-time Director      | Member   |

As the net profit of the Company exceeded the prescribed limits given in Section 135 of Companies Act, 2013 as on 31/03/2021, the Company was required to contribute towards CSR activities/projects in terms of Section 135(5) of the Companies Act, 2013 read with Rule 2(1)(f) of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Company has spent the CSR expenditure of INR 25,28,690/- (Rupees Twenty-Five Lakhs Twenty-Eight Thousand Six Hundred and Ninety Only) i.e. more than 2% of the average Net profit of the Company for the last three financial years in favor of the Prime Minister National Relief Fund as approved by the Board as well as by CSR committee in its meeting held on January 14, 2022.

The Annual Report on CSR activities in the prescribed format under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is placed at Annexure B to this report.

### **SECRETARIAL AUDITOR**

The Board has appointed M/s Jyoti Kukreja & Company to conduct the Secretarial Audit of the company for the financial year 2021-22 at the Board Meeting held on 16<sup>th</sup> December 2021 as per Section 204 and Rule 9 of Companies (Appointment and Remuneration of Managerial



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Personnel) Rules, 2014 The Secretarial Report for Financial year 2021-22 is annexed as Annexure-C.

The qualification marks as per Secretarial Audit Report are given below:

1. *The Company has generally filed the statutory forms and returns as required under the provisions of the Companies Act, 2013 within the stipulated time period however following e-form was filed beyond its due date:*
  - i. *Form MGT-7 for filing of Annual Return for the financial year ended on 31.03.2021.*

### **Directors Explanation on the Remarks of Secretarial Auditor:**

1. Your Directors state that generally we adhere to the timelines of filing forms and sharing information with Ministry but at this time during October and November (the due date), we were occupied with other activities of Increase in Share Capital and other business activities that made us delay in filing of the Form MGT-7. Although the Ministry issued exemption dated 29<sup>th</sup> October 2021 with Relaxation on levy of Additional Fees under the Companies Act, 2013. Hence, we did the filing by delay of 12 days but under the periodic exemption provide by the Ministry itself.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS OR OUTGO ETC:**

For conservation of energy, your Company has installed a power connection of 33 KV from 11 KV which has eliminated diesel supply at the time of back-up. Secondly, the load and units of electricity consumption has reduced proportionately. 33KV connection is reliable for current organization structure and it has switched off diesel set permanently. Energy rate is cheaper and diesel rate is zero.

Further, total foreign exchange outgo in form of expenses towards license fees, technical fees, allowances and perquisites and other expenses during the financial year 2021-22 is INR 10,96,04,000/- whereas the company has made foreign exchange earning amounting to Rs. 84,32,67,000/- during the current year.

### **RESEARCH & DEVELOPMENT (R&D): -**

The Company researched and developed Engine Calibration of fuel injection system for OBD2 by utilizing chassis dynamometer and exhaust gas measurement system, Technical contribution was done for new developed product through design software as well as product reliability testing.

Further, Market research and analysis done on Indian motorcycle EV. Benchmarking activities started in 2022., Technical report submitted to Mikuni Corporation to utilize for future EV-compatible product development during the year 2021-22.

### **TECHNOLOGY, ABSORPTION, ADAPTATION AND INNOVATION: -**





## **MIKUNI INDIA PRIVATE LIMITED**

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The Company provided additional Technical support for VVT, VP, ETV and Two Wheel Throttle Body and also for Four Wheel Vehicles during the period. In continuation with this, the Company entered into Technical Alliance Agreement with various parties for

1. Know-how on manufacturing and sales of VVT for four wheels, vacuum pump, and electronically controlled throttle body.
2. Know-how on manufacturing and selling throttle bodies for motorcycles.

This technology was introduced in 2021 and we are confident that this technical alliance agreement will benefit us in growing and selling VVT for four wheels.

### **PERSONNEL**

Relations between the employees and the management remained cordial during the year under review. Your Directors hereby place on record their appreciation for the efficient and loyal services rendered by the employees of the company.

### **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

Your Company believes in providing a safe and harassment free workplace for every individual working in premises through various interventions, practices and trainings. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment. Your Company has constituted a Committee to be known as the Internal Complaints Committee in pursuance of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Policy framed in pursuant of the Act and Rules thereof, has been posted on the website of the Company. During the year under review, Internal Complaints Committee had not received any complaint from any female employee or from any visitor as defined in the Act. It is to be noted that the Company is conducting Sexual Harassment trainings each month and taking care that each employee of the Company participate in this training at least twice a year and make himself/herself aware of the provisions and its applicability and non-adherence is punishment under the law.

### **RISK MANAGEMENT POLICY**

The Board of Directors is overall responsible for identifying, evaluating and managing all significant risks faced by the Company. The Company is continuously reviewing the internal financial controls systems and risk management process to further strengthen the same.

### **INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY**

The Company has a proper and robust system of internal controls geared towards achieving efficiency of business operations, safeguarding the Company's assets and ensuring optimum utilization of resources. Such controls also ensure accuracy and promptness of financial reporting and compliance with statutory regulations. The Company has stringent internal audit procedures, with the audit being conducted internally by its own team.

### **VIGIL MECHANISM**



## **MIKUNI INDIA PRIVATE LIMITED**

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The Board of directors of the Company has established a Vigil Mechanism and adopted the Vigil Mechanism Policy, which provides a formal mechanism for all directors and employees of the Company to allow them to report any instance of unethical behavior, actual or suspected fraud and violation of the Company's code of conduct or any genuine concern or grievance. During the year under review, no complaints were received, and the policy is been revised to update the members of the Committee.

### **ACKNOWLEDGEMENT**

Your Directors place on record their deep appreciation and gratitude for the cooperation and assistance extended to the Company by Banks, Government Agencies, Suppliers, Consultants and company staff at all levels.

For and on behalf of the Board of Directors of  
**MIKUNI INDIA PRIVATE LIMITED**

Place: Neemrana, Alwar

Date: 19<sup>th</sup> May 2022

Sd/-  
**Takayoshi Hoshina**  
**Managing Director**  
**DIN: -08095960**

Sd/-  
**Tetsu Inaba**  
**Whole-time Director**  
**DIN: -08394247**

Sd/-  
**Pardeep Khanna**  
**Whole-time Director**  
**DIN: 09567179**

Sd/-  
**Fumio Naruse**  
**Whole-time Director**  
**DIN: 09136420**



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**Annexure-A****Annexure-A to the Boards' Report****Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

**1. Details of contracts or arrangements or transactions not at arm's length basis: NOT APPLICABLE**

| Name(s) of the related party and nature of relationship | Nature of contracts/ arrangements/ transactions | Duration of the contracts/ arrangements/ transactions | Salient terms of the contracts or arrangements including the value, if any | Justification for entering into such contracts or arrangements or transactions | Date(s) of approval by the Board | Amount paid as advances, if any | Date on which the special resolution was passed in general meeting as required under first proviso to section 188 |
|---|---|---|--|--|----------------------------------|---------------------------------|---|
| (a)   | (b)   | (c)   | (d)  | (e)  | (f)                              | (g)                             | (h)   |
| .....   | .....   | .....   | .....  | .....  | .....                            | .....                           | .....   |

**2. Details of material contracts or arrangement or transactions at arm's length basis -**

| Name(s) of the related party and nature of relationship | Nature of contracts /arrangements / transactions                | Duration of the contracts /arrangements / transactions | Salient terms of the contracts or arrangements or transactions including the value, if any | Date(s) of approval by the Board, if any | Amount paid as advances , if any |
|---|---|--|--|--|----------------------------------|
| (a)   | (b)   | (c)  | (d)  | (e)                                      | (f)                              |
| Mikuni Corporation Japan (Holding Company)              | Purchase of fixed assets  | N.A.   | 65,999,013/-   | N.A.                                     | Nil                              |
|   | Purchase of Raw Material, Components, Spare Parts & Consumables | N.A.   | 366,774,291  | N.A.                                     | Nil                              |



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|   |   |      |               |      |     |
|---|---|------|---------------|------|-----|
|   | ECB Loan Repayment  | N.A. | 9,19,52,000/- | N.A. | Nil |
|   | ECB Interest Payment  | N.A. | 14,437,175/-  | N.A. | Nil |
|   | License Fees for use of know-how                                | N.A. | 28,070,648/-  | N.A. | Nil |
|   | Running Royalty   | N.A. | 213,085,920/- | N.A. | Nil |
|   | Other Allowances Perquisites                                    | N.A. | 63,980,903/-  | N.A. | Nil |
|   | Other Expenses  | N.A. | 19,072,008/-  | N.A. | Nil |
|   | Export-Sales  | N.A. | 6,90,14,834/- | N.A. | Nil |
| Mikuni (Thailand) Co. Ltd. (Shareholder)                          | Purchase of Raw Material, Components, Spare Parts & Consumables | N.A. | 719,266,648/- | N.A. | Nil |
|   | Fixed Assets purchased  | N.A. | 11,583,908/-  | N.A. | Nil |
|   | Other Expenses  | N.A. | 1,437,712/-   | N.A. | Nil |
|   | Export-Sales  | N.A. | 5,585,578/-   | N.A. | Nil |
|   | Export-Sales  | N.A. | 25,374,305/-  | N.A. | Nil |
| Mikuni (Chengdu) Machinery & Electronics Ltd. (Fellow Subsidiary) | Purchase of Raw Material, Components, Spare Parts & Consumables | N.A. | 5,041,338/-   | N.A. | Nil |
|   | Fixed Assets Purchased  | N.A. | 81,195/-      | N.A. | Nil |
|   | Export-Sales  | N.A. | 122,733/-     | N.A. | Nil |

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|   |   |      |                 |      |     |
|---|---|------|-----------------|------|-----|
| PT. Mikuni Indonesia<br>(Fellow Subsidiary)               | Purchase of Raw Material, Components, Spare Parts & Consumables | N.A. | 1,615,629,862/- | N.A. | Nil |
|   | Fixed Assets Purchased  | N.A. | 17,490,078/-    | N.A. | Nil |
|   | Export-Sales  | N.A. | 13,138,263/-    | N.A. | Nil |
| Tianjin Mikuni Co. Ltd- China<br>(Fellow Subsidiary)      | Purchase of Raw Material, Components, Spare Parts & Consumables | N.A. | 47,625,000/-    | N.A. | Nil |
|   | Export-Sales  | N.A. | 191,698,267/-   | N.A. | Nil |
| Mikuni Europe GMBH (Fellow Subsidiary)                    | Export-Sales  | N.A. | 453,945,483/-   | N.A. | Nil |
|   | Other Expenses  | N.A. | 1,094,117/-     | N.A. | Nil |
| Mikuni Management (Shanghai) Co. Ltd. (Fellow Subsidiary) | Purchase of Raw Material, Components, Spare Parts & Consumables | N.A. | 21,365,265/-    | N.A. | Nil |
|   | Export-Sales  | N.A. | 84,387,599/-    | N.A. | Nil |
| Mikuni Taiwan Corporation<br>(Fellow Subsidiary)          | Purchase of Raw Material, Components, Spare Parts & Consumables | N.A. | 147,815,701/-   | N.A. | Nil |

For and on behalf of the Board of Directors of  
**MIKUNI INDIA PRIVATE LIMITED**

Place: Neemrana, Alwar

Date: 19<sup>th</sup> May 2022Sd/-  
**Takayoshi Hoshina**  
Managing Director  
DIN: -08095960Sd/-  
**Tetsu Inaba**  
Whole-time Director  
DIN: -08394247Sd/-  
**Pardeep Khanna**  
Whole-time Director  
DIN: 09567179Sd/-  
**Fumio Naruse**  
Whole-time Director  
DIN: 09136420



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## Annexure-B

### ANNUAL REPORT ON CSR

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs: *The Company's CSR Policy is delegated towards Education, Resource conservation, socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women.*
2. The Composition of the CSR Committee: *Three Directors (Mr. Shigeru Ikuta, Chairman, Mr. Takayoshi Hoshina, Member, Mr. Tetsu Inaba, Member*
3. Average net profit of the company for last three financial years: *INR 12,64,34,508/-*
4. Prescribed CSR Expenditure (two per cent. Of the amount as in item 3 above): *INR 25,28,690/-*
5. Details of CSR spent during the financial year.
  - (a) Total amount to be spent for the financial year; *INR 25,28,690/-*
  - (b) Amount unspent, if any; *NIL*
  - (c) Manner in which the amount spent during the financial year is detailed below

| Sl. No. | CSR project or activity identified  | Sector in which the project is covered | Projects or programs (1) Local are or other (2) Specify the state and district where projects or programs was undertaken | Amount outlay (budget ) project or programs wise | Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on project or programs (2) Overheads: | Cumulative expenditure upto the reporting period | Amount spent: Direct or through implementing agency |
|---------|---|--|--|--|--|--|---|
| (1)     | (2)   | (3)                                    | (4)  | (5)  | (6)  | (7)  | (8)   |
| 1.      | Contribution of INR 25,28,690/- (Rupees Twenty-Five Lakhs Twenty-Eight Thousand Six Hundred and Ninety Only) made to Prime Minister's National Relief Fund for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women by Government of India |  |  |  |  |  |   |



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6. In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the reason for not spending the amount in its Board report: **N.A**
  
7. The CSR committee confirms that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and Policy of the Company

**FOR MIKUNI INDIA PRIVATE LIMITED**

Place: Neemrana  
Date: 19<sup>th</sup> May 2022

SD/-  
**Takayoshi Hoshina**  
Member  
DIN: 08095960

SD/-  
**Tetsu Inaba**  
Member  
DIN: 08394247



## MIKUNI INDIA PRIVATE LIMITED

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### Form No. MR-3

### SECRETARIAL AUDIT REPORT

### FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2022

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]*

To

The Members

Mikuni India Private Limited

SP2-19(A), 20 & 21(A) New Industrial Complex,

(Majarakath), Neemrana, Behror,

Alwar 301705, Rajasthan, India

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Mikuni India Private Limited** (hereinafter called the “**Company**”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022, complied with statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and External Commercial Borrowing. There is no Overseas Direct Investment in the Company; and
- (iii) The other general laws applicable to the Company.

We have also examined compliance with applicable clauses of the following: -

1. Secretarial Standards issued by the Institute of Company Secretaries of India; and
2. The Company is an unlisted Private Limited Company and therefore compliance with the Listing Agreements is not applicable to the Company.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

-



## MIKUNI INDIA PRIVATE LIMITED

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a) *The Company has generally filed the statutory forms and returns as required under the provisions of the Companies Act, 2013 within the stipulated time period however following e-form was filed beyond its due date:*

i. *Form MGT-7 for filing of Annual Return for the financial year ended on 31.03.2021.*

We further report that the Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. *However, at few instances approval of the board of directors of the Company for appointment of new directors in the Company were obtained post their appointment.*

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance. *However, in case of meetings held at shorter notice, requisite consents of board members were not received. Since, all the Board members attended the meeting held at shorter notice, the consensus seem to exist for shorter notice and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.*

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board/Members were unanimous, and no dissenting views have been recorded.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**For Jyoti Kukreja & Co.  
Company Secretaries**

Sd/-

**Jyoti Kukreja  
Proprietor**

**Membership Number: F9154  
Certificate of Practice Number: 10355  
UDIN: F009154D000341211**

**Date: May 19, 2022**

**Place: New Delhi**

*Note: We have conducted online verification & examination of records, as facilitated by the Company to prevent exposure to widely spread Covid 19 virus, for the purpose of issuing this Report.*

*Further, this report is to be read with our letter of even date which is annexed as 'Annexure-1' and forms an integral part of the report.*



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### **Annexure-1'**

**To**  
**The Members**  
**Mikuni India Private Limited**  
**SP2-19(A), 20 & 21(A) New Industrial Complex,**  
**(Majarakath), Neemrana, Behror,**  
**Alwar 301705, Rajasthan, India**

Our Secretarial Report dated May 19, 2022 is to be read along with this letter: -

We report that: -

- a) Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices we followed provides a reasonable basis for our opinion.
- c) We have not verified the correctness and appropriateness of the financial statement and books of accounts of the Company.
- d) We do not report on Financial laws applicable to the Company like direct tax, indirect tax, other financial transaction, default in repayment of any loans/ debts or deposits along with interest thereon if any, since the same is being carried out by the Statutory Auditors and Internal Auditors of the Company.
- e) Where ever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.
- f) The Compliance of Corporate and other applicable laws, rules and regulations, standards are the responsibility of the management. Our examination was limited to the verification of the procedure on test basis.
- g) The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Jyoti Kukreja & Co.**  
**Company Secretaries**

**Sd/-**  
**Jyoti Kukreja**  
**Proprietor**





## **MIKUNI INDIA PRIVATE LIMITED**

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**Membership Number: F9154**  
**Certificate of Practice Number: 10355**  
**UDIN: F009154D000341211**

**Date: May 19, 2022**  
**Place: New Delhi**



# Sanjay Ramesh Chopra & Co.

Chartered Accountants

## INDEPENDENT AUDITOR'S REPORT

To the Members of Mikuni India Private Limited

Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of **Mikuni India Private Limited** (the "Company"), which comprise the balance sheet as at March 31, 2022, and the statement of Profit and Loss, and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit, and its cash flows 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 Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

### Responsibilities of Management and Those Charged with Governance 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, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the

21/681, Ghavri Chambers, 3rd Floor, Faiz Road, Karol Bagh, New Delhi -110005

E mail: [casanjaychopra@rediffmail.com](mailto:casanjaychopra@rediffmail.com) 011-42436778





## Sanjay Ramesh Chopra & Co.

Chartered Accountants

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, the management and the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management and Board of Directors 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

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## Sanjay Ramesh Chopra & Co.

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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 misstatement 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 misstatement 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 the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;



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- (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) 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 B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (g) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act, in our opinion, according to the information and explanation give to us, the provisions of section 197 read with Schedule V of the Act are not applicable to the Company as it is a private limited company, and
- (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, in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations as at March 31, 2022 on its financial statements – Refer Note No.28 to the financial statements.
  - The Company has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 42 to the financial statements;
  - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 47 to the financial statement, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, 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 ("Ultimate Beneficiaries") by or on behalf of the Company, 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, as disclosed in the Note 47 to the financial statement, no funds have been received by the Company from any persons or entities, 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.







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(c) Based on audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.

v. The Company has neither declared nor paid any dividend during the year.

**For Sanjay Ramesh Chopra & Co.**

Chartered Accountants

Firm Registration No: 023951N

**Sanjay Chopra**

Proprietor

Membership No. 512570

UDIN: 22512570AJFMRC4159

Place: New Delhi

Date: May 19, 2022



# Sanjay Ramesh Chopra & Co.

Chartered Accountants

## Annexure - A to the Independent Auditors' Report

### Annexure referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' of our report of even date

- (i) a) (A) According to the information and explanations given to us and audit procedures performed by us, the Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) According to the information and explanations given to us and audit procedures performed by us, the Company has maintained proper records showing full particulars of Intangible Assets.
- b) The property, plant and equipment were physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c) According to information and explanations given to us and audit procedures performed by us, the title deeds of all of the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.
- d) According to information and explanations given to us and audit procedures performed by us, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- e) According to information and explanations given to us and audit procedures performed by us, there are no proceedings initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) a) The inventory, except goods-in-transit and stock lying with third parties, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. According to information and explanations given to us and audit procedures performed by us, no discrepancies were noticed on verification between the physical stocks and book records that were more than 10% in the aggregate of each class of inventory.
- b) According to information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees, in aggregate, from banks or financial



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## Sanjay Ramesh Chopra & Co.

Chartered Accountants

institutions on the basis of security of current assets at any time during the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable.

- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, and Limited Liability partnerships or any other parties. Accordingly, reporting under clause 3(iii)(a) to 3(iii)(f) of the Order are not applicable.
- (iv) According to information and explanations given to us and audit procedures performed by us, the Company has neither made any investments nor has given loans or provided guarantee or security and therefore the relevant provisions of Section 185 and 186 of the Companies Act, 2013 are not applicable to the Company. Accordingly, reporting under clause 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, reporting under clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, in respect of its manufactured goods and/ or services provided by it and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) a) According to the information provided and explanations given to us and based on our examination of the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable to it. There are no material outstanding statutory dues existing as on the last day of the financial year which is outstanding for more than six months from the day these becomes payable.  
b) According to the information provided and explanations given to us, statutory dues relating to Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute are as follows:







## Sanjay Ramesh Chopra & Co.

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| Name of the statute | Nature of dues | Amount (in Lakhs) | Period to which the amount relates | Forum where dispute is pending                              | Remarks, if any |
|---------------------|----------------|-------------------|------------------------------------|---|-----------------|
| Finance Act, 1994   | Service tax    | 103.21            | April 2009 to March 2013           | Customs, Excise and Service Tax Appellate Tribunal (CESTAT) |                 |
| <b>Total</b>        |                | <b>103.21</b>     |                                    |   |                 |

- (viii) According to the information provided and explanations given to us, and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessment under the Income Tax Act, 1961 as income during the year and accordingly reporting under clause 3(viii) of the Order is not applicable.
- (ix) a) According to the information and explanations given to us and audit procedures performed by us, the Company has not defaulted in repayment of loans and borrowings or in the payment of interest thereon to the lenders during the year.
- b) According to the information and explanations given to us, the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- c) According to the information and explanations given to us and audit procedures performed by us, term loans were applied for the purposes for which they were obtained.
- d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- e) The Company does not hold any investment in any subsidiary, associate or joint venture as defined under the Companies Act, 2013 during the year. Accordingly, reporting under clause 3(ix)(e) of the Order is not applicable.
- f) The Company does not hold any investment in any subsidiary, associate or joint venture as defined under the Companies Act, 2013 during the year. Accordingly, reporting under clause 3(ix)(f) of the Order is not applicable.
- (x) a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable.
- b) According to the information provided and explanations given to us and on the basis of our examination of records of the Company, the Company has made private placement of shares during the year and the company has duly complied with the requirements of Section 42 and 62 of the Companies Act, 2013. The proceeds from issue of equity shares have been used for the purposes for which the funds were raised.



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## Sanjay Ramesh Chopra & Co.

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- (xi) a) According to the information and explanations given by the management and based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements, we report that no fraud by the Company or any fraud on the Company has been noticed or reported during the year.
- b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) Based on the information and explanation provided to us, the Company does not have a vigil mechanism and is not required to have a vigil mechanism as per Companies Act, 2013 or SEBI LODR Regulations and accordingly reporting under clause 3(xi)(c) of the Order is not applicable.
- (xii) According to the information and explanation given to us, the Company is not a Nidhi Company. Accordingly, reporting under clause 3(xii) of the Order is not applicable.
- (xiii) The Company is a private limited company and accordingly the requirements as stipulated by the provisions of Section 177 of the Companies Act, 2013 are not applicable to the Company. In our opinion and according to the information and explanations given to us, the transactions entered with the related parties are in compliance with the Section 188 of Companies Act, 2013 where applicable and details have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) a) According to the information and explanations given to us and audit procedures performed by us, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- b) We have considered the internal audit reports of the Company issued till date, for the period under audit.
- (xv) According to the information and explanations given to us, in our opinion the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) a) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- b) According to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities.
- c) The Company is not Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, reporting under clause 3(xvi)(c) and (d) of the Order are not applicable.





# Sanjay Ramesh Chopra & Co.

## Chartered Accountants

- (xvii) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly reporting under clause 3(xviii) of the Order is not applicable
- (xix) According to the information and explanations given to us and 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, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that 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 information and explanation as made available to us by the management of the Company 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) In our opinion and according to the information and explanation given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, reporting under clause 3(xx)(a) and (b) of the Order are not applicable.

**For Sanjay Ramesh Chopra & Co.**

Chartered Accountants

Firm Registration No: 023951N

  
**Sanjay Chopra**

Proprietor

Membership No. 512570

UDIN: 22512570AJFMRC4159

Place: New Delhi

Date: May 19, 2022

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# Sanjay Ramesh Chopra & Co.

## Chartered Accountants

### **Annexure - B to the Independent Auditors' Report**

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

We have audited the internal financial controls over financial reporting of Mikuni India 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

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

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



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# Sanjay Ramesh Chopra & Co.

## Chartered Accountants

### 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

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

### Opinion

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

**For Sanjay Ramesh Chopra & Co.**

Chartered Accountants

Firm Registration No: 023951N

**Sanjay Chopra**

Proprietor

Membership No. 512570

UDIN: 22512570AJFMRC4159

Place: New Delhi

Date: May 19, 2022

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**Mikuni India Private Limited**  
**Balance Sheet as at March 31, 2022**

(Figures in Rupees Lakhs)

| Particulars                                       | Notes | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|---|-------|-------------------------|-------------------------|
| <b>EQUITY AND LIABILITIES</b>                     |       |                         |                         |
| <b>Shareholders' Funds</b>                        |       |                         |                         |
| Share capital                                     | 3     | 17,350.00               | 16,500.00               |
| Reserves and surplus                              | 4     | 5,287.42                | 3,138.69                |
|   |       | <b>22,637.42</b>        | <b>19,638.69</b>        |
| <b>Non-current liabilities</b>                    |       |                         |                         |
| Long-term borrowings                              | 5     | 13,509.67               | 18,136.82               |
| Deferred tax liabilities (Net)                    | 6     | 3,124.30                | 2,211.83                |
| Long-term provisions                              | 7     | 467.66                  | 447.51                  |
| Other Non current liabilities                     | 8     | 563.22                  | 693.19                  |
|   |       | <b>17,664.85</b>        | <b>21,489.35</b>        |
| <b>Current liabilities</b>                        |       |                         |                         |
| Short-term borrowings                             | 9     | 19,450.49               | 11,528.78               |
| Trade payables                                    | 10    |                         |                         |
| - Due to Micro and Small Enterprises              |       | 607.74                  | 321.16                  |
| - Other than Micro and Small Enterprises          |       | 7,408.98                | 15,226.65               |
| Other current liabilities                         | 11    | 6,622.96                | 6,753.54                |
| Short-term provisions                             | 7     | 7.53                    | 12.61                   |
|   |       | <b>34,097.70</b>        | <b>33,842.74</b>        |
| <b>TOTAL</b>                                      |       | <b>74,399.97</b>        | <b>74,970.78</b>        |
| <b>ASSETS</b>                                     |       |                         |                         |
| <b>Non-current assets</b>                         |       |                         |                         |
| Property, Plant & Equipment and Intangible Assets |       |                         |                         |
| -Property, Plant & Equipment                      |       | 32,880.22               | 32,313.84               |
| -Intangible assets                                |       | 1,435.82                | 1,620.22                |
| -Capital work-in-progress                         |       | 2,078.67                | 3,706.78                |
| -Intangible Asset under Development               | 12    | 73.25                   | 188.21                  |
|   |       | <b>36,467.96</b>        | <b>37,829.05</b>        |
| Long-term loans and advances                      | 13    | 1,650.73                | 1,726.06                |
| Other non current assets                          | 17    | 169.22                  | 361.88                  |
|   |       | <b>38,287.91</b>        | <b>39,916.98</b>        |
| <b>Current assets</b>                             |       |                         |                         |
| Inventories                                       | 14    | 16,423.95               | 15,330.57               |
| Trade receivables                                 | 15    | 15,576.90               | 14,782.48               |
| Cash and cash equivalents                         | 16    | 1,093.94                | 1,307.06                |
| Short-term loans and advances                     | 13    | 2,358.24                | 3,219.69                |
| Other current assets                              | 17    | 659.03                  | 413.49                  |
|   |       | <b>36,112.06</b>        | <b>35,053.29</b>        |
| <b>TOTAL</b>                                      |       | <b>74,399.97</b>        | <b>74,970.78</b>        |

Summary of Significant accounting policies

2

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

In terms of our report of even date  
**For Sanjay Ramesh Chopra & Co.**  
Chartered Accountants  
Firm Registration No. 023951N

**Sanjay Chopra**  
Proprietor  
Membership No. 512570

For and on behalf of the Board of Directors  
**Mikuni India Private Limited**  
CIN: U50300RJ20081TC027384

**Takayoshi Hoshina**  
Managing Director  
DIN: 08095960

**Tetsu Inaba**  
Whole-Time Director  
DIN: 08394247

**Fumio Naruse**  
Whole-Time Director  
DIN: 09136420

**Uma Badlani**  
Company Secretary  
M.No. A46820

Place: New Delhi  
Date: May 19, 2022

Place: Neemrana, Rajasthan  
Date: May 19, 2022



**Mikuni India Private Limited**  
**Statement of Profit and Loss for the year ended March 31, 2022**

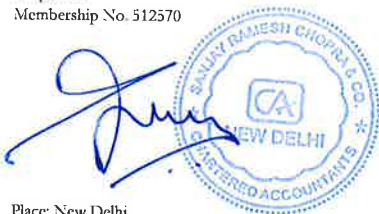
(Figures in Rupees Lakhs)

| Particulars   | Notes | Year Ended<br>March 31, 2022 | Year Ended<br>March 31, 2021 |
|---|-------|------------------------------|------------------------------|
| <b>Income</b>   |       |                              |                              |
| Income from operations  | 18    | 75,373.29                    | 68,742.80                    |
| Sale of services and other operating revenue                  | 18    | 133.56                       | 90.96                        |
| Other income  | 19    | 594.15                       | 1,383.27                     |
| <b>Total Income (I)</b>                                       |       | <b>76,101.00</b>             | <b>70,217.03</b>             |
| <b>Expenses</b>   |       |                              |                              |
| Cost of raw materials and components consumed                 | 20    | 53,539.66                    | 49,715.67                    |
| Changes in inventories of finished goods and work-in-progress | 21    | 84.95                        | (1,416.11)                   |
| Direct Manufacturing Expenses                                 | 22    | 4,217.05                     | 4,086.46                     |
| Employee benefits expense                                     | 23    | 5,067.94                     | 4,856.33                     |
| Finance costs   | 24    | 1,770.93                     | 1,711.46                     |
| Depreciation and amortization expense                         | 25    | 4,913.66                     | 4,672.84                     |
| Other Expenses  | 26    | 1,964.34                     | 2,367.68                     |
| <b>Total Expenses (II)</b>                                    |       | <b>71,558.53</b>             | <b>65,993.33</b>             |
| <b>Profit before tax (I)-(II)</b>                             |       | <b>4,542.47</b>              | <b>4,223.70</b>              |
| <b>Tax Expenses</b>   |       |                              |                              |
| - Current Tax (Corporate Tax)                                 |       | 793.66                       | 737.97                       |
| - MAT Credit Utilized (Entitlement)                           |       | 687.62                       | (726.64)                     |
| - Deferred Tax Charge   | 6     | 912.46                       | 402.92                       |
|   |       | <b>2,393.74</b>              | <b>414.25</b>                |
| <b>Profit after tax</b>                                       |       | <b>2,148.73</b>              | <b>3,809.45</b>              |
| <b>Earnings per equity share:</b>                             | 27    |                              |                              |
| -Basic  |       | 1.28                         | 2.31                         |
| -Diluted  |       | 1.28                         | 2.31                         |
| Summary of Significant accounting policies                    | 2     |                              |                              |

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

In terms of our report of even date  
**For Sanjay Ramesh Chopra & Co.**  
Chartered Accountants  
Firm Registration No. 023951N

**Sanjay Chopra**  
Proprietor  
Membership No. 512570



Place: New Delhi  
Date: May 19, 2022

For and on behalf of the Board of Directors  
**Mikuni India Private Limited**  
CIN: U50300RJ2008FTC027384

**Takayoshi Hoshina**  
Managing Director  
DIN: 08095960

**成瀬文子**

**Fumio Naruse**  
Whole-Time Director  
DIN: 09136420

Place: Neemrana, Rajasthan  
Date: May 19, 2022

**稲葉哲**  
**Tetsu Inaba**  
Whole-Time Director  
DIN: 08394247

**Uma Badlani**  
Company Secretary  
M.No. A46820



**Mikuni India Private Limited**  
**Cash Flow Statement for the year ended March 31, 2022**

(Figures in Rupees Lakhs)

| Particulars   | Year Ended<br>March 31, 2022 | Year Ended<br>March 31, 2021 |
|---|------------------------------|------------------------------|
| <b>Cash Flow from Operating Activities</b>  |                              |                              |
| Net Profit before taxation  | 4,542.47                     | 4,223.72                     |
| <u>Adjustments for:</u>   |                              |                              |
| Depreciation on fixed assets  | 4,913.66                     | 4,672.84                     |
| Interest Expense  | 1,770.93                     | 1,711.45                     |
| Loss on sale of fixed assets  | -                            | 680.21                       |
| Inventory Write off   | 50.12                        | 152.64                       |
| Unrealised (gain)/loss  | 181.25                       | (244.69)                     |
| Mark to market loss/(gain)  | (386.83)                     | (380.90)                     |
| Gain on Sales of Fixed Assets   | (18.21)                      | -                            |
| Interest income   | (12.60)                      | (38.91)                      |
| <b>Operating Cash Flow before Working Capital changes</b>                         | <b>11,040.79</b>             | <b>10,621.72</b>             |
| <u>Adjustments for:</u>   |                              |                              |
| (Increase) in inventories   | (1,093.39)                   | (4,827.55)                   |
| (Increase) in trade receivables   | (780.02)                     | (3,286.61)                   |
| (Increase) /Decrease in loans and advances and other current & non current assets | 1,154.07                     | (2,572.22)                   |
| (Increase)/Decrease in liabilities  | (7,635.15)                   | 1,435.03                     |
| (Increase)/Decrease in provisions   | (90.97)                      | 3,756.02                     |
| <b>Cash Generated from Operations</b>   | <b>2,595.34</b>              | <b>5,126.39</b>              |
| Less: Income Tax  | 958.28                       | 347.49                       |
| <b>Net Cash inflow from/(outflow) from Operating activities (A)</b>               | <b>1,637.06</b>              | <b>4,778.90</b>              |
| <b>Cash Flow from Investing Activities</b>  |                              |                              |
| Purchase of fixed assets (including CWIP)   | (3,809.02)                   | (3,571.82)                   |
| Sales of fixed assets   | 256.45                       | 2.69                         |
| Payable for Capital Advances  | (341.68)                     | 1,484.86                     |
| Interest received   | 8.94                         | 36.34                        |
| <b>Net Cash inflow from/(outflow) from Investing activities (B)</b>               | <b>(3,885.31)</b>            | <b>(2,047.92)</b>            |
| <b>Cash Flow from Financing Activities</b>  |                              |                              |
| Proceeds from issue of share including premium                                    | 850.00                       | -                            |
| Payment of borrowings   | (5,170.83)                   | (3,713.32)                   |
| Proceeds from borrowings  | 8,190.73                     | 1,071.84                     |
| Interest paid   | (1,834.78)                   | (1,645.44)                   |
| <b>Net Cash inflow from/(outflow) from Financing activities (C)</b>               | <b>2,035.13</b>              | <b>(4,286.92)</b>            |
| <b>Net increase /(decrease) in cash and cash equivalents (A+B+C)</b>              | <b>(213.12)</b>              | <b>(1,559.32)</b>            |
| <b>Cash and Cash Equivalents at the beginning of the year</b>                     | <b>1,307.06</b>              | <b>2,866.38</b>              |
| <b>Cash and Cash Equivalents at the closing of the year</b>                       | <b>1,093.94</b>              | <b>1,307.06</b>              |

Refer note no. 16 for the components of cash and cash equivalents.

In terms of our report of even date  
**For Sanjay Ramesh Chopra & Co.**  
Chartered Accountants  
Firm Registration No. 023951N

**Sanjay Chopra**  
Proprietor  
Membership No. 512570



For and on behalf of the Board of Directors  
**Mikuni India Private Limited**  
CIN: U50300RJ2008ITC027384

**Takayoshi Hoshina**  
Managing Director  
DIN: 08095960

**Fumio Naruse**  
Whole-Time Director  
DIN: 09136420

**Tetsu Inaba**  
Whole-Time Director  
DIN: 08394247

**Uma Badlani**  
Company Secretary  
M.No. A46820



Place: New Delhi  
Date: May 19, 2022

Place: Neemrana, Rajasthan  
Date: May 19, 2022



## MIKUNI INDIA PRIVATE LIMITED

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

(Figures in Rupees Lakhs)

#### 1. Corporate information

Mikuni India Private Limited ('the Company') was incorporated in India on September 12, 2008 to carry on the business of manufacturing, assembling and trading of automotive components and auto parts. The Company has started its commercial operations in the month of November 2009 in Neemrana, Rajasthan.

#### 2. Summary of Significant accounting policies

##### a) Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles of India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ('the Act'). The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous period unless otherwise disclosed.

Ministry of Corporate Affairs ("MCA") through a notification dated March 24, 2021, amended Division I of Schedule III of the Companies Act, 2013 and applicable for the reporting period beginning on or after April 1, 2021. The amendment encompasses certain additional disclosure requirements. The Company has applied and incorporated the requirements of amended Division I of Schedule III of the Companies Act, 2013, to the extent applicable on it while preparing these financial statements.

The financial statements are presented in Indian rupees in lakhs except number of equity shares unless otherwise stated.

##### b) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of financial statements which in management's opinion are prudent and reasonable. Actual results may differ from the estimates used in preparing the accompanying financial statements. Any revision to accounting estimates is recognized prospectively in current and future periods.

##### c) Property, Plant & Equipment / Intangible Assets

Property, Plant & Equipment are stated on cost less accumulated depreciation. The total cost of assets comprises its purchase price, freight, duties, taxes and any other incidental expenses directly attributable to bringing the asset to the working condition for its intended use.

Intangible assets are recognized if it is probable that the future economic benefits that are attributable to the assets will flow to the Company and cost of the assets can be measured reliably.



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## MIKUNI INDIA PRIVATE LIMITED

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

(Figures in Rupees Lakhs)

#### d) Depreciation & Amortization

- Leasehold Land is amortized over the period of lease in equal instalments.
- Depreciation on the following assets is charged on SLM basis. The useful life of the assets as per the management estimate is as follows:

| Property, Plant & Equipment/Intangibles      | Rate (%) or Estimated Useful Life – Schedule II | Rate (%) or Estimated Useful Life - Considered |
|--|---|--|
| Production facilities (Machineries) (Note I) | 6.67% (15 years)                                | 7.42% & 10.34%                                 |
| Measuring Instruments                        | 8 years   | 5 years  |
| Dies & Tools                                 | 8 years   | 2 years  |
| Building                                     | 30 years  | 25 years                                       |
| Computers & other Accessories                | 3 years   | 3 years  |

**Note I** - During the year production has been made on single/double shift and Three Shift basis, therefore depreciation rate has been taken accordingly.

The above depreciation rate/useful life is different from as specified in Part C of Schedule II of the Companies Act, 2013.

Software are amortized over the period of 3 years.

The depreciation rate/useful life followed by the company reflect the estimated useful life of the company's assets as supported by the technical advice.

- Depreciation on the following assets is charged on SLM basis. The useful life of the assets as per Schedule II of the Companies Act 2013 are given as under:

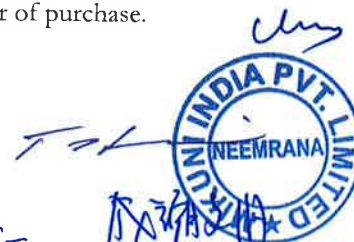
| Property, Plant & Equipment | Estimated Useful Life |
|-----------------------------|-----------------------|
| Furniture & Fixtures        | 10 years              |
| Office Equipment            | 5 years               |
| Vehicles                    | 8 years               |

The residual value is considered at 5% of the original cost.

- Intangible assets i.e. Technical Know How (Initial royalty) are amortized in 5 years on proportionate basis.
- Depreciation on additions during the year is charged on pro rata basis. Individual low cost assets (costing Rs. 5,000 or less) are depreciated fully in the year of purchase.



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## MIKUNI INDIA PRIVATE LIMITED

### Notes to the financial statements for the year ended March 31, 2022 (Figures in Rupees Lakhs)

#### e) Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the Company has measured its 'value in use' on the basis of undiscounted cash flows of next five years projections estimated based on current prices.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

#### f) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- *Sale of goods*

Revenue from sale of goods is recognized on transfer of all significant risks and rewards of ownership to the buyer. Sales are stated net of trade discount, sales return, duties, sales tax and goods & service tax.

- *Interest income*

Interest income is recognized on time proportion basis.

#### g) Inventories

The basis of valuation of inventories is as follows:

| Items  | Methodology of Valuation   |
|--|--|
| Raw materials, components, stores and Spares   | At cost determined on a Weighted Average Method.   |
| Work-in-progress   | At cost.<br>Cost includes direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity.   |
| Finished goods   | At cost or net realizable value, whichever is lower.<br>Cost includes direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity.<br>Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. |
| Goods in Transit as on the balance sheet date are recognized in the financial statement at cost. |  |



**Notes to the financial statements for the year ended March 31, 2022**  
(Figures in Rupees Lakhs)

- *Initial recognition*

- *Conversion*

- *Exchange Differences*

#### i) Retirement and Other Employee Benefits

- *Short term employee benefit*

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus / ex-gratia are recognized in the period in which the employee renders the related service.

- *Post-employment employee benefits*

### Defined Contribution schemes

Company's contributions to the Provident Fund and Employee's State Insurance Fund are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due.

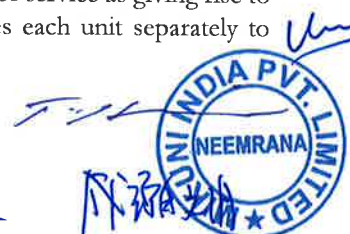
### Defined benefits plans

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary at each Balance Sheet date, using the Projected Unit Credit Method, which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.



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## MIKUNI INDIA PRIVATE LIMITED

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

(Figures in Rupees Lakhs)

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government Securities as at the Balance Sheet date. Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss.

#### *Other long-term employee benefits*

Company's liabilities towards compensated absences to employees are accrued on the basis of valuations, as at the Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognized immediately in the Statement of Profit and Loss.

#### j) Leases

Assets taken under leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

#### k) Taxation

Income-tax expense comprises current tax, deferred tax charge or credit, minimum alternative tax (MAT).

##### *Current tax*

Provision for current tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the prevailing tax laws.

##### *Deferred tax*

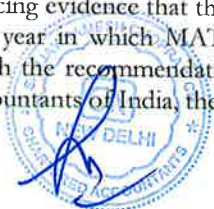
Deferred tax liability or asset is recognized for timing differences between the profits/losses offered for income tax and profits/losses as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted at the Balance Sheet date.

Deferred tax asset is recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax asset is recognized only if there is a virtual certainty of realization of such asset. Deferred tax asset is reviewed as at each Balance Sheet date and written down or written up to reflect the amount that is reasonably/virtually certain to be realized.

##### *Minimum alternative tax*

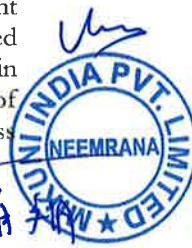
Minimum alternative tax (MAT) obligation in accordance with the tax laws, which give rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal tax during the specified period. Accordingly, it is recognized as an asset in the Balance Sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss



Signature of the authorized signatory.

Signature of the authorized signatory.



## MIKUNI INDIA PRIVATE LIMITED

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

(Figures in Rupees Lakhs)

account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

#### l) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share are calculated after adjusting effects of potential equity shares (PES). PES are those shares which will convert into equity shares at a later stage. Profit / loss is adjusted by the expenses incurred on such PES. Adjusted profit/loss is divided by the weighted average number of ordinary plus potential equity shares.

#### m) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments. However, no investment has been made during the period.

#### n) Provisions and Contingencies

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present values and are determined based on management estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that have arisen from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of future events not wholly within the control of the Company.

When there is an obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

#### o) Borrowing costs

Borrowing cost that is attributable to the acquisition or construction of a qualifying asset is capitalized as part of the cost of such asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs, not eligible for capitalization, are charged to the statement of profit and loss.

#### p) Accounting for Derivatives

The Company has accounted for the full currency swap derivative transaction as per the guidance note issued by The Institute of Chartered Accountants of India. The outstanding derivatives contracts are marked to market and effect (if any) are recognized in the statement of profit and loss.

#### q) Cash and cash equivalents

Cash and cash equivalents comprise cash balances in hand, cash balance with bank, and highly liquid investments with maturity period of three months or less from the date of investment.



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**MIKUNI INDIA PRIVATE LIMITED****Notes to the financial statements for the year ended March 31, 2022**  
(Figures in Rupees Lakhs)**3. Share Capital**

The details of share capital are set as below:

**a) Information on Authorized, Issued, Subscribed & Paid-up Share Capital**

| Particulars   | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|---|-------------------------|-------------------------|
| <b>Authorised shares</b>  |                         |                         |
| 173,500,000 (PY 165,000,000) number of Equity Shares of Rs. 10 each | 17,350                  | 16,500                  |
| <b>Issued, subscribed and fully paid-up shares</b>                  |                         |                         |
| 173,500,000 (PY 165,000,000) number of Equity Shares of Rs. 10 each | 17,350                  | 16,500                  |

**b) Information on shareholders**

| Name of Shareholder                  | Relationship    | As at March 31, 2022  |                | As at March 31, 2021      |                |
|--------------------------------------|-----------------|-----------------------|----------------|---------------------------|----------------|
|                                      |                 | No. of Equity share   | Percentage (%) | No. of Equity shares held | Percentage (%) |
| Mikuni Corporation, Japan            | Holding Company | 130,000,000.00        | 74.93%         | 129,998,250.00            | 78.79%         |
| Mikuni (Thailand) Co. Ltd., Thailand | Shareholder     | 43,500,000.00         | 25.07%         | 35,000,000.00             | 21.21%         |
| Mikuni Partec Corporation, Japan     | Shareholder     | -                     | -              | 1,750.00                  | 0.0011%        |
| <b>Total</b>                         |                 | <b>173,500,000.00</b> | <b>100%</b>    | <b>165,000,000.00</b>     | <b>100.00%</b> |

**c) Reconciliation of the Shares**

Reconciliation of the shares outstanding as on March 31, 2022 is given below:

| Particulars                                    | As at March 31, 2022  |                  | As at March 31, 2021 |        |
|--|-----------------------|------------------|----------------------|--------|
|  | Number                | Amount           | Number               | Amount |
| Shares outstanding as on beginning of the year | 165,000,000.00        | 16,500.00        | 165,000,000.00       | 16,500 |
| Shares Issued during the year                  | 8,500,000.00          | 850.00           | -                    | -      |
| Shares outstanding as on end of the year       | <b>173,500,000.00</b> | <b>17,350.00</b> | 165,000,000.00       | 16,500 |

**d) Terms /rights attached to Equity Shares**

The Company has 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.

**e) Details of Shares held by promoters****As at March 31, 2022**

| Promoter Name                                     | No of shares at the beginning of the year | Change During the Year in numbers | No. of Shares at the end of the year | % of Total shares | % Change during the year |
|---|---|-----------------------------------|--------------------------------------|-------------------|--------------------------|
| <b>Equity shares of Rs. 10 each fully paid up</b> |   |                                   |                                      |                   |                          |
| Mikuni Corporation, Japan                         | 129,998,250.00                            | 1,750.00                          | 130,000,000.00                       | 74.9280%          | 0.0013%                  |
| Mikuni (Thailand) Co. Ltd., Thailand              | 35,000,000.00                             | 8,500,000.00                      | 43,500,000.00                        | 25.0720%          | 24.29%                   |
| Mikuni Partec Corporation, Japan                  | 1,750.00                                  | (1,750.00)                        | -                                    | 0.0000%           | -100.00%                 |
| <b>Total</b>                                      | <b>165,000,000.00</b>                     | <b>8,500,000.00</b>               | <b>173,500,000.00</b>                | <b>100%</b>       | <b>5.15%</b>             |

**As at March 31, 2021**

| Promoter Name                                     | No of shares at the beginning of the year | Change During the Year | No. of Shares at the end of the year | % of Total shares | % Change during the year |
|---|---|------------------------|--------------------------------------|-------------------|--------------------------|
| <b>Equity shares of Rs. 10 each fully paid up</b> |   |                        |                                      |                   |                          |
| Mikuni Corporation, Japan                         | 129,998,250.00                            | -                      | 129,998,250.00                       | 78.7868%          | -                        |
| Mikuni (Thailand) Co. Ltd., Thailand              | 35,000,000.00                             | -                      | 35,000,000.00                        | 21.2121%          | -                        |
| Mikuni Partec Corporation, Japan                  | 1,750.00                                  | -                      | 1,750.00                             | 0.0011%           | -                        |
| <b>Total</b>                                      | <b>165,000,000.00</b>                     | <b>-</b>               | <b>165,000,000.00</b>                | <b>100%</b>       | <b>-</b>                 |



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**MIKUNI INDIA PRIVATE LIMITED****Notes to the financial statements for the year ended March 31, 2022**  
(Figures in Rupees Lakhs)**4. Reserves & Surplus**

The break-up of surplus as at Balance Sheet date is shown as under:

| Particulars                            | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|--|-------------------------|-------------------------|
| Surplus                                |                         |                         |
| Opening balance                        | 3,138.69                | (670.76)                |
| (+) Net Profit/(Net Loss) for the year | 2,148.73                | 3,809.45                |
| Closing Balance                        | 5,287.42                | 3,138.69                |

**5. Long Term Borrowings**

The components of long term borrowings are presented as under:

| Particulars  | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|--|-------------------------|-------------------------|
| Un-secured (Note I)  |                         |                         |
| Loan from Mikuni Corporation, Japan (Note II)                  | 9,911.85                | 11,833.94               |
| Loan from Mizuho Corporate Bank (Note III)                     | 1,628.45                | 2,740.99                |
| Loan from MUFG Bank Ltd (Note IV)                              | 906.19                  | 1,823.60                |
| Loan from Japanese Bank for International Cooperation (Note V) | 763.60                  | 1,272.70                |
| Loan from Resona Merchant Bank Asia Limited (Note VI)          | 299.58                  | 465.59                  |
| Total  | 13,509.67               | 18,136.82               |

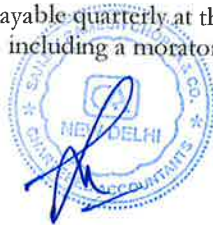
**Note I** - Loans payable in the next financial year have been shown in Short Term borrowings in Note No.09. The Company has used the borrowings obtained from the banks and financial institutions for the specific purpose for which it was taken.

**Note II** - It is contentions of External Commercial Borrowings obtained from Mikuni Corporation, Japan for capital goods.

- Interest is payable quarterly at the rate of 8.02% p.a. The loan is repayable in 12 half yearly Instalments in five years including a moratorium of 1 years starting from April 20, 2019.
- Interest is payable half yearly at the rate of 8.39% p.a. The loan is repayable in a single Instalment at the end of the moratorium period of 5 years i.e., on November 29, 2024.
- Interest is payable half yearly at the rate of 7.5% p.a. The loan is repayable in a single Instalment at the end of the moratorium period of 5 years i.e., on November 27, 2025.
- Interest is payable half yearly at the rate of 7.58% p.a. The loan is repayable in 6 Half Yearly Instalment at the end of the moratorium period of 5 years i.e., on June 30, 2025.

**Note III** - It is contentions of External Commercial Borrowings obtained from Mizuho Corporate Bank Ltd. for capital goods.

- Interest is payable quarterly at the rate of 7.25% p.a. The loan is repayable 12 quarterly Instalments in five years including a moratorium of 2 years starting from February 28, 2019.
- Interest is payable quarterly at the rate of 8.13% p.a. The loan is repayable 12 quarterly Instalments in five years including a moratorium of 2 years starting from February 26, 2021.



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# MIKUNI INDIA PRIVATE LIMITED

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

(Figures in Rupees Lakhs)

- Interest is payable half yearly at the rate of 7.52% p.a. The loan is repayable in 7 half yearly Instalments in five years including a moratorium of 2 years starting from August 31, 2021.

**Note IV** – It is contentions of External Commercial Borrowings obtained from MUFG Bank Ltd for capital goods.

- Interest is payable quarterly at the rate of 8.11% p.a. The loan is repayable in 12 quarterly Instalments in four years including a moratorium of 1.5 years starting from August 28, 2020.
- Interest is payable half yearly at the rate of 7.58% p.a. The loan is repayable in 7 half yearly Instalments in five years including a moratorium of 2 years starting from August 31, 2021.

**Note V** - It is contentions of External Commercial Borrowings obtained from Japanese Bank for International Cooperation for capital goods. Interest is payable quarterly at the rate of 8.093% p.a. The loan is repayable in 12 half yearly Instalments in five years including a moratorium of 1 years starting from May 15, 2019.

**Note VI** - It is contentions of External Commercial Borrowings (ECB) obtained from Resona Merchant Bank Asia Limited for capital goods. Interest is payable quarterly at the rate of 8.093% p.a. The loan is repayable in 8 half yearly Instalments in five years including a moratorium of 1.5 years starting from November 24, 2020. Mikuni Corporation Japan given corporate guarantee for this ECB.

## 6. Deferred Tax Liability

The major components of deferred tax liability / asset as recognized in the financial statement are as follows:

| Particulars   | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|---|-------------------------|-------------------------|
| <b>Deferred tax liability</b>   |                         |                         |
| Excess of net block of fixed assets as per books of accounts over net block for tax purpose | 3,155.24                | 2,591.82                |
| Provision for Mark to Market Gain   | 135.35                  | 110.92                  |
| <b>Gross deferred tax liability</b>   | <b>3,290.59</b>         | <b>2,702.74</b>         |
| <b>Deferred tax asset</b>   |                         |                         |
| Provision for Employee benefits   |                         |                         |
| -Gratuity   | 144.78                  | 112.96                  |
| -Leave Encashment   | 21.51                   | 21.03                   |
| Provision for leave travel allowance  | -                       | 8.54                    |
| Provision for Bonus & Others  | -                       | 27.32                   |
| Carried forward business loss and unabsorbed depreciation                                   | -                       | 321.06                  |
| <b>Gross deferred tax asset</b>   | <b>166.29</b>           | <b>490.91</b>           |
| <b>Net deferred tax liability/(asset)</b>   | <b>3,124.30</b>         | <b>2,211.83</b>         |
| <b>Deferred Tax Charge/(Credit) for the period</b>  | <b>912.46</b>           | <b>402.92</b>           |

## 7. Provisions

The components of provision classified between long-term and short-term are presented as under:

| Particulars                     | Long-term               |                         | Short-term              |                         |
|---------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                                 | As at<br>March 31, 2022 | As at<br>March 31, 2021 | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
| Provision for employee benefits |                         |                         |                         |                         |
| Provision for gratuity          | 408.34                  | 378.66                  | 5.39                    | 9.26                    |
| Provision for leave encashment  | 59.32                   | 68.85                   | 2.14                    | 3.35                    |
| <b>Total (A)</b>                | <b>467.66</b>           | <b>447.51</b>           | <b>7.53</b>             | <b>12.61</b>            |



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**MIKUNI INDIA PRIVATE LIMITED****Notes to the financial statements for the year ended March 31, 2022**

(Figures in Rupees Lakhs)

**8. Other Non-Current Liabilities**

The components of other non-current liabilities are presented as under:

| Particulars                      | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|----------------------------------|-------------------------|-------------------------|
| Government Grant (Refer Note 44) | 563.22                  | 693.19                  |
| <b>Total</b>                     | <b>563.22</b>           | <b>693.19</b>           |

**9. Short Term Borrowings**

Short term borrowings comprise of working capital demand loan taken from Mizuho Bank, SMBC Bank and MUFG Bank, Export Packing Credit Facility and buyer's credit from Mizuho Bank.

| Particulars  | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|--|-------------------------|-------------------------|
| <b>Unsecured</b>   |                         |                         |
| <b>From Banks</b>  |                         |                         |
| Working Capital Facility (MUFG Bank)<br><i>(Repayable within 1 year from the date of drawdown)</i>                           | 4,800.00                | 2,000.00                |
| Working Capital Facility (SMBC Bank)<br><i>(Repayable within 1 year from the date of drawdown)</i>                           | 4,000.00                | 1,400.00                |
| Export Packing Credit Facility (Mizuho Bank)<br><i>(Repayable on demand, as per time schedule which is less than 1 year)</i> | 4,040.00                | 1,320.00                |
| Buyer's Credit Facility (Mizuho Bank)<br><i>(Repayable on demand, as per time schedule which is less than 1 year)</i>        | 1,889.94                | 1,819.20                |
| Current maturities of long term borrowings (Note I)  | 4,720.55                | 4,989.58                |
| <b>Total</b>   | <b>19,450.49</b>        | <b>11,528.78</b>        |

**Note I** - The Company has used the borrowings obtained from the banks and financial institutions for the specific purpose for which it was taken.**10. Trade Payables**

Trade payables represent payables for goods and services used by the Company.

| Particulars                              | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|--|-------------------------|-------------------------|
| Trade Payables (Note I)                  |                         |                         |
| - Due to micro and Small Enterprises     | 607.74                  | 321.16                  |
| - Other than Micro and Small Enterprises | 7,408.98                | 15,226.65               |
| <b>Total</b>                             | <b>8,016.72</b>         | <b>15,547.81</b>        |

**Note I** - Under the Micro, Small and Medium Enterprises Development Act, 2006, certain disclosures are required to be made relating to dues to Micro, Small and Medium enterprises. Based on the information available with the Company, the parties identified as micro, small and medium enterprises

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# MIKUNI INDIA PRIVATE LIMITED

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

(Figures in Rupees Lakhs)

based on the confirmations circulated and responses received by the management has been disclosed as under:

| Particulars  | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|--|-------------------------|-------------------------|
| a) The principal amount remaining unpaid to any supplier as at the end of each accounting year.  | 607.74                  | 321.16                  |
| b) The interest due thereon remaining unpaid to any supplier as at the end of each accounting year.  | -                       | -                       |
| c) The amount of interest paid by the buyer in terms of section 16 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year                               | -                       | -                       |
| d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act | -                       | -                       |
| e) The amount of interest accrued and remaining unpaid at the end of each accounting year; and   | -                       | -                       |
| f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.                             | -                       | -                       |

### Trade Payable Ageing Schedule

#### As at March 31, 2022

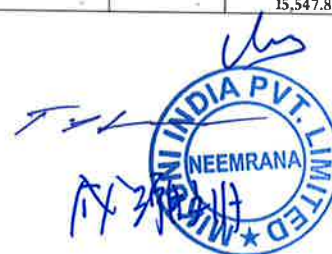
| Particulars   | Outstanding for Following Period from due Date of Payment |               |           |                   | Total           |
|---|---|---------------|-----------|-------------------|-----------------|
|   | Less than 1 Year  | 1-2 Years     | 2-3 Years | More than 3 Years |                 |
| Total outstanding due to micro enterprises and small enterprises                      | 607.74  | -             | -         | -                 | 607.74          |
| Total outstanding due to creditors other than micro enterprises and small enterprises | 7,409.04  | (0.06)        | -         | -                 | 7,408.98        |
| Disputed dues of micro enterprises and small enterprises                              | -   | -             | -         | -                 | -               |
| Disputed dues of creditors other than micro enterprises and small enterprises         | -   | -             | -         | -                 | -               |
| <b>Total</b>  | <b>8,016.78</b>   | <b>(0.06)</b> | <b>-</b>  | <b>-</b>          | <b>8,016.72</b> |

#### As at March 31, 2021

| Particulars   | Outstanding for Following Period from due Date of Payment |                |           |                   | Total            |
|---|---|----------------|-----------|-------------------|------------------|
|   | Less than 1 Year  | 1-2 Years      | 2-3 Years | More than 3 Years |                  |
| Total outstanding due to micro enterprises and small enterprises                      | 321.17  | (0.02)         | -         | -                 | 321.16           |
| Total outstanding due to creditors other than micro enterprises and small enterprises | 15,241.74   | (15.09)        | -         | -                 | 15,226.65        |
| Disputed dues of micro enterprises and small enterprises                              | -   | -              | -         | -                 | -                |
| Disputed dues of creditors other than micro enterprises and small enterprises         | -   | -              | -         | -                 | -                |
| <b>Total</b>  | <b>15,562.91</b>  | <b>(15.11)</b> | <b>-</b>  | <b>-</b>          | <b>15,547.81</b> |



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**MIKUNI INDIA PRIVATE LIMITED**

Notes to the financial statements for the year ended March 31, 2022  
(Figures in Rupees Lakhs)

**11. Other Current Liabilities**

The components of other current liabilities are presented as under:

| Particulars                                | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|--|-------------------------|-------------------------|
| Advances from Customers                    | 16.20                   | 48.51                   |
| Government Grant (Refer Note 44)           | 129.97                  | 129.97                  |
| Payable for Capital Assets                 | 1,254.72                | 913.04                  |
| Payable for others                         | 2,188.28                | 2,309.92                |
| Expenses Payable                           | 41.35                   | 311.45                  |
| Salary and Advances Payable to staff       | 161.91                  | 157.80                  |
| Security Deposits received                 | 2.00                    | 1.00                    |
| Provision for ex-gratia                    | 43.51                   | 38.46                   |
| Provision for bonus                        | 92.37                   | 93.83                   |
| Provision for medical reimbursement        | 1.51                    | 1.61                    |
| Provision for leave travel allowance       | 35.82                   | 29.31                   |
| Interest accrued but not due on borrowings | 405.59                  | 469.44                  |
| Advance From Employee                      | 5.40                    | -                       |
| Duties and Taxes                           |                         |                         |
| - Employee State Insurance                 | 0.58                    | 1.03                    |
| - Provident Fund Payable                   | 25.96                   | 23.54                   |
| - Goods and Service Tax                    | 2,091.19                | 2,075.59                |
| - Tax Deducted at Source Payable           | 126.60                  | 149.03                  |
| Total                                      | 6,622.96                | 6,753.54                |



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**Notes to the financial statements for the year ended March 31, 2022**  
(Figures in Rupees Lakhs)

Schedule of Property, Plant, Equipment & Intangible Assets and Depreciation charged:

### Note I - Capital Work In Progress Schedule

| Particulars                          | Tangibles | Intangibles | Total    |
|--------------------------------------|-----------|-------------|----------|
| Opening Balance as at April 01, 2022 | 3,706.78  | 188.21      | 3,894.99 |
| Addition during the year             | 3,501.90  | 288.31      | 3,790.21 |
| Deduction and Capitalization         | 5,150.01  | 403.28      | 5,553.29 |
| Closing Balance as at March 31, 2022 | 2,078.67  | 73.25       | 2,151.92 |

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# MIKUNI INDIA PRIVATE LIMITED

Notes to the financial statements for the year ended March 31, 2022  
(Figures in Rupees Lakhs)

## Capital Work in Progress Ageing

As at March 31, 2022

| CWIP                | Amount in CWIP for a period of |          |          |                   |
|---------------------|--------------------------------|----------|----------|-------------------|
|                     | Less than 1 year               | 1-2 year | 2-3 year | More than 3 years |
| Tangible            |                                |          |          |                   |
| Project In Progress | 1542.32                        | 487.40   | 42.26    | 6.68              |
| Intangible          |                                |          |          |                   |
| Project In Progress | 0.00                           | 73.25    | 0.00     | 0.00              |
| Total               | 1,542.32                       | 560.65   | 42.26    | 6.68              |
|                     |                                |          |          | 2,151.92          |

As at March 31, 2021

| CWIP                | Amount in CWIP for a period of |            |          |                   |
|---------------------|--------------------------------|------------|----------|-------------------|
|                     | Less than 1 year               | 1-2 year   | 2-3 year | More than 3 years |
| Tangible            |                                |            |          |                   |
| Project In Progress | 2566.17475                     | 1133.92874 | 6.67919  | 0                 |
| Intangible          |                                |            |          |                   |
| Project In Progress | 153.39075                      | 34.82      | 0        | 0                 |
| Total               | 2,719.56                       | 1,168.75   | 6.68     | -                 |
|                     |                                |            |          | 3,894.99          |



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# MIKUNI INDIA PRIVATE LIMITED

Notes to the financial statements for the year ended March 31, 2022  
(Figures in Rupees Lakhs)

## 13. Loans & Advances

The break-up loans and advances as bifurcated between long-term and short-term are presented as under:

| Particulars   | Long-Term<br>(Non-Current) |                         | Short-Term<br>(Current) |                         |
|---|----------------------------|-------------------------|-------------------------|-------------------------|
|   | As at<br>March 31, 2022    | As at<br>March 31, 2021 | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
| <b>Capital advances</b>   |                            |                         |                         |                         |
| Unsecured, considered good  | 835.66                     | 389.68                  | -                       | -                       |
| Total (A)   | 835.66                     | 389.68                  | -                       | -                       |
| <b>Other loans and advances</b>   |                            |                         |                         |                         |
| Unsecured, considered good  |                            |                         |                         |                         |
| Advances to Employees   | -                          | -                       | -                       | 0.53                    |
| Advances to Suppliers   | -                          | -                       | 129.35                  | 115.00                  |
| Prepaid expenses  | 6.35                       | 5.30                    | 142.30                  | 152.94                  |
| Total (B)   | 6.35                       | 5.30                    | 271.65                  | 268.47                  |
| <b>Duties and Taxes Receivables</b>   |                            |                         |                         |                         |
| -CGST/VAT Receivable  | -                          | -                       | -                       | 20.67                   |
| -GST Receivable   | -                          | -                       | 1,392.86                | 1,958.23                |
| -TCS Receivable   | -                          | -                       | 8.95                    | 5.35                    |
| -Advance Tax, Self assessment Tax, TDS Receivable, MAT (Net of provision for Tax (Rs. 190,132,564 (P.Y. Rs. 147,373,292)) | 808.72                     | 1,331.08                | -                       | -                       |
| -VAT Receivable   | -                          | -                       | -                       | 89.91                   |
| -Custom Duty Advance  | -                          | -                       | 620.13                  | 598.98                  |
| -SVB Receivable   | -                          | -                       | -                       | 13.27                   |
| -Export incentives receivable   | -                          | -                       | 64.65                   | 264.81                  |
| Total (C)   | 808.72                     | 1,331.08                | 2,086.59                | 2,951.22                |
| <b>Grand Total (A)+(B)+(C)</b>  | <b>1,650.73</b>            | <b>1,726.06</b>         | <b>2,358.24</b>         | <b>3,219.69</b>         |

GST credit represents credit available on input / capital goods which will be utilized against the GST liability arising in the subsequent period. Based on the past trend, the utilization is expected to be made within the period of one year from the end of Balance Sheet date and therefore it is classified as short-term.



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**MIKUNI INDIA PRIVATE LIMITED****Notes to the financial statements for the year ended March 31, 2022**

(Figures in Rupees Lakhs)

**14. Inventories**

The components of inventory as at Balance Sheet date, showing the valuation as certified by management is presented as under:

| Particulars                                      | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|--|-------------------------|-------------------------|
| Raw Materials and bought out components (Note I) | 11,501.29               | 11,114.65               |
| Work-in-progress                                 | 670.17                  | 516.18                  |
| Finished goods                                   | 2,544.28                | 2,783.22                |
| Consumables                                      | 1,708.21                | 916.52                  |
| <b>Total</b>                                     | <b>16,423.95</b>        | <b>15,330.57</b>        |

**Note I** - Raw materials include inventory in transit of Rs. 1,303.88 (PY - Rs. 2,941.54)

It is not practicable to furnish quantitative information of inventories in view of the considerable number of items, which are diverse in size and nature.

**15. Trade Receivables**

Trade receivables represent receivables from sale of goods.

| Particulars  | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|--|-------------------------|-------------------------|
| <b>Trade receivables outstanding for a period less than six months</b><br>Unsecured, considered good | 15,363.59               | 14,471.87               |
| <b>Trade receivables outstanding for a period exceeding six months</b><br>Unsecured, considered good | 213.31                  | 310.61                  |
| <b>Total</b>   | <b>15,576.90</b>        | <b>14,782.48</b>        |

**Trade Receivable ageing schedule****As at March 31, 2022**

| Particulars                                       | Outstanding for following period from due date of payment |                   |               |              |                   | Total            |
|---|---|-------------------|---------------|--------------|-------------------|------------------|
|   | Less than 6 months  | 6 months - 1 year | 1-2 years     | 2-3 years    | More than 3 years |                  |
| Undisputed Trade receivables- considered Good     | 15,363.59   | (33.33)           | 122.54        | 27.19        | 96.90             | 15,576.90        |
| Undisputed Trade receivables- considered doubtful |   |                   |               |              |                   |                  |
| <b>Total</b>                                      | <b>15,363.59</b>  | <b>(33.33)</b>    | <b>122.54</b> | <b>27.19</b> | <b>96.90</b>      | <b>15,576.90</b> |

**As at March 31, 2021**

| Particulars                                   | Outstanding for following period from due date of payment |                   |              |              |                   | Total            |
|---|---|-------------------|--------------|--------------|-------------------|------------------|
|   | Less than 6 months  | 6 months - 1 year | 1-2 years    | 2-3 years    | More than 3 years |                  |
| Undisputed Trade receivables- considered Good | 14,471.87   | 147.25            | 48.41        | 72.13        | 42.82             | 14,782.48        |
| <b>Total</b>                                  | <b>14,471.87</b>  | <b>147.25</b>     | <b>48.41</b> | <b>72.13</b> | <b>42.82</b>      | <b>14,782.48</b> |



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**MIKUNI INDIA PRIVATE LIMITED**

**Notes to the financial statements for the year ended March 31, 2022**  
(Figures in Rupees Lakhs)

**16. Cash and cash equivalents**

The components of cash and cash equivalents are presented as under:

| Particulars                       | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|-----------------------------------|-------------------------|-------------------------|
| <b>Cash and Cash Equivalents:</b> |                         |                         |
| Cash in hand                      | 0.41                    | 0.24                    |
| Balances with banks               |                         |                         |
| - In current accounts             | 1,093.53                | 1,306.82                |
| <b>Total</b>                      | <b>1,093.94</b>         | <b>1,307.06</b>         |

\* Fixed deposits having maturity more than 12 months, refer Note No. 17

**17. Other Current Assets**

The break-up of other current assets is presented as under:

| Particulars   | Long-Term<br>(Non-Current) |                         | Short-Term<br>(Current) |                         |
|---|----------------------------|-------------------------|-------------------------|-------------------------|
|   | As at<br>March 31, 2022    | As at<br>March 31, 2021 | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
| Interest accrued but not due on fixed deposits                  |                            |                         | 6.82                    | 3.17                    |
| Accrual of Mark to Market Gain (Note I)                         |                            |                         | 386.78                  | 380.89                  |
| Fixed deposits with bank* (having maturity more than 12 months) | 42.22                      | 260.09                  | 262.02                  | 3.17                    |
| Security deposits   |                            |                         |                         |                         |
| Unsecured, considered good                                      | 127.00                     | 101.79                  | 3.41                    | 26.26                   |
| <b>Total</b>  | <b>169.22</b>              | <b>361.88</b>           | <b>659.03</b>           | <b>413.49</b>           |

\*Pledged with tax authorities.

The classification of security deposits between long-term and short-term are made as per the period of expected realization from the Balance Sheet date.

**Note I** - Accrual of Mark to Market Gain is on ECB Loan taken from Mikuni Corporation, Japan, Mizuho Bank, MUFG Bank Ltd & Resona Merchant Bank Asia Limited (Refer Note No. 42).



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**MIKUNI INDIA PRIVATE LIMITED****Notes to the financial statements for the year ended March 31, 2022**  
(Figures in Rupees Lakhs)**18. Income from Operations**

The Company is engaged in the manufacturing and trading of automobile components to cater the automobile industry. The breakup of revenue from operations is presented as under:

| Particulars                                   | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|---|-------------------------|-------------------------|
| <b>Income from operations</b>                 |                         |                         |
| <b>Sale of products (Net of Sales Return)</b> |                         |                         |
| - Finished goods                              | 74,767.18               | 68,643.66               |
| - Sales-Other-Service                         | 606.11                  | 99.14                   |
| <b>Total (A)</b>                              | <b>75,373.29</b>        | <b>68,742.80</b>        |
| <b>Other operating revenue</b>                |                         |                         |
| - Scrap Sales                                 | 133.56                  | 90.96                   |
| <b>Total (B)</b>                              | <b>133.56</b>           | <b>90.96</b>            |
| <b>Grand Total (A)+(B)</b>                    | <b>75,506.85</b>        | <b>68,833.76</b>        |

The products are of similar nature and hence the break-up of revenue by product type is not presented.

**19. Other Income**

The components of other income are presented as under:

| Particulars  | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|--|-------------------------|-------------------------|
| <b>Interest income and Others</b>                          |                         |                         |
| - Interest on fixed deposits                               | 12.60                   | 38.91                   |
| <b>Total (A)</b>   | <b>12.60</b>            | <b>38.91</b>            |
| <b>Other non-operating income</b>                          |                         |                         |
| - Exchange fluctuation gain                                | 475.32                  | 1,162.44                |
| - Other non operating income (including export incentives) | 88.02                   | 181.92                  |
| - Gain on Sales of Fixed Assets                            | 18.21                   |                         |
| <b>Total (B)</b>   | <b>581.55</b>           | <b>1,344.36</b>         |
| <b>Grand Total (A)+(B)</b>                                 | <b>594.15</b>           | <b>1,383.27</b>         |

**20. Cost of raw material and components consumed**

The break-up of raw material consumption and consumables are presented as under:

| Particulars   | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|---|-------------------------|-------------------------|
| Inventory at the beginning of the year              | 11,114.65               | 8,238.03                |
| Add: Purchases                                      | 53,926.30               | 52,592.29               |
| Less: Inventory at the end of the year              | 11,501.29               | 11,114.65               |
| <b>Cost of raw material and components consumed</b> | <b>53,539.66</b>        | <b>49,715.67</b>        |

It is not practicable to furnish quantitative information of raw material consumed in view of the considerable number of items, which are diverse in size and nature.



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**MIKUNI INDIA PRIVATE LIMITED**

Notes to the financial statements for the year ended March 31, 2022  
(Figures in Rupees Lakhs)

**21. Changes in inventory of finished goods & work-in-progress**

The movement of inventories at the beginning and end of the year are presented as under:

| Particulars                                    | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|--|-------------------------|-------------------------|
| <b>Inventory at the beginning of the year-</b> |                         |                         |
| Finished Goods                                 | 2,783.22                | 1,324.21                |
| Work-In-Progress                               | 516.18                  | 559.08                  |
| Total (A)                                      | 3,299.40                | 1,883.29                |
| <b>Inventory at the end of the year-</b>       |                         |                         |
| Finished Goods                                 | 2,544.28                | 2,783.22                |
| Work-In-Progress                               | 670.17                  | 516.18                  |
| Total (B)                                      | 3,214.45                | 3,299.40                |
| <b>Grand Total (A)-(B)</b>                     | <b>84.95</b>            | <b>(1,416.11)</b>       |

**22. Direct Manufacturing Expenses**

The break-up of manufacturing and other direct expenses are presented as under:

| Particulars                       | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|-----------------------------------|-------------------------|-------------------------|
| Electricity Expenses              | 710.31                  | 713.97                  |
| Consumables                       | 579.95                  | 433.00                  |
| Royalty Expenses                  | 2,130.86                | 2,098.08                |
| Supervisor's Fee                  | -                       | 52.10                   |
| Testing Expenses                  | 35.39                   | 120.58                  |
| Repair & Maintenance Expenses     | 680.51                  | 657.51                  |
| Other Expenses                    | 12.79                   | 10.09                   |
| Research and Development Expenses | 67.24                   | 1.13                    |
| <b>Total</b>                      | <b>4,217.05</b>         | <b>4,086.46</b>         |

**23. Employee benefit expenses**

The break-up of employee related expenses are presented as under:

| Particulars                               | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|---|-------------------------|-------------------------|
| Salaries and incentives                   | 3,047.99                | 3,054.45                |
| Salaries to contractual employees         | 1,299.98                | 1,247.12                |
| Employer's Contribution to Provident fund | 131.47                  | 122.26                  |
| Employee State Insurance Contribution     | 5.07                    | 11.13                   |
| Gratuity Expense                          | 43.52                   | 45.98                   |
| Leave Encashment expense                  | 1.69                    | 12.42                   |
| Staff welfare expenses                    | 538.22                  | 362.97                  |
| <b>Total</b>                              | <b>5,067.94</b>         | <b>4,856.33</b>         |



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Signature of the authorized signatory.



**MIKUNI INDIA PRIVATE LIMITED****Notes to the financial statements for the year ended March 31, 2022**  
(Figures in Rupces Lakhs)**24. Finance Cost**

| Particulars                          | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|--------------------------------------|-------------------------|-------------------------|
| Interest on ECB Loan                 | 1,294.98                | 1,132.80                |
| Interest on Short Term Loan (MUFG)   | 233.08                  | 244.34                  |
| Interest on Short Term Loan (Mizuho) | 78.07                   | 133.14                  |
| Interest on Short Term Loan (SMBC)   | 164.80                  | 201.18                  |
| <b>Total</b>                         | <b>1,770.93</b>         | <b>1,711.46</b>         |

**25. Depreciation and amortization expense**

The details on depreciation are as under:

| Particulars                            | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|--|-------------------------|-------------------------|
| Charge for the year (Refer Note No.12) | 4,913.66                | 4,672.84                |
| <b>Total</b>                           | <b>4,913.66</b>         | <b>4,672.84</b>         |

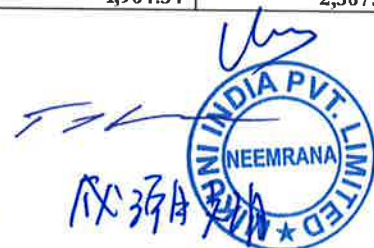
**26. Other Expenses**

The break-up of administrative and other expenses are presented as under:

| Particulars   | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|---|-------------------------|-------------------------|
| Rent  | 141.72                  | 150.07                  |
| <b>Repairs and Maintenance</b>                                      |                         |                         |
| - Buildings   | 18.18                   | 25.48                   |
| - Others  | 38.08                   | 14.24                   |
| Insurance charges   | 263.05                  | 215.09                  |
| Legal and Professional  | 109.33                  | 89.74                   |
| Bank Charges  | 5.99                    | 41.29                   |
| Printing and Stationery   | 36.47                   | 27.48                   |
| Freight & Logistic  | 680.61                  | 530.78                  |
| Communication Expenses  | 167.69                  | 94.53                   |
| Travelling & Conveyance Expenses                                    | 236.83                  | 210.89                  |
| Houskeeping and Maintenance Expenses                                | 87.29                   | 73.96                   |
| Miscellaneous Expenses  | 89.96                   | 45.26                   |
| Loss on Sale of Fixed Assets (net)                                  | -                       | 680.21                  |
| Raw Material Written off  | 50.12                   | 152.64                  |
| Interest on Delayed Payments  | 6.33                    | 2.13                    |
| Expenditure towards Corporate Social Responsibility (Refer Note 45) | 25.29                   | 6.86                    |
| Auditors' remuneration  | 7.40                    | 7.05                    |
| <b>Total</b>  | <b>1,964.34</b>         | <b>2,367.68</b>         |



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**MIKUNI INDIA PRIVATE LIMITED**

**Notes to the financial statements for the year ended March 31, 2022**  
(Figures in Rupees Lakhs)

**27. Earnings per Share**

The Company does not have any potential equity shares and therefore the diluted earnings per share remain same as basic earnings per share. The numerator and denominator used to calculate earnings per share are shown as under:

| Particulars                                       | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|---|-------------------------|-------------------------|
| Basic & Diluted earnings per share                |                         |                         |
| Profit/(Loss) attributable to Equity shareholders | 2,148.71                | 3,809.45                |
| Weighted average number of equity shares          | 1,682.60                | 1,650.00                |
| Basic & Diluted earnings per share                | 1.28                    | 2.31                    |
| Face value per share                              | 10                      | 10                      |

**28. Contingent Liabilities**

A. Claims against the company disputed and not acknowledged as debts:

| Particulars  | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|--|-------------------------|-------------------------|
| <b>Service Tax</b>   |                         |                         |
| Cases Pending Before Hon'ble Rajasthan High Court in respect of which the company has filed appeals and show cause notices for other periods |                         |                         |
| i. Financial year 2009-10 to 2012-13   | 103.21                  | 103.21                  |
| <b>TOTAL</b>   | <b>103.21</b>           | <b>103.21</b>           |

B. The Company has given financial guarantees various Government departments. Details is given here under-

| Particulars                    | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|--------------------------------|-------------------------|-------------------------|
| Sales Tax Department Haryana   | 0.90                    | 0.90                    |
| Sales Tax Department Rajasthan | 0.10                    | 0.10                    |

C. In the F.Y. 2020-21, dated July 09, 2020 the Company had received communication from Department of Revenue Intelligence (DRI) with respect to total benefit of BCD, SWS and IGST availed under preferential rate amounting to Rs. 685 lakhs Rs. 68 lakhs and Rs. 744 lakhs respectively on which estimated interest @15% will be around 678 lakhs. The Company, having paid under protest an amount Rs. 150 lakhs out of the amount demanded, has also submitted its due reply to the SCN issued by DRI.

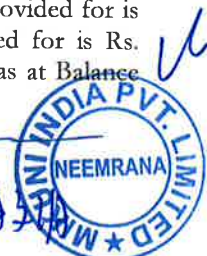
There are no other pending litigations that can have impact on the financial position of the company.

**29. Commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs.409.36 lakhs (PY Rs. 3,490.09 lakhs) while on Revenue account and not provided for is Rs. 20,819.82 lakhs (PY Rs. 6,811.64 lakhs). There are no other contractual commitments as at Balance Sheet date.



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**MIKUNI INDIA PRIVATE LIMITED**

Notes to the financial statements for the year ended March 31, 2022  
(Figures in Rupees Lakhs)

**30. Value of Imports on C.I.F Basis:**

| Particulars                                | Year Ended<br>March 31, 2022 | Year Ended<br>March 31, 2021 |
|--|------------------------------|------------------------------|
| Raw Materials, Components, Stores & Spares | 1,683.85                     | 2,093.46                     |
| Capital goods                              | -                            | -                            |
| <b>TOTAL</b>                               | <b>1,683.85</b>              | <b>2,093.46</b>              |

**31. Expenditure in foreign currency (on accrual basis):**

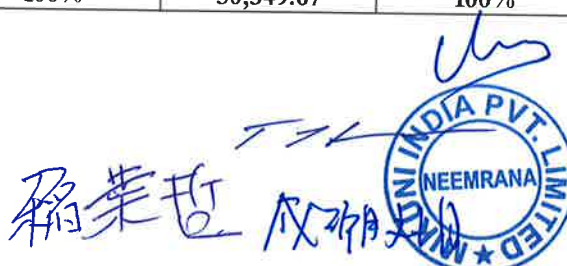
| Particulars                                   | Year Ended<br>March 31, 2022 | Year Ended<br>March 31, 2021 |
|---|------------------------------|------------------------------|
| License Fees for Use of Know How              | 280.70                       | 153.39                       |
| Fees for Technical Services (Supervisor Fees) | -                            | 42.19                        |
| Allowances and Perquisites                    | 639.81                       | 554.08                       |
| Other Expenses                                | 175.53                       | 262.41                       |
| <b>TOTAL</b>                                  | <b>1,096.04</b>              | <b>1,012.07</b>              |

**32. Earnings in foreign currency (on accrual basis):**

| Particulars  | Year Ended<br>March 31, 2022 | Year Ended<br>March 31, 2021 |
|--------------|------------------------------|------------------------------|
| Export sales | 8,432.67                     | 3,787.26                     |
| <b>TOTAL</b> | <b>8,432.67</b>              | <b>3,787.26</b>              |

**33. Consumption of raw materials, components, stores & spares**

| Particulars  | Year Ended March 31, 2022 |                | Year Ended March 31, 2021 |                |
|--------------|---------------------------|----------------|---------------------------|----------------|
|              | Amount                    | Percentage (%) | Amount                    | Percentage (%) |
| Imported     | 37,604.87                 | 73%            | 39,169.36                 | 78%            |
| Indigenous   | 14,084.80                 | 27%            | 11,180.31                 | 22%            |
| <b>TOTAL</b> | <b>51,689.67</b>          | <b>100%</b>    | <b>50,349.67</b>          | <b>100%</b>    |



**MIKUNI INDIA PRIVATE LIMITED**

Notes to the financial statements for the year ended March 31, 2022  
(Figures in Rupees Lakhs)

**34. Auditor Remuneration**

| Particulars       | Year Ended<br>March 31, 2022 | Year Ended<br>March 31, 2021 |
|-------------------|------------------------------|------------------------------|
| As Auditor        | 7.40                         | 7.05                         |
| For other matters | 1.41                         | 1.34                         |
| <b>TOTAL</b>      | <b>8.81</b>                  | <b>8.39</b>                  |

**35. Disclosure pursuant to Accounting Standard – 15 'Employee Benefits'****a. General Description**

*Leave salary (short term compensated absences)*

The leave salary is payable at the basic salary for maximum of 12 days privilege leave outstanding at the year-end based on 26 working days which shall be encashed within 10 months from the end of the financial year. The Company during the year provided Rs. 1.69 lakhs (PY Provision reversed Rs. 12.42 lakhs) towards leave encashment expense.

*Contribution to Provident Fund (Defined Contribution)*

The Company's provident fund scheme (including pension fund scheme for eligible employees) is a defined contribution plan. The Company during the year provided Rs. 131.47 lakhs (PY Rs. 122.26 lakhs) towards Employer's Contribution to Provident Fund.

*Gratuity (Defined benefit plan)*

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on death or resignation or retirement at 15 days salary (last drawn salary) for each completed year of service. The Company during the year provided Rs. 43.52 lakhs (PY Rs. 45.98 lakhs) towards gratuity expense.

**b. Actuarial assumption:**

The following tables set out disclosures prescribed by Accounting Standard-15 on 'Employee Benefits' in respect of company's unfunded gratuity plan.

*Changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof:*

| Particulars   | Gratuity<br>Year Ended<br>March 31, 2022 | Gratuity<br>Year Ended<br>March 31, 2021 |
|---|--|--|
| Present value of obligation as at the beginning of the period | 387.93                                   | 350.57                                   |
| Acquisition adjustment  | -  | -  |
| Interest cost   | 26.22                                    | 23.70                                    |
| Past service cost   | -  | -  |
| Current service cost  | 61.81                                    | 67.09                                    |
| Benefits paid   | (17.72)                                  | (8.62)                                   |
| Actuarial (gain)/loss on obligation                           | (44.52)                                  | (44.81)                                  |
| Present value of obligation as at the end of period           | 413.73                                   | 387.93                                   |



# MIKUNI INDIA PRIVATE LIMITED

Notes to the financial statements for the year ended March 31, 2022  
(Figures in Rupees Lakhs)

*Actuarial gain/ loss recognized in the Statement of Profit and Loss:*

| Particulars  | Gratuity<br>As at<br>March 31, 2022 | Gratuity<br>As at<br>March 31, 2021 |
|--|-------------------------------------|-------------------------------------|
| Actuarial gain/ (loss) for the year obligation     | 44.52                               | 44.81                               |
| Total (gain)/ loss for the year                    | (44.52)                             | (44.81)                             |
| Actuarial (gain)/ loss recognized during the year. | (44.52)                             | (44.81)                             |

*The amounts recognized in the Balance Sheet are as follows:*

| Particulars   | Gratuity<br>As at<br>March 31, 2022 | Gratuity<br>As at<br>March 31, 2021 |
|---|-------------------------------------|-------------------------------------|
| Present value of obligation as at the end of the year | 413.73                              | 387.93                              |
| Funded value of assets (unfunded)                     | (413.73)                            | (387.93)                            |
| Net assets / (liability) recognized in balance sheet  | (413.73)                            | (387.93)                            |

*The amounts recognized in the Statement of Profit and Loss are as follows:*

| Particulars   | Gratuity<br>Year Ended<br>March 31, 2022 | Gratuity<br>Year Ended<br>March 31, 2021 |
|---|--|--|
| Current service cost                                    | 61.81                                    | 67.09                                    |
| Interest cost   | 26.22                                    | 23.70                                    |
| Past service cost                                       | -  | -  |
| Net actuarial (gain) / loss recognized in the year      | (44.52)                                  | (44.81)                                  |
| Expenses recognized in the statement of profit and loss | 43.52                                    | 45.98                                    |

*Actuarial assumption:*

| Particulars     | Gratuity<br>Year Ended<br>March 31, 2022 | Gratuity<br>Year Ended<br>March 31, 2021 |
|-----------------|--|--|
| Salary Growth * | 9.50                                     | 9.50                                     |
| Discount Rate   | 7.18                                     | 6.76                                     |

\* The estimates of future salary increase, considered in an actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.



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**MIKUNI INDIA PRIVATE LIMITED**

**Notes to the financial statements for the year ended March 31, 2022**  
(Figures in Rupees Lakhs)

**36. Related Party disclosures****i. List of Related Parties with whom transaction have taken place**

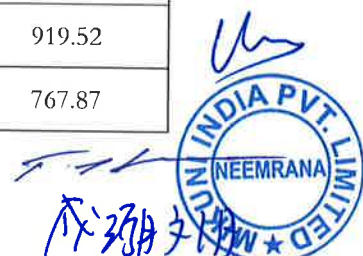
| <b>Name of the Party</b>                      | <b>Relationship</b>                          |
|---|--|
| Mikuni Corporation, Japan                     | Holding Company                              |
| Mikuni (Thailand) Co. Ltd                     | Shareholder                                  |
| Mikuni Partec Corporation, Japan              | Fellow Subsidiary                            |
| Mikuni (Shanghai) Co. Ltd                     | Fellow Subsidiary                            |
| Mikuni (Chengdu) Machinery & Electronics Ltd. | Fellow Subsidiary                            |
| PT. Mikuni Indonesia                          | Fellow Subsidiary                            |
| Mikuni Taiwan Corporation                     | Fellow Subsidiary                            |
| Tianjin Mikuni Co. Ltd, China                 | Fellow Subsidiary                            |
| Mikuni American Corporation                   | Fellow Subsidiary                            |
| Mikuni Europe GMBH                            | Fellow Subsidiary                            |
| Mikuni Management (Shanghai) Co., Ltd.        | Fellow Subsidiary                            |
| Mr. Takayoshi Hoshina                         | Managing Director<br>(w.e.f April 1, 2019)   |
| Mr. Toru Misawa                               | Whole-time Director                          |
| Mr. Fumio Naruse                              | Whole-time Director<br>(w.e.f April 1, 2021) |
| Mr. Tetsu Inaba                               | Whole-time Director<br>(w.e.f April 1, 2019) |
| Mr. Dinesh Chandra Gupta                      | Whole-time Director<br>(w.e.f April 1, 2019) |
| Mr. Takayoshi Iribe                           | Whole-time Director<br>(Till June 30, 2020)  |

**ii. Transactions with Related Parties:**

| <b>Party</b>              | <b>Nature of Transaction</b>                                    | <b>Year ended<br/>March 31, 2022</b> | <b>Year ended<br/>March 31, 2021</b> |
|---------------------------|---|--------------------------------------|--------------------------------------|
| Mikuni Corporation, Japan | Fixed Assets Purchased  | 659.99                               | 424.36                               |
|                           | Purchase of Raw Material, Components, Spare Parts & Consumables | 3,667.74                             | 2,403.63                             |
|                           | ECB Loan Repayment  | 919.52                               | 919.52                               |
|                           | ECB Interest payment  | 144.37                               | 767.87                               |



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**MIKUNI INDIA PRIVATE LIMITED**
**Notes to the financial statements for the year ended March 31, 2022**

(Figures in Rupees Lakhs)

|   |   |           |           |
|---|---|-----------|-----------|
|   | License Fees for use of know-how                                | 280.71    | 153.39    |
|   | Running Royalty   | 2,130.86  | 1,888.95  |
|   | Supervisor Fees   | -         | 39.06     |
|   | Other Allowances Perquisites                                    | 639.81    | 554.08    |
|   | Other Expenses  | 190.72    | 134.98    |
|   | Export-Sales  | 690.15    | 392.85    |
| Mikuni (Thailand) Co. Ltd                     | Purchase of Raw Material, Components, Spare Parts & Consumables | 7,192.67  | 7,487.50  |
|   | Fixed Assets Purchased  | 115.84    | 526.55    |
|   | Other Expenses  | 14.38     | 61.45     |
|   | Supervisor Fees   | -         | -         |
|   | Export-Sales  | 55.86     | 113.81    |
| Mikuni (Shanghai) Co. Ltd                     | Purchase of Raw Material, Components, Spare Parts & Consumables | -         | 15.02     |
|   | Fixed Assets Purchased  | -         | 0.20      |
|   | Export-Sales  | 253.74    | 2.46      |
| Mikuni (Chengdu) Machinery & Electronics Ltd. | Purchase of Raw Material, Components, Spare Parts & Consumables | 50.41     | 62.42     |
|   | Fixed Assets Purchased  | 0.81      | -         |
|   | Export-Sales  | 1.23      | 2.08      |
| PT. Mikuni Indonesia                          | Purchase of Raw Material, Components, Spare Parts & Consumables | 16,156.30 | 14,603.50 |
|   | Other Expenses  | -         | 1.36      |
|   | Fixed Assets Purchased  | 174.90    | 406.38    |
|   | Export-Sales  | 131.38    | 57.07     |
| Mikuni Partec Co. Ltd                         | Fixed Assets Purchased  | -         | 44.56     |
|   | Supervision Fees  | -         | 3.13      |
| Tianjin Mikuni Co. Ltd, China                 | Purchase of Raw Material, Components, Spare Parts & Consumables | 476.25    | 230.57    |



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# MIKUNI INDIA PRIVATE LIMITED

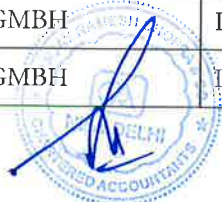
## Notes to the financial statements for the year ended March 31, 2022

(Figures in Rupees Lakhs)

|                                       |          |   |          |          |
|---------------------------------------|----------|---|----------|----------|
| Mikuni Corporation                    | American | Other Expenses  | -        | 30.17    |
|                                       |          | Export-Sales  | 1,916.98 | 808.54   |
| Mikuni Europe GMBH                    |          | Export-Sales  | 4,539.45 | 2,145.71 |
|                                       |          | Other Expenses  | 10.94    | 34.45    |
| Mikuni Management (Shanghai) Co., Ltd |          | Purchase of Raw Material, Components, Spare Parts & Consumables | 213.65   | 243.66   |
|                                       |          | Export-Sales  | 843.88   | 260.79   |
| Mikuni Corporation                    | Taiwan   | Purchase of Raw Material, Components, Spare Parts & Consumables | 1,478.16 | 1,565.44 |
| Mr. Toru Misawa                       |          | Salary & Perquisites  | 28.33    | 19.55    |
| Mr. Takayoshi Hoshina                 |          | Salary & Perquisites  | 64.99    | 66.67    |
| Mr. Tetsu Inaba                       |          | Salary & Perquisites  | 60.56    | 60.37    |
| Mr. Takayoshi Iribe                   |          | Salary & Perquisites  | -        | 10.72    |
| Mr. Dinesh Chandra Gupta              |          | Salary & Perquisites  | 38.00    | 36.00    |
| Mr. Fumio Naruse                      |          | Salary & Perquisites  | 52.31    | -        |

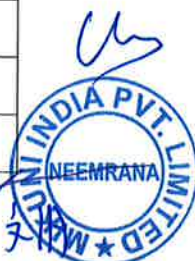
### iii. Balance Outstanding of Related Parties:

| Name of Party                                 | Receivable/<br>Payable | As at<br>March 31,<br>2022 | As at<br>March 31,<br>2021 |
|---|------------------------|----------------------------|----------------------------|
| Mikuni Corporation, Japan                     | Receivable             | 224.88                     | 135.27                     |
| Mikuni Corporation, Japan                     | Payable                | 1,620.10                   | 1,250.08                   |
| Mikuni (Thailand) Co. Ltd                     | Payable                | 2,856.50                   | 5,418.32                   |
| Mikuni (Thailand) Co. Ltd                     | Receivable             | 12.34                      | 25.66                      |
| Mikuni (Shanghai) Co. Ltd                     | Receivable             | 0.66                       | 1.91                       |
| Mikuni (Chengdu) Machinery & Electronics Ltd. | Receivable             | 0.67                       | -                          |
| Mikuni (Chengdu) Machinery & Electronics Ltd. | Payable                | -                          | 15.17                      |
| Tianjin Mikuni Co. Ltd.                       | Payable                | 6.05                       | 22.85                      |
| Tianjin Mikuni Co. Ltd.                       | Receivable             | -                          | 0.04                       |
| Mikuni Europe GMBH                            | Receivable             | 1,182.99                   | 642.23                     |
| Mikuni Europe GMBH                            | Payable                | 3.10                       | 2.12                       |



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# MIKUNI INDIA PRIVATE LIMITED

Notes to the financial statements for the year ended March 31, 2022  
(Figures in Rupees Lakhs)

|                                       |            |          |          |
|---------------------------------------|------------|----------|----------|
| Mikuni Management (Shanghai) Co., Ltd | Payable    | 7.27     | 22.90    |
| Mikuni Management (Shanghai) Co., Ltd | Receivable | -        | 103.61   |
| PT Mikuni Indonesia                   | Payable    | 1,094.26 | 2,699.84 |
| PT Mikuni Indonesia                   | Receivable | 31.16    | 2.06     |
| Mikuni Taiwan Co. Ltd                 | Payable    | 139.97   | 9.24     |
| Mikuni American Corporation           | Receivable | 211.98   | 376.11   |
| Mr. Toru Misawa                       | Payable    | 0.87     | -        |
| Mr. Fumio Naruse                      | Payable    | 0.70     | -        |
| Mr. Tetsu Inaba                       | Payable    | 0.80     | 0.80     |
| Mr. Takayoshi Hoshina                 | Payable    | 0.75     | 0.75     |

## 37. Foreign currency exposure

### i. Detail of unhedged Foreign Currency

| Particulars  | Currency | As at March 31, 2022 |                  | As at March 31, 2021 |                  |
|--------------|----------|----------------------|------------------|----------------------|------------------|
|              |          | Amount in FCY        | Amount in Rupees | Amount in FCY        | Amount in Rupees |
| Receivable   | JPY      | 290.10               | 179.71           | 178.34               | 117.89           |
| Receivable   | USD      | 3.38                 | 256.38           | 7.18                 | 525.04           |
| Receivable   | Euro     | 14.30                | 1,204.30         | 7.49                 | 642.23           |
| Receivable   | CNY      | -                    | -                | 0.00                 | 0.04             |
| Payable      | USD      | 48.97                | 3,712.09         | 102.34               | 7,482.94         |
| Payable      | JPY      | 3,398.48             | 2,112.58         | 4,364.94             | 2,886.32         |
| Payable      | CNY      | 0.48                 | 5.69             | 3.44                 | 38.33            |
| Payable      | THB      | 735.31               | 1,683.86         | 1,464.82             | 3,442.34         |
| Payable      | Euro     | 0.05                 | 4.21             | 0.16                 | 13.79            |
| <b>TOTAL</b> |          |                      | <b>9,158.82</b>  |                      | <b>15,148.92</b> |

### ii. Detail of hedged Foreign Currency

| Particulars  | Currency   | As at March 31, 2022 |                  | As at March 31, 2021 |                  |
|--------------|------------|----------------------|------------------|----------------------|------------------|
|              |            | Amount in FCY        | Amount in Rupees | Amount in FCY        | Amount in Rupees |
| Payable      | USD        | 177.81               | 13,476.97        | 241.31               | 17,642.16        |
| Payable      | JPY        | 5,600.00             | 3,480.54         | 5,600.00             | 3,702.44         |
| <b>TOTAL</b> | <b>USD</b> | <b>177.81</b>        | <b>13,476.97</b> | <b>241.31</b>        | <b>17,642.16</b> |
| <b>TOTAL</b> | <b>JPY</b> | <b>5,600.00</b>      | <b>3,480.54</b>  | <b>5,600.00</b>      | <b>3,702.44</b>  |



## MIKUNI INDIA PRIVATE LIMITED

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

(Figures in Rupees Lakhs)

#### 38. Operating Lease

The Company lease office space under operating lease. The lease rental expenses are recognized in Statement of Profit and Loss on straight line basis is Rs. 141.72 lakhs (PY Rs. 150.07 lakhs).

#### 39. Transfer Pricing

The Company has appointed independent consultants for conducting a Transfer Price Study to determine whether the transactions with the associated enterprise are on an arms' length basis. All international transactions entered by the Company with the associated enterprise are based on prices negotiated on usual commercial terms and are on similar lines as previous year for which the study has been carried out. Adjustments, if any, arising from the transfer pricing study shall be accounted for as and when the study is completed for the current financial year.

#### 40. Segment reporting

The Company is engaged in the manufacturing and trading of automobile components to cater the automobile industry. The similar kind of products are being manufactured and traded. Accordingly, in the opinion of management, there is only one segment as envisaged by Accounting Standard 17 on "Segment Reporting". Therefore, no disclosure on segment reporting is made.

#### 41. Borrowing Costs

As per Accounting Standard - 16, "Borrowing Cost", interest expense capitalized amounting to Rs. 309.35 lakhs (PY Rs. 552.67 lakhs).

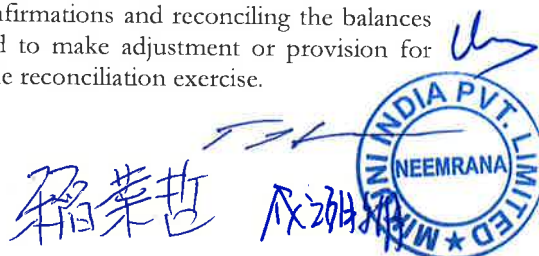
#### 42. Derivatives

Foreign currency derivatives are used to hedge risk associated with foreign currency transaction. Provision for Mark to Market Gain of Rs. 5.92 lakhs (PY Loss Rs. 900.75 lakhs) has been provided for as on March 31, 2022 on full currency swap entered to hedge the exchange rate risks based on the confirmations from the bank are as under:

| Hedged Item                            | Currency | Hedged Amount in Foreign Currency | Mark to Market (Gain)/Loss Rs. in Lakhs |
|--|----------|-----------------------------------|---|
| ECB- Mizuho Corporate Bank Ltd.        | USD      | -                                 | 30.16                                   |
| ECB- Mizuho Corporate Bank Ltd.        | USD      | 17.23                             | (79.39)                                 |
| ECB- Mizuho Corporate Bank Ltd.        | USD      | 19.92                             | (86.55)                                 |
| ECB- Resona Merchant Bank Asia Limited | USD      | 6.25                              | (24.07)                                 |
| ECB- The Bank of Tokyo Mitsubishi UFJ  | USD      | -                                 | 46.33                                   |
| ECB- The Bank of Tokyo Mitsubishi UFJ  | USD      | 14.20                             | (54.56)                                 |
| ECB- The Bank of Tokyo Mitsubishi UFJ  | USD      | 10.42                             | (43.14)                                 |
| ECB-Mikuni Corporation, Japan          | USD      | 42.00                             | (210.62)                                |
| ECB-Mikuni Corporation, Japan          | JPY      | 5,600.00                          | 227.34                                  |
| ECB-Mikuni Corporation, Japan          | USD      | 22.80                             | (10.63)                                 |
| ECB-Mikuni Corporation, Japan          | USD      | 45.00                             | 199.21                                  |
| <b>Total</b>                           |          | <b>5,777.82</b>                   | <b>(5.92)</b>                           |

There are no other long term contracts for which there were any material foreseeable losses.

43. The management is in the process of obtaining external confirmations and reconciling the balances from major trade receivables parties. Accordingly, the need to make adjustment or provision for doubtful debts, if any, will be assessed upon completion of the reconciliation exercise.



## MIKUNI INDIA PRIVATE LIMITED

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

(Figures in Rupees Lakhs)

#### 44. Government Grant

During the financial year 2017-18, the company entered into an agreement with DMICDC Neemrana Solar Power Company Ltd. ("DMICDC") in which DMICDC will supply solar power for the period of 10 years (ending on June 30, 2027) @ Rs.11.99/KWH to the company. At the same time, the company entered into another agreement with Hitachi Ltd. (representative of New Energy and Industrial Technology Development Organization, Japan ["NEDO"]) in which Hitachi Ltd. agreed to reimburse the electricity cost to the company for the first 2 years.

In relation to above, the reimbursement of electricity expenses for the first 2 years has been considered as Grant which has been proportionated over the period of supply agreement of 10 years by netting-off from the electricity expenses.

Total amount that has been netted off owing to government grant from electricity expenses is Rs. 129.97 lakhs (PY Rs. 129.97 lakhs) and closing accumulated balance is Rs. 563.22 lakhs (PY Rs. 693.19 lakhs) as Government Grant as at March 31, 2022 (Refer Note No.8).

#### 45. Corporate Social Responsibility (CSR) Expenditure

As per Section 135 of Companies Act, 2013, the following is the detail of Corporate Social Responsibility expenses incurred by the Company:

- (a) Gross amount required to be spent by the Company during the year ended March 31, 2022 is Rs. 25.29 lakhs (PY – Rs. 6.86 lakhs).
- (b) Amount spent during the period ended March 31, 2022 is Rs. 25.29 lakhs (PY – Rs. 6.86 lakhs).

| S. No. | Particulars                            | As at March 31, 2022           |                                  |       | As at March 31, 2021           |                                  |       |
|--------|--|--------------------------------|----------------------------------|-------|--------------------------------|----------------------------------|-------|
|        |  | Amount of Expenditure incurred | Shortfall at the end of the year | Total | Amount of Expenditure incurred | Shortfall at the end of the year | Total |
| (i)    | Construction/ acquisition of any asset | NIL                            |                                  |       |                                |                                  |       |
| (ii)   | On purpose other than (i) above        | 25.29                          | NIL                              | 25.29 | 6.86                           | NIL                              | 6.86  |

| Particulars              | As at March 31, 2022    | As at March 31, 2021    |
|--------------------------|-------------------------|-------------------------|
| Nature of CSR Activities | PM National Relief Fund | PM National Relief Fund |
| Reason for shortfall     | Not Applicable          | Not Applicable          |



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# MIKUNI INDIA PRIVATE LIMITED

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

(Figures in Rupees Lakhs)

### 46. Ratio Analysis and its element

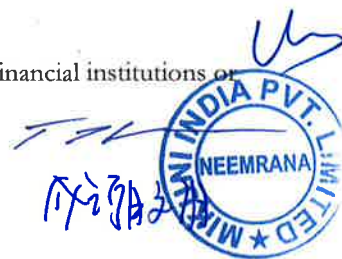
| Ratio                           | Numerator  | Denominator   | As at March 31, 2022 | As at March 31, 2021 | % change | Reason for variance (where the change in the ratio is more than 25% as compared to the preceding year)  |
|---------------------------------|--|---|----------------------|----------------------|----------|---|
| Current Ratio                   | Current Assets   | Current Liabilities   | 1.04                 | 1.01                 | 2%       |   |
| Debt-Equity Ratio               | Total Debt   | Shareholder's Equity  | 1.46                 | 1.51                 | -4%      |   |
| Debt Service Coverage Ratio     | Earnings for debt service = Net profit after tax + Non-cash operating expenses | Debt service = Interest & Lease Payments + Principal Repayments             | 1.32                 | 2.01                 | -34%     | Last year, Reduction in Profit after Tax (PAT) was due to change in tax rate, MAT being applicable in the last year. Further there has been difference on account of Depreciation from the previous year amounting to 241 Lakh as there were additions in Plant & Machinery. Moreover, there was loss on sale of Fixed assets for the Previous year amounting to 680 Lakh |
| Return on Equity Ratio          | Net Profits after taxes - Preference Dividend                                  | Average Shareholder's Equity  | 0.09                 | 0.19                 | -51%     | Last year, MAT was applicable on the Company, however in this year, Company is liable to normal tax rate @ 34.944% thus leading to lower profits.   |
| Inventory Turnover Ratio        | Cost of goods sold   | Average Inventory   | 3.37                 | 3.85                 | -12%     |   |
| Trade Receivable Turnover Ratio | Net credit sales = Gross credit sales - sales return                           | Average Trade Receivables   | 4.97                 | 5.22                 | -5%      |   |
| Trade Payable Turnover Ratio    | Net credit purchases = Gross credit purchases - purchase return                | Average Trade Payables  | 4.58                 | 3.84                 | 19%      |   |
| Net Capital Turnover Ratio      | Net sales = Total sales - sales return   | Working capital = Current assets - Current liabilities                      | 2.00                 | 1.80                 | 11%      |   |
| Net profit ratio                | Net Profit   | Net sales = Total sales - sales return                                      | 0.03                 | 0.06                 | -49%     | The Net Profit has reduced from the previous year amounting to 1,660 Lakhs on account of Change in tax rate.  |
| Return on Capital employed      | Earnings before interest and taxes   | Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability | 16.73                | 15.52                | 8%       |   |
| Return on investment            | Interest (Finance Income)  | Investment  | 5.43                 | 9.44                 | -42%     | The Net Profit has reduced from the previous year amounting to 1,660 Lakhs on account of Change in tax rate.  |

### 47. Other Statutory Information

- The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- The Company do not have any charges or satisfaction of which is yet to be registered with the Registrar of the Companies ('ROC') beyond the statutory period.
- The Company has not been declared as willful defaulter by any bank or financial institutions or other lenders.



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## MIKUNI INDIA PRIVATE LIMITED

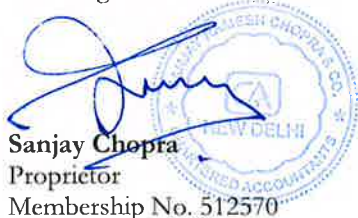
### Notes to the financial statements for the year ended March 31, 2022

(Figures in Rupees Lakhs)


- iv. The title deeds of all of the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) disclosed in the financial statements are held in the name of the Company.
- v. During the year, the Company has not revalued its Property, Plant and Equipments.
- vi. The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- vii. The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) 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
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- viii. The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) 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
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- ix. The Company do not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956

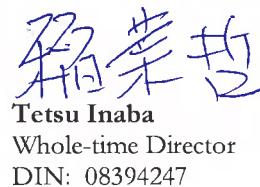
48. Previous year figures have been regrouped/re-arranged, wherever necessary.

In term of our report of even date attached  
**For Sanjay Ramesh Chopra & Co.**  
Chartered Accountants  
Firm Registration No. 023951N

  
**Sanjay Chopra**  
Proprietor  
Membership No. 512570

For and on behalf of the Board of Directors of  
**Mikuni India Private Limited**  
CIN: U50300RJ2008FTC027384

  
**Takayoshi Hoshina**  
Managing Director  
DIN: 08095960

  
**Tetsu Inaba**  
Whole-time Director  
DIN: 08394247

  
**Fumio Naruse**  
Whole-Time Director  
DIN: 09136420

  
**Uma Badlani**  
Company Secretary  
M. No. A46820

Place: New Delhi  
Date: May 19, 2022

Place: Neemrana, Rajasthan  
Date: May 19, 2022

