FY 2020-21

JAI AUTOMOTIVE COMPONENTS LIMITED

CIN: U34102MP2019PLC050243

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INDEPENDENT AUDITOR'S REPORT

To
The Members of M/s. JAI AUTOMOTIVE COMPONENTS LIMITED
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **M/s. Jai Automotive Components Limited ("the Company")** which comprises the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income) for the period ended on that date, the statement of changes in equity and statement of cash flows for the period ended on that date, 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 a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the loss and total comprehensive income for the period ended on that date, changes in equity and its cash flows for the period 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 Companies Act, 2013. 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 (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note no. 33 to the financial statements, which describes the uncertainties and the management's assessment of the impact of COVID-19 pandemic on the Company's operations, assets, cash flows and financial results, which is highly dependent on future developments and circumstances as they evolve. Our opinion is not modified in respect of this matter.

Responsibility of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Change in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended from time to time.

e) On the basis of the written representations received from the directors as on 31st March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2021 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 with reference to these Financial Statements and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"**. 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 other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company does not have any pending litigations which would impact its financial position.

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

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

h) With respect to the matter to be included in the Auditors' report under Section 197(16) of the Act:

   The Company has not paid any managerial remuneration during the year.

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

For K. Khanna & Co.
Chartered Accountants
FRN: 008450N

Kamal Khanna
(Proprietor)
Membership No. 086600
Place: Gurgaon
Date: 29th May 2021
UDIN: 21086600AAAACG4176

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **Jai Automotive Components Limited** of even date)

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

We have audited the internal financial controls over financial reporting of **Jai Automotive Components Limited** ("the Company") as of March 31, 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the period ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company 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, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, 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, 2021, 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 K. Khanna & Co.
Chartered Accountants
FRN: 008450N

Kamal Khanna
(Proprietor)
Membership No. 086600
Place: Gurgaon
Date: 29th May 2021
UDIN: 21086600AAAACG4176

ANNEXURE-B TO INDEPENDENT AUDITOR'S REPORT

(Referred to in Paragraph 2 under the heading of "Report on other legal and regulatory requirements" of our report of even date)

(i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) The Company has a regular programme of physical verification of its fixed assets and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) The Company does not hold any physical inventories. Accordingly, paragraph 3(ii)of the order is not applicable on the Company.

(iii) The Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships or Other Parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii) of the order is not applicable.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act, 2013 are applicable and hence not commented upon.

(v) In our opinion and according to the information and explanation provided to us, the Company has not accepted any deposits from public to which provision of section 73 to 76 or any other relevant provision of the Companies Act, 2013 and rules framed there under are applicable.

(vi) In our opinion and as per information given to us, maintenance of cost records under section 148(1) of the Companies Act, 2013 as prescribed by the Central Government is not applicable since the manufacturing activities has not been started by the company.

(vii) In respect of statutory dues:

a) According to information and explanation given to us and as per records of the Company, the Company is generally regular in depositing the undisputed statutory dues like Income Tax, Cess, Goods and Service Tax and other material statutory dues applicable to it with the appropriate authorities and there were no arrears of such dues at the year ended 31st March 2021 which have remained outstanding for a period of more than six months from the date they became payable.

b) According to information and explanation given to us and as per records of the Company, there are no disputed statutory dues like Income Tax, Cess, Goods and Service tax etc. outstanding as at 31st March 2021.

(viii) The Company has not taken any loan from financial institution, bank, government or debenture-holders, therefore provisions of clause 3(viii) of the order is not applicable to the company and hence not commented upon.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and the term loans hence, reporting under clause (ix) of the Order is not applicable to the company and hence not commented upon.

(x) According to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of our audit.

(xi) Since the Company has not paid any managerial remuneration hence the provisions of paragraph 3(xi) of the Order is not applicable and therefore not commented upon.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, it has made private placement of 65,70,000 equity shares of Rs. 10 each to its holding company, during the year under review. The requirement of section 42 of the Company Act, 2013 have materially been complied with except to the extent that application money has been kept in a common/regular bank account in a scheduled bank. The amount raised through private placement has been used for the purposes for which the funds were raised.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For K. Khanna & Co.
Chartered Accountants
FRN: 008450N

Kamal Khanna
(Proprietor)
Membership No. 086600
Place: Gurgaon
Date: 29th May 2021
UDIN: 21086600AAAACG4176

1. Corporate Information

Jai Automotive Components Limited ("the Company") was incorporated on 03rd Dec 2019 and is in the process to start its operation and accordingly is setting up its plant at Smart Industrial Park, District Dhar, Madhya Pradesh and at Rudrapur, Uttrakhand.

The Company is 100% subsidiary company of Jamna Auto Industries Limited and is incorporated under the provisions of the Companies Act applicable in India.

Information on related party relationships of the Company is provided in Note No. 29.

1.1 Basis of preparation

The financial statements of the Company have been prepared from the date of incorporation till the end of the financial year and are in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and with Companies (Indian Accounting Standards) (Amendment) Rules as amended from time to time.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value as referred in the accounting policies:

(a) Certain financial assets and liabilities measured at fair value and
(b) Derivative financial instruments.

The Financial Statements are presented in Indian Rupees (Rs.) and all values are rounded in Rupees, except wherever otherwise stated.

1.2 Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these Indian Accounting Standards (Ind-AS) financial statements. These policies have been consistently applied to all the years except where newly issued accounting standard is initially adopted.

a) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:
- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

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

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

c) Property, plant and equipment (PPE)

Capital work in progress, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price (net of Input Tax Credit) and any directly attributable cost to bring assets to working condition. When significant parts of property, plant and equipment are required to be replaced at intervals, Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

- Gains or losses arising from de–recognition of tangible assets are measured as the difference between the net disposable proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.
- The Company identifies any particular component embedded in the main asset having significant value to total cost of asset and also a different life as compared to the main asset.
- The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.
- Machinery spares which are specific to a particular item of fixed asset and whose use is expected to be irregular are capitalized as fixed assets when they meet the definition of Property Plant & Equipment, i.e., when the Company intends to use these during more than a period of 12 months

Depreciation on property, plant and equipment

Leasehold land being ROU is amortized over the period of lease on a straight-line basis. Cost of leasehold improvements on property, plant and equipment are amortized on a straight-line basis over the period of lease or their useful lives, whichever is shorter.

Depreciation on other property, plant and equipment is calculated on a straight-line basis using rates arrived at based on the useful lives estimated by the management. The Company identifies and determines cost of each component/part of the asset separately, if the Component/part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining components of the asset. These components are depreciated separately over their useful lives and the remaining components are depreciated over the useful life of the principal assets. The Company has used following estimated useful life to provide depreciation on its property, plant and equipment:

Particulars	Estimated Useful Life (Years)
Computers	3

Property, plant and equipment individually costing up to Rs. 5,000/- are depreciated at the rate of 100 percent.

d) Leases

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

Company as a lessee

The Company's lease asset classes primarily comprise of lease for Land & Building. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

(i) Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 'Impairment of non-financial assets'.

(ii) Lease Liabilities

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

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

(iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

"Lease liabilities" and "Right of Use Assets" have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

e) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization. Internally generated intangible assets are not capitalized, and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Software is amortized on a straight-line basis over the period of five years.

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

f) Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing cost includes interest and other costs that a Company incurs in connection with the borrowing of funds and charged to Statement of Profit & Loss. Borrowing cost also includes exchange differences, if any, to the extent regarded as an adjustment to the borrowing cost.

g) Impairment of non-financial asset.

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units' (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses on non-financial asset, including impairment on inventories, are recognized in the statement of profit and loss.

h) Revenue from Contract with customers

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods before transferring them to the customer.

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

Interest income

For all debt instruments measured at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instruments or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected estimated cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit loss.

Interest income on bank deposits and advances to vendors is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

i) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The company operates two defined benefit plan for its employees i.e., gratuity and benevolent fund. The costs of providing benefits under gratuity plan are determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out for this plan using the projected unit credit method.

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

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

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

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

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

j) Taxes

Current income tax
Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

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

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

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for all deductible timing differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

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

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

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

In view of uncertainty about the future taxable profits, no provision is made till the start of commercial production by the company.

k) Segment reporting

The Company has not started its commercial operations till the date of these financial statements, therefore no segment has been defined.

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. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

m) Provisions

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

n) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

o) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

p) Fair value measurement

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

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

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

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

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

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

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

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

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

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

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

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

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions (Note 21)
- Financial instruments (including those carried at amortized cost) (Note 22 and Note 23)

q) Financial instrument

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company recognizes financial assets and financial liability when it becomes party the contractual provision of the instrument.

Financial assets

Initial recognition and measurement
All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement
For purposes of subsequent measurement, financial assets are only classified as debt instruments at amortized cost

Debt instruments at amortised cost
A ‘debt instrument’ is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the balance sheet) when:

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

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

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

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

Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables that do not contain a significant financing component.

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

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. The credit risk of the Company has not increased significantly, 12-month ECL is used to provide for impairment loss.

The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, the Company considers:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument.

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortized cost and contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

Financial liabilities

Initial recognition and measurement

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

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

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:
Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognized in the profit or loss.

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

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are de-recognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are generally unsecured. Trade and other payable are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using effective interest method.

Derecognition

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Jai Automotive Components Limited

Balance Sheet as at March 31, 2021

(All amount in Rupees, unless otherwise stated)

	Particulars	**Note No.**	**As at March 31, 2021**	**As at March 31, 2020**
I	**Assets**			
A	**Non-Current Assets**			
	Property, plant and equipment	2	120,196	48,635
	Right-of-use assets	2	212,660,358	209,075,789
	Intangible assets	2	40,025	50,364
	Capital work in progress	2	8,884,128	-
	Financial assets			
	Other financial assets	3	640,000	100,000
	Other non current assets	4	75,944,250	34,807,546
	Sub-total-Non-Current Assets (A)		**298,288,957**	**244,082,334**
B	**Current Assets**			
	Financial assets			
	Cash and cash equivalents	5	5,477,283	525,733
	Other financial assets	3	-	-
	Other current assets	4	1,680,771	477,070
	Sub-total-Current Assets (B)		**7,158,054**	**1,002,803**
	Total-Assets		**305,447,011**	**245,085,137**
II	**Equity and Liabilities**			
A	**Equity**			
	Equity share capital	6	293,200,000	227,500,000
	Other equity	7	(21,624,857)	(8,658,803)
	Total Equity (A)		**271,575,143**	**218,841,197**
B	**Liabilities**			
	Non-current liabilities			
	Financial liabilities			
	Borrowings	8	-	-
	Lease liabilities	8	29,648,081	23,299,973
	Other financial liabilities		-	-
	Long term provisions	9	1,087,342	-
	Other non current liabilities		-	-
			30,735,423	**23,299,973**
	Current liabilities			
	Financial liabilities			
	Borrowings	8	-	-
	Lease liabilities	8	1,683,757	-
	Trade payables	10		
	- Total outstanding due of micro enterprices and small enterprises		-	-
	- Total outstanding due of other creditors other than micro enterprices and small enterprises		699,292	446,215
	Provisions	9	42,679	-
	Other current liabilities	11	710,716	2,497,752
	Total Liabilities (B)		**3,136,444**	**2,943,967**
	Total-Equity & Liabilities		**305,447,010**	**245,085,137**

Summary of significant accounting policies 1.2

The accompanying notes form an integral part of the financial statements

As per our report of even date

for K. KHANNA & CO.
Firm Registration Number: 008450N
Chartered Accountants

For and on behalf of the Board of Directors of
Jai Automotive Components Limited

Kamal Khanna
Proprietor
Membership Number: 86600
Place: Gurgaon
Date: 29th May 2021
UDIN:21086600AAAACG4176

Hardeep Singh Gujral
DIN:00518705

Shashi Bansal Bhushan
DIN:01118864

Jai Automotive Components Limited
Statement of Profit and Loss for the year ended March 31, 2021
(All amount in Rupees, unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2021	For the period ended March 31, 2020
Income			
Revenue from operations	12	-	-
Other income	13	-	-
Finance income	14	-	-
Total revenue		**-**	**-**
Expenses			
Employee benefit expenses	15	6,855,029	2,900,881
Other expenses	16	803,493	4,756,117
Total expenses		**7,658,522**	**7,656,998**
Profit before finance costs, depreciation/amortisation expense, and tax		(7,658,522)	(7,656,998)
Finance costs	17	2,398,294	512,450
Depreciation and amortisation expense	18	2,393,411	489,355
Profit before tax & exceptional items		**(12,450,227)**	**(8,658,803)**
Exceptional items		-	-
Profit before tax		**(12,450,227)**	(8,658,803)
Tax expense			
Current tax		-	-
Deferred tax charge/ (credit)		-	-
Total tax expense		-	-
Profit for the year		**(12,450,227)**	**(8,658,803)**
Other comprehensive income			
Other comprehensive income not be reclassified to profit or loss in subsequent periods :			
- Re-measurement gains / (losses) on defined benefit plans		(515,827)	-
- Income tax effect		-	-
Other comprehensive income for the year, net of tax		**(515,827)**	-
Total comprehensive income for the year		**(12,966,054)**	**(8,658,803)**
Earnings per equity share (par value Rs. 10 (absolute amount) per share)	18		
- Basic		(0.53)	(1.65)
- Diluted		(0.53)	(1.65)

Significant accounting policies 1.2
The accompanying notes form an integral part of the financial statements

As per our report of even date

for K. KHANNA & CO.
Firm Registration Number: 008450N
Chartered Accountants

For and on behalf of the Board of Directors of
Jai Automotive Components Limited

Hardeep Singh Gujral
DIN:00518705

Shashi Bansal Bhushan
DIN:01118864

Kamal Khanna
Proprietor
Membership Number: 86600
Place: Gurgaon
Date: 29th May 2021
UDIN:21086600AAAACG4176

Jai Automotive Components Limited
Notes to the financial statements for the year ended March 31, 2021
(All amount in Rupees, unless otherwise stated)

Statement of changes in equity for the period ended March 31, 2021

(a) Equity share capital

Particulars	Nos.	Amount (Rs.)
Opening Balance as at April 1, 2019	-	
Issued during the year	22,750,000	227,500,000
Closing balance as at 31 March 2020	**22,750,000**	**227,500,000**
Issued during the year	6,570,000	65,700,000
Closing balance as at 31 March 2021	**29,320,000**	**293,200,000**

Other equity

Particulars	Retained earnings	Capital reserve	Amalgamation reserve	General reserve	Minority interest	Other comprehensive income	Total
As at 1 April 2019	-	-	-	-	-	-	-
Add: Profit/(loss) for the year	(8,658,803)	-	-	-	-	-	(8,658,803)
Add: Security premium for the year	-	-	-	-	-	-	-
Less: Dividend paid	-	-	-	-	-	-	-
Less: Tax on dividend	-	-	-	-	-	-	-
Less: Other comprehensive income	-	-	-	-	-	-	-
As at 1 April 2020	**(8,658,803)**	**-**	**-**	**-**	**-**	**-**	**(8,658,803)**
Add: Profit/(loss) for the year	(12,450,227)	-	-	-	-	-	(12,450,227)
Less: Dividend paid	-	-	-	-	-	-	-
Less: Tax on dividend	-	-	-	-	-	-	-
Less: Other comprehensive income	-	-	-	-	-	(515,827)	(515,827)
As at 31 March 2021	**(21,109,030)**	**-**	**-**	**-**	**-**	**(515,827)**	**(21,624,857)**
Total other equity	**(21,109,030)**	**-**	**-**	**-**	**-**	**(515,827)**	**(21,624,857)**

The accompanying notes form an integral part of the financial statements

As per our report of even date

for K. KHANNA & CO.
Firm Registration Number: 008450N
Chartered Accountants

For and on behalf of the Board of Directors of
Jai Automotive Components Limited

Kamal Khanna
Proprietor
Membership Number: 86600
Place: Gurgaon
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UDIN:21086600AAAACG4176

Hardeep Singh Gujral
DIN:00518705

Shashi Bansal Bhushan
DIN:01118864

Jai Automotive Components Limited
Cash Flow Statement for the year ended March 31, 2021
(All amount in Rupees, unless otherwise stated)

Particulars	For the year ended March 31, 2021		For the period ended March 31, 2020
A. Cash flow from operating activities			
Profit before tax	(12,450,227)		(8,658,803)
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortisation expense	2,393,411		489,355
Finance cost (including fair value change in financial instruments)	2,394,853		512,450
Finance income (including fair value change in financial instruments)	-		-
Provision for Gratuity Expenses	276,683		-
Provision for Leave Encashment Expenses (Net of Payment)	331,511		-
Provision for doubtful advance	70,440		-
Operating profit before working capital changes	**(6,983,329)**		**(7,656,998)**
Changes in operating assets and liabilities:			
Increase/(decrease) in trade payable	253,077		446,215
Increase/(decrease) in other current liabilites	(1,781,036)		2,497,752
Decrease/ (Increase) in other non-current assets & other financial assets	(1,203,701)		(477,070)
Cash generated/(used) from operations	**(9,714,989)**		**(5,190,101)**
Direct taxes paid/(received) (net)	-		-
Net cash generated/(used) from operations	**(9,714,989)**		**(5,190,101)**
B. Cash flow from investing activities			
Advance/ payment for capital advance	(41,207,144)		(34,807,546)
Payment for purchase of property, plant and equipment/CWIP	(9,000,408)		(102,535)
Payment for Addition in Right to Use Assets	(86,110)		(186,774,085)
Payment for security deposit	(540,000)		(100,000)
Net cash generated/(used) from investing activities	**(50,833,662)**		**(221,784,166)**
C. Cash flow from financing activities			
Proceeds from issue of shares (including share premium)	65,700,000		227,500,000
Payment of Lease Liabilities	(199,800)		-
Interest on Lease Expenses	-		-
Net cash generated/(used) from financing activities	**65,500,200**		**227,500,000**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	4,951,549		525,733
Cash and cash equivalents at the beginning of the year	525,733		-
Cash and cash equivalents at the year end	**5,477,283**		**525,733**
Components of cash and cash equivalents:			
Cash in hand	-		-
Balances with scheduled banks			
- On current account	5,477,283		525,733
- Unpaid dividend account*	-		-
(Refer note 5)	**5,477,283**		**525,733**

As per our report of even date

for K. KHANNA & CO.
Firm Registration Number: 008450N
Chartered Accountants

For and on behalf of the Board
Jai Automotive Components Limited

Kamal Khanna
Proprietor
Membership Number: 86600
Place: Gurgaon
Date: 29th May 2021
UDIN:21086600AAAACG4176

Hardeep Singh Gujral
DIN:00518705

Shashi Bansal Bhushan
DIN:01118864

2 **Property, plant and equipment**

Particulars	Computer	Total Tangible Assets	Software	Total Intangible Assets	Right-of-use assets- Land/Building	Capital work in progress
Gross Block						
Cost (Deemed cost)						
As at 31 March 2019	**-**	**-**	**-**	**-**	**-**	**-**
Additions	50,840	50,840	51,695	**51,695**	**209,561,608**	-
Disposals	-	-	-	-	-	-
As at 1 April 2020	**50,840**	**50,840**	**51,695**	**51,695**	**209,561,608**	-
Additions	116,280	116,280	-	-	5,922,922	8,884,128
Disposals	-	-	-	-	-	-
As at 31 March 2021	**167,120**	**167,120**	**51,695**	**51,695**	**215,484,530**	**8,884,128**
Depreciation/Amortization						**-**
As at 31 March 2019	**-**	**-**	**-**	**-**	**-**	**-**
Charge for the year	2,205	2,205	1,331	1,331	485,819	-
Deductions	-	-	-	-	-	-
As at 1 April 2020	**2,205**	**2,205**	**1,331**	**1,331**	**485,819**	**-**
Charge for the year	44,719	44,719	10,339	10,339	2,338,353	-
Disposals	-	-	-	-	-	-
As at 31 March 2021	**46,924**	**46,924**	**11,670**	**11,670**	**2,824,172**	**-**
	-	-				-
Net Block						
As at 31 March 2021	**120,196**	**120,196**	**40,025**	**40,025**	**212,660,358**	**8,884,128**
As at 31 March 2020	**48,635**	**48,635**	**50,364**	**50,364**	**209,075,789**	**-**
As at 31 March 2019	**-**	**-**	**-**	**-**		**-**

3 Financial assets - Other financial assets	**Non-current**		**Current**	
	As at March 31, 2021	**As at March 31, 2020**	**As at March 31, 2021**	**As at March 31, 2020**
Security deposits	640,000	100,000	-	-
- Considered doubtful	-	-	-	-
	640,000	100,000	-	-
Interest accrued - Others	-	-	-	-
Total	**640,000**	**100,000**	**-**	**-**

4 Other assets	**Non-current**		**Current**	
	As at March 31, 2021	**As at March 31, 2020**	**As at March 31, 2021**	**As at March 31, 2020**
Capital advances				
Unsecured considered good	75,944,250	34,807,546	-	-
Unsecured considered doubtful	70,440	-	-	-
	76,014,690	**34,807,546**	**-**	-
Less: Provision for doubtful advances	70,440	-	-	-
Total (A)	**75,944,250**	**34,807,546**	-	-
Advance to suppliers - considered good	-	-	63,930	17,545
Prepaid expenses	-	-	-	17,979
Balance with GST authorities	-	-	1,616,841	441,546
Advance income tax (net)	-	-	-	-
	-	-	1,680,771	477,070
Less :- Provision for doubtful advances	-	-	-	-
Total (B)	**-**	**-**	**1,680,771**	**477,070**
Grand Total (A+B)	**75,944,250**	**34,807,546**	**1,680,771**	**477,070**

Jai Automotive Components Limited

Notes to the financial statements for the year ended March 31, 2021

(All amount in Rupees, unless otherwise stated)

5	Cash and bank balances	As at March 31, 2021	As at March 31, 2020
	Cash and cash equivalents		
	Balance with banks		
	On current account	5,477,283	525,733
		5,477,283	525,733
	Total	**5,477,283**	**525,733**

Jai Automotive Components Limited
Notes to the financial statements for the year ended March 31, 2021
(All amount in Rupees, unless otherwise stated)

6 Share capital	As at March 31, 2021	As at March 31, 2020
Authorised shares		
5,00,00,000 equity shares of Rs. 10/- each	500,000,000	500,000,000
Total	**500,000,000**	**500,000,000**
Issued, subscribed and paid up equity shares		
Subscribed and fully paid 2,93,20,000 equity shares of Rs 10/- each (Previous Year: 2,27,50,000 equity shares of Rs 10/- each)	293,200,000	227,500,000
	293,200,000	**227,500,000**

a. Reconciliation of the number of shares outstanding

Equity shares	March 31, 2021		March 31, 2020	
Equity share - Subscribed and fully paid up	**No. of shares**	**Amount**	**No. of shares**	**Amount**
At the beginning of the year	22,750,000	227,500,000	-	-
Add : equity shares issued during the Year	6,570,000	65,700,000	22,750,000	227,500,000
At the end of the year	**29,320,000**	**293,200,000**	**22,750,000**	**227,500,000**

b. Term and Rights attached to equity shares

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

c. Aggregate number shares issued for consideration other than cash during the period of five years immediately preceeding the reporting date

d. Aggregate number bonus shares issued during the period of five years immediately preceeding the reporting date

b. Details of shareholders holding more than 5% shares in the Company

Name of shareholders	March 31, 2021 No of shares	% holding	March 31, 2020 No of shares	% holding
Equity shares with voting rights				
Jamna Auto Industries Limited- Alongwith nominees	**29,320,000**	**100.00%**	**22,750,000**	**100.00%**

Jai Automotive Components Limited
Notes to the financial statements for the year ended March 31, 2021
(All amount in Rupees, unless otherwise stated)

7 Other equity	As at March 31, 2021	As at March 31, 2020
A. Other comprehensive income	-	
Balance as per the last financial statements		
Add : Re-measurement gains / (losses) on defined benefit plans (net of tax) Refer note no 20	(515,827)	-
Closing balance	**(515,827)**	-
B. Surplus/(deficit) in the statement of profit and loss		
Balance as per the last financial statements	(8,658,803)	
Profit/(loss) for the year	(12,450,227)	(8,658,803)
Net surplus/(deficit) in the statement of profit and loss	**(21,109,030)**	**(8,658,803)**
Total reserves and surplus (A+B)	**(21,624,857)**	**(8,658,803)**

Jai Automotive Components Limited
Notes to the financial statements for the year ended March 31, 2021
(All amount in Rupees, unless otherwise stated)

8 Financial liabilities - Borrowings	**Non current**		**Current maturities**	
	As at March 31, 2021	**As at March 31, 2020**	**As at March 31, 2021**	**As at March 31, 2020**
A. Long term borrowing				
Secured loans				
Term loans from banks				
- Indian rupee loan	-	-	-	-
Total Long term borrowing	**-**	**-**	**-**	**-**
Short Term borrowing				
-Loan from related party	-	-	-	-
Total current borrowing	**-**	**-**	**-**	**-**
Less: Amount disclosed under the head "other current liabilities"	-	-	-	-
Net amount	**-**	**-**	**-**	**-**
B. Lease liabilities				
Lease liabilities	29,648,081	23,299,973	1,683,757	-
	29,648,081	**23,299,973**	**1,683,757**	**-**

Jai Automotive Components Limited
Notes to the financial statements for the year ended March 31, 2021
(All amount in Rupees, unless otherwise stated)

	Long - term		Short - term	
9 Provisions	**As at March 31, 2021**	**As at March 31, 2020**	**As at March 31, 2021**	**As at March 31, 2020**
Provision for employees benefits				
Provision for leave encashment	305,020	-	26,491	-
Provision for benevolent fund	6,000	-	-	-
Provision for gratuity (Refer note no. 20)	776,322	-	16,188	-
Total	**1,087,342**	**-**	**42,679**	**-**

10 Financial liabilities -Trade payables	As at March 31, 2021	As at March 31, 2020
Trade payables		
- Total outstanding due to micro enterprices and small enterprises (refer note (a) below)	-	-
- Total outstanding due of creditor other than micro enterprices and small enterprises (including acceptances Rs. Nil)	699,292	446,215
- Trade payables to related parties	-	-
	699,292	**446,215**

Note: Based on the information presently available with the company, there are no dues outstanding as at year end of interest payable/ paid on delays in payment to micro and small enterprises covered under the Micro, Small and Medium Enterprises Development Act 2006.

11 Other current liabilities	As at March 31, 2021	As at March 31, 2020
Creditors for fixed assets	240,858	-
Statutory dues payable		
Goods & Service tax payable	1,575	-
TDS payable	178,110	137,500
PF and ESI payable	46,625	91,200
Other Payable	-	175.00
Other payable to related parties (Refer note 29)	243,548	2,268,877
	710,716	**2,497,752**

Jai Automotive Components Limited
Notes to the financial statements for the year ended March 31, 2021
(All amount in Rupees, unless otherwise stated)

12 Revenue from operations	**For the year ended March 31, 2021**	**For the period ended March 31, 2020**
Sales from operations	-	-
	-	-

13 Other income		
Other non-operating income		
Excess provision written back	-	-
	-	-

14 Finance income		
Interest income		
- From banks	-	-
- From others	-	-
	-	-

Jai Automotive Components Limited
Notes to the financial statements for the year ended March 31, 2021
(All amount in Rupees, unless otherwise stated)

15	**Employee benefits expenses**	**For the year ended March 31, 2021**	**For the period ended March 31, 2020**
	Salaries, wages and bonus	6,268,946	2,865,854
	Gratuity expense (refer note 20)	276,683	-
	Contribution to provident and other funds	309,399	35,027
	Total	**6,855,029**	**2,900,881**
16	**Other expenses**	**For the year ended March 31, 2021**	**For the period ended March 31, 2020**
	Rent	36,000	12,000
	Rates and taxes	440,120	4,610,600
	Travelling and conveyance	22,551	-
	Legal and professional	66,500	44,545
	Payment made to auditors (Refer note 26)	78,000	30,760
	Provision for doubtful advances	70,440	-
	Insurance	-	772
	Bank charges	124	353
	Miscellaneous expenses	89,758	57,087
	Total	**803,493**	**4,756,117**
17	**Finance costs**	**For the year ended March 31, 2021**	**For the period ended March 31, 2020**
	Interest - others	2,398,294	512,450
	Total	**2,398,294**	**512,450**
18	**Depreciation and amortisation expenses**	**For the year ended March 31, 2021**	**For the period ended March 31, 2020**
	Depreciation on Property, plant and equipment (Refer note no. 2)	2,393,411	489,355
	Total	**2,393,411**	489,355

19 Earnings Per Share (EPS)

Basic and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	March 31, 2021	March 31, 2020
a) Calculation of weighted average number of equity shares of Rs. 10 each		
Net profit after tax	(12,450,227)	(8,658,803)
Net profit for the period attributable to equity shares	(12,450,227)	(8,658,803)
Weighted average number of equity shares during the period in calculating basic EPS	23,604,278	5,257,778
Weighted average number of equity shares during the period in calculating diluted EPS	23,604,278	5,257,778
Basic EPS	(0.53)	(1.65)
Diluted EPS	(0.53)	(1.65)

20 Gratuity and other post-employment benefit plans

The company operates two plans viz gratuity and benevolent fund for its employees. Under the gratuity plan every employee who has completed atleast five years of service gets Gratuity on departure @15 days of last drawn salary for each completed year of service, in terms of Payment of Gratuity Act, 1972. The scheme of Gratuity is unfunded.

(a) The following table summarize the funded status of the gratuity plans and the amount recognized in the company's financial statements as at March 31, 2021 and March 31, 2020:

Particulars	As at	
	March 31, 2021	**March 31, 2020**
Change in benefit obligation		
Opening defined Benefit obligation	-	-
Service cost	217,003	-
Interest expenses	59,680	-
Benefits paid	-	-
Remeasurements - Actuarial (Gains)/ loss	515,827	-
Closing defined benefit obligation	**792,510**	**-**

Particulars	As at	
	March 31, 2021	**March 31, 2020**
Change in plan assets		
Opening fair value of plan assets	-	-
Expected return on plan assets	-	-
Contributions by employer	-	-
Benefits paid	-	-
Remeasurements - Actuarial Gains/ (loss)	-	-
Closing fair value of plan assets	**-**	**-**

(b)

Major categories of plan assets	As at	
	March 31, 2021	**March 31, 2020**
Funds Managed by Insurer	0%	0%

(c) Amount for the year ended on March 31, 2021 and March 31, 2020 recognized in the statement of profit and loss under employee benfit expenses:

Particulars	As at	
	March 31, 2021	**March 31, 2020**
Service cost	217,003	-
Net interest on the net defined benefit liability/ asset	59,680	-
Net gratuity cost	**276,683**	**-**

(d) Amount for the year ended on March 31, 2021 and March 31, 2020 recognized in the statement of other comprehensive income:

Particulars	As at	
	March 31, 2021	**March 31, 2020**
Remeasurements of the net defined benefit liability/ (assets)		
Actuarial (gains)/ losses	515,827	-
(Return)/ Loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/ (assets)	-	-
Total	**515,827**	**-**

(e) Amounts recognised in the statement of other comprehensive income as follows:

Particulars	As at	
	March 31, 2021	**March 31, 2020**
Actuarial (gain)/loss on arising from change in demographic assumption	-	-
Actuarial loss/(gain) on arising from change in financial assumption	-	-
Actuarial loss on arising from experience adjustment	515,827	-
Actuarial loss on asset for the year	-	-
Total	**515,827**	**-**

(f) The principal assumptions used to determine benefit obligations as at March 31, 2021 and March 31, 2020 are as follows:

Particulars	As at	
	March 31, 2021	**March 31, 2020**
Discount rate	6.97%	-
Average rate of increase in compensations level	10.00%	-
Retirement Age (years)	58	-
Mortality Rate inclusive of provision for disability	100% of IALM (2012 - 14)	-
Employees turnover (Age)	**Withdrawl rate in (%)**	**Withdrawl rate in (%)**
Upto 30 years	6.50%	-
From 31 to 44 years	2.00%	-
Above 44 years	0.90%	-

One of the principal assumptions is the discount rate, which should be based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities.
The assumptions for salary escalation rate and withdrawal rate have been discussed with the company.

(g) The company expects to contribute Rs. Nil (March 31, 2020: Rs. Nil) towards gratuity during the year 2021-22.

The following payments are expected contributions to the defined benefit plan in future years:
Gratuity

Particulars	March 31, 2021	March 31, 2020
Within the next 12 months (next annual reporting period)	16,900	-
Between 2 and 5 years	123,847	-
Beyond 5 years	302,847	-
Total	**443,594**	-

(h) Quantitative sensitivity analysis for significant assumption as at 31 Mar 2021 and March 31, 2020 is as shown below:

Gratuity Plan

Particulars	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021
Assumptions	**Discount rate**		**Future salary increases**	
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(175,259)	200,763	192,977	(172,202)

Particulars	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020
Assumptions	**Discount rate**		**Future salary increases**	
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	-	-	-	-

21 Significant accounting judgements, estimates and assumptions

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

Judgements

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

Determining the lease term of contracts with renewal and termination options – Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

Estimates and assumptions

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

Taxation

In preparing financial statements, there are many transactions and calculations for which the ultimate tax determination is uncertain. The company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. The uncertain tax positions are measured at the amount expected to be paid to taxation authorities when the company determines that the probable outflow of economic resources will occur. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Provisions and contingencies

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS.

A provision is recognized if, as a result of a past event, the company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the effect of time value of money is material, provisions are determined by discounting the expected future cash flows.

The company has capital committment in relation to various capital projects which are not recognized in the balance sheet but shown under capital committment (Refer Note 26(a)). In the normal course of business, contigent liabilities may arise from obligation or other claim against the company which are very difficult to quantify reliably and such obligation are treated as contigent liabilities and disclosed in the notes but are not reflected as liabilities in the financial statements.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

22 Fair Values

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

Particulars	Method of fair value	Carrying value		Fair value	
		As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Financial assets					
Security deposit	Amortised cost	640,000	100,000	640,000	100,000
Other financial assets	Amortised cost	-	-	-	-
Total		**640,000**	**100,000**	**640,000**	**100,000**
Financial liabilities					
Lease Obiligation	Amortised cost	31,331,838	23,299,973	31,331,838	23,299,973
Total		**31,331,838**	**23,299,973**	**31,331,838**	**23,299,973**

The management assessed that cash and cash equivalents, short-term borrowings, Interest accrued but not due, trade receivables and trade payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

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

The following methods and assumptions were used to estimate the fair values:

The security deposit paid are evaluated by the company based on the parameters such as interest rate, risk factors, risk characteristics and the individual credit worthiness of the counterparty. Based on this evaluation allowances are taken into account for the expected losses of the security deposit.

Lease Obiligation are evaluated by the entity based on parameters such as interest rates, specific country risk factors and prepayment.

23 Fair hierarchy

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

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2020 :

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Financial assets					
Security deposit	March 31, 2021	640,000	-	-	640,000
Security deposit	March 31, 2020	100,000	-	-	100,000
Other financial assets	March 31, 2021	-	-	-	-
Other financial assets	March 31, 2020	-	-	-	-

There have been no transfers between Level 1 and Level 2 during the period.

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2020:

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Financial liabilities					
Lease Liabilities	March 31, 2021	31,331,838	-	-	31,331,838
Lease Liabilities	March 31, 2020	23,299,973	-	-	23,299,973

There have been no transfers between Level 1 and Level 2 during the period.

24 Capital management

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

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.The company monitors capital using a gearing ratio, which is long term debts plus amount payable for purchase of fixed assets divided by total equity.

Particulars	March 31, 2021	March 31, 2020
Debts		
Borrowings/Lease Liability including current maturities of long term borrowing (Refer Note No. 8)	31,331,838	23,299,973
Net debts (A)	**31,331,838**	**23,299,973**
Capital components		
Share capital	293,200,000	227,500,000
Reserves & surplus	(21,624,857)	(8,658,803)
Total capital (B)	**271,575,143**	**218,841,197**
Capital and Net debt	**302,906,981**	**242,141,170**
Gearing ratio (%) (A/B)	**11.54%**	**10.65%**

In order to achieve this overall objective, the company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

25 Financial risk management objectives and policies

The company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the company's operations and to provide guarantees to support its operations. The company's principal financial assets include other receivables and cash and cash equivalents that derive mainly from financial operation.

The company is exposed to market risk, credit risk, legal risk, taxation risk, accouting risk and liquidity risk. The company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises mainly interest rate risk and currency risk. Financial instruments affected by market risk include loans and borrowings and deposits.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company's exposure to the risk of changes in market interest rates relates primarily to the company's debt obligations which at present is not significant.

There is no interest risk exposure of the company

(ii) Currency risk

Currency risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of the change in foreign currency exchange rates. There is no foreign currency exposure of the company.

(b) Legal, taxation and accounting risk:

As the company is not having any legal cases/tax cases pending against it, currently there is no such risk associated under this.

(c) Credit risk

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. There is no credit exposure to the company.

Trade receivables

As the company has not commenced its commercial operations, there is no risk associated under this.

Financial instruments and cash deposits

Credit risk from balances with banks is managed by the company's treasury department in accordance with the company's policy. Credit risk on cash and cash equivalents is limited as the company generally invests in deposits with the banks with high credit ratings.

(d) Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting obligations associated with its financial liabilities. The company monitors its risk of a shortage of funds using a liquidity planning tool.
The company's objective is met by taking funding from its holding company.

Maturity profile of financial Liabilities :

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

Particulars	on demand	Less than 3 months	3 to 12 months	1 to 5 Years	More than 5 years	Total
March 31, 2021						
Borrowings including bank cash credits excluding transaction cost	-	-	-	-	-	-
Lease Liability	-	387,834	1,295,923	4,019,485	25,628,596	31,331,838
Trade payables	-	699,292				699,292
Other financial liabilities	-	-	-	-	-	-
Total	**-**	**1,087,126**	**1,295,923**	**4,019,485**	**25,628,596**	**32,031,130**
March 31, 2020						
Borrowings including bank cash credits excluding transaction cost	-	-	-	-	-	-
Lease Liability	-	-	-	1,045	23,298,928	23,299,973
Trade payables	-	446,215	-	-	-	446,215
Other financial liabilities	-	-	-	-	-	-
Total	**-**	**446,215**	**-**	**1,045**	**23,298,928**	**23,746,188**

26 Payment to auditors

	For the year ended March 31, 2021	For the year ended March 31, 2020
As auditor		
- Audit fee	25,000	22,500
- Limited review fee	45,000	8,260
As other capacity		
- Other services	8,000	-
Reimbursement of expenses	-	-
	78,000	**30,760**

27 Segment Reporting

Ind AS 108 establishes standards for the way that the company report information about operating segments and related disclosures about products and services, geographic areas, and major customers. The company has not yet started the commercial operations therefore there is no segment reporting applicable to the company.

28 Commitments and Contingencies

(a) Capital commitments and Other commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilites is as follows : -

Particulars	As at March 31st 2021	As at March 31st 2020
Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of Advances)	173,655,309	29,460,000
Other Commitments	-	-
Total	**173,655,309**	**29,460,000**

(b) Contingent Liabilities

Particulars	As at March 31st 2021	As at March 31st 2020
Income tax	-	-
Claims against company not acknowledged as debts (civil cases)	-	-
Total	**-**	**-**

29 Related party transactions

A) Names of related parties and relationship

I. Related parties where control exists

Holding Company

Jamna Auto Industries Limited

II. Related parties under Indian Accounting Standard-24 , with whom transactions have taken place during the year:

a. Key managerial personnel and their relatives

Mr. Hardeep Singh Gujral	(Director)
Mr. Shashi Bansal Bhushan	(Director)
Mr. Uma Kant Singhal	(Director)

B) Transactions with related parties

Nature of Transaction	Holding Company Jamna Auto Industries Limited		Key management personnel and their relatives		Total	
Particulars	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
Interest expense on loan accepted	-	-	-	-	-	-
Loan received	-	-	-	-	-	-
Loan repaid	-	-	-	-	-	-
Expenses incurred on our behalf	4,373,890	2,268,877	-	-	4,373,890	2,268,877
Issuance of Share Capital	65,700,000	227,500,000	-	-	65,700,000	227,500,000
	As at March 31, 2021	**As at March 31, 2020**	**As at March 31, 2021**	**As at March 31, 2020**	**As at March 31, 2021**	**As at March 31, 2020**
Balances as at the year end						
Other payable	243,548	2,268,877	-	-	243,548	2,268,877
Interest payable	-	-	-	-	-	-
Loan payable	-	-	-	-	-	-

30 Deferred tax assets (net)

Particulars	March 31, 2021	March 31, 2020
Deferred tax assets	-	-
Total	-	-

Income tax expenses reported in the statement of profit and loss comprises:	March 31, 2021	March 31, 2020
Current Income tax expenses:		
Income Tax	-	-
Adjustment in respect of current income tax of previous year	-	-
Deferred tax		
Relating to origination and reversal of temporary differences	-	-
Income tax expenses reported in statement of profit and loss	-	-

Statement of other comprehensive income	March 31, 2021	March 31, 2020
Net loss/ (gain) on remeasurements of defined benefit plan		
Income tax charged to OCI	-	-

Reconciliation of tax expense and the accounting profit multiplied by statutory income tax rate for the year indicated are as follows:-

Particulars	March 31, 2021	March 31, 2020
Accounting profit before tax	(12,450,227)	(8,658,803)
Statutory income tax rate	25.17%	25.17%
Computed tax expenses	-	-
Adjustments in respect of current income tax of previous years	-	-
Non-deductible expenses for tax purposes :	-	-
Deductible expenses for tax purposes	-	-
Income not considered for tax purpose	-	-
Others	-	-
Income tax charged to statement of profit and loss	-	-

Deferred tax asset comprises

	Balance Sheet		During the year
Deferred tax assets/ (liabilities)	**March 31, 2021**	**March 31, 2020**	**For the year ended March 31, 2021**
Fixed Assets - Impact of difference between tax depreciation and depreciation charged to financial statements	-	-	-
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	-	-	-
Allowance for doubtful debts	-	-	-
Provision for contigencies	-	-	-
Impact of Government grant deferred	-	-	-
Post-employment medical benefits	-	-	-
Gratuity	-	-	-
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	-	-	-
Total	-	-	-
Income tax effect on Re-measurement (gains)/ losses on defined benefit plans transferred to Other comprehensive income			
Total			-

Reconciliation of deferred tax assets (net)	March 31, 2021	March 31, 2020
Opening balance as per last balance sheet	-	-
Tax expenses recognised in statement of profit and loss	-	-
Income Tax effect on Re-measurement of defined benefit plans transferred to OCI	-	-
Closing balance	-	-

31 Lease Disclosures

The Company recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate as on the date of transition and has measured right of use asset an amount equal to lease liability adjusted for any related prepaid and accrued lease payments previously recognised.

The following is the summary of practical expedients elected on initial application:
(a) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
(b) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
(c) Included the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
(d) Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

The carrying value of the Rights-of-use and depreciation charged during the year:

Particulars	March 31, 2021	March 31, 2020
Gross Carrying Value		
Balance at the beginning	209,561,608	-
Additions	5,922,922	209,561,608
Reclassified on account of adoption of Ind AS 116	-	-
Deletions	-	-
Balance at the end	**215,484,530**	**209,561,608**
Accumulated Depreciation		
Balance at the beginning	485,819	-
Depreciation charged for the year	2,338,353	485,819
Reclassified on account of adoption of Ind AS 116	-	-
Deletions	-	-
Balance at the end	**2,824,172**	**485,819**
Net Balance at March 31, 2021	**212,660,358**	**209,075,789**

The movement in lease liabilities during the period ended March 31, 2021 is as follows:

Particulars	March 31, 2021	March 31, 2020
Balance at the beginning	23,299,973	-
Additions	5,836,812	22,787,524
Finance cost accrued during the period	2,394,853	512,450
Deletions	-	-
Payment of lease liabilities	199,800	-
Balance at the end	**31,331,838**	**23,299,973**

The break-up of current and non-current lease liabilities as at March 31, 2021 is as follows:

Particulars	March 31, 2021	March 31, 2020
Non-current lease liability	29,648,081	23,299,973
Current lease liability	1,683,757	-
Total	**31,331,838**	**23,299,973**

The following are the amounts recognised in profit or loss:

Particulars	For the year ended March 31, 2021	For the period ended March 31, 2020
Depreciation expense of right-of-use assets	2,338,353	485,819
Interest expense on lease liabilities	2,394,853	512,450
Income on de-recognition of Liability		-
Total amount recognised in (profit) or loss	**4,733,206**	**998,269**

The details of the contractual maturities of lease liabilities as at March 31, 2021 on an undiscounted basis are as follows:

Particulars	March 31, 2021	March 31, 2020
Less than one year	4,488,042	-
One to five years	13,733,958	11,651,010
More than five years	216,708,780	216,708,780
Total	**234,930,780**	**228,359,790**

The weighted average incremental borrowing rate applied to lease liabilities is 10%

Rental expense recorded for short-term leases was Rs. 246,000/- (Previous Year : Rs. 12,000/-) for the year ended March 31, 2021

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

Jai Automotive Components Limited
Notes to the financial statements for the year ended March 31, 2021
(All amount in Rupees, unless otherwise stated)

32 CSR expenditure

	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Gross amount required to be spent by the entity during the year	-	-
(b) Amount spent during the year on other than construction of assets paid in cash	-	-
(i) Construction of asset	-	-
(ii) On purposes other than (i) above		

33 The global pandemic outbreak has impacted the Company's operations in early part of the financial year 2020-2021. However, the Company has been able to recover from the disruption in operations in course of the year. The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying value of its assets and also, assessed the recoverability of its assets comprising property, plant and equipment, intangible assets, right of use assets, capital work in progress, capital advances, using the various internal and external information up to the date of approval of these financial statement. On the basis of the said evaluation and current indicators of future economic conditions, the Company expects to recover the carrying amount of its assets and does not anticipate any impairment of these financial and non-financial assets. Further, the Company has prepared cash flow projections for next 12 months and believes that there is no impact on its ability to continue as a going concern and meeting its liabilities as and when they fall due. However, considering the unpredictability of the pandemic and inherent uncertainty on the potential future impact of the COVID 19 pandemic, the Company's financial statements may differ from that estimated as on the date of approval of these financial statements.

As per our report of even date

for K. KHANNA & CO.
Firm Registration Number: 008450N
Chartered Accountants

For and on behalf of the Board
Jai Automotive Components Limited

Kamal Khanna
Proprietor
Membership Number: 86600
Place: Gurgaon
Date: 29th May 2021
UDIN:21086600AAAACG4176

Hardeep Singh Gujral
DIN:00518705

Shashi Bansal Bhushan
DIN:01118864