



# **DRIVING TO THE FUTURE WITH RESILIENCE**



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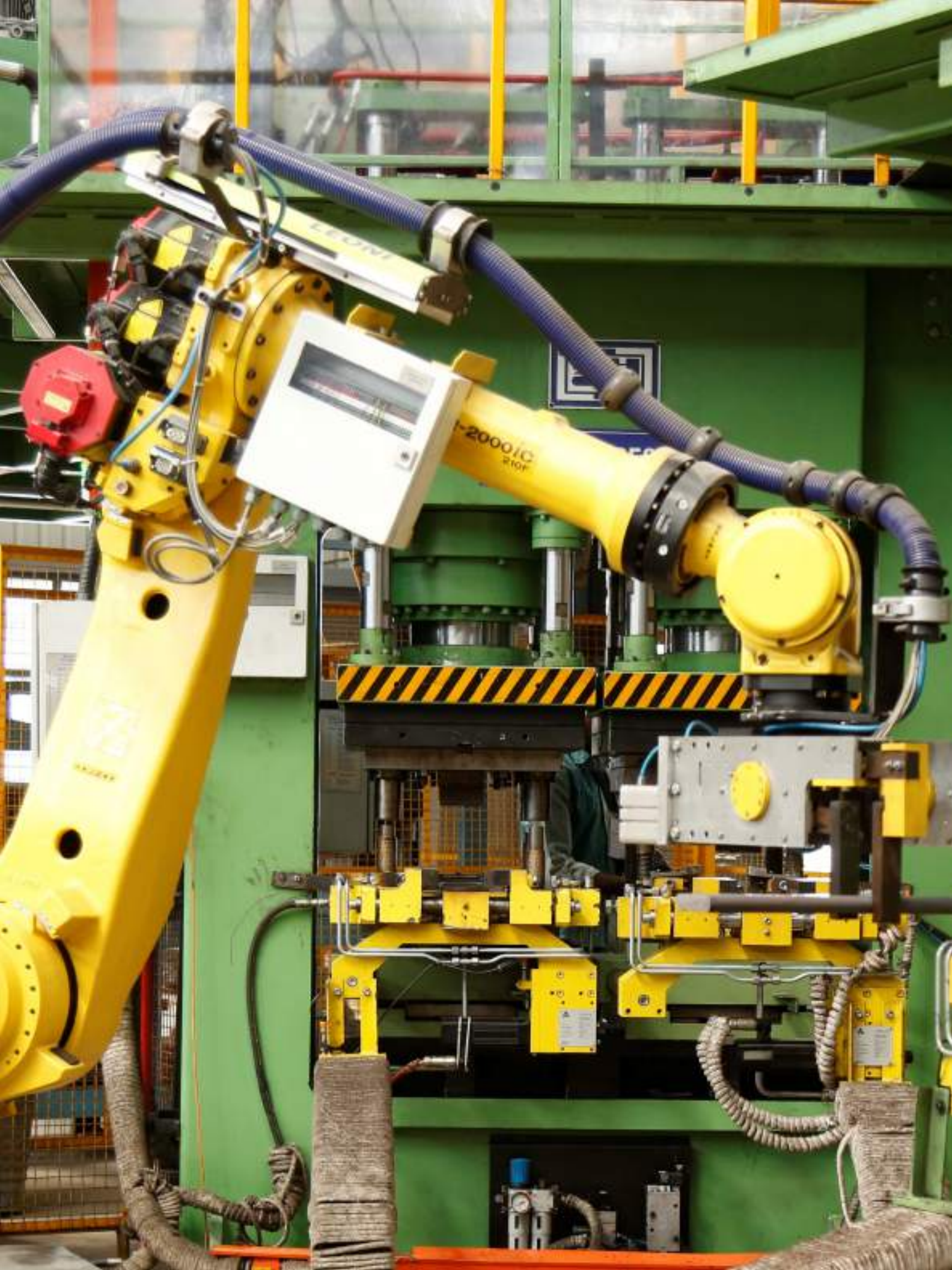
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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Mr. Randeep Singh Jauhar**  
Chairman

**Mr. Pradeep Singh Jauhar**  
Managing Director & CEO

**Mr. S.P.S. Kohli**  
Executive Director

**Mr. Uma Kant Singhal**  
Director

**Mr. Shashi Bhushan Bansal**  
Director

**Mr. Rakesh Kalra**  
Director

**Ms. Taru Bahl**  
Director

**Mr. Gautam Mukherjee**  
Director

## CORPORATE OFFICE

2, Park Lane, Kishangarh, Vasant Kunj,  
New Delhi - 110070, India  
Ph No. 011-26893331, 26896960  
Fax No. 011-26893180

## REGISTERED OFFICE

Jai Springs Road, Industrial Area,  
Yamuna Nagar- 135 001, Haryana  
Ph. & Fax No. 01732-251810/11/14  
CIN L35911HR1965PLC004485

## PLANTS

1. Yamuna Nagar (Haryana)
2. Malanpur (Madhya Pradesh)
3. Chennai (Tamil Nadu)
4. Jamshedpur (Jharkhand)
5. Hosur (Tamil Nadu)
6. Pune (Maharashtra)
7. Pilliapakkam (Tamil Nadu)

## UNDER SUBSIDIARY

8. Pant Nagar (Uttarakhand)

## UPCOMING PLANTS

9. Adityapur (Jharkhand)
10. Indore (Madhya Pradesh)
11. Pant Nagar (Uttarakhand)

## ADVISORS

AZB & Partners  
Lakshmikumaran & Sridharan

## TECHNICAL ASSISTANCE

Tinsley Bridge Limited, UK

## BANKERS

State Bank of India  
Kotak Mahindra Bank  
HDFC Bank Ltd.  
ICICI Bank Ltd.

## STATUTORY AUDITORS

S R Batliboi & Co, LLP  
Chartered Accountants

## INTERNAL AUDITORS

Protiviti India Member Pvt. Ltd.

## SHARE REGISTRAR & TRANSFER AGENT (RTA)

Skyline Financial Services (P) Ltd  
D-153A, First Floor, Okhla Industrial  
Area, Phase-1,  
New Delhi-110020  
Ph. no. 011-26812682-83, 011-  
40450193-97  
Fax no. 011-26812682  
Email: [grievances@skylinerta.com](mailto:grievances@skylinerta.com)

## INVESTOR CELL

Mr. Praveen Lakhera  
Company Secretary & Head-Legal  
[Investor.relations@jaispring.com](mailto:Investor.relations@jaispring.com)

# THREE YEAR'S FINANCIAL SUMMARY

₹ in lakhs

Operational Results	2021	2020	2019
Sales including other Income	108,941	114,509	214,554
Operating Profit (PBDIT)	14,239	13,027	28,742
Interest	593	1,726	2,547
PBDT	13,646	11,301	26,195
Depreciation & Amortization	3,558	4,137	4,645
Profit Before Tax	10,088	7,164	21,550
Profit After Tax	7,296	4,788	13,745
Financial Indicator			
Assets	48,467	50,086	41,241
Investments	47	47	47
Current Assets	36,375	24,373	59,209
Non Current Assets	3394	4,505	6,281
Equity Share Capital	3,983	3,983	3,983
Reserves & Surplus	54,017	47,687	46,972
Net Worth	58,001	51,671	50,955
Long Term Funds	-	5,077	362
Short Term Funds	-	8,607	-
Non Current Liabilities & Provisions	4328	3,953	2,920
Current Liabilities & Provisions	25,955	9,703	52,542
Ratio			
PBT to Sales %	10	6	10
"PBIT/Avg. Capital Employed (ROCE)"	23	16	55
PAT/Net Worth	14	9	27
EPS (₹)	1.83	1.20	3.45
Dividend Per Share (₹)	0.75	0.40	0.95
Net Worth Per Share (₹)	14.56	12.97	12.79
Face Value Per Share (₹)	1	1	1

# ABOUT JAMNA AUTO

**With more than six decades of experience in the field of Automotive Suspension, we are trusted manufacturer of suspension for Commercial Vehicles.**

Since the inception of the company in 1954 by our founder Sardar Bhupinder Singh Jauhar, we have grown from a single product manufacturer with a plant in Yamuna Nagar to a enterprise with 8 manufacturing plants across India. Our plants are strategically located close to our OEM manufacturing locations.

Today, our product portfolio comprises a full range of suspension solutions that serve the Commercial Vehicle industry in India.

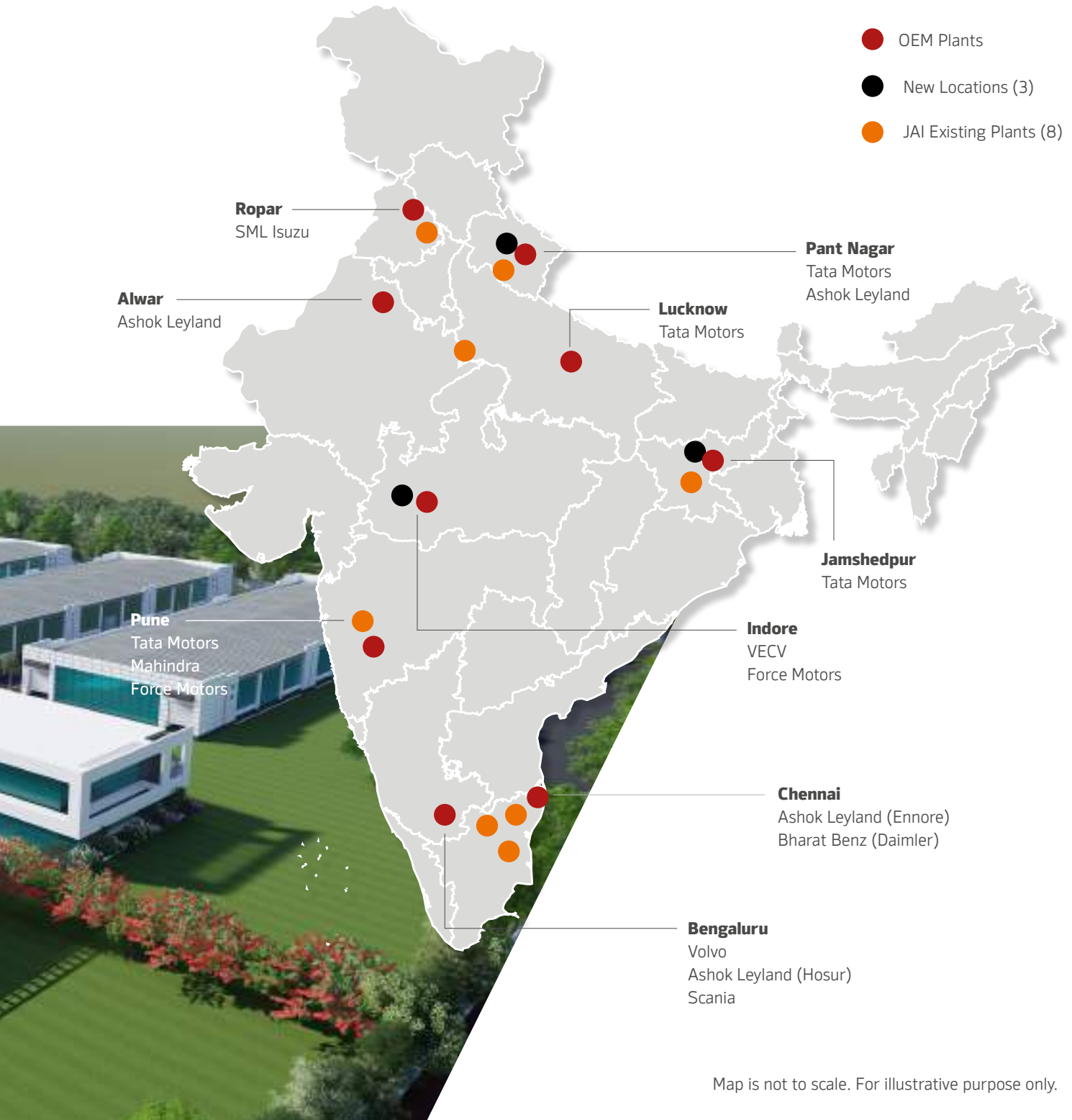
We are the only Indian company to have in house R&D center with capabilities of Design, FEA , DAQ and RLDA required to validate the products before launch. We also have in-house capability to validate from smallest component to complete Suspension system.

We have also been able to establish a strong after-market network, backed by the supply of a complete range of spare parts. The AMI operations, sales and business transaction with channel partners are digitized with Ramco Systems and applications.

The company has a strong balance sheet which is low leveraged because of its prudent financial policies.



Upcoming plant at Indore, Madhya Pradesh



# CHAIRMAN'S MESSAGE



**Randeep Singh Jauhar**  
Chairman

## Dear Shareholders,

**Sardar Bhupinder Singh Jauhar, our Founder and Chairman, breathed his last on the 31st July, 2021. During his 60 years association and involvement in the automotive industry, and Jamna in particular, his vision, values and guidance have made Jamna Auto a market leader in the CV suspension segment. Our entire team mourns his loss and reaffirms our commitment to his vision to take the company to new frontiers of success.**

At the outset, I would like to offer my thoughts and prayers to all those who have been impacted by Covid-19. The outbreak of the pandemic caused wide-ranging dislocation and duress and we too were not spared from its repercussions. As the world suffered a once in a century public health

crisis, economic activity collapsed, supply-chain networks were disrupted, and trade channels saw a complete immobility in operations. General society across the world was overwhelmed with shock and paralysis. After an acute period, actually 2 periods, of suffering, humanity responded with vigor, compassion, and technology. Validating the saying, great pain engenders great creativity, the last heart breaking 18 months also were a nursery of innovation and improvisation.

At Jamna Auto Industries (JAI), every and each member of our family united to fight and overcome these challenges. Be it strict adherence to covid guidelines, ensuring and subsidising vaccination, helping the needy in our nearby areas, we lived the values of our dearest departed founder of people first. But we also transformed ourselves by:

1. Reducing our breakeven point through cost reduction,
2. Higher revenue share from value added products and markets, and
3. Reduction of our debt.

I'm proud to say this outstanding team work has resulted in reducing our breakeven point to less than 25% of our capacity; achieving a free cash of ₹ 190 crore, all of which helped in de-leveraging of our Balance Sheet.

I am pleased to share our performance for the year under review:

## Financial and Operational Performance

1. PBT improved to ₹ 100.88 crore in FY 21 from ₹ 71.64 crore in the previous year.
2. Total dividend payout is 41% of PAT against our Lakshya target of 33%.



3. ROCE for the year stood at 23% (past 5-year weighted average is 38%). Our Lakshya target was 33%. Delivering higher ROCE will continue to be our top priority.
4. Revenue from new markets is 29 % against Lakshya target of 33%.
5. Revenue from new products is 34 % against Lakshya target of 33%.

## Markets

JAI strategy is to serve diverse markets to achieve its growth objectives. In this direction we have taken several steps to increase our market share in Domestic After-Market and Exports. With these initiatives we have successfully created a structure of SCM and channel partners to supply varied products pan India.

We have achieved limited success in increasing our after-market sales and there exists further potential to increase our sales. Since we have already created a distribution network, we will reap the benefits going forward. We are further complimenting our actions by doing direct retailing and digitizing the entire After Market operations.

## Products

We have been launching a range of new products every few years which has increased our percentage share of revenues from new products. Jamna Auto has launched the following new products:

1. Stabilizer bars
2. Full range of suspension for Trailer market including Mechanical, Air suspension and Lift axle
3. Allied Products for Spring and Lift Axle in After Market

The company is also launching new products like Machining Products, UBolts, Hanger Shackle and Spring Pins at our subsidiary facilities in Pant Nagar, Uttarakhand and Indore, M.P. The Pant Nagar unit is expected to start commercial production by FY 22. The Indore project which was delayed due to Covid-19 is expected to start commercial production by FY 23.

## Digitization

Jamna Auto has a strategic collaboration with Ramco Systems which presents us with new digital competencies. Now all the processes of After Market India are digitised. Today management reviews, data analysis, performance management is done through our IT system. In the current year we have begun implementation of Ramco system across all our plants. We have successfully implemented Ramco ERP system in Yamuna Nagar plant and now Chennai plant is in progress. We are confident that we will be able to implement Ramco ERP across the Group by FY-24.

## Employees

Employees are the cornerstone of our company, and their health and safety remain our top priority. During this difficult Covid-19 times we ensured the safety and well-being of our employees and their families. During the year under review, the Company decided to grant stock options to key employees.

We hope this will motivate them for a successful and seamless execution of the new 5 year Lakshya 50XT plan.

## Technology

JAI has launched various high technology products like Parabolic Springs and Lift Axles in the past. Our

R&D team has developed Extralite Springs using technology from Tinsley Bridge Ltd. - U.K. These Extralite Springs are currently under validation.

We also plan to introduce cold processed U-Bolt using superior manufacturing and design technology. Going forward technology will be a key focus area for us.

## Lakshya 5-year plan

We continue to build JAI for the long-term. The launch of our first 5-year plan named "Lakshya 50XT" is a reflection of that commitment. The key objective of this plan is to achieve future growth and to de-risk business through market & product diversification.

Lakshya 50XT:

The 4 key targets for FY 26 are as below:

1. 50% Revenue from new markets.
2. 50 % Revenue from new products.
3. 50% Return on Capital Employed
4. 50% Dividend pay-out

The Lakshya 50XT is focused on exports and technology products which is explained in detail on pages 08 & 09.

I would like to express my deepest gratitude to the Board of Directors, employees, customers, and other stakeholders for their continuous faith and trust in us.

**Randeep Singh Jauhar**  
Chairman

14 August, 2021

# LAKSHYA 5-YEAR PLAN

This year, JAI launches its first 5-year plan named “Lakshya 50XT” with 4 key targets for FY-26. The launch of this plan is an important milestone for JAI to bring together the entire organization and to focus on a common goal. The key objective of this plan is to achieve future growth and to de-risk business through market & product diversification.

# LAKSHYA 50XT

## 50% revenue from New Markets

JAI strategy is to serve diverse markets to achieve its growth objectives. In this direction we have taken several steps to increase our market share in Domestic After-Market and Exports. With these initiatives we have successfully created a structure of SCM and channel partners to supply varied products pan India. We would leverage this structure to sell various new products. We have achieved limited success in increasing our after-market sales and there is still good potential to increase our sales further. As we have already created a distribution network, we will reap the benefits going forward. We are further complementing our actions by doing direct retailing and digitizing the entire After Market operations. It is likely that the consolidation in market place will take place due to GST and demonetization, which will give tailwind effect to our efforts and increase our sales further.

In the after-market export also JAI has done a lot of ground work which has not reflected into topline numbers. We are hopeful that sales numbers would start improving in next 3 years. We are evaluating more product lines which have a good potential in export market. In this 5 year plan JAI will also be focusing on OE-Exports. JAI targets 50% revenue from new markets of which **10% will be from exports.**

## **50% revenue from New Products**

We have been launching a range of new products every few years which has increased our share of revenue from new products. Going forward we would be further increasing our existing product portfolio to increase content per vehicle. The plan is to introduce new products such as allied parts for suspension, machined parts, full range of trailer suspension and other products through distribution, sourcing or manufactured route. We plan to leverage our existing infrastructure which is favourably placed near customer's location.

JAI is also planning to add many new products in After Market to increase (COPC) Content of Other Products sales for Channel partners (distributor, dealer and mechanics) which will help in increase their revenues.

JAI has launched various high technology products like Parabolic Springs and Lift Axles in the past. Our R&D team has developed Extralite Springs using technology from Tinsley Bridge Ltd. - U.K. These Extralite Springs are currently under validation. We also plan to introduce cold processed U-Bolt using superior manufacturing and design technology. Going forward technology will be focus area for us. JAI targets 50% revenue from new products of which **10% would be from new technology products.**

## **50% Return on Capital Employed**

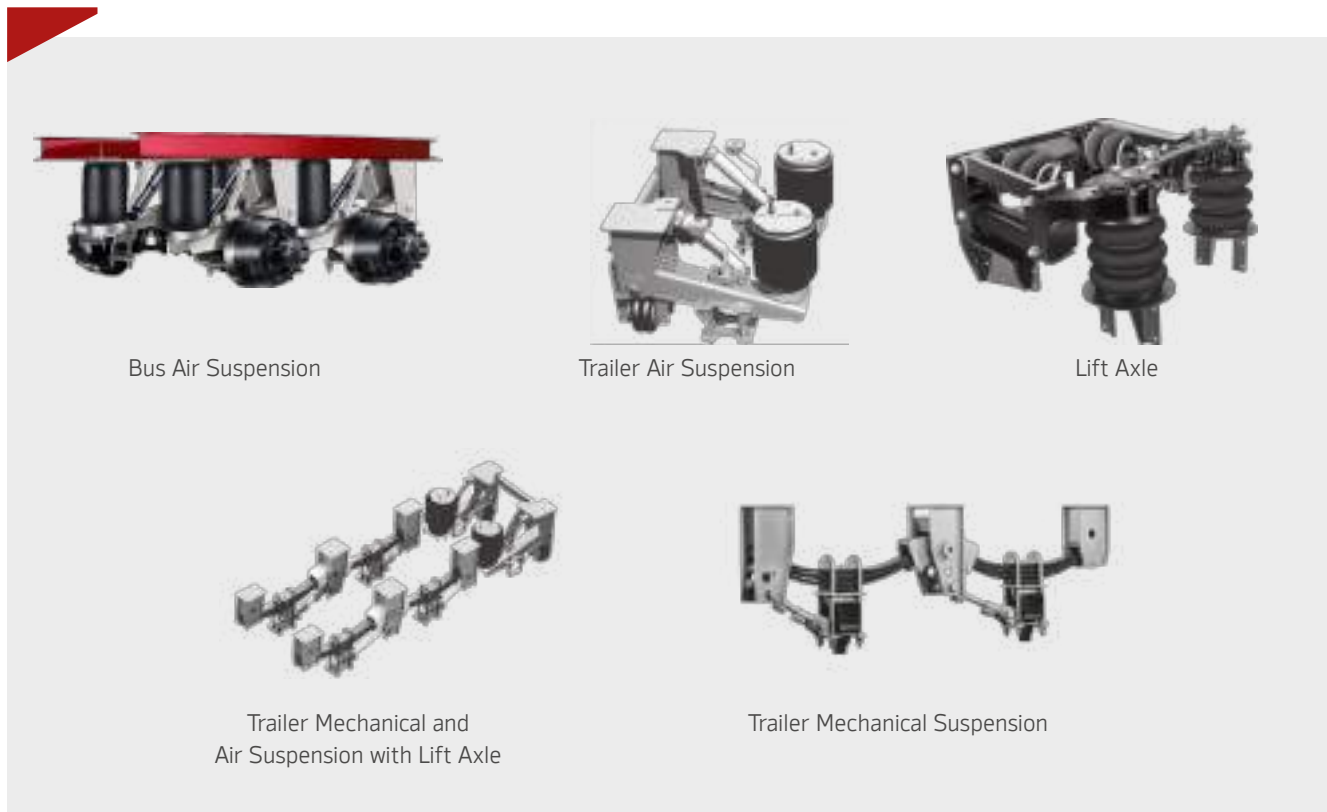
JAI would continue to remain ROCE focused company. Our current Lakshya Target is 33% ROCE. With Company's prudent financial policies, lower breakeven point and increased share of value added products & diversified markets, JAI targets 50% ROCE by FY-26.

## **50% Dividend Pay-out**

JAI current dividend policy is to pay 33% of PAT as dividend. In accordance with the Lakshya 50XT plan, by FY 26 JAI shall target distribution of 50% of PAT in a year as dividend (inclusive of tax, if any) or shares buy back or both.

# AN OVERVIEW OF OUR OFFERINGS

At Jamna Auto, it is our constant endeavour to innovate and widen our offerings in line with changing consumer trends. We keep investing in research and development, continue to launch new products and prudently invest across operations to strengthen our customer engagement.



Some of the Products above are only traded



LIFT AXLE ALLIED COMPONENTS



TRAILER ALLIED COMPONENTS



SPRING ALLIED COMPONENTS

### Upcoming products



Bogie Bracket



NODO Bracket



ATS Bracket



HANGER SHACKLES



SPRING PIN



U BOLT

Some of the Products above are only traded

# OUR CUSTOMERS



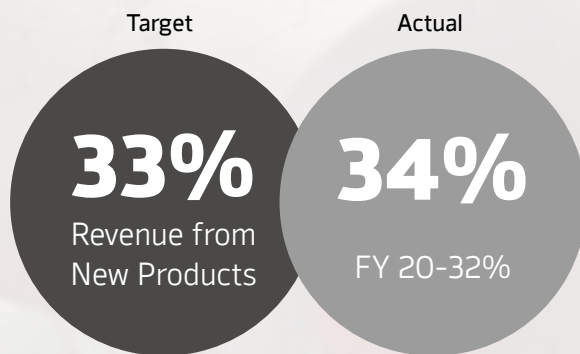
SUPPLYING BS-6 LEAF SPRINGS TO EACH



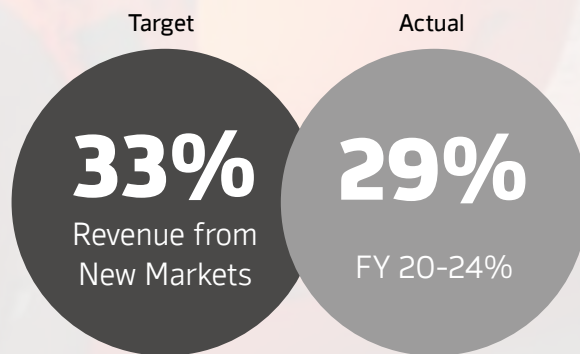
## Target vs Achievement in FY21

### Operational Goals

#### Product De-risking

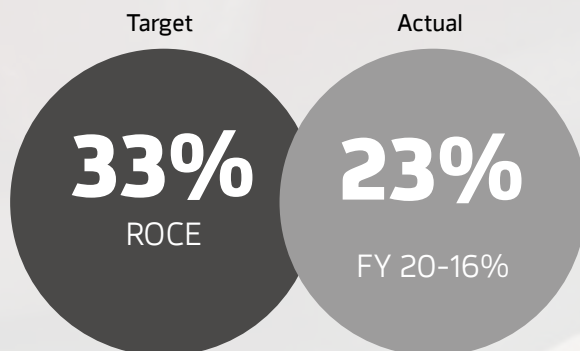


#### Diversifying Markets

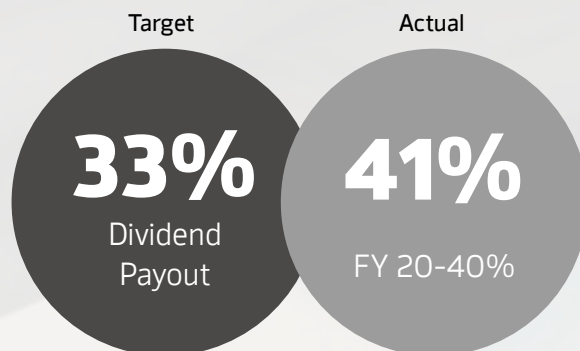


### Financial Goals

#### Maximizing Returns



#### Value Creation



# DIGITAL TRANSFORMATION

The ever evolving digital and technological landscape continues to shape how businesses and industries operate especially in the post covid era. At Jamna Auto, we started our digital journey way back in 2007 and today, we are proud of how far we have come. Our digital partner – Ramco solutions along with various satellite systems has enabled us to seamlessly integrate our processes across our operations. It provides us with real-time information for quick decision making.

## RAMCO ERP

### DEALER PORTAL

**This portal makes the whole process time-saving and distributors more productive. For the ease of its distributors, an online portal, named dealer portal has been developed. It allows the user to place the order and check their accounts statement.**



### JAI Easy DMS

This, time and effort saving software, helps in improvising JAI's retailers' accounting and points' redemption related processes. Unlike earlier, without scanning the coupons, retailers get points directly in their account on the basis of their sales.



### JAI VTS (Vehicle Tracking System)

**With the excellent use of GPS technology, this web based application has been designed for JAI's distributors and retailers. With the use of GPS, this application is used to track and manage the real-time location of dispatched items.**





## EXPANDING, NURTURING AND GROWING OUR AFTER MARKET PROGRAMS



The entire division of after market loyalty programs of JAI comes under the umbrella of JAI Vistar. We are a leader in innovative market loyalty programs with highly successful programs aimed at all the players in the marketplace, the Distributor, the Retailer and the mechanic.

### Channel Management Programs



#### JAI Rising Stars

##### Distributor Relationship Program

Jai Ho! Rising Stars Distributor Relationship Program has been introduced with the objective of establishing a strong and long-lasting bond between the distributors and the company.



#### JAI Sarathi

##### Retailer Loyalty Program

Jai Sarathi Retailer Loyalty Program has been proved highly beneficial for retailers as it offers attractive perks and helps them forge a strong relationship with the company.



#### JAI Ho

##### Mechanic Loyalty Program

This program is to reward mechanics for their endless contribution to JAI's business growth and success. Through this program, they earn rewards through loyalty points by recommending JAI products.



#### JAI Ustaad

##### Mechanics Engagement Program

JAI Ustaad! Mechanics Engagement Program recognizes the work of our top performing mechanics under JAI HO Mechanics Loyalty Program

# COMMITTED TO HOLISTIC GROWTH

We are committed to contribute to the social and economic welfare of communities in which we operate. Playing an active role in sustaining positive change within society, we aim to create opportunities for the holistic development of people from all sections of society.



## Impact created in FY21

**175**

Saplings Planted & distributed in Malanpur, Yamuna Nagar and Delhi

**62**

Dustbins installed in government educational institutions and district prisons of Haryana to ensure a clean and disease-free premise by managing waste

**2**

New sewing centers started in village Kalesar and Faizpur to train rural women

**721**

Students awarded scholarships based on merit

**41**

Rural girls were provided self-defense training in Malanpur

**22**

Sewing machine distributed to women to encourage entrepreneurship

**15,000+**

Face mask distributed

**35**

Hand sanitizer dispensers installed in Government schools, college anganwadi centers, prisons and Govt. and non Govt. offices

**~1,050**

Women and children were made aware and sensitized on POSCO & POSH Act on occasion of International Women's Day in Yamuna Nagar

**49**

Cataract surgeries facilitated in District Yamuna Nagar

**68**

Senior citizens, widows and PWDs received JAI-Pension

**21,000+**

Dry ration kit distributed to labourers and poor people

**135**

Sportspersons sponsored for their diet, coaching and equipment in Haryana

# MANAGEMENT DISCUSSION AND ANALYSIS

## Indian Economy & Industry Overview

Demand of commercial vehicles in FY 2020-21 fell sharply due to movement of goods severely impacted by lockdown imposed across the country. Although, with improvement in economic activities, post lockdown early shoot of demand revival was visible in July 2020, firmness in demand was seen towards the end of second half of FY 2020-21. However, the demand was much lower than FY 2018-19 level. The Union Budget of 2021 is primarily focused on economic recovery and infrastructure push it augurs well for the industry. The government decision to invest heavily in road and other infrastructure will boost the demand for commercial vehicles. The budget has also announced vehicle scrapping policy to keep a check on old polluting vehicles to curb environment and air pollution. Once the policy is implemented it should gradually and systematically phase out old unfit vehicles which would eventually generate demand for new vehicles.

The outbreak of Covid-19 pandemic had severely impacted supply chain causing un-availability of parts and components causing long lead-times mainly for imported parts. We expect localization of auto component manufacturing. However, threat of Covid-19 is not over yet. No country has fully recovered from the pandemic. In many countries, even a second or third wave of the pandemic has hit. India also slid into the second wave of the pandemic from March till early June, 2021. An immediate threat to current growth prospectus would be further spread of Covid-19. Much would depend as to how India minimizes impact of its second wave and in future years if it does continues. A lot will depend upon vaccine rollout, as per experts. Vaccine coverage of the population has since increased appreciably.

## Company performance and overview

During FY 2020-21 the Company maintained its market position. Our cost rationalization plan has worked well and the Company has been able to reduce breakeven point less than 25% of capacity. This has helped the Company to improve margins during Covid-19 pandemic. The management continued its initiatives towards products diversification and markets expansion.

We further strengthened our IT systems in After Market and also started to implement this in Chennai location. Going forward, digitization and IT integration with the existing widespread network for supplies in After-Markets will give a fillip to our Lakshya 50XT targets of new markets. To provide ease of doing business to our partners and customers we are focusing on technological advancement.

We have built a digital platform for After Markets namely "Jai Digital Vistar" to empower our management, employees, fleet owners, distributors, retailers and mechanics. Jai Vistar is tailored

to our needs to provide mobility solutions for all stakeholders to address their requirements and send real-time information. The platform through different mobile apps developed for each user i.e. management, sales team, distributors, retailers, mechanics and fleet owners and provides range of online services/solutions like view product catalogue, place order, track order, payments, targets, sale status, inventory status, vehicle tracking, view reports, manage and redeem rewards.

Performance of our Company during FY 2020-21 is in line with its four point Lakshya targets. For future growth and forecast details and understanding please refer to midterm plan i.e. Lakshya 50XT detailed in the Annual Report.

## 33% revenue from new products

In FY 2020-21, the Company achieved 34% revenue from new products as against 32% revenue in last year. During the year under review, we started manufacturing of Stabilizer Bars. Management has also launched springs and lift axle allied products in the after-market like U-Bolt, Center Bolt, Bush, Hanger Shackle/Bracket, Spring Pin and Air bellow. These allied products will also add to a robust product mix.

## 33% revenue from new markets

In FY2020-21, the Company achieved 29% revenue from new markets against 24% revenue in last year.

The management's continued efforts has been to expand Company's market share in the After-Markets.

During the year under review, we have broad based the network for better supply penetration in the after-market by adding channel partners in the supply chain. The Company now cater to After Markets supplies through four regional plants respectively at Yamuna Nagar in north, Jamshedpur in east, Malanpur in west & center and Chennai in south.

## 33% Dividend Payout & ROCE

During the FY 2020-21 the Company improved RoCE at 23% as compared to 16% in last year. The Company continues to follow rule of funding capital expenditure through internal accruals, which supports the improvement in RoCE. FY 2020-21 is the 11th consecutive year of dividend payment. During the year also the Company exceeded Lakshya target of 33% dividend payout ratio and paid dividend of 41% of PAT against Lakshya target of 33%. The Company paid interim dividend of ₹0.25 on equity shares of ₹1 each. Directors have also recommend a final dividend of ₹0.50 per equity shares of ₹1 each. After payment of final dividend, the total dividend paid for FY 2020-21 would be ₹ 0.75 per equity share.

## Key Financials

Following are the key financials of the Company at standalone and consolidated levels. For details members are requested to see five years financial summary:

(Figures in ₹ lakhs)

Particulars	Standalone		Consolidated	
	FY 2020-21	FY 2019-20	FY 2020-21	FY 2019-20
Revenue from Operation	<b>1,05,270.66</b>	1,05,882.11	<b>1,07,947.84</b>	1,12,895.15
EBITDA	<b>14,106.49</b>	12,009.25	<b>14,239.28</b>	13,026.89
PBT	<b>10,265.11</b>	6,855.49	<b>10,088.18</b>	7,164.12
PAT	<b>7,671.81</b>	4,792.40	<b>7,296.29</b>	4,787.97
Networth	<b>58,871.67</b>	52,175.35	<b>58,000.66</b>	51,670.65

Ratios	Standalone		Consolidated	
	FY 2020-21	FY 2019-20	FY 2020-21	FY 2019-20
Debtors Turnover (no. of days)	<b>26.6</b>	53.3	<b>23.0</b>	62.1
Inventory Turnover (no. of days)	<b>54.9</b>	55.6	<b>57.5</b>	58.0
Interest Coverage Ratio (in times)	<b>24.2</b>	6.40	<b>18.0</b>	5.2
Current Ratio (in times)	<b>1.4</b>	1.4	<b>1.4</b>	1.3
Debt Equity Ratio (in times)	<b>0</b>	0.30	<b>0</b>	0.3
EBITDA Margin (in %)	<b>13.40</b>	11.34	<b>13.19</b>	11.54
PAT Margin (in %)	<b>7.30</b>	4.50	<b>6.8</b>	4.5
Return on Net Worth (in %)	<b>12.94</b>	9.21	<b>12.52</b>	9.28

## Risk Management

Risk management is an inherent part of the Company's business and management is proactive in terms of managing risks. The nature of its business makes the Company susceptible to various risks that might arise due to economic, political, legal, environment, people, operational, currency fluctuation etc. However, the Company has a risk management strategy that is governed and monitored by the Risk Management Committee. The Risk Management Committee regularly reviews the key risks and monitors the mitigating measures on a timely basis.

## Internal Controls

The Company has put in place strong internal control, systems and processes and keeps reviewing their adequacy from time to

time. The Company has also initiated digitization of standard and customized internal controls through RAMCO ERP with built in authority levels for access and master controls. All the business functions are being digitized and also it is all integrated which is giving us an edge to face the volatile market by having right information to right people to take right decision. The digitalization is helpful for diversifying business portfolio and also enhancing the horizon with ease and at the same time with all the controls in place.

The Company places strong emphasis on best practices in corporate governance. There is a strong system of both internal review as well as review by external independent auditors i.e. M/s Protivity, Risk and Business Consulting who carry-out periodic audits of all locations and their reports are reviewed by Audit Committee.

# DIRECTORS' REPORT

Dear Members,

The Directors hereby present the 55th Annual Report and Audited Financial Statements for the financial year ended March 31, 2021.

## Financial Results-An Overview

(₹ in crore)

Particulars	Standalone		Consolidated	
	Year Ended March 31, 2021	Year Ended March 31, 2020	Year Ended March 31, 2021	Year Ended March 31, 2020
Net Sales	1052.70	1058.82	1079.47	1128.95
PBDIT	141.01	120.09	142.34	130.27
Finance cost	4.42	12.74	5.93	17.26
PBDT	136.64	107.35	136.46	113.01
Depreciation	33.99	38.80	35.58	41.37
PBT	102.65	68.55	100.88	71.64
Provision for current tax	28.68	13.07	31.45	18.01
Provision for deferred tax	(2.75)	7.56	(3.52)	5.75
PAT	76.72	47.92	72.96	47.88
Other Comprehensive Income	(45.84)	0.14	(0.37)	0.09
Total Comprehensive Income	76.26	48.07	72.60	47.97
Balance brought forward	268	260.75	262.75	255.80
Payment/Provision of dividend including tax	9.95	40.82	9.95	40.82
Retained earnings	336.86	268.00	328.21	262.75

## Operational Review

The year under review was a mix of challenges and opportunities for automobile industry. Despite all the challenges and obstacles we have faced, your Company has shown resilience and continued to support and deliver for its customers. During the year under review, consolidated sales and profits were ₹1079 crore and ₹73 crore respectively compared to sales of ₹1129 crore and profits of ₹48 crore in the previous year. The Company's performance, during FY 2020-21, towards its medium term Lakshya is explained in the Management Discussion and Analysis (MDA) section in the annual report. For details, members are requested to please see MDA section.

The Company has made 5 year plan named "Lakshya 50XT" with objective of future growth, de-risking business and enhancing stakeholder value. Lakshya 50XT has following 4 key targets for FY-26.

1. 50% Revenue from new markets
2. 50 % Revenue from new products
3. 50% Return on Capital Employed
4. 50% Dividend pay-out

Members are requested to refer "Lakshya 5 Year Plan" in the Annual Report.

ICRA Limited ("ICRA") has reviewed the credit rating of the Company and at present the Company's long term credit rating is [ICRA]AA- (pronounced ICRA double A minus) and short term rating as [ICRA]A1+ (pronounced ICRA A one plus). Credit rating assigned to Commercial Paper (CP) issue of the Company is [ICRA] A1+ (pronounced as ICRA A one plus). The outlook on Long Term Rating is stable.

Jai Automotive Components Limited a wholly owned subsidiary company is in process of setting up a Unit at Pant Nagar, Uttarakhand and at Indore, M.P. The Pant Nagar unit is expected to start commercial production by FY 2021-22. The Indore unit is expected to start commercial production by FY 2022-23. Another subsidiary entity of the Company namely Jai Suspension Systems LLP is proposed to be converted into a private limited company in accordance with the provisions of the Companies Act 2013.

During the year under review, R&D team has developed Extralite Springs using technology from Tinsley Bridge Ltd. - U.K. These Extralite Springs are currently under validation.

## Material Changes and Commitments

No material changes and commitments affecting the financial position of the Company occurred between the end of financial year of the Company to which the financial statements relate i.e. 31 March, 2021 and the date of this Report i.e. 31 May, 2021. There are no significant material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its future operations.

## Subsidiaries, Joint Ventures and Associate Companies

The Company has two wholly owned subsidiary companies namely Jai Suspensions Limited and Jai Automotive Components Limited and one subsidiary entity namely Jai Suspension Systems LLP. The Board of Directors of the Company reviews the affairs of the subsidiaries. None of the subsidiary is a material subsidiary in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as on 31 March, 2021. The Policy for determining material subsidiaries is available at the Company's website www.jaispring.com. Consolidated financial statements of the Company as required under Section 129(3) of the Act form part of the Annual Report. A statement containing the salient features of the financial statements of subsidiaries in form AOC-1 forms part of the Annual Report.

### Dividend and Dividend Distribution Policy

One of the financial goal of the Company under its “Lakshya” target is to distribute 33% of PAT as Dividend or shares buy back or both.

An interim dividend of ₹0.25 per equity share of ₹1 each was declared and paid during the FY 2020-21. The Directors are pleased to recommend for your consideration a final dividend of ₹0.50 per equity share of ₹1 each. Payment of final dividend will be made subject to approval of the members of the Company at the ensuing Annual General Meeting. With the payment of final dividend, the total dividend payment for the FY 2020-21 would be ₹0.75 per equity share of ₹1 each. The Dividend Distribution Policy of the Company is available at the Company’s website [www.jaispring.com](http://www.jaispring.com).

### Transfer to Reserves

The Board does not propose to transfer any amount out of the profit for the year under review to the general reserve.

### Fix Deposits

During the year under review, the Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014.

### Directors and Key Managerial Personnel

The total strength of Board of Directors of the Company is 9 Directors consisting Independent, Executive and Non-executive Directors. The composition of the Board is in conformity with the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

During FY 2020-2021 none of the Independent Director was re-appointed. Mr. Gautam Mukherjee was appointed as Independent Director with effect from 31 May, 2021. Mr. Mukherjee holds degree in Bachelor of Arts. He started his career in 1983 as Probationary Officer with State Bank of India (SBI). He served SBI till 1990, when he moved to The Economic Times, as Financial Editor. Thereafter, Mr. Mukherjee has served ICICI Bank as Vice President and its North India Head for Corporate Banking from 1996-2002 and afterwards ING Vysya Bank. Mr. Mukherjee was also associated with the Company as President-Finance from 2008 to 2012. The Board considers that association of Mr. Mukherjee would be of immense benefit to the Company. Proposal for appointment of Mr. Gautam Mukherjee as Independent Director for a period of five consecutive years is being placed for consideration of members of the Company at the ensuing Annual General Meeting. Presently he is serving as an Independent Director on the Board of Directors of Motherson Sumi Systems Limited, SMR Automotive Systems India Limited and Motherson Sumi Wiring India Ltd.

The tenure of appointment of Mr. S. P. S. Kohli as Executive Director was valid till 12 February, 2021. The Nomination and Remuneration Committee and Board of Directors in their meetings held on 5 February, 2021 have approved the re-appointment of Mr. S. P. S. Kohli as Executive Director for further three years effective from 13 February, 2021.

The tenure of appointment of Mr. P.S. Jauhar as Managing Director and CEO of the company is valid till July 31, 2021. The Nomination and Remuneration Committee and Board of Directors in their meetings held on May 31, 2021 have approved the re-appointment of Mr. P.S. Jauhar as Managing Director and CEO for further term of 3 Years effective from August 01, 2021.

In compliance with the provisions of Section 152 of the Companies Act, 2013 read with the Articles of Association of the Company, Mr. R. S. Jauhar, Director of the Company will retire at the ensuing Annual General Meeting and being eligible, has offered himself for reappointment. The Board recommends his re-appointment.

The brief profile of the Directors who are proposed to be appointed / re-appointed, is furnished in the notice of 55th Annual General Meeting in compliance with the provisions of Companies Act, 2013, SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and applicable Secretarial Standards issued by Institute of Company Secretaries of India.

Pursuant to the requirements under Section 134(3)(e) and Section 178(3) of the Companies Act, 2013, the policy on appointment of Board Members including criteria for determining qualifications, positive attributes, independence of a director and the policy on remuneration of directors, KMP and other employees is annexed as Annexure-1, which forms part of this Report.

### Declaration by Independent Directors

All the independent directors of the Company have submitted their declaration stating that they continue to meet the criteria of independence laid down under Section 149 of the Companies Act, 2013 read with Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 25 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

All the Directors have also confirmed that they have complied with the Company’s code of conduct.

### Performance Evaluation

Independent Directors of the Company at their meeting held on 25 March, 2021 have done the evaluation of Board as a whole and Non Independent Directors including Chairman. The performance of the Board as a whole, Chairman of the Company and Directors individually was also done by the Board of Directors

on basis of Directors participation, contribution, efficiencies, skills, decision making, independence, integrity, ethical conduct, discharge of responsibilities etc.

### **Meetings of Board of Directors**

During the year under review, five meetings of the Board of Directors of the Company were held on 1 April, 2020, 10 June, 2020, 6 August, 2020, 5 November, 2020 and 5 February, 2021 respectively. The complete details about the Board's strength, attendance and remuneration of directors are given under Corporate Governance Report section of this Report.

### **Directors' Responsibility Statement**

Pursuant to Section 134 (3) (c) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- a) in preparation of the annual accounts of financial year ended March 31, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period.
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d) the directors had prepared the annual accounts on a going concern basis.
- e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and operating effectively.
- f) the directors had devised proper systems to ensure compliance of the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **Auditors' Report**

The report of the statutory auditors i.e. M/s S. R. Batliboi & Co; LLP Chartered Accountants does not contain any qualification, reservation or adverse remarks and forms part of this Annual Report. The report read with notes on accounts is self-explanatory and does not call for any further comments.

The report of the secretarial auditors i.e. M/s RSM & Co., Company Secretaries also does not contain any qualification, reservation or adverse remarks. The secretarial audit report is self-explanatory and is attached as Annexure-2.

M/s Jangira & Associates, Cost Accountants was appointed as cost auditors of the Company for the FY 2020-21. The cost audit report for the FY 2020-21 would be filed with the Central Government within the prescribed time.

### **Equity Shares**

During the year under review, the Compensation Committee of the Board of Directors has granted stock options under Company's Employee Stock Option Scheme, 2017. Disclosure as required under SEBI (Share Based Employees Benefits) Regulations, 2014 is available on website of Company [www.jaispring.com](http://www.jaispring.com).

The Company has not issued any sweat equity shares or equity shares with differential voting rights hence there is no information required to be furnished in terms of provisions of Rule 4(4) and Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014.

### **Transfer of amount to Investor Education and Protection Fund**

During the year under review, the amount of dividend entitlements which remained unclaimed for seven consecutive years or more and corresponding shares thereof were transferred by the Company to Investor Education and Protection Fund (IEPF). The details of dividends and shares which were transferred to IEPF during the year have been provided under the Corporate Governance section at Annexure-4. The detailed list of shareholders whose dividend or shares has been transferred to IEPF is also available at website of the Company [www.jaispring.com](http://www.jaispring.com).

### **Business Responsibility Report**

Business Responsibility Report in terms of the provisions of Regulation 34 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 forms an integral part of this Report and annexed as Annexure-3.

### **Management Discussion & Analysis**

Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of SEBI Listing Regulations, is presented in a separate section forming part of the Annual Report.



## Corporate Governance

In compliance with Regulation 34 of the SEBI Listing Regulations, a separate report on Corporate Governance along with a certificate from the Auditors on its compliance forms an integral part of this Report and annexed as Annexure-4.

## Annual Return

As per Section 134 and Section 92 of the Companies Act, 2013, the Annual Return of the Company is available on the website of the Company at [www.jaispring.com](http://www.jaispring.com).

## Particulars of Employees

The disclosures required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given at Annexure-5 and forms an integral part of this Report.

As per the provisions of Section 136(1) of the Companies Act, 2013, the Annual Report and the Accounts are being sent to all the members of the Company, excluding the information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Any member interested in obtaining such information may write to the Company Secretary at the Registered Office. The said information is also available for inspection at the Registered Office during working hours up to the date of ensuing Annual General Meeting.

## Corporate Social Responsibility (CSR)

As a responsible organization, the Company believes in earnestly discharging its social responsibility. The Company emphasizes on environment conservation and sustainability, promotion of education, promotion of sports and community outreach as per CSR Policy. Our CSR presence has been established in Haryana (Yamuna Nagar, Gurugram & Kurukshetra), Uttarakhand (Pant Nagar), Jharkhand (Jamshedpur), Maharashtra (Pune), Uttar Pradesh (Lucknow), Madhya Pradesh (Malanpur), Tamil Nadu (Chennai, Pillaipakkam, Hosur), Punjab (Kapurthala), Delhi, Andaman and Nicobar Islands and Lakshwadeep. The Company has adopted 15 villages nationwide and is working with nearly 22 primary and secondary government schools and colleges with over 50,000 beneficiaries in all.

Report on CSR activities undertaken by the Company as per CSR Policy for the year ended March 31, 2021 is annexed as Annexure-6 and forms an integral part of this Annual Report. The Company's CSR Policy is available on the website of the Company at [www.jaispring.com](http://www.jaispring.com).

## Particulars of Loans, Guarantees or Investments

Particulars of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

## Energy Conservation, Technology Absorption & Foreign Exchange

The particulars as prescribed under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8(3) of Companies (Accounts) Rules, 2014 form an integral part of this report and is annexed as Annexure -7.

## Risk Management Policy

Risk management includes risk identification, analysis, mitigation and control. One of the major objectives of Company's Lakshya is to de-risk the Company from market, operational and other risks. The Company has established a three layer framework for risk identification, evaluation, control, minimize and mitigate the risk. The Board of Directors of the Company has formed a Risk Management Committee. The Committee evaluates risk and suggest actions to be taken to control, minimize & mitigate the risk. Risk management policy of the Company is available at the website of the Company at [www.jaispring.com](http://www.jaispring.com).

## Internal Financial Control

M/s Protiviti Risk & Business Consulting are the internal auditor of the Company. The Company has put in place adequate internal control, systems and processes and keeps reviewing their adequacy from time to time. The Company places strong emphasis on best practices in corporate governance.

## Vigil Mechanism / Whistle Blower

Pursuant to Section 177 (9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Board of Directors has established a vigil mechanism for employees to report genuine concerns about unethical behavior, actual or suspected fraud. The Whistle Blower Policy is available at the website of the Company at [www.jaispring.com](http://www.jaispring.com). No complaint was received under Whistle Blower Policy during the year under review.

## Related-Party Transactions

During the year under review all Related Party Transactions were made in ordinary course of business and on arm's length basis in compliance with the provisions set out in the Companies

Act, 2013 read with the Rules made thereunder and relevant provisions of SEBI Listing Regulations. The details of the Related Party Transactions are set out in the Notes to Financial Statements forming part of this Annual Report. There are no materially significant Related Party Transactions of the Company which have potential conflict with the interests of the Company at large. The Board of Directors and Audit Committee review all Related Party Transactions on quarterly basis. The Company's policy on related party transactions is available at the website of the Company at [www.jaispring.com](http://www.jaispring.com).

Form No. AOC-2 for disclosure of particulars of contracts/arrangements entered into by the Company with Related Parties under Section 188 of the Companies Act, 2013 forms an integral part of this report and attached as Annexure -8.

### **IPR**

During the year under review, Company's application for granting Indian Patent for Air Suspension was approved. The Company has been granted a Patent for an invention entitled "Air Suspension System". During the year under review the Company's trademark "JAI" got registered in Nepal. The Company is copyright holder of more than 90 designs of Leaf and Parabolic spring.

### **Disclosure for Compliance of Secretarial Standards**

The Company is in compliance with the Secretarial Standard-1 (Meetings of Board of Directors) and Secretarial Standard-2 (General Meetings) issued by the Institute of Company Secretaries of India.

### **Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

There were no complaints received under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 during the year under review. The Sexual Harassment Policy of the Company is available at website of the Company at [www.jaispring.com](http://www.jaispring.com).

### **Details in respect of fraud reported by auditors under Section 143(12) of the Companies Act, 2013**

No fraud has been reported by auditors under Section 143(12) of the Companies Act, 2013 during the financial year 2020-21.

### **Appreciation**

The Board of Directors place on record sincere gratitude and appreciation for all the employees at all levels for their hard work, solidarity, cooperation and dedication during the year. The Board conveys its appreciation for its customers, shareholders, suppliers as well as vendors, bankers, business associates, regulatory and government authorities for their continued support.

For and on behalf of the Board of Directors

Place: New Delhi  
Date: 31 May, 2021

**(B. S. Jauhar)**  
Chairman

## ANNEXURE-1 TO DIRECTORS' REPORT

### Appointment, Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management

In terms of the provisions of Companies Act, 2013 ("the Act") and the SEBI Listing Regulations, the Company has a Nomination and Remuneration Committee of the Board to deal with the matter related to appointment, nomination and remuneration of Directors, Key Managerial Personnel and Senior Management Personnel. Following is the constitution and terms of reference of the Nomination and Remuneration Committee:

1. Mr. Shashi Bhushan Bansal, Chairman
2. Ms. Taru Bahl, Member
3. Mr. U. K. Singhal, Member
  - i. The Committee shall identify persons who are qualified to become Directors and who may be appointed as Key Managerial Personnel, Senior Management Personnel in accordance with the criteria laid down and shall recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.
  - ii. The Committee shall also formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and Senior Management.
  - iii. The Committee shall, while formulating the policy relating to the remuneration, ensure that-
    - a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
    - b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

The Committee considers and determines the remuneration payable to the Director or KMP or Senior Management Personnel and recommends the same to the Board for approval. The appointment, re- appointment and the remuneration of a

Director or KMP or Senior Management Personnel is decided in accordance with criteria mentioned below and the conditions laid down as per the provisions of the Companies Act, 2013, Listing Regulations and the rules and regulations made thereunder and subject to the approval of the shareholders of the Company and Central Government, wherever required.

#### Criteria for appointment of Directors, KMP and Senior Management Personnel

- a) Qualification;
- b) Age and experience;
- c) Specialize expertise, if any;
- d) Diversity of the Board after his or her appointment; Demonstrable leadership qualities and interpersonal communication skills of the person;
- e) Number of years of service, period of employment or association of the person with the Company, if any;
- f) Special achievement and operational efficiency of the person which contributed to growth in business in the relevant functional area, if applicable;
- g) Constructive and active participation of the persons in the affairs of the Company, if applicable;
- h) Transparency, unbiased and impartial opinions and ability of maintaining confidentiality;
- i) In case of appointment as Independent Director, fulfillment of criteria defined in the Act and Listing Regulations.

Senior Management Personnel shall include employee one level below chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.

The appointment of Whole Time Director or Managing Director is made for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term. The Non-Executive and Independent Director are appointed in terms of the provisions of Companies Act, 2013, the Listing Regulations with the approval of the members of the Company, if required. An Independent Director is appointed for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special

resolution by the Company and disclosure of such appointment in the Board's report. At the time of appointment of a person as an Independent Director a declaration is taken from such person that he fulfills the criteria of Independence as defined in the Act and SEBI Listing Regulations. Every independent director shall, at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his status as an independent director, submit a declaration that he meets the criteria of independence as provided in clause (b) of sub-regulation (1) of regulation 16 and that he is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his ability to discharge his duties with an objective independent judgment and without any external influence. No person shall be appointed or continue as an alternate director for an independent director of a listed entity. All the Non-Executive and Independent Director receive remuneration by way of fees for attending meetings of Board or Committee thereof.

The Company has taken Directors & Officers liability insurance for its Directors and officers. The premium paid on such insurance is not treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be

guilty, the premium paid on such insurance shall be treated as part of the remuneration.

The Director, KMP and Senior Management Personnel retire as per the applicable provisions of the Companies Act, 2013 and terms of their appointment. The Board can re-appoint a retiring Director, KMP, Senior Management Personnel in the same position/remuneration or otherwise even after attaining the retirement age, for the benefit of the Company subject to the provisions of the Act or SEBI Listing Regulations.

The performance evaluation of Directors is done by the Board based on the criteria of attendance and contributions at Board/Committee Meetings as also for the role played other than at Meetings. The Present Structure of the Board Consist of optimum combination of Executive and Non- Executive Directors and the Board has also appointed Woman Director as mandated by the Companies Act, 2013 and the SEBI Listing Regulations. Company also recognize that all appointments, whenever required shall be made on merit, in the context of the skills, experience, independence and knowledge which the Board as a whole requires to be effective and the Board should be diversified Board containing expert from different field so that their experience as well as knowledge could be used for the benefit of the Company.

# ANNEXURE-2 TO DIRECTORS' REPORT

## FORM NO. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2021

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

The Members

JAMNA AUTO INDUSTRIES LIMITED  
CIN: L35911HR1965PLC004485  
JAI SPRING ROAD INDUSTRIAL AREA  
YAMUNA NAGAR HARYANA 135001

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by **JAMNA AUTO INDUSTRIES LIMITED** (hereinafter called "the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company, to the extent the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanation and clarifications given to us and the representations made by the Management, and considering the relaxations granted by Ministry of corporate Affairs and Securities and Exchange board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2021, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board Processes and Compliance Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:-

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on 31st March, 2021 according to the provisions of :-

1. The Companies Act, 2013 ("the Act") and Rules made thereunder as amended/modified;
2. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the Rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye - laws framed thereunder;
4. The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of

Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; (**Not applicable to the Company during the audit period**);
  - (d) The Securities and Exchange Board of India ( Share Based Employee Benefits) Regulations 2014,
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. (**Not applicable to the Company during the audit period**);
  - (f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding Companies Act and dealing with client; (Not applicable as the Company is not registered as Registrar and Transfer Agent during the audit period);
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (**Not applicable to the Company during the audit period**) ;
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. (**Not applicable to the Company during the audit period**) and
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

6. We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test check basis, the Company has complied with the following laws as applicable to the Company;

- (i) Factories Act 1948, and rules made there under;
- (ii) The Air (Prevention and Control of Pollution) Act, 1981 and Rules made thereunder;
- (iii) The Environment Protection Act, 1986 and Hazardous and Other Wastes (Management and Trans boundary Movement) Rules, 2016 and other Rules made thereunder;
- (iv) The Water (Prevention and Control of Pollution) Act, 1974 and Rule made thereunder;
- (v) Contract Labour (Regulation & Abolition ) Act, 1970 and rules made thereunder;
- (vi) Petroleum Act, 1934 and Rules made thereunder;
- (vii) Explosives Act, 1884 and Explosive Rules, 2008;
- (viii) The Legal Metrology Act, 2009 and Rules made thereunder;
- (ix) Indian Boilers Act, 1923 and Rules made thereunder.

We have also examined compliance with the applicable clause of the following:

- i) Secretarial Standard with regard to meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India;
- ii) The Listing Agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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

7. We further report that the compliances by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

8. We further report that:-

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The Changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act;

Adequate notice is given to all Directors to schedule the Board Meetings, agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting; and

Majority of decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of meetings of the Board of Directors or committee of the Board, as the case may be.

There are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliances with applicable laws, rules, regulations and guidelines.

9. We further report that during the audit of the Company no events occurred which has bearing on the Company's affairs in pursuance of the above referred laws rules regulations guidelines, standard etc.

This report is to be read with our letter of even date which is annexed as "**Annexure-1**" and form an integral part of this report.

For **RSM & Co.**  
Company Secretaries

**CS RAVI SHARMA**

Partner  
FCS: 4468 | COP No.: 3666  
UDIN F004468C000414108

Date : May 31, 2021  
Place : Delhi

## Annexure-1

The Members  
JAMNA AUTO INDUSTRIES LIMITED

Our Report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on the Secretarial Records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verifications were done on the test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial and books of accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliances of Laws, Rules and Regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable Laws, rule and regulations, standards is the responsibility of the Management. Our examination was limited to the verification of procedures on test basis.
6. Our Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **RSM & Co.**  
Company Secretaries

**CS RAVI SHARMA**  
Partner  
FCS: 4468 | COP No.: 3666  
UDIN F004468C000414108

Date : May 31, 2021  
Place : Delhi

## ANNEXURE-3 TO DIRECTORS' REPORT

### BUSINESS RESPONSIBILITY REPORT

#### ANNEXURE I

#### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	L35911HR1965PLC004485
2	Name of the Company	Jamna Auto Industries Limited
3	Registered address	Jai Springs Road, Industrial Area, Yamuna Nagar-135001, Haryana
4	Website	www.jaispring.com
5	E-mail id	praveen@jaispring.com
6	Financial Year reported	2020-21
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Category: Manufacture of diverse parts and accessories for motor vehicles NIC Code: 29301
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	The Company is in the business of manufacturing of automotive suspension which includes (i) Parabolic and Tapered leaf spring (ii) Lift axle and (iii) Air suspension.
9	Total number of locations where business activity is undertaken by the Company	Seven
9(a)	Number of International Locations	Nil
9(b)	Number of National Locations	Seven
10	Markets served by the Company – Local/State/National/ International	The Company has PAN India market presence through its plants, depots and dealer networks. The Company also exports to international markets.

#### SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital	₹39.83 crore
2	Total Turnover	₹1052.70 crore
3	Total profit after taxes	₹76.72 crore
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	₹3.30 crore
5	List of activities in which expenditure in 4 above has been incurred	<ul style="list-style-type: none"> <li>• Promotion of Education</li> <li>• Promotion of sports</li> <li>• Environment Conservation &amp; Sustainability</li> <li>• Skill Development</li> <li>• Promotion of gender equality &amp; empowering women</li> <li>• Eradication of hunger, poverty and malnutrition,</li> <li>• Promoting healthcare</li> <li>• Benefit to armed forces veterans, war widows and their dependents</li> <li>• Rural Development</li> <li>• Supporting art &amp; culture</li> </ul>



**SECTION C: OTHER DETAILS**

1	Does the Company have any Subsidiary Company/ Companies?	Yes, as on March 31, 2021, Company has two subsidiaries namely Jai Suspensions Limited and Jai Automotive Components Limited
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	No
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No

**SECTION D: BR INFORMATION****A. Details of Director/Directors responsible for BR**

Details of the Director/Directors responsible for implementation of the BR policy/policies

DIN Number : 01643796

Name : Mr. SPS Kohli

Designation : Executive Director

Details of the BR head

Particulars	Details
1 DIN Number	01643796
2 Name	Mr. SPS Kohli
3 Designation	Executive Director
4 Telephone Number	+91-11-26893331
5 Email Id	spskohli@jaisprings.com

**B. Principle-wise (as per NVGs) BR Policy/policies**

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

Principle 3: Businesses should promote the well-being of all employees

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

Principle 5: Businesses should respect and promote human rights

Principle 6: Businesses should respect, protect, and make efforts to restore the environment

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

Principle 8: Businesses should support inclusive growth and equitable development

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

**Details of compliance (Reply in Y/N)**

	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	N	Y	N
2	Has the policy being formulated in consultation with the relevant stakeholders?	All the policies have been formulated in consultation with the internal stakeholders of the Company. The external stakeholders are being consulted as per business requirements and on need basis.								
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	The policies adopted by the Company are in conformity with the applicable statutory laws, rules and regulations.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	All the policies have been approved by the Management of the Company and are approved by the Board wherever statutorily required.								
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	The Board of Directors have appointed Mr SPS Kohli, Executive Director of the Company to oversee the implementations of the Business Responsibility								
6	Indicate the link for the policy to be viewed online?	All the policies which are statutorily required are hosted on the website of the Company i.e. www.jaispring.com. The access to the other policies are available to the employees and concerned stakeholders on need basis.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been formally communicated to key internal stakeholders. The external stakeholders are being communicated on need basis.								
8	Does the company have in-house structure to implement the policy/ policies.	Yes								
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes								
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The working of the Policies are assessed under the Internal Audit Function.								

**1. If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)**

No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles	-	-	-	-	-	-	-	-	-
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3	The company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6	Any other reason (please specify)	-	-	-	-	-	-	**1	-	**2

\*\*1- The Company has not been engaged in any activity or business to influence public or regulatory policy. As such need for the policy is not been felt.

\*\*2- Need for the policy is not been felt.

**ii. Governance related to BR**

**Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year**

The Board of Directors assess the BR Performance on annual basis.

**Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

The Business Responsibility Report of the Company forms part of the Annual Report and is hosted on the website of the Company at [www.jaispring.com](http://www.jaispring.com).

**SECTION E: PRINCIPLE-WISE PERFORMANCE****Principle 1**

- i Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs / Others?**

The ethics, bribery and corruption are covered under the Code of conduct and HR Policy of the Company. The code and policies cover only the Company. It does not extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs / Others.

- ii How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

The Company was not in receipt of any complaint during the past financial year.

**Principle 2**

- 1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

The Company is in the business of manufacturing of automotive suspension which includes parabolic/ tapered leaf spring, air suspension and lift axle. Company's R & D team is continuously engaged to bring value engineering through design optimization and is granted Indian Patent for air suspension entitled "Air Suspension System". The Company has also entered into Technology Transfer and Technical Assistance Agreement with Tinsley Bridge Limited, UK for transfer of extralite spring technology.

- 2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):**

- a. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?**

The Company continuously works on reduction of wastage in manufacturing process. Wastage during production is continuously monitored and reduced. To reduce power consumption natural light is provided or being provided in manufacturing sheds. All bulbs/ tubes etc. are changed or being changed to LED's to reduce power consumption. Preference is being given to technological machinery combining two or more process in one to save power. To reduce fuel/gas pollutants in manufacturing process, use of fossil or gas based furnaces is being discouraged.

- b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

The Company as a responsible corporate citizen always strives to ensure utilization of resources in effective and efficient manner. It is not feasible to measure the usage of energy, fuel, water by consumers.

- 3. Does the company have procedures in place for sustainable sourcing (including transportation)?**

- a. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

Yes, the Company at working level focus on sustainable resourcing as majority of inputs are sourced sustainably from standard vendors. Company's plants, warehouses and depots are strategically located near to its customers and which results in easy accessibility of material to customer and also reduction in freight movement on longer routes.

- b. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

**If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

Yes, the Company continuously identifies local and small producers in nearby locations of plants. The Company encourage local sourcing which confirm to desirable parameters and product samples after quality test. The Company periodically does review of its suppliers for their continuous improvement. Company also supports the local supplier with technical input from time to time to improve their product quality and productivity.

- 1 Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

The Company always ensure and take efforts for natural resource conservation, reuse, recycle, waste minimization. Upgradation and up-keeping of equipment results in saving on fuel and power (energy).

**Principle 3**

- 1 Please indicate the Total number of employees.**

1043

- 2 Please indicate the Total number of employees hired on temporary/contractual/casual basis.**

1852

**3 Please indicate the Number of permanent women employees.**

21 Female employees

**4 Please indicate the Number of permanent employees with disabilities**

21 employees

**5 Do you have an employee association that is recognized by management.**

No

**6 What percentage of your permanent employees is members of this recognized employee association?**

Not applicable

**7 Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	0	0
2	Sexual harassment	0	0
3	Discriminatory employment	0	0

**8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

A formal training program is in place for all categories of employees. The focus on training includes safety and skill development besides other aspect. All employees irrespective of any category are given training as per requirement.

The percentage of training given for safety & skill up-gradation during the year under review are as follows:

Particulars	Safety Training (%)	Skill development training (Functional/ Technical) training (%)
Staff	75%	77%
Permanent worker & JME	84%	96%
Contractual	88%	82%
Employee with disability	85%	85%

**Principle 4**

**1. Has the company mapped its internal and external stakeholders? Yes/No**

Yes

**2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.**

Yes, the Company identifies disadvantaged, vulnerable & marginalized stakeholders from the local community and the work force. The Company engages them for their socio-economic development through various CSR initiatives. The social development among disadvantaged, vulnerable & marginalized people is ensured through awareness and sensitization programs, skill development programs, educational help, medical aid etc.

**4. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

The programs under the CSR initiatives undertaken by the Company are focused primarily on those sections of the communities which are poor, needy, disadvantaged, vulnerable and marginalized. Sensitization and awareness programs are conducted for the people who are vulnerable and marginalized. Skill Development Programs such as computer trainings, sewing and tailoring classes are conducted for benefitting the people who are disadvantaged, vulnerable and marginalized. Person with disability, senior citizens and widow ladies are helped through educational reach, pension distribution, medical aid, counselling etc.

In Covid-19 pandemic, the Company distributed dry ration kits to nearly 15000 needy families. The Company also provided face mask, hygiene kits, test kits, PPE Kits and other equipment in hospitals to contain this disease. The Company also made donation to various organization and funds including Red Cross to fight this disease.

**Principle 5**

**1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

The Company has HR Policy through which it endeavors to protect Human Rights at workplace. The Company's procedures and practices always strives to protect Human Rights even within the organization and all activities undertaken through Group/Joint Ventures/Suppliers/Contractors/NGOs/Others.

**2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

Nil

**Principle 6**

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

The Environment, Health and Safety Policy covers only the Company. However, the Company always ensures environment friendly and safe business practices while working within the organization and with every actions taken through Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

As a responsible corporate citizen, our Company always ensures environmental protection. The Company continuously strives to minimize the environmental impact for reducing its own operational environmental footprint. The Company conducts awareness programmes through CSR initiatives towards environment protection. The CSR initiatives taken by the Company forms the integral part of the Company's Annual Report.

3. Does the company identify and assess potential environmental risks?

Yes, potential environmental risks are identified in conformity with all applicable environmental laws. All necessary steps are ensured for mitigating risks identified.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

No

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

The Company always works on resource optimization, water and electricity conservation and waste reduction to reduce its environmental footprints. The Company is working on reduction of water wastage in painting process. To reduce power consumption natural light is provided or being provided in manufacturing sheds. Preference is being given to technological machinery combining two or more process in one to save power. To reduce fuel/gas pollutants in manufacturing process, use of fossil or gas based furnaces are being discouraged.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

One

**Principle 7**

- (i) Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

The Company is a member of Automotive Component Manufacturers Association of India (ACMA).

- (ii) Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas.

No

**Principle 8**

1. Does the company have specified programs/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

The Company has a Corporate Social Responsibility (CSR) policy in place which drives its efforts in the areas which strives towards social and economic development.

2. Are the programs/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

The Company has its own in-house team which plans, monitors and governs the corporate social responsibility initiatives / projects of the Company. The Company also collaborate with various foundations, NGOs, Local Administrations etc. on project basis for undertaking the CSR activities.

3. Have you done any impact assessment of your initiative?

The Company undertakes actions and spend expenditure towards corporate social responsibility initiatives after doing initial assessment and case studies. Before undertaking a project or program, meeting with local administration and other bodies are held for making the pilot project and analysis of the initiatives for knowing the impact. The CSR team does base line survey and where feasible also takes feedback from the beneficiaries for the CSR initiatives taken.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

The complete details of Company's contribution towards the community development has been specified under the Annexure pertaining to CSR details as annexed in the Board Report.

- 5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

The CSR Committee of the Company does all required assessment for analysing the key areas for undertaking CSR initiatives and their impact thereto. A programme or project is developed and implemented to the stage for creating sense of belongingness and adoption by the community at large. The Community development initiatives are analysed by base line surveys and taking the feedback from the beneficiaries. The Company proactively engage beneficiaries with the project and programme on continuous basis for achieving sustainability of the project or program. Require necessary support is also provided to the project or program after the development which will be beneficial for the community.

**Principle 9**

- 2. What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

The Company promptly resolves the customers' complaint as and when received within stipulated time frame.

- 3. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)**

The information which are statutorily required are displayed.

- 4. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

No

- 5. Did your company carry out any consumer survey/ consumer satisfaction trends?**

The Company regularly engages with consumers to get their feedback on the product and always ensure necessary actions to increase their satisfaction level. The Company has quality service team for redressing the customer's concerns pertaining to the Company's product. Customer concerns are being taken for immediate redressals for achieving the customer's satisfaction.

# ANNEXURE-4 TO DIRECTORS' REPORT

## CORPORATE GOVERNANCE REPORT

### Report on Corporate Governance

In compliance with Regulation 34 (3) and Para C of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (hereinafter referred to as 'Listing Regulations'), the Company is pleased to present this Report on Corporate Governance of the Company for financial year ended March 31, 2021.

#### (1) Company's Philosophy on Corporate Governance

The Company believes in ensuring fairness, transparency, professionalism, accountability and propriety in its functioning. Your Company is committed to highest standards of Corporate Governance and disclosure practices to ensure that its affairs are managed in the best interest of all stakeholders.

#### (2) Board of Directors

The Board of Directors of the Company consists of optimum combination of executive and non-executive directors including one Woman Independent Director. As on March 31, 2021, the total strength of the Board is 8 directors, the composition of the Board and category of Directors are provided herein below. During the year Mr. Jainendar Kumar Jain (DIN: 00066452), Non- Executive Independent Director of the Company, has ceased from the directorship of the Company due to his untimely and sad demise.

##### (a) Composition and category of directors

The Composition of Board of Directors as on March 31, 2021 is as follows

S. No.	Name of the Directors	Designation	Relationship between directors inter-se
1	Mr. Bhupinder Singh Jauhar	Chairman	Mr. B.S. Jauhar, Mr. R.S. Jauhar and Mr. P.S. Jauhar are related to each other.
2	Mr. Randeep Singh Jauhar	Vice Chairman & Executive Director	
3	Mr. Pradeep Singh Jauhar	Managing Director & CEO	
4	Mr. Surinder Pal Singh Kohli	Executive Director	--
5	Mr. Uma Kant Singhal	Independent Director	--
6	Mr. Shashi Bhushan Bansal	Independent Director	--
7	Mr. Rakesh Kalra	Independent Director	--
8	Ms. Taru Bahl	Independent Director	--

##### (b) Attendance of each director at the meeting of the board of directors and the last annual general meeting;

During the year under review, 5 meetings of the Board of Directors were held on April 01, 2020, June 10, 2020, August 06, 2020, November 05, 2020 and February 05, 2021 respectively. The attendance of the directors at the Board Meetings and last annual general meeting (AGM) was as follows:

S. No.	Name of the Directors	No. of Board Meetings attended during the year	Presence at last AGM
1	Mr. Bhupinder Singh Jauhar	1 out of 5	Yes
2	Mr. Randeep Singh Jauhar	5 out of 5	Yes
3	Mr. Pradeep Singh Jauhar	5 out of 5	Yes
4	Mr. Surinder Pal Singh Kohli	5 out of 5	Yes
5	Mr. Jainendar Kumar Jain*	3 out of 3 (upto September 24, 2020)	NA*
6	Mr. Uma Kant Singhal	5 out of 5	Yes
7	Mr. Shashi Bhushan Bansal	5 out of 5	Yes
8	Mr. Rakesh Kalra	5 out of 5	Yes
9	Ms. Taru Bahl	5 out of 5	Yes

\* Mr. Jainendar Kumar Jain (DIN: 00066452), Non- Executive Independent Director of the Company, has ceased from the directorship of the Company due to his untimely and sad demise on September 24, 2020.

**Separate Meeting of Independent Directors**

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and Regulation 25 of SEBI (LODR) Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on March 25, 2021.

**(c) Number of other board of directors or committees in which a directors is a member or chairperson**

S. No.	Name of the Directors	No. of Directorship in other Public Companies#	Name of the Other Company in which Directorship held (Category of Director)	No. of Committees Positions held in other Companies	Name of the Other Company in which Committee Position held
1	Mr. Bhupinder Singh Jauhar	-	-	-	-
2	Mr. Randeep Singh Jauhar	2	Map Auto Limited (Non-Executive Director)  AIS Distribution Services Limited (Non-Executive Director)	-	-
3	Mr. Pradeep Singh Jauhar	1	Map Auto Limited (Non-Executive Director)	-	-
4	Mr. Surinder Pal Singh Kohli	-	-	-	-
5	Mr. Uma Kant Singhal	1	Jai Automotive Components Ltd (Non- Executive Director)	-	-
6	Mr. Shashi Bansal	1	Jai Automotive Components Ltd (Non- Executive Director)	-	-
7	Mr. Rakesh Kalra	4	*Kriti Nutrients Ltd (Independent Director)  *Kriti Industries (I) Ltd (Independent Director)  *Automotive Axle Ltd (Independent Director)  Minda Stoneridge Instruments Ltd (Non-Executive Director)	5	Kriti Nutrients Ltd- Member of Audit Committee;  Kriti Industries (I) Ltd- Member of Audit Committee;  Automotive Axle Ltd- Member of Audit Committee and Stakeholders Relationship Committee;  Minda Stoneridge Instruments Ltd - Member of Audit Committee
8	Ms. Taru Bahl	-	-	-	-

Note: Only Audit Committee and Stakeholders' Relationship Committee of Public Limited companies are considered for the purpose of reckoning committee positions.

\* Listed Company

# Only Directorship held in Indian Public Limited Company has been included.

**(d) Disclosure of relationships between directors inter-se**

Mr. B. S. Jauhar, Mr. R. S. Jauhar and Mr. P. S. Jauhar are related to each other. Mr. B. S. Jauhar is the father of Mr. R. S. Jauhar and Mr. P. S. Jauhar.



**(e) Number of shares and convertible instruments held by non- executive directors**

S. No.	Name of Non-Executive Directors	No. of Shares/ Convertible Instruments held
1	Mr. Bhupinder Singh Jauhar	7,103,240 Equity Shares
2	Mr. U. K. Singhal	Nil
3	Mr. Shashi Bansal	Nil
4	Mr. Rakesh Kalra	1000 Equity Shares
5	Ms. Taru Bahl	Nil

**(f) Web link for details of familiarization programs imparted to independent directors**

The Company during the meetings of the Board or Committee thereof regularly updates, familiarizes the Directors about the Company, its product, business and regulatory updates and changes affecting the Company and its business. The appointment of an Independent Director is formalized by issuing a letter to the Director, which inter alia explains the role, function, duties and responsibilities expected from him/her as a Director of the Company. Details of Familiarization Programme imparted to Independent Directors have been disclosed on the Company's website at [www.jaispring.com](http://www.jaispring.com).

**(g) A chart or a matrix setting out the skills/expertise/competence of the board of directors**

S. No.	Name of the Directors	Competencies					
		Industry Experience and Knowledge	Financial Literacy	Legal/ Advocacy/ Regulatory	Strategic Planning/ Strategic Development	Strategic Marketing	Risk Management
1	Mr. Bhupinder Singh Jauhar	√			√	√	√
2	Mr. Pradeep Singh Jauhar	√	√		√	√	√
3	Mr. Randeep Singh Jauhar	√	√		√	√	√
4	Mr. SPS Kohli	√			√	√	√
5	Mr. U. K. Singhal		√	√	√		√
6	Mr. Shashi Bansal		√		√		√
7	Mr. Rakesh Kalra	√	√		√		√
8	Ms. Taru Bahl		√		√	√	

**(h) Independent Directors confirmation by the Board**

Mr. Rakesh Kalra, Mr. U. K. Singhal, Mr. Shashi Bansal and Ms. Taru Bahl are the four Independent Directors on the Board of Directors of the Company. All the Independent Directors, fulfil the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations. All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations.

**(i) Audit Committee**

Audit Committee of the Board of Directors comprises 3 directors. All the members of the Audit Committee are Independent Directors. All members of the Committee are financially literate and Mr. Shashi Bansal is the Chairman of the Committee. CFO, representatives of Statutory Auditors and officials of the company are invited to attend the Audit Committee meetings as and when required. The Company Secretary acts as the Secretary to the Committee.

The composition of the Audit Committee is in compliance with the Regulation 18 of Listing Regulations and Section 177 of the Companies Act, 2013. The role and term of reference of the committee covers the matters specified under Regulation 18 and Part C of Schedule II of Listing Regulations read with Section 177 of the Companies Act, 2013.

The details of composition of Audit Committee and the attendance of Committee Members at the Committee Meetings held during the financial year 2020-21 are as follows:

S. No.	Name of the Directors	Meeting date	Whether attended the meeting
1	Mr. Shashi Bansal, Chairman	June 10, 2020	Yes
		August 06, 2020	Yes
		November 05, 2020	Yes
		February 05, 2021	Yes
2	Mr. J. K. Jain, Member * Upto September 24, 2020	June 10, 2020	Yes
		August 06, 2020	Yes
3	Mr. U.K. Singhal, Member	June 10, 2020	Yes
		August 06, 2020	Yes
		November 05, 2020	Yes
		February 05, 2021	Yes
4	Ms. Taru Bahl <sup>§</sup>	June 10, 2020	NA
		August 06, 2020	NA
		November 05, 2020	Yes
		February 05, 2021	Yes

\*Mr. J. K. Jain died on September 24, 2020 and ceased from the membership of committee.

<sup>§</sup> Ms. Taru Bahl was inducted in place of Mr. J. K. Jain in the Committee with effect from September 24, 2020

#### (j) **Nomination and Remuneration Committee**

In accordance with Section 178 of the Companies Act, 2013 and SEBI Listing Regulations, the Company has Nomination and Remuneration Committee comprising of three independent directors for appointment, nomination and remuneration of the Directors, Key Managerial Personnel and Senior Management. The Company identifies the persons who can be appointed as Director, Key Managerial Personnel or Senior Management and recommend to the Board their appointment and remuneration. The Directors of the Company are appointed and their remuneration is decided in compliance with the applicable statutory laws and the policy of appointment, nomination and remuneration of Directors, key managerial personnel and senior management personnel. The policy is available on the website of the Company at [www.jaispring.com](http://www.jaispring.com) and also forms part of the Board's Report.

The role of the Nomination and Remuneration Committee of the Company includes as under:

- Identifying persons who are qualified to become directors and who may be appointed or re-appointed as Key Managerial Personnel and senior management in accordance with the criteria laid down, and recommend to the Board their appointment, re-appointment, removal and their remuneration;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and senior management.

The following is the composition of the Nomination and Remuneration Committee and the attendance of Committee Members at the respective Committee meetings held during the financial year 2020-21:

Sl. No.	Director	Meeting date	Whether Meeting attended or not
1	Mr. Shashi Bansal, Chairman	June 10, 2020	Yes
		February 05, 2021	Yes
2	Mr. J. K. Jain, Member* Upto September 24, 2020	June 10, 2020	Yes
3	Mr. U.K. Singhal, Member	June 10, 2020	Yes
		February 05, 2021	Yes
4	Ms. Taru Bahl, Member <sup>§</sup>	June 10, 2020	NA
		February 05, 2021	Yes

\*Mr. J. K. Jain died on September 24, 2020 and ceased from the membership of committee.

<sup>§</sup> Ms. Taru Bahl was inducted in place of Mr. J. K. Jain in the Committee w.e.f. September 24, 2020

Pursuant to the provisions of Companies Act, 2013 and SEBI Listing Regulations, 2015, the Board of Directors annually carry out the performance evaluation of Independent Directors. The criteria for evaluation broadly includes but not limited to the following:

1. Attendance and participations in the meetings
2. Effectiveness in decision making
3. Rendering independent, unbiased opinion
4. Communicating in open and constructive manner
5. Leadership initiative and ethical conduct
6. Professional skills, problem solving and decision-making
7. Ability for providing strategic direction
8. Proper discharge of responsibility

#### Compensation Committee:

The Board of Directors have Constituted Compensation Committee for the purpose of administering ESOP schemes and allotment of shares upon exercise of the stock options. The Committee consists of four directors as members to the committee.

The composition and the attendance details of the members of the Compensation Committee for the financial year 2020-21 are as follows:

Sl. No.	Director	Meeting date	Whether Meeting attended or not
1	Mr. U. K. Singhal, Chairman	December 26, 2020	Yes
2	Mr. Shashi Bansal, Member	December 26, 2020	Yes
3	Mr. R. S. Jauhar, Member	December 26, 2020	Yes
4	Ms. Taru Bahl, Member	December 26, 2020	Yes

#### Borrowing Investment and Administrative Committee:

The Board of Directors has constituted Borrowing, Investment & Administrative Committee to expedite the decision making process in the matter of routine nature. The following is the details of composition of the Borrowing Investment and Administrative Committee and the attendance of Committee Members in the Committee meetings held during the year financial year 2020-21:

Sl. No.	Director	Dates of meeting	Whether attended the meeting
1.	Mr. U. K. Singhal, Chairman	June 10, 2020	Yes
		September 12, 2020	Yes
		February 27, 2021	Yes
2.	Mr. R. S. Jauhar, Member	June 10, 2020	Yes
		September 12, 2020	Yes
		February 27, 2021	No
3.	Mr. SPS Kohli, Member	June 10, 2020	Yes
		September 12, 2020	Yes
		February 27, 2021	Yes

#### Corporate Social Responsibility Committee:

The Board of Directors of the Company has constituted the Corporate Social Responsibility Committee pursuant to provisions of Section 135 of the Companies Act, 2013. The Committee consists of three Directors. Mr. Shashi Bansal, Independent Director is the Chairman of the Committee. The Committee monitors the functioning and implementation of CSR Policy and amount of expenditure to be incurred on CSR activities. The CSR policy of the Company is available at website of the Company at [www.jaispring.com](http://www.jaispring.com).

The details of composition of Committee and attendance of the members at Committee meetings held during the financial year 2020-21 are as follows:

Sl. No.	Director	Meeting date	Whether Meeting attended or not
1.	Mr. Shashi Bansal, Chairman	August 06, 2020	Yes
2.	Mr. R. S. Jauhar, Member	August 06, 2020	Yes
3.	Mr. S. P. S. Kohli, Member	August 06, 2020	Yes

#### (k) Remuneration of Directors

The details of remuneration paid to Executive Directors during the financial year ended March 31, 2021 are as follows. The remuneration paid is within the ceiling prescribed under the applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations.

Particulars	Mr. R. S. Jauhar (Amount in ₹)	Mr. P. S. Jauhar (Amount in ₹)	Mr. S. P. S. Kohli (Amount in ₹)
Salary	17,160,000	17,160,000	2,136,000
Allowances	6,913,891	5,978,676	1,263,700
Perquisite	159,600	159,600	457,805
PF Contribution	2,059,200	2,059,200	0
Commission	0	0	0
Stock Options	0	0	0
<b>Total Remuneration Paid</b>	<b>26,292,691</b>	<b>25,357,476</b>	<b>3,857,505</b>

Commission is paid to Mr. R. S. Jauhar and Mr. P. S. Jauhar with the approval of the Board of Directors on recommendation of Nomination and Remuneration Committee subject to ceiling prescribed under the applicable provision of Companies Act, 2013 and SEBI Listing Regulations. Mr. S.P.S. Kohli is also entitled to a performance incentive upto ₹12 lakh in each financial year on the recommendation of Nomination and Remuneration Committee.

The Company has no pecuniary relationship or transactions with its Non-Executive Directors which may affect the independence of the Directors other than payment of sitting fee to them for attending the meetings of the Board and Committee thereof. The Company has not granted any stock option to its Directors. Non-Executive Directors are paid sitting fees of ₹30,000 for attending meetings of the Board and Board Committees.

The details of sitting fees paid to Non-Executive directors during FY 2020-21 are as follows:

Name of Director	(Amount in ₹)
Mr. J. K. Jain	1,80,000
Mr. U. K. Singhal	4,80,000
Mr. Shashi Bansal	4,20,000
Mr. Rakesh Kalra	1,80,000
Ms. Taru Bahl	3,00,000

#### (l) Stakeholders' Relationship Committee

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and SEBI Listing Regulations, the Board of Directors of the Company has constituted a Stakeholders' Relationship Committee. The Committee oversees the matters pertaining to Shareholders' and Investors' complaints / grievances concerning non-receipt of dividends, non-receipt of Annual Reports, transfers, transmissions, consolidation, splitting and issue of share certificates, in exchange of sub-divided / consolidated and any other related matters. The Committee also oversees the performance of Registrar and Transfer Agent and has powers to recommend measures for overall improvement in the quality of services being provided to the Shareholders/ Investors.

The Stakeholders' Relationship Committee of the Company consists of three directors. The following is the composition of the Committee and the attendance of members at the Stakeholders' Relationship Committee meetings held during the financial year 2020-21:

Sl. No.	Director	Meeting date	Whether Meeting attended or not
1.	Mr. U. K. Singhal, Chairman	February 27, 2021	No
2.	Mr. R. S. Jauhar, Member	February 27, 2021	Yes
3.	Mr. S. P. S. Kohli, Member	February 27, 2021	Yes

- (a) Name of non-executive director heading the committee: Mr. Uma Kant Singhal, Independent Director
- (b) Name and designation of compliance officer : Mr. Praveen Lakhera, Company Secretary & Head-Legal
- (c) Investors complaints\requests received and redressed during the financial year 2020-21 are as follow:

Complaints pending at the beginning of the year	Complaints received during the year	Complaints resolved during the year	Complaints pending at the closing of the year
1	4	5	0

#### (m) Risk Management Committee

Pursuant to the requirement of Regulation 21 of SEBI Listing Regulations, the Board of Directors of the Company has constituted a Risk Management Committee. The term of reference of Committee is as follows:

##### Role:

- Formalize risk management policy of the Company.
- Lay down procedure and process to identify, evaluate, mitigate, manage and control the risks associated with the activities of the Company.
- Identify, evaluate significant risk of the Company and suggest measures to mitigate manage and control such exposures in timely manner.
- Review the adequacy and effectiveness of the risk management system.

**Powers of Committee:** The Committee has following powers:

- To seek information from any employee and secure his attendance.
- To obtain outside legal or other professional advice.

The Risk Management Committee consists of four members with three of them being members of the Board of Directors, including two Independent Directors. The following is the composition of Committee and the attendance of members at the Committee meetings held during the financial year 2020-21.

Sl. No.	Director	Meeting date	Whether Meeting attended or not
1	Mr. U. K. Singhal, Chairman	March 30, 2021	No
2	Mr. Shashi Bansal, Member	March 30, 2021	No
3	Mr. P.S. Jauhar, Member	March 30, 2021	Yes
4	Mr. Bhupesh Mehta	March 30, 2021	Yes

**(n) General Body Meetings**

The details of Annual General Meetings / Extraordinary General Meeting held in the last three years are as follows:

Venue	Financial Year	Date & Time	Type of Meeting	No. of Special Resolution Passed
Registered Office	2017-2018	September 29, 2018 at 09:30 A.M.	AGM	4
Registered Office	2018-2019	July 30, 2019 at 09:30 A.M.	AGM	5
Held through Video Conferencing/ Other Audio Visual Means ("VC/ OAVM")	2019-2020	September 29, 2020 at 3:30 P.M.	AGM	2

Neither any special resolution was passed by the shareholders of the company through postal ballot during the year ended March 31, 2021 nor any special resolution is proposed to be conducted through postal ballot.

The Company had provided e-voting facilities to members to cast their vote at the annual general meeting held on September 29, 2020.

**(o) Means of Communication**

The quarterly / half yearly / annual results are submitted to the Stock Exchange(s) in accordance with SEBI Listing Regulations. Further, the quarterly/half yearly/annual results in the prescribed format, are published within 48 hours in prominent daily newspaper, such as The Business standard and Jansatta (Hindi). All vital information of the Company have been disseminated to Stock Exchanges and simultaneously on the Company's website i.e. at [www.jaispring.com](http://www.jaispring.com) including Company's financial performance, official press releases and presentation to analysts etc. The Quarterly Results, Shareholding Pattern and all other corporate communication to the Stock Exchanges are filed through NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre, for dissemination on their respective websites.

**(p) General Shareholder Information**

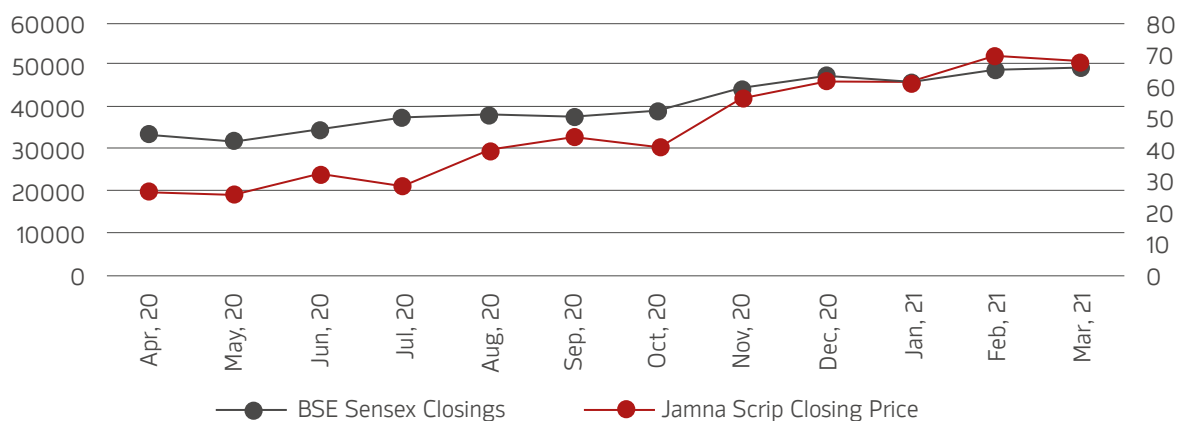
Sl. No	Particulars	Details
1.	Date, Time and Venue of the 55th Annual General Meeting	Wednesday, September 22, 2021 at 2:30 P.M. through Video Conferencing (VC) / Other Audio Visual Means (OAVM)
2.	Financial Calendar	April 01, 2020 to March 31, 2021
3.	Book Closure Dates	September 16, 2021 to September 22, 2021 (both days inclusive)
4.	Dividend Payment Date	During the year under review, the Board has declared the interim dividends of Re. 0.25 per equity share on February 05, 2021.  The Final Dividend for the financial year ended March 31, 2021, if declared, at the ensuing Annual General Meeting shall be paid in accordance with the provisions of Companies Act, 2013.
5.	Listing on Stock Exchanges	
(a)	Equity Shares	Stock Code/Symbol
	The Bombay Stock Exchange Ltd, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001. Website- <a href="http://www.bseindia.com">www.bseindia.com</a>	'520051'
	The National Stock Exchange of India Ltd. Exchange Plaza, 5 Floor, Plot No.C/1, "G Block" Bandra Kurla Complex, Bandra (E), Mumbai - 400051. Website- <a href="http://www.nseindia.com">www.nseindia.com</a>	'JAMNAAUTO'
(b)	GDRs	NOT APPLICABLE
6.	ISIN Code for the Company's Equity Shares	INE039C01032
7.	Corporate Identification Number (CIN)	L35911HR1965PLC004485

8.	Listing Fees	The Company has paid the listing fees for financial year 2021-22 to The Bombay Stock Exchange Limited (BSE) and to The National Stock Exchange of India Ltd (NSE), where the Shares of the Company are Listed.
9.	Share Transfer Agents/ Registrar to an issue	Skyline Financial Services (P) Limited D-153 A, First Floor, Okhla Industrial Area, Phase-I, New Delhi-110020 Ph: 011-40450193-197 Fax No. 011-26812682 Email:grievances@skylinerta.com; parveen@skylinerta.com
10.	Investor queries/request for transfer, transmission, issue of duplicate certificates, etc to be sent	Skyline Financial Services (P) Limited D-153 A, First Floor, Okhla Industrial Area, Phase-I, New Delhi-110020 Ph: 011-40450193-197 Fax No. 011-26812682 Email:grievances@skylinerta.com; parveen@skylinerta.com

#### Market Price Data

Particulars Months for the Financial Year 2020-2021	BSE		NSE	
	High (₹/share)	Low (₹/share)	High (₹/share)	Low (₹/share)
April' 2020	28.90	22.30	28.95	22.15
May' 2020	27.15	22.70	27.25	22.70
June' 2020	34.90	25.60	35.00	25.55
July' 2020	34.40	28.20	34.40	28.05
August' 2020	46.00	28.15	45.95	28.05
September' 2020	52.10	39.00	52.15	39.00
October' 2020	45.95	39.75	46.00	39.80
November' 2020	61.90	40.55	62.00	40.50
December' 2020	63.00	50.05	63.00	50.00
January' 2021	68.10	58.35	68.20	58.45
February' 2021	73.90	60.80	73.90	60.65
March' 2021	76.50	61.25	76.50	61.85

#### Share Price Performance Comparison with BSE Sensex



#### Dematerialization of Shares

The Company has provided the facility for holding its shares in dematerialize form with National Securities Depository Limited (NSDL) as well as Central Depository Services (India) Limited (CDSL) under ISIN No. INE039C01032. Total 39,22,05,645 equity shares representing 98.43% of equity share capital corresponding to 39,84,63,885 equity shares are held in dematerialized form as of March 31, 2021.

### Share Transfer System

All shareholders communications regarding share certificates, change of address, dividends, etc; are addressed to Registrar and Transfer Agent. The Company obtains from a Company Secretary in practice half yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the Listing Regulations, and files a copy of the same with the Stock Exchanges. Pursuant to SEBI notification transfer of shares is allowed only in dematerialized form except in case of transmission or transposition of shares. The transfer of shares held in dematerialized form is dealt by the depository participants without any involvement of the Company.

### Distribution of Shareholding as on March 31, 2021

Nominal Value of Each Share: ₹1				
Share or Debenture holding Nominal Value (₹)	Number of Shareholders	% to Total Numbers	Share or Debenture holding Amount (₹)	% to Total Amount
Up To 5,000	1,07,212	97.97	4,41,57,278	11.08
5,001 To 10,000	1,190	1.09	87,71,453	2.20
10,001 To 20,000	495	0.45	71,19,103	1.79
20,001 To 30,000	166	0.15	41,73,360	1.05
30,001 To 40,000	87	0.08	30,67,727	0.77
40,001 To 50,000	53	0.05	24,78,037	0.62
50,001 To 1,00,000	88	0.08	64,75,220	1.63
1,00,000 and Above	145	0.13	32,22,21,707	80.86
<b>Total</b>	<b>1,09,436</b>	<b>100.00</b>	<b>39,84,63,885</b>	<b>100.00</b>

### Shareholding Pattern as on March 31, 2021

Category	No. of Equity Shares of face Value of ₹1 each	% age
Promoters	19,92,35,434	50.00
Mutual Funds/UTI	3,45,47,611	8.68
Alternate Investment Funds	2,30,073	0.06
Foreign Portfolio Investor	2,68,68,808	6.74
Financial Institutions/Banks	47,672	0.01
Insurance Company	90,012	0.02
Individuals	11,80,21,961	29.62
NBFC	41,000	0.01
Bodies Corporate	78,57,592	1.97
NRIs/Foreign Nationals/OCBs	34,49,035	0.87
Resident Indian HUF	30,07,783	0.75
Trusts	2,493	0.00
Clearing Members/House	5,62,849	0.14
IEPF	45,01,062	1.13
Others	500	0.00
<b>Total</b>	<b>39,84,63,885</b>	<b>100.00</b>

### Outstanding GDRs or any other Convertible Instruments

The Company has not issued any GDR or any other convertible instruments during the year or in past which were outstanding at year end.

### Credit Ratings

The Company has received the credit rating from ICRA Limited ("ICRA"). At present the Company's long term credit rating is [ICRA] AA- (pronounced ICRA double A minus) and the short-term rating at [ICRA] A1+ (pronounced ICRA A one plus). ICRA has also re-affirmed credit rating of [ICRA] A1+ (pronounced as ICRA A one plus) of Commercial Paper (CP) of the Company. The Outlook on Long Term Rating is stable.



**Unclaimed/Unpaid Dividend**

Pursuant to the provision of Section 124 of the Companies Act, 2013, Dividends remaining unclaimed/unpaid for a period of 7 years from the date of transfer to the Company's unpaid account are to be transferred to the Investor Education and Protection Fund (IEP Fund). Following are the dates of dividends declared and the corresponding dates when unclaimed dividends are due for transfer to Investor Education and Protection Fund.

Financial Year	Date of Declaration of Dividend	Due Date for transfer to Investor Education and Protection Fund
2013-14 (Final Dividend)	September 03, 2014	October 4, 2021
2014-15 (Final Dividend)	September 29, 2015	October 30, 2022
2015-16 (Final Dividend)	August 12, 2016	September 12, 2023
2016-17 (Interim Dividend)	November 09, 2016	December 10, 2023
2016-17 (Final Dividend)	August 01, 2017	September 1, 2024
2017-18 (Interim Dividend)	November 11, 2017	December 12, 2024
2017-18 (Final Dividend)	September 29, 2018	October 30, 2025
2018-19 (Interim Dividend)	November 12, 2018	December 13, 2025
2018-19 (Final Dividend)	July 30, 2019	August 30, 2026
2019-20 (First Interim Dividend)	November 14, 2019	December 15, 2026
2019-20 (Second Interim Dividend)	March 5, 2020	April 5, 2027
2020-21 (Interim Dividend)	February 05, 2021	March 5, 2028

During the year following dividend along with equity shares on which dividend has not been claimed for seven consecutive years was transferred to Investor Education and Protection Fund:

Financial Year	No. of equity shares transferred
2012-13 (Final Dividend)	3,21,142

The Company has uploaded the details of unpaid and unclaimed dividends lying with the Company for subsequent years on the web site of the Company at [www.jaispring.com](http://www.jaispring.com).

Detailed list of shareholders whose shares has been transferred to IEPF has been uploaded on the website of the Company at [www.jaispring.com](http://www.jaispring.com).

**(q) Other Disclosures****(a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large**

There were no significant related party transactions that may have potential conflict with the interest of the Company at large.

**(b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years**

During the FY 2020-21, there were no instances of non-compliance or any penalties or strictures been imposed by Stock Exchange or SEBI or any other statutory authority on any matter related to the capital markets. In FY 2019-20, the stock exchanges i.e. BSE Ltd and National Stock Exchange of India Ltd had imposed penalty on the Company for non-compliance of regulation 17(1) and regulation 34 of the SEBI Listing Regulations. Though, penalty imposed for regulation 34 was waived off by the exchanges based upon submission made by Company.

**(c) Whistle Blower Policy (Vigil Mechanism)**

The Company has adopted a "Whistle Blower Policy". The policy provides safeguard to employees/Directors who report instances of unethical behavior, actual or suspected fraud or violation of any of Company's policy. The policy provides direct access to concerned employee/Director to the chairperson of the Audit Committee to report any such incidents. The policy is available at web site of the Company at [www.jaispring.com](http://www.jaispring.com). No instance of unethical behavior or suspected fraud or violation of the policy was reported during the year.

**(d) Dividend Distribution Policy**

The Company has Dividend Distribution Policy in place which has been displayed on the Company's website [www.jaispring.com](http://www.jaispring.com).

**(e) Material Subsidiary**

The Company has two wholly owned subsidiary companies as on March 31, 2021 namely, Jai Suspensions Limited and Jai Automotive Components Limited. Both subsidiary companies are not covered under the definition of material subsidiary as prescribed under SEBI Listing regulations. The Company has formulated the policy for determining material subsidiaries and hosted on its website at [www.jaispring.com](http://www.jaispring.com)

**(f) Disclosure of Related Party Transactions**

The Company has formulated a Policy on related party transactions and dealing with related party transactions, in accordance with relevant provisions of Companies Act, 2013 and SEBI Listing Regulations. The policy has been hosted on the website of the Company at [www.jaispring.com](http://www.jaispring.com). All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company did not enter into any contract / arrangement / transaction with related parties, which could be considered material in accordance with the policy of the Company on related party transactions.

**(g) Commodity Price Risk, Foreign Exchange Risk and Hedging Activities**

The Company is a major user of commodities and exposes to price risk on account of procurement of commodities. The Company is also exposed to foreign currency risk on account of adverse currency movements. The Company is managing the uncertainty and volatility of foreign exchange fluctuation by hedging the risk wherever necessary. The details of foreign currency and commodity exposure are disclosed in Note to the Standalone Financial Statements. The disclosure related to Commodity Risk and Hedging activities as required under SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/000000141 dated November 15, 2018 is as follows:

**1. Total exposure of the Company to commodities: ₹658.04 crore**

**2. Exposure of the Company to various Commodities:**

Commodity Name	Exposure in INR in crore towards the particular in Financial Year	Exposure in Quantity terms towards a particular commodity	% of such exposure hedged through commodity derivatives				
			Domestic Market		International Market		Total
			OTC	Exchange	OTC	Exchange	
Raw Material (steel and components)	658.04	Note 1	-	-	-	-	-

Notes:

1. Commodities are mixture of commodities having different Unit of measurements
2. Above values are estimates
3. Exposure given above is relating to direct materials only

**3. Commodity risks faced by the Company during the year and measures adopted to combat the same:**

The Company is affected by the price volatility of certain commodities majorly steel which is the main raw material. At present, the Company does not hedge its raw material procurements, as the raw material prices are managed through periodic settlement with customers.

**(h) Details of utilization of funds raised through preferential allotment or qualified institutions placement**

The Company has not raised any funds through preferential allotment or qualified institutions placement during the year under review.

**(i) Certifications**

The following certificates are enclosed herewith with Report

- Certificate from a company secretary in practice that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.
- Compliance Certificate with respect to Code of Conduct by Board of Directors and Senior Management and Compliances pertaining to Insider Trading.
- Compliance Certificate by the Chief Executive Officer and Chief Financial Officer.
- Certification from Statutory Auditors for compliance with Corporate Governance norms.

**(j) The Company has obtained the recommendations from the respective committees wherever statutorily required for the matter concerned in terms of their term of reference and scope.****(k) Fees paid to Statutory Auditor**

Particulars	(₹ In Crores)	
	Parent Company	Other Group Companies
Fee of Statutory auditor	0.45	0.08
Fee of affiliated firms of Statutory auditor	0.06	0.01
<b>Total</b>	<b>0.51</b>	<b>0.09</b>

**(l) Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

There was no complaint received under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 during the year under review.

**(m) Discretionary Requirements under the Listing Regulations 2015**

All Mandatory requirements of SEBI Listing Regulations have been complied by the Company. Towards the non-mandatory requirements, the Company has taken following steps:

**The Board:** The Company does not reimburse expenses incurred by the Non-Executive Chairman for maintenance of a separate Chairman's office. The appointment of Independent Directors are in compliance with the requirements of the Companies Act, 2013 and SEBI Listing Regulations.

**Shareholder Rights:** The Company does not send the half-yearly declaration of financial performance including summary of the significant events in the last six months, to each household of shareholders. However Company communicates all the significant events including financial results through the methods as disclosed in heading "Means of Communication".

**Audit qualifications:** Company's financial statements are unqualified.

**Reporting of Internal Auditor:** The Company has implemented this discretionary requirement, the Internal Auditor of the Company directly reports to the Audit Committee.

**Registered Office**

Jai Springs Road, Industrial Area, Yamuna Nagar – 135001, Haryana.

**Plants location:**

1. Jai Springs Road, Industrial Area, Yamuna Nagar – 135001, Haryana.
2. U-27-29, Industrial Area, Malanpur, District Bhind– 477116, M.P.
3. Plot no. 22-25, Sengundram Village, Maraimalainagar Industrial Complex, Singaperumal Koil Post, District-Chengalpattu 603204, Tamil Nadu.

4. 262 - 263, Village Karnidih, Chandil, District Saraikella, Kharswan - 832401, Jharkhand.
5. Thally Road, Kalugondapalli Post, Hosur-635114, District Krishnagiri, Tamil Nadu.
6. T-139, MIDC, Bhosari, Pimpri, Chinchwad, Haveli, Pune, Maharashtra-411026.
7. 17-19, SIPCOT Pillaipakkam Industrial Park, Navalur Village, Sriperumpudur, District Kanchipuram, Tamil Nadu.

**Corporate Office**

2, Park Lane, Kishangarh, Vasant Kunj, New Delhi-110070.

**Compliance Officer and Contact Address:**

Mr. Praveen Lakhera  
Company Secretary & Head Legal  
Jamna Auto Industries Limited  
2, Park Lane, Kishangarh, Vasant Kunj, New Delhi-110 070  
Tel.: 011-26893331  
E-mail: praveen@jaispring.com

**Management Responsibility Statement**

The Management confirms that the financial statements are in full conformity with the requirements of the Companies Act, 2013 (Act) read with relevant rules of the Act and the Accounting Standards issued by the Institute of Chartered Accountants of India. The management accepts responsibility for the integrity and objectivity of these financial statements. The management believes that the financial statements reflect fairly the Company's financial position and the results of the operations. The Company has a system of Internal Control, which is reviewed and updated on the regular basis. The Financial Statements have been audited by S.R. Batliboi & Co. LLP, Chartered Accountants and have been reviewed by the Audit Committee.

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members

**JAMNA AUTO INDUSTRIES LIMITED**

JAI SPRING ROAD INDUSTRIAL AREA

YAMUNA NAGAR HARYANA 135001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of JAMNA AUTO INDUSTRIES LIMITED having CIN: L35911HR1965PLC004485 and having registered office at Jai Spring Road Industrial Area, Yamuna Nagar, Haryana 135001 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verification (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company, Our responsibility is to express an opinion on these based on our verification, This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For RSM & Co.**

Company Secretaries

Date: May 31, 2021

Place: Delhi

CS RAVI SHARMA

Partner

FCS: 4468 | COP No.: 3666

UDIN F004468C000414119

### **Declaration on Compliance with the Code of Conduct**

This is to confirm and declare that, to the best of my information, all the Board Members and Senior Management Personnel of the Company have affirmed their compliance and undertaken to continue to comply with the Code of Conduct laid down by the Board of Directors of the Company.

**For Jamna Auto Industries Limited**

Place: New Delhi  
Date: May 31, 2021

**Pradeep Singh Jauhar**  
Managing Director & CEO

### **COMPLIANCE CERTIFICATE**

(Pursuant to the provisions of Regulation 33(2) (a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

The Board of Directors  
Jamna Auto Industries Ltd.

Dear Sirs,

We have reviewed the Audited Financial Results of Jamna Auto Industries Limited for the quarter and year ended March 31, 2021 and that to the best of our knowledge and belief, we state that;

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the quarter and year ended March 31, 2021 which are fraudulent, illegal or violate the Company's code of conduct.
4. We accept responsibilities for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, those deficiencies, of which we are aware, in design or operation of the internal control systems that we have taken the required steps to rectify these deficiencies.

We further certify that the following information have been indicated to the Auditors and the Audit committee:

- a. There have been no significant changes in internal control over financial reporting during the period under review;
- b. There have been no significant changes in accounting policies during the period under review; and
- c. There have been no instances of significant fraud of which we have become aware and the involvement therein, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Yours Sincerely**

Place: New Delhi  
Date: May 31, 2021

**Pradeep Singh Jauhar**  
Managing Director & CEO

**Shakti Goyal**  
CFO

## Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

### The Members of Jamna Auto Industries Limited

2, Park Lane, Kishangarh, Vasant Kunj, Delhi 110070

1. The Corporate Governance Report prepared by Jamna Auto Industries Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) of sub – regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2021 as required by the Company for annual submission to the Stock exchange.

### Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

### Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include:
  - i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;
  - ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;
  - iii. Obtained and read the Register of Directors as on March 31,2021 and verified that atleast one independent woman director was on the Board of Directors throughout the year;
  - iv. Obtained and read the minutes of the following committee meetings / other meetings held April 01,2020 to March 31,2021:
    - (a) Board of Directors;
    - (b) Audit Committee;
    - (c) Annual General Meeting (AGM);
    - (d) Nomination and Remuneration Committee;
    - (e) Stakeholders Relationship Committee;
    - (f) Risk Management Committee
    - (g) Corporate social Responsibility (CSR) Committee
    - (h) Borrowing Investment and Administration Committee
    - (i) Compensation Committee
  - v. Obtained necessary declarations from the directors of the Company.
  - vi. Obtained and read the policy adopted by the Company for related party transactions.

- vii. Obtained the schedule of related party transactions during the year and balances at the year- end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved prior by the audit committee.
  - viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.
8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

### **Opinion**

9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2021, referred to in paragraph 4 above.

### **Other matters and Restriction on Use**

10. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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

Chartered Accountants

**ICAI Firm Registration Number: (301003E/E300005)**

Place of Signature: Faridabad

Date: May 31, 2021

**per Amit Gupta**

Partner

Membership Number:

UDIN: 21501396AAAABG4904



## ANNEXURE-5 TO DIRECTORS' REPORT

### PARTICULARS OF EMPLOYEES

**A. The information required under Section 197 of the Companies Act 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided as under:**

Sl. No	Particulars	Details
1	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year 2020-21	a) Mr. R S Jauhar, Vice Chairman & Executive Director <b>69.57</b> b) Mr. P S Jauhar, Managing Director and CEO: <b>69.57</b> c) Mr. SPS Kohli, Executive Director <b>12.48</b>
2	The percentage increase in remuneration of each director, CFO, CEO, CS in the financial year	a) Mr. R S Jauhar, Vice Chairman & Executive Director <b>NIL</b> b) Mr. P S Jauhar, Managing Director and CEO : <b>NIL</b> c) Mr. SPS Kohli, Executive Director: <b>NIL</b> d) Mr. Shakti Goyal, CFO - <b>NIL</b> e) Mr. Praveen Lakhera, CS & Head Legal : <b>NIL</b>
3	The percentage increase in the median remuneration of employees in the financial year 2020-21	<b>NIL</b>
4.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year 2020-21 and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	CTC Salary increment KMP - <b>NIL</b> CTC Salary increment other than KMP- <b>NIL</b>
5.	The member of Permanent employees on the rolls of the Company.	<b>1043</b>
6.	The Key parameters for any variable component of remuneration availed by the directors	Mr. R.S. Jauhar and Mr. P.S. Jauhar are being paid commission on net profits of the Company as variable components of the remuneration. Mr. S.P.S. Kohli is being paid annual performance pay as variable components of the remuneration. The Commission and performance pay are being paid to directors with the approval of the Board of Directors on the recommendation of Nomination and Remuneration Committee. The Company has not paid any commission or annual performance pay to the directors during the FY 2020-21.
7.	Affirmation	The Company hereby affirms that the remuneration of all the directors and KMP is as per the Remuneration Policy of the Company.

# ANNEXURE-6 TO DIRECTORS' REPORT

## Annual Report on CSR Activities

Financial Year 2020-21

### 1. A brief outline of the Company's CSR policy

#### i. Preamble

By induction of Section 135 of Companies Act, 2013, the Government of India has given the statutory strength to the concept of Corporate Social Responsibility. However, JAI being already aware of its Corporate Social Responsibility much before induction of Section 135 was fulfilling the aspiration of society within the near about areas of its work units. This has resulted into a harmonious relationship between JAI and communities near about.

#### ii. Vision

A World having equal opportunities of education and work to all without any discrimination, comprising healthy and happy citizens living in a green environment.

#### iii. Mission

- a.) Ensuring environmental sustainability and ecological balance.
- b.) Improving quality of education and opportunities for economically deprived students especially in rural communities.
- c.) Promoting sports among youths by sponsoring them in Olympic Games and to create a world class facilities and infrastructure for budding sports person.
- d.) Improving quality of life for urban and rural people through ensuring basic facilities, health and hygiene, women empowerment and creating livelihood opportunities in surrounding vicinity.

#### iv. Focus Area

To achieve its mission of CSR Policy, the Company will focus in the following areas:

- (i) Environment Conservation & Sustainability
- (ii) Quality Education
- (iii) Promoting Sports
- (iv) Community Service
- (v) Contribution to Prime Minister Relief Fund and other alike funds

#### v. Operational Procedure

- (i) The Company shall undertake its CSR activities as laid down in Schedule VII of the Companies Act, 2013 in project or program mode in accordance with this Policy and Companies (Corporate Social Responsibility Policy) Rules, 2014.
- (ii) The CSR activities shall be carried out in such area and localities as may be recommended from time to time by the CSR Committee constituted under Section 135 (1) of the Companies Act, 2013, upon suggestion made by the Company, however in its suggestion Company and in its recommendation the CSR Committee shall give preference to the areas in the vicinity of Company's plants, offices and sites.
- (iii) The Company shall prepare the guidelines to carry out the various CSR activities and present it before the CSR Committee for recommendation and all CSR activities shall be carried out by the Company in such manner as may be recommended by the CSR Committee from time to time.
- (iv) The Company may undertake its CSR activities directly or through implementing agency or in collaboration with other companies or organization.

#### vi. Annual Action Plan

- (i) The Company shall prepare an annual action plan of CSR activities consisting amount of expenditure to be incurred on CSR activities for each financial year and present the same to the CSR Committee.
- (ii) The CSR Committee shall review annual action plan and shall recommend the same, with or without modifications/changes, to the Board of Directors for approval.
- (iii) The overall execution and day-to-day administration of CSR activities will be responsibility of CSR team, who shall work under the guidance of CSR Committee to ensure smooth implementation of annual action plan.
- (iv) The CSR Committee may consider to modify/ alter annual action plan based on reasonable justification and recommend the same to Board of Directors for approval.

- (v) Any surplus arises out of the CSR projects or programs or activities shall not form part of the business profit of the Company.
- vii. Control and Monitoring
- (i) From time to time the Company shall prepare an Action Taken Report (ATR) or progress report in respect of projects or activities undertaken and present the same before the CSR committee.
- (ii) The Company shall follow the instructions or suggestions made by the CSR committee after considering the ATR or progress report as the case may be.
- (iii) The CSR Committee shall do all such acts, deeds, matters and things to ensure implementation of this Policy.

## 2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Shashi Bhushan Bansal	Chairperson	1	1
2	Mr. R.S. Jauhar	Member	1	1
3	Mr. S.P.S. Kohli	Member	1	1

3. Web-link for composition of CSR committee, CSR Policy and CSR projects: [www.jaispring.com](http://www.jaispring.com).
4. Details of Impact assessment of CSR projects, if applicable (attach the report): N.A.
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: NIL

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (₹ in lacs)	Amount required to be set-off for the financial year, if any (₹ in lacs)
1	--	--	--
	Total	--	--

6. Average net profit of the company as per section 135(5): ₹149.23 crore
7. (a) Two percent of average net profit of the company as per section 135(5): ₹2.98 crore
- (b) Surplus arising out of the CSR projects or programs or activities of the previous financial years: Nil
- (c) Amount required to be set off for the financial year, if any: Nil
- (d) Total CSR obligation for the financial year (7a+7b-7c): ₹3.25 crore\*
- \* includes unspent amount of ₹27 lakhs for FY 2019-20
8. (a) CSR amount spent or unspent for the financial year: Nil

Total Amount Spent for the Financial Year (₹ in lacs)	Amount Unspent (₹ in lacs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
330.09	--	--	--	--	--

(b) Details of CSR amount spent against ongoing projects for the financial year:

1	1	2	3	4	5		6	7	8	9	10	11					
					Location of the project.							Amount allocated for the project (₹ in lacs)	Amount spent in the current financial year (in ₹ in lacs)	Amount transferred to Unspent CSR A/c for project as per Sec. 135(6) (in ₹ in lacs).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
					State.	District.										Name	CSR Registration number.
1	Environment Conservation & Sustainability	Tree Plantation, water conservation, waste management, No to plastic, awareness generation	(iv)	Yes	All over Company locations		3 yrs	28.00	28.00	0	Yes	HKM	In process				
2	Promotion of Education	Scholarships, support to educational institutions, non formal education	(ii)	Yes	All over Company locations		3 yrs	132.00	132.00	0	Yes	GNKC	In process				
3	Promotion of Sports	Sponsorship, event sponsorship	(vii)	Yes	All over Company locations & Punjab		3 yrs	37.00	37.00	0	Yes	GNKC	In process				
4	Community Service	Basic infrastructure, skill training, social empowerment, healthcare, COVID 19 relief work, women empowerment, food distribution	(i), (iii), (v), (vi), (x)	Yes	All over Company locations		3 yrs	122.00	122.00	0	Yes	GNKC, NIIT, USHA	In process CSR00000621 In Process				
<b>Total</b>								<b>319.00</b>	<b>319.00</b>	<b>0</b>							

(c) Details of CSR amount spent against other than ongoing projects for the financial year: Nil

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
S. N.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (₹ in lacs)	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency	
				State.	District.			Name	CSR Registration number.
1.	--	--	--	--	--	--	--	--	--
	Total	--	--	--	--	--	--	--	--

(d) Amount spent in Administrative Overheads: ₹11.09 lacs

(e) Amount spent on Impact Assessment, if applicable: N.A.

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹330.09 lacs

(g) Excess amount for set off, if any: ₹ 5.09 lacs

Sl. No.	Particular	Amount (₹ in lacs)
(i)	Two percent of average net profit of the company as per section 135(5)	298
(ii)	Total amount spent for the Financial Year	303.09
(iii)	Excess amount spent for the financial year [(ii)-(i)]	5.09
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	5.09

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹ in lacs)	Amount spent in the reporting Financial Year (in ₹ in lacs)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹ in lacs)
				Name of the Fund	Amount (in ₹).	Date of transfer	
1.	2019-20	--	27.00	--	--	--	Nil
	Total	--	27.00	--	--	--	Nil

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹ in lacs)	Amount spent on the project in the reporting Financial Year (in ₹ in lacs)	Cumulative amount spent at the end of reporting Financial Year (in ₹ in lacs)	Status of the project - Completed / Ongoing
1	-	Promotion of Education	2019-20	3 Years	20.00	20.00	132.00	Ongoing
2	-	Promotion of Sports	2019-20	3 Years	2.00	2.00	37.00	Ongoing
3	-	Community Outreach	2019-20	3 Years	5.00	5.00	122.00	Ongoing
<b>Total</b>					<b>27.00</b>	<b>27.00</b>	<b>291.00</b>	

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: Nil

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). N.A.

**P.S. Jauhar**  
Managing Director & CEO

**Shashi Bansal**  
Chairman CSR Committee

## ANNEXURE-7 TO DIRECTORS' REPORT

Disclosure of Particulars with respect to conservation of energy, technology absorption and foreign exchange outgo and earning as required under rule 8 of the Companies (Accounts) Rules, 2014.

### A. CONSERVATION OF ENERGY

#### a) Energy conservation measure taken:

The Company undertakes various initiatives for energy conservation through continuous improvement in operational efficiency, equipment upgradation, modernization etc.

- (i) Your Company is optimizing the production processes to reduce energy cost.
- (ii) Devised energy Management programs and Systems to monitor and keep checks and balances in energy consumption pattern.
- (iii) Furnaces are being reinsulated to avoid heat losses.
- (iv) Taken various measures for efficient heating, ventilating and air conditioning in various offices and plants.
- (v) ETP treated water is being utilized for tree plantation and gardening.
- (vi) Fume extraction system are under installation which will prevent quenching oil drops being released in the air.

#### b) Steps taken for utilizing alternate source of energy:

Your Company is engaged in energy conservation on continuous basis.

#### c) Capital investment on energy conservation equipment:

#### a) Expenditure in R&D

	Year ended 31 March 2021	Year ended 31 March 2020
Recurring	4.67 Crore	3.57 Crore
Capital	0.07 Crore	2.60 Crore

#### b) Foreign exchange earnings and outgo

	Year ended 31 March 2021	Year ended 31 March 2020
Foreign exchange used	5.04 Crore	53.99 Crore
Foreign exchange earner	9.55 Crore	7.01 Crore

### B. TECHNOLOGY ABSORPTION & CONTINUOUS IMPROVEMENT

Efforts made towards technology absorption

Technology imported from NHK Spring Co; Ltd., Japan (NHK) for manufacturing of Tapered Leaf Springs has been fully absorbed.

Technology imported from Ridewell Corporation, USA for Design & Manufacturing of Air Suspension & Lift Axles is fully absorbed.

Technology imported from Tinsley Bridge Limited, UK for extralite spring technology and special steel technology is partially absorbed.

Benefits derived

Technical help from NHK and Ridewell has yielded better improvement in the quality and productivity for the new product range developed for overseas customers.

Your Company is also engaged in various other initiatives related to improvements in the process.

Year of import: Technology imported:

(1985-90 for manufacturing Tapered Leaf Springs)

(2009-2010 for manufacturing Air Suspension and Lift Axles)

(2018-19 for extralite spring technology and special steel technology)

**Has technology been fully absorbed:** Technology imported for Tapered Leaf Springs, Air Suspension and Lift Axles has been fully absorbed. Technology imported for extralite spring technology and special steel technology is partially absorbed.

## ANNEXURE-8 TO DIRECTORS' REPORT

### FORM No. AOC 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

Details of contracts or arrangements or transactions not at Arm's length basis

S. No	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Nil
b)	Nature of contracts/arrangements/transaction	Nil
c)	Duration of the contracts/arrangements /transaction	Nil
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Nil
e)	Justification for entering into such contracts or arrangements or transactions	Nil
f)	Date of approval by the Board	Nil
g)	Amount paid as advances, if any	Nil
h)	Date on which the special resolution was passed in General meeting under first proviso to section 188 of the Act	Nil

#### Details of material contracts or arrangements or transactions at Arm's Length basis:

S. No	Particulars	Details
a)	Name (s) of the related party and nature of relationship	Jai Suspension Systems LLP. The Company is a majority partner in the LLP by holding 99.9985% of total capital.
b)	Nature of contracts /arrangements /transactions	Sale, Purchase, Supply of goods or material or availing, rendering any service from/to LLP and providing guarantee on behalf of LLP.
c)	Duration of the contracts/arrangements / transactions	On continuous billing basis.
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Sale, Purchase, Supply of goods or material or availing, rendering any service from/to LLP and providing guarantee on behalf of LLP.
e)	Date of approval by the Board	June 10, 2020
f)	Amount paid as advances, if any	No



# **Financial Statements**



# Independent Auditor's Report

To the Members of **Jamna Auto Industries Limited**

## Report on the Audit of the Standalone Ind AS Financial Statements

### Opinion

We have audited the accompanying standalone Ind AS financial statements of Jamna Auto Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the

Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

### Emphasis of Matter

We draw attention to Note 48 to the standalone Ind AS 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 results, which is highly dependent on future developments and circumstances as they evolve. Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
<p>(a) <b>Recording of price adjustments and their impact on revenue recognition</b> (as described in <b>Note 47</b> of the standalone Ind AS financial statements)</p> <p>Revenue is measured by the Company at the transaction price i.e. amount of consideration received/ receivable from its customers. In determining the transaction price for the sale of products, the Company considers the effects of various factors such as volume-based discounts, price adjustments to be passed on to the customers based on various parameters like negotiations based on savings on materials/share of business, rebates etc provided to the customers.</p> <p>The Company's business also requires passing on these credits related to price adjustments and others to the customers for the sales made by the Company. The Company, at the year end, has provided for such price adjustments to be passed on to the customers based on agreed terms, negotiations undertaken, commercial considerations and other factors. The estimated liabilities on this account at the year-end is shown under note 19 and note 21 to the financial statements and the same consequentially impacts the revenue appearing in note 24 to the financial statements.</p> <p>We have considered this as a key audit matter on account of the significant judgement and estimate involved in calculation of price adjustments to be recorded as at the year end</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Assessed the Company's accounting policy for revenue recognition including the policy for recording price adjustments in terms of Ind AS 115;</li> <li>• Obtained understanding of the revenue process, and the assumptions used by the management in the process of calculation of price adjustments as per customer contracts, including design and implementation of controls, testing of management review controls and tested the operating effectiveness of these controls;</li> <li>• Evaluated management's methodology and assumptions used in the calculations of price adjustments as per customer contracts;</li> <li>• Tested completeness, arithmetical accuracy and validity of the data used in the computation of price adjustments as per customer contracts;</li> <li>• Tested, on sample basis, credit notes issued and payment made as per customer contracts / agreed price negotiations;</li> <li>• Performed analytical procedures to identify any unusual trends and identify any unusual items for further testing. Compared ratio of these price adjustments as a percentage of sales for both current year and previous year and tested the specific exception, if any.</li> </ul>

### Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the Director's Report, Management Discussion and Analysis and Business Responsibility Report but does not include the financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

### Responsibilities of Management for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation

of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of

accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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

up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2021 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 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 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

- (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) The matter described in Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;
- (f) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- (g) With respect to the adequacy of the internal financial controls with reference to standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (h) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of

the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 36(c) to the standalone Ind AS financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

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per **Amit Gupta**

Partner

Membership Number: 501396

UDIN: 21501396AAAAABF6715

Place of Signature: Faridabad

Date: May 31, 2021

# Annexure 1

## Annexure 1 referred to in paragraph 1 under the heading “Report on other legal and regulatory requirements” of our report of even date

### Re: Jamna Auto Industries Limited

- (i) (a) The Company has maintained proper records showing full, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties amounting to ₹ 527.74 lacs included in fixed assets have been given as security (mortgage and charge) against the financing facility taken from banks and we have been explained that the original title deeds are kept as security with the trustee appointed by bankers. Similarly, title deeds of immovable properties amounting to ₹ 1,740.64 lacs included in fixed assets are kept with Kotak Mahindra Bank and State Bank of India as security (mortgage and charge) against the financing facility provided by it. Therefore, these title deeds could not be made available to us for verification however, the same has been confirmed by the trustee/banks. Accordingly, based on the information and explanation given to us by the management and confirmation received from trustee/banks, we report that the title deeds of immovable properties included in property, plant and equipment/ fixed assets are held in the name of the Company.
- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at March 31, 2021 and no material discrepancies were noticed in respect of such confirmations.
- (iii) (a) The Company has granted loans to one wholly owned subsidiary covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the company's interest.
- (b) The Company has granted loans that are re-payable on demand, to one wholly owned subsidiary in the register maintained under section 189 of the Companies Act, 2013. We are informed that the company has not demanded repayment of any such loan during the year, and thus, there has been no default on the part of the parties to whom the money has been lent. The payment of interest has been regular.
- (c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.
- (v) The Company has not accepted any deposits from the public.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of spring leaves and lift axle, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dispute	Forum where dispute is pending	Amount (₹ in lakhs)*	Amount paid under protest (₹ in lakhs)	Period to which the amount relates
Income Tax Act,1961	Alleged diversion of profit to subsidiary	Commissioner of Income Tax (Appeals)	474.79	-	A.Y. 2012-2013 and A.Y. 2013-2014
Income Tax Act,1961	Interest on alleged interest free advances	Commissioner of Income Tax (Appeals)	7.56	-	A.Y. 2012-2013 and A.Y. 2013-2014
Madhya Pradesh Sales Tax Act 1958	VAT	Supreme Court of India	477.54	-	F.Y. 2006-2007
Finance Act 1994	Service Tax	Supreme Court of India	141.27	141.27	F.Y. 2008-2009
Madhya Pradesh Sales Tax Act 1958	Entry Tax	Supreme Court of India	45.83	-	F.Y. 2006-2007
Tamil Nadu VAT Act,2006	VAT	Appellate Deputy Commissioner, Chennai (South)	22.42	-	F.Y. 2012-2013 and F.Y. 2013-2014
Finance Act 1994	Service Tax	Additional Commissioner, Gwalior	20.63	-	F.Y. 05-06 to 08-09 and FY 08-09 to 09-10
Customs Act, 1962	Custom Act	Director General of Foreign Trade, New Delhi	8.25	-	F.Y. 2000-2008
Finance Act 1994	Service Tax	Assistant Commissioner, Kurukshetra	7.72	-	F.Y. 2015-2016 to F.Y. 2017-2018
Madhya Pradesh Sales Tax Act 1958	VAT	Additional. Commissioner. Cum Appellate Authority, Commercial Tax, Gwalior	6.71	-	F.Y. 2015-2016
GST Act 2017	GST	Appellate Authority	2.63	2.63	F.Y. 2019-2020
GST Act 2017	GST	Appellate Authority, Muradabad (Uttar Pradesh)	4.01	4.01	F.Y.2017-2018
GST Act 2017	GST	Appellate Authority, Rudrapur (Uttarakhand)	4.36	4.36	F.Y.2017-2018
Tamil Nadu VAT Act,2006	VAT	Assistant Commissioner (ST), Chengalpattu Assessment Circle	1,375.17	-	F.Y.2009-2010, F.Y.2013-2014, F.Y.2015-2016, F.Y.2014-2015
Madhya Pradesh Sales Tax Act 1958	VAT	Additional Commissioner, Grade-2, (Appeal) Fourth, Commercial Tax, Lucknow	32.79	-	F.Y. 2011-2012

\* Amount in lacs represents gross amount thus, does not represent the amount net of paid under protest

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a bank. The Company did not have any loans or borrowing in respect of financial institution or dues to debenture holders or to government during the year.

(ix) According to the information in our opinion and according to the information and explanations given by the management, the Company has utilized the money raised by way of term loan for the purpose for which they were raised. Further, the Company has not raised any money by way of initial public offer/ further public offer/ debt instruments hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud / material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

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per **Amit Gupta**

Partner

Membership Number: 501396

UDIN: 21501396AAAABF6715

Place of Signature: Faridabad

Date: May 31, 2021

# Annexure 2

## **Annexure 2 to the Independent Auditor's Report of even date on the Standalone Ind AS Financial Statements of Jamna Auto Industries Limited**

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

We have audited the internal financial controls with reference to these standalone Ind AS financial statements of Jamna Auto Industries Limited ("the Company") as of March 31, 2021, in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

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

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

### **Auditor's Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls

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

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

### **Meaning of Internal Financial Controls With Reference to these standalone Ind AS Financial Statements**

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

### **Inherent Limitations of Internal Financial Controls With Reference to these standalone Ind AS Financial Statements**

Because of the inherent limitations of internal financial controls with reference to these standalone Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or



fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to these standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to these standalone Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to these standalone Ind AS financial statements and such internal financial controls with reference to these standalone Ind AS financial statements 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 **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

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per **Amit Gupta**  
Partner  
Membership Number: 501396  
UDIN: 21501396AAAABF6715

Place of Signature: Faridabad  
Date: May 31, 2021

# BALANCE SHEET

as at 31 march 2021

(All amounts in Rupees lakhs, unless otherwise stated)

Particulars	Notes	As at 31 March 2021	As at 31 March 2020
<b>A Assets</b>			
<b>1 Non-current assets</b>			
Property, plant and equipment	3	27,107.39	28,283.77
Right-of-use assets	36 (a)	3,316.74	3,824.73
Capital work in progress	3	12,798.41	12,702.93
Other Intangible assets	4	183.14	225.72
Investment in subsidiaries	5	4,886.58	3,766.99
Financial assets			
Investments	6	47.29	47.29
Loans	7	1,651.35	1,651.35
Other financial assets	8	684.53	535.02
Non current tax assets (net)	9	178.54	734.03
Other non-current assets	10	1,352.06	2,432.32
Deferred tax assets (net)	11	494.45	203.86
		<b>52,700.48</b>	<b>54,408.01</b>
<b>2 Current assets</b>			
Inventories	12	19,345.38	12,347.71
Contract assets	13.2	1,842.65	9.27
Financial assets			
Loans	7	129.06	82.84
Trade receivables	13.1	7,601.12	7,753.76
Cash and cash equivalents	14	3,513.94	62.37
Other bank balances	14.1	270.96	287.66
Other financial assets	8	824.95	1,363.92
Other current assets	10	1,237.12	1,347.98
		<b>34,765.18</b>	<b>23,255.51</b>
<b>Total-Assets</b>		<b>87,465.66</b>	<b>77,663.52</b>
<b>B Equity and Liabilities</b>			
<b>1 Equity</b>			
Equity share capital	15	3,983.25	3,983.25
Other equity	16	54,888.42	48,192.10
<b>Total equity (A)</b>		<b>58,871.67</b>	<b>52,175.35</b>
<b>2 Non-current liabilities</b>			
Financial liabilities			
Borrowings	17	-	5,077.07
Lease liabilities	36 (a)	600.06	730.39
Other financial liabilities	18	142.69	128.97
Long term provisions	19	1,768.96	1,325.94
Deferred government grant	20	1,411.78	1,463.49
		<b>3,923.49</b>	<b>8,725.86</b>
<b>3 Current liabilities</b>			
Contract liabilities	21.2	1,833.09	778.54
Financial liabilities			
Borrowings	17	-	7,561.95
Lease liabilities	36 (a)	155.12	5.66
Trade payables			
- Total outstanding dues of micro and small enterprises	21.1	152.09	28.48
- Total outstanding dues of other creditors other than micro and small enterprises	21.1	17,326.21	3,606.87
Other financial liabilities	22	1,393.95	1,676.34
Deferred government grant	20	141.34	295.79
Short term provisions	19	2,244.78	2,560.60
Other current liabilities	23	1,423.92	248.08
		<b>24,670.50</b>	<b>16,762.31</b>
<b>Total Equity and Liabilities</b>		<b>87,465.66</b>	<b>77,663.52</b>
Summary of significant accounting policies	2.1		
The accompanying notes form an integral part of the financial statements			

As per our report of even date

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

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

per **Amit Gupta**

Partner

Membership No.: 501396

Place: Faridabad

Date: May 31, 2021

For and on behalf of the Board of Directors of

**Jamna Auto Industries Limited****P.S. Jauhar**

Managing Director &amp; CEO

DIN : 00744518

**Praveen Lakhera**

Company Secretary

Membership No: A12507

Place: New Delhi

Date: May 31, 2021

**R.S. Jauhar**

Vice Chairman &amp; Executive Director

DIN : 00746186

**Shakti Goyal**

Chief Financial Officer

# STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2021

(All amounts in Rupees lakhs, unless otherwise stated)

Particulars	Notes	Year ended 31 March 2021	Year ended 31 March 2020
<b>Income</b>			
Revenue from operations	24	105,270.66	105,882.11
Other income	25	1,401.87	1,985.62
<b>Total revenue</b>		<b>106,672.53</b>	<b>107,867.73</b>
<b>Expenses</b>			
Cost of raw materials and components consumed	27	67,400.79	61,707.08
Purchase of traded goods sold	28	633.12	-
(Increase)/Decrease in inventories of finished goods, work in progress, traded goods and scrap	29	(3,531.12)	5,208.41
Employee benefit expenses	30	10,667.88	10,776.65
Other expenses	31	17,395.37	18,166.34
<b>Total expenses</b>		<b>92,566.04</b>	<b>95,858.48</b>
<b>Profit before finance costs, depreciation/amortisation expense, and tax</b>		<b>14,106.49</b>	<b>12,009.25</b>
<b>Finance cost</b>			
Finance costs	32	583.53	1,482.71
Finance income	26	141.50	208.82
<b>Net finance cost</b>		<b>442.03</b>	<b>1,273.89</b>
Depreciation and amortisation expense	33	3,399.35	3,879.87
<b>Profit before tax</b>		<b>10,265.11</b>	<b>6,855.49</b>
<b>Tax expense</b>	45		
Current tax		2,863.17	1,451.02
Adjustment of tax relating to earlier periods (net)		5.29	(144.42)
Deferred tax charge/ (credit)		(275.16)	756.49
<b>Total tax expense</b>		<b>2,593.30</b>	<b>2,063.09</b>
<b>Profit for the year</b>		<b>7,671.81</b>	<b>4,792.40</b>
<b>Other Comprehensive Income/(Loss)</b>	45		
Other comprehensive income/(loss) not be reclassified to profit or loss in subsequent periods :			
- Re-measurement gains / (losses) on defined benefit plans		(61.26)	18.86
- Income tax effect		15.42	(4.75)
<b>Other comprehensive income/(loss) for the year, net of tax</b>		<b>(45.84)</b>	<b>14.11</b>
<b>Total Comprehensive income/(loss) for the year</b>		<b>7,625.97</b>	<b>4,806.51</b>
Earnings per equity share (par value ₹ 1 (absolute amount) per share)	34		
- Basic		1.93	1.20
- Diluted		1.93	1.20
[Earnings per equity share expressed in absolute amount in Indian Rupees]			
Significant accounting policies	2.1		
The accompanying notes form an integral part of the financial statements			

As per our report of even date

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

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

**per Amit Gupta**

Partner

Membership No.: 501396

Place: Faridabad

Date: May 31, 2021

For and on behalf of the Board of Directors of

**Jamna Auto Industries Limited**

**P.S. Jauhar**

Managing Director & CEO

DIN : 00744518

**Praveen Lakhera**

Company Secretary

Membership No: A12507

Place: New Delhi

Date: May 31, 2021

**R.S. Jauhar**

Vice Chairman & Executive Director

DIN : 00746186

**Shakti Goyal**

Chief Financial Officer

# STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2021

(All amounts in Rupees lakhs, unless otherwise stated)

## (a) Equity share capital :

Particulars	No. of shares*	Amount
<b>Equity shares of ₹ 1 each issued, subscribed and paid (refer note 15)</b>		
Balance as at April 1, 2019	398,173,935	3,983.19
Partial paid converted into fully paid	12,650	0.06
Closing balance as at March 31, 2020	<b>398,186,585</b>	<b>3,983.25</b>
<b>Closing balance as at March 31, 2021</b>	<b>398,186,585</b>	<b>3,983.25</b>

\* No. of shares issued, subscribed and fully paid only.

## (b) Other equity (refer note 16)

Particulars	Capital reserve	Amalgamation reserve	Capital redemption reserve	Securities premium account	General reserve	Retained Earnings	Share based payment Reserve	Total equity
<b>As at March 31, 2019</b>	<b>315.71</b>	<b>1,481.46</b>	<b>400.00</b>	<b>15,117.41</b>	<b>4,077.62</b>	<b>26,074.87</b>	-	<b>47,467.07</b>
Add: Profit for the year	-	-	-	-	-	4,792.40	-	4,792.40
Add: Security premium for the year	-	-	-	0.19	-	-	-	0.19
Less: Dividend Paid including dividend distribution tax	-	-	-	-	-	(4,081.68)	-	(4,081.68)
Add: Other comprehensive income	-	-	-	-	-	14.11	-	14.11
<b>As at March 31, 2020</b>	<b>315.71</b>	<b>1,481.46</b>	<b>400.00</b>	<b>15,117.60</b>	<b>4,077.62</b>	<b>26,799.70</b>	-	<b>48,192.09</b>
Add: Profit for the year	-	-	-	-	-	7,671.81	-	7,671.81
Less: Interim Dividend Paid during the year	-	-	-	-	-	(995.81)	-	(995.81)
Add: Options granted during the year	-	-	-	-	-	-	66.18	66.18
Add: Other comprehensive income/(loss)	-	-	-	-	-	(45.84)	-	(45.84)
<b>As at March 31, 2021</b>	<b>315.71</b>	<b>1,481.46</b>	<b>400.00</b>	<b>15,117.60</b>	<b>4,077.62</b>	<b>33,429.86</b>	<b>66.18</b>	<b>54,888.42</b>
<b>Total other equity</b>	<b>315.71</b>	<b>1,481.46</b>	<b>400.00</b>	<b>15,117.60</b>	<b>4,077.62</b>	<b>33,429.86</b>	<b>66.18</b>	<b>54,888.42</b>

Summary of significant accounting policies

2.1

The accompanying notes form an integral part of the financial statements

As per our report of even date

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

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

per **Amit Gupta**

Partner

Membership No.: 501396

Place: Faridabad

Date: May 31, 2021

For and on behalf of the Board of Directors of

**Jamna Auto Industries Limited****P.S. Jauhar**

Managing Director &amp; CEO

DIN : 00744518

**Praveen Lakhera**

Company Secretary

Membership No: A12507

Place: New Delhi

Date: May 31, 2021

**R.S. Jauhar**

Vice Chairman &amp; Executive Director

DIN : 00746186

**Shakti Goyal**

Chief Financial Officer

# STATEMENT OF CASH FLOW

for the year ended 31 March 2021

(All amounts in Rupees lakhs, unless otherwise stated)

Particulars	Notes	Year ended 31 March 2021	Year ended 31 March 2020
<b>A. Cash flow from operating activities</b>			
Profit before tax		10,265.11	6,855.49
<b>Adjustments to reconcile profit before tax to net cash flows:</b>			
Depreciation and amortization expenses		3,399.35	3,879.87
Loss/(Gain) on sale of property, plant and equipment		61.34	19.43
Finance cost		583.53	1,482.71
Finance income		(141.50)	(208.82)
Provision no longer required written back		(540.58)	(1,059.43)
Impairment allowance for advances/trade receivable considered doubtful		44.57	57.95
Government grant and export incentive income recognised		(215.87)	(295.79)
Provision for government grant recoverable		396.71	-
Provision for contingency		-	404.08
Employee stock option expenses		66.18	-
Unrealised foreign exchange loss (net)		(194.81)	149.66
Share in profit of limited liability partnership		(462.41)	(575.18)
<b>Operating profit before working capital changes</b>		<b>13,261.62</b>	<b>10,709.97</b>
<b>Changes in operating assets and liabilities:</b>			
Increase / (decrease) in trade payable and other current liabilities		16,600.10	(31,458.13)
Increase / (decrease) in provision (Non current & current)		470.25	(860.76)
Decrease in trade receivables		142.75	15,405.78
(Increase) / decrease in inventories		(6,997.67)	7,545.45
(Increase) / decrease in loans (Non current & current)		(46.22)	50.35
Increase / (decrease) in financial liabilities (Non current & current)		13.72	(129.26)
(Increase) / decrease in other assets & other financial assets		(911.07)	1,189.26
<b>Cash generated from operations</b>		<b>22,533.48</b>	<b>2,452.67</b>
Income tax paid (net of refunds)		(2,382.55)	(1,940.78)
<b>Net cash from operating activities</b>		<b>20,150.93</b>	<b>511.89</b>
<b>B. Cash flow from investing activities</b>			
Purchase for property, plant and equipment (including initial costs for ROU)		(2,678.36)	(8,290.58)
Proceeds from sale of property, plant and equipment		1,449.06	46.33
Investment in fixed deposits		(9.97)	-
Loan given to subsidiary (Jai Suspensions Limited)		-	(345.00)
Investment in subsidiaries		(656.44)	(2,275.56)
Withdrawal from share in capital of limited liability partnership		-	1,000.00
Fixed deposits matured during the year		-	248.65
Interest received (finance income)		24.05	46.41
<b>Net cash used in investing activities</b>		<b>(1,871.66)</b>	<b>(9,569.75)</b>

# STATEMENT OF CASH FLOW

for the year ended 31 March 2021

(All amounts in Rupees lakhs, unless otherwise stated)

Particulars	Notes	Year ended 31 March 2021	Year ended 31 March 2020
<b>C. Cash flow from financing activities</b>			
Proceeds from calls in arrear of partly paid equity shares (including share premium)		-	0.25
Dividend paid (including dividend distribution tax) and deposit to investor education & protection fund		(995.81)	(4,081.69)
Payment of principal portion of lease liabilities		(211.56)	(266.40)
Proceeds from long term borrowings		-	5,491.08
Repayment of long term borrowings		(5,491.96)	-
Proceeds from/ (Repayment) of short term borrowings (net)		(7,561.95)	7,561.95
Interest paid		(566.42)	(1,481.17)
<b>Net cash flow (used in) / from financing activities</b>		<b>(14,827.70)</b>	<b>7,224.02</b>
Net increase / (decrease) in cash and cash equivalents (A+B+C)		<b>3,451.57</b>	(1,833.84)
Cash and cash equivalents at the beginning of the year	14	<b>62.37</b>	1,896.21
<b>Cash and cash equivalents at the end of the year</b>	14	<b>3,513.94</b>	<b>62.37</b>
<b>Components of cash and cash equivalents:</b>			
Cash in hand		<b>12.48</b>	14.39
Balances with scheduled banks			
- On current account		<b>3,501.46</b>	47.98
		<b>3,513.94</b>	<b>62.37</b>
Summary of significant accounting policies	2.1		
The accompanying notes form an integral part of these financial statements			

## Note:

The above cash flow statement has been prepared under the " Indirect Method" as set out in Indian Accounting Standard-7 , "Statement of cash flow".

\*Refer note 14 for change in financing activities disclosure pursuant to amendment to Ind AS 7.

As per our report of even date

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

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

**per Amit Gupta**

Partner

Membership No.: 501396

Place: Faridabad

Date: May 31, 2021

For and on behalf of the Board of Directors of

**Jamna Auto Industries Limited**

**P.S. Jauhar**

Managing Director & CEO

DIN : 00744518

**Praveen Lakhera**

Company Secretary

Membership No: A12507

Place: New Delhi

Date: May 31, 2021

**R.S. Jauhar**

Vice Chairman & Executive Director

DIN : 00746186

**Shakti Goyal**

Chief Financial Officer

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021

(All amounts in Rupees lakhs, unless otherwise stated)

## 1. Corporate information

Jamna Auto Industries Limited ("the Company") is engaged in manufacturing and selling of Tapered Leaf, Parabolic Springs and Lift Axles. The Company has its manufacturing facilities at Malanpur, Chennai, Yamuna Nagar, Jamshedpur, Hosur, Pillaipakkam and Pune.

The Company is public company domiciled in India and is incorporated under the provisions of the Companies Act. Its shares are listed on two recognized stock exchanges in India. The registered office of the Company is located at Jai Spring Road, Industrial Area, Yamuna Nagar, Haryana -135001.

Information on related party relationships of the Company is provided in Note 37.

The financial statements were approved for issue in accordance with a resolution of the board of directors on May 31, 2021.

## 2. Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended.

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 (₹) and all values are rounded to the nearest lakhs (₹ 00,000), except wherever otherwise stated.

### 2.1 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) 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.

#### b) Foreign currencies

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian Rupee (INR), which is the Company's functional and presentation currency.

#### Transactions and balances

Foreign currency transactions are recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021

(All amounts in Rupees lakhs, unless otherwise stated)

Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss.

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

## 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

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)
Factory buildings	30
Other buildings	60
Plant and machinery <sup>1</sup>	15-20
Research and development equipment	1
Furniture and fixtures <sup>2</sup>	4
Vehicles <sup>2</sup>	4
Office equipment <sup>2</sup>	3
Computers	3

1. The management has estimated, supported by independent assessment, the useful life of certain plant and machinery as 20 years, which is higher than those indicated in schedule II of the Companies Act 2013.
2. The management has estimated, based on its internal assessment and past experience, the useful life of these blocks of assets as lower than the life indicated for respective block of assets in schedule II of the Companies Act 2013.

Residual value of plant and machinery is considered at 5%.

Property, plant and equipment individually costing up to ₹ 0.05 are depreciated at the rate of 100 percent.

## d) 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, excluding capitalized development costs, are not capitalized and expenditure is



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021

(All amounts in Rupees lakhs, unless otherwise stated)

reflected in the statement of profit and loss in the year in which the expenditure is incurred.

The useful lives of the intangible assets are assessed as either finite or infinite.

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

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.

## e) 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

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021

(All amounts in Rupees lakhs, unless otherwise stated)

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.

### 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 an entity incurs in connection with the borrowing of funds and charged to Statement of Profit & Loss. Borrowing cost also includes exchange differences 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. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of four to five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the forecast period. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the Company operates, or for the market in which the asset is used.

For assets excluding goodwill and intangible assets having indefinite life, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021

(All amounts in Rupees lakhs, unless otherwise stated)

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

## h) Investment

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Investments in quoted and unquoted equity instruments are recognized at fair value through Other Comprehensive income.

## i) Inventories

Raw materials, components and stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on moving weighted average basis.

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

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on moving weighted average basis.

Traded goods are valued at cost.

Scrap is valued at net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of

completion and estimated costs necessary to make the sale. Obsolete and non-moving inventory are determined on the basis of regular review and are valued at net realizable value or cost whichever is lower.

## j) Revenue from contract with customers

The Company manufactures and sells a range of automobile suspension products. 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:

### 1) Sale of goods

Revenue from sale of goods is recognized at the point in time when control of the inventory is transferred to the customer, generally on delivery of the equipment. The normal credit term is 30 to 90 days upon delivery.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company allocated a portion of the transaction price to goods bases on its relative standalone prices and also considers the following:

#### (i) Warranty obligations

The Company generally provides for warranties for general repair of defects. These warranties are assurance-type warranties under Ind AS 115, which are accounted for under Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets), consistent with its current practice. The Company adjust the transaction price for the time value of money where the period between the transfer of the promised goods or services to the customer and payment by customer exceed one year.

#### (ii) Significant financing components

In respect of short-term advances from its customers, using the practical expedient in Ind AS

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021

(All amounts in Rupees lakhs, unless otherwise stated)

115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be within normal operating cycle.

### (iii) Schemes

The Company operates several sales incentive programs wherein the customers are eligible for several benefits on achievement of underlying conditions as prescribed in the scheme program such as credit notes, tours, reimbursement etc. Revenue from contract with customer is presented deducting cost of all these schemes.

## 2) Service income

Job work charges are accrued, as and when services are performed.

## 3) 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 is included under the head "finance income" in the statement of profit and 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 "finance income" in the statement of profit and loss.

## 4) Share of profit from LLP

Share of profit from LLP is recognized when the right to receive share of profit is established.

## 5) Export incentives

Export incentives are accrued in the underlying period of export sales in accordance with the terms of the export benefit scheme, provided that there is no significant uncertainty regarding the entitlement to the credit and the amount thereof.

### Contract balances

#### (i) Trade receivables

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

#### (ii) Contract assets

Contract assets relates to revenue accrued during the year but not billed to the customer at the period end.

#### (iii) Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

## k) 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 three defined benefit plans for its employees i.e. gratuity, long service award and benevolent

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021

(All amounts in Rupees lakhs, unless otherwise stated)

fund. The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out for these plans 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.

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

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

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company 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.

## I) Taxes

Tax expense for the year comprises of current tax and deferred tax.

### Current income 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 item recognized outside the statement of profit and loss is recognized outside profit or loss (either in other comprehensive income or equity). Current tax items are recognized in correlation to the underlying transactions 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

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021

(All amounts in Rupees lakhs, unless otherwise stated)

are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement" under the head deferred tax assets. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

## m) Share based payments

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments which are classified as equity-settled transactions.

### Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised as an employee benefit expense with a corresponding increase in 'Share Based Payment Reserve' in other equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company best estimate of the number of equity instruments that will ultimately vest.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions.

Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the Statement of Profit and Loss.

## n) Segment reporting

**Identification of segments** - The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the geographical location of the customers.

**Segment accounting policies** - The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

## o) Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021

(All amounts in Rupees lakhs, unless otherwise stated)

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

## p) 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.

Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting 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.

## q) Provisions

### General

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. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used,

the increase in the provision due to the passage of time is recognized as a finance cost.

### Warranty provision

Provision for warranty related costs are recognized when the product is sold. Provision is based on historical experience. The estimate of such warranty related costs is revised annually.

### Provision for price difference

The Company recognizes the price difference payable to parties, where settlement is pending for final negotiation. It is provided on the basis of best estimates and management's assessment, considering the past trend and various other factors. These provisions are reviewed on a regular basis and adjusted with respective element with statement of profit and loss from the adequacy and reasonability point of view.

## r) 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.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

## s) Cash and cash equivalents

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

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposit held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021

(All amounts in Rupees lakhs, unless otherwise stated)

overdrafts are shown within borrowings in current liabilities in the balance sheet.

## t) Dividend

The Company recognizes a liability to make the payment of dividend to owners of equity, when the distribution is authorized, and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

## u) Measurement of EBITDA

The Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/(loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, interest income, finance costs and tax expense.

## v) Suppliers credit / vendor bill discounting

The Company enters into deferred payment arrangements (acceptances) whereby banks/financial institutions initially make payment to Company's suppliers for raw materials, goods and services directly, while the Company continues to recognize the liability till settlement with the bank/financial institution at a later date, which is normally effected within a period of 90 days. The arrangement provides working capital timing benefits and the economic substance of the transaction is determined to be operating in nature. These arrangements are in the nature of credit extended in normal operating cycle and these arrangements are recognized as 'Acceptances' under Trade Payables. Interest borne by the Company on such arrangements is accounted under the head 'Finance Cost'.

## w) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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

- 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.



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021

(All amounts in Rupees lakhs, unless otherwise stated)

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
- Financial guarantee
- Financial instruments (including those carried at amortized cost)

## x) 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.

### 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 marketplace (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 the purpose of subsequent measurement, financial assets are only classified as debt instruments at amortized cost.

#### Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- a) **Business model test:** The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) **Cash Flow characteristics test:** 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 amortized cost using the effective interest rate (EIR) method. 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 amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

#### Derecognition

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:

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021

(All amounts in Rupees lakhs, unless otherwise stated)

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.

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 entity 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, 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

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

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

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/ losses 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.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021

(All amounts in Rupees lakhs, unless otherwise stated)

## Financial liabilities at amortised cost (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 derecognized 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. For more information refer Note 17.

## 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.

## Financial guarantee contracts

Financial guarantee contracts obtained by the Company are those contracts that require a payment to be made by the issuer to reimburse the holder for a loss it incurs because the Company fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the financial guarantee is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization in accordance with the principles of Ind AS 115.

## 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.

## y) Changes in accounting policies and disclosures

### 1. Amendments to Ind AS 1 and Ind AS 8: Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to the Company.

These amendments are applicable prospectively for annual periods beginning on or after the 1 April 2020. The amendments to the definition of material are not expected to have a significant impact on the Company's standalone financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021

(All amounts in Rupees lakhs, unless otherwise stated)

## 3 Property, plant and equipment

Particulars	Freehold land	Leasehold land	Leasehold land improvement	Building	Plant and machinery	Furniture and fixtures	Vehicles	Office equipment	Computer hardware	Total tangible assets
<b>Gross Block</b>										
As at April 01, 2019	3,586.91	3,696.47	40.23	8,071.32	28,493.31	277.75	253.27	178.66	164.57	44,762.49
Reclassified on account of adoption of Ind AS 116 "Leases" (refer note 36(a))	-	3,011.54	-	-	-	-	-	-	-	3,011.54
Adjustments	684.93	(684.93)	-	-	-	-	-	-	-	-
Additions	-	-	6.26	497.45	813.10	34.61	-	35.02	38.86	1,425.30
Disposals	-	-	36.03	-	216.55	4.24	32.90	7.76	6.77	304.25
As at March 31, 2020	<b>4,271.84</b>	<b>-</b>	<b>10.46</b>	<b>8,568.77</b>	<b>29,089.86</b>	<b>308.12</b>	<b>220.37</b>	<b>205.92</b>	<b>196.66</b>	<b>42,872.00</b>
Adjustments (refer note 1 below)	684.93	-	-	-	-	-	-	-	-	684.93
Additions	-	-	10.35	1,762.32	468.43	44.44	190.70	54.63	12.80	2,543.67
Disposals	-	-	-	64.79	769.05	2.19	26.20	1.04	35.36	898.63
<b>As at March 31, 2021</b>	<b>3,586.91</b>	<b>-</b>	<b>20.81</b>	<b>10,266.30</b>	<b>28,789.24</b>	<b>350.37</b>	<b>384.87</b>	<b>259.51</b>	<b>174.10</b>	<b>43,832.11</b>
Depreciation										
As at April 01, 2019	-	33.22	7.44	912.53	10,092.82	121.29	96.45	103.66	64.99	11,432.40
Reclassified on account of adoption of Ind AS 116 "Leases" (refer note 36(a))	-	12.07	-	-	-	-	-	-	-	12.07
Adjustments	21.15	(21.15)	-	-	-	-	-	-	-	-
Charge for the year	-	-	4.65	426.28	2,731.86	61.61	55.28	58.86	70.10	3,408.64
Deductions	-	-	7.25	-	202.51	4.24	17.63	3.85	5.26	240.74
As at March 31, 2020	<b>21.15</b>	<b>-</b>	<b>4.84</b>	<b>1,338.81</b>	<b>12,622.17</b>	<b>178.66</b>	<b>134.10</b>	<b>158.67</b>	<b>129.83</b>	<b>14,588.23</b>
Adjustments (refer note 1 below)	21.15	-	-	7.31	-	-	-	-	-	28.46
Charge for the year (refer note 33)	-	-	1.69	419.54	2,396.41	62.83	62.95	47.75	40.97	3,032.14
Deductions	-	-	-	(64.79)	(740.61)	(1.28)	(25.38)	(0.97)	(34.16)	(867.19)
<b>As at March 31, 2021</b>	<b>-</b>	<b>-</b>	<b>6.53</b>	<b>1,693.56</b>	<b>14,270.66</b>	<b>240.21</b>	<b>171.67</b>	<b>205.45</b>	<b>136.64</b>	<b>16,724.72</b>
<b>Net block</b>										
<b>As at March 31, 2021</b>	<b>3,586.91</b>	<b>-</b>	<b>14.28</b>	<b>8,572.74</b>	<b>14,518.58</b>	<b>110.16</b>	<b>213.20</b>	<b>54.06</b>	<b>37.46</b>	<b>27,107.39</b>
<b>As at March 31, 2020</b>	<b>4,250.69</b>	<b>-</b>	<b>5.62</b>	<b>7,229.96</b>	<b>16,467.69</b>	<b>129.46</b>	<b>86.27</b>	<b>47.25</b>	<b>66.83</b>	<b>28,283.77</b>

### Particulars

Capital work in progress

	As at March 31, 2021	As at March 31, 2020
Capital work in progress	12,798.41	12,702.93

(1) Based on contractual agreement, a portion of land representing right of use asset has been transferred thereto during the current year. The said reclassification does not have material impact on the financial statements of the Company.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021

(All amounts in Rupees lakhs, unless otherwise stated)

## 4 Intangible assets

Particulars	Computer software	Total Intangible assets
<b>As at April 01, 2019</b>	<b>302.55</b>	<b>302.55</b>
Additions	111.50	111.50
As at March 31, 2020	414.05	414.05
Additions	40.99	40.99
<b>As at March 31, 2021</b>	<b>455.04</b>	<b>455.04</b>
Amortisation		
As at April 01, 2019	121.91	121.91
Amortisation	66.42	66.42
As at March 31, 2020	188.33	188.33
Amortisation (refer note 33)	83.57	83.57
<b>As at March 31, 2021</b>	<b>271.90</b>	<b>271.90</b>
<b>Net block</b>		
<b>As at March 31, 2021</b>	<b>183.14</b>	<b>183.14</b>
<b>As at March 31, 2020</b>	<b>225.72</b>	<b>225.72</b>

## 5 Investment in subsidiaries

Particulars	As at 31 March 2021	As at 31 March 2020
<b>At cost</b>		
<b>Investment in limited liability partnership (refer note 37)</b>		
99.99850% share in Jai Suspension Systems LLP	1,854.58	1,391.99
<b>Investment in wholly owned subsidiary (refer note 37)</b>		
Jai Suspension Limited (Unquoted equity shares)	100.00	100.00
Jai Automotive Components Limited (Unquoted equity shares)	2,932.00	2,275.00
<b>Total</b>	<b>4,886.58</b>	<b>3,766.99</b>

## 6 Investments in others

Particulars	As at 31 March 2021	As at 31 March 2020
<b>At fair value through OCI (fully paid up)</b>		
<b>Unquoted equity shares</b>		
100 equity share of ₹ 655 each (March 31, 2020: 100 equity share of ₹ 655 each) in TCP Limited *	0.66	0.66
466,263 equity share of ₹ 10 each (March 31, 2020: 466,263 equity share of ₹ 10 each) in IND Bharath Powergencom Limited *	46.63	46.63
<b>Total</b>	<b>47.29</b>	<b>47.29</b>

\* Investment is with an objective to attain continued power supply and therefore cost is estimated as fair value.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021

(All amounts in Rupees lakhs, unless otherwise stated)

## 7 Financial assets - Loans (Unsecured considered good unless otherwise stated)

Particulars	Non-current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
<b>Loan to related party (refer note 37)*</b>				
Loan to subsidiary at amortised cost	1,651.35	1,651.35	-	-
<b>Loan to others</b>				
Advance to employees	-	-	129.06	82.84
<b>Total</b>	<b>1,651.35</b>	<b>1,651.35</b>	<b>129.06</b>	<b>82.84</b>

\*The Company is setting up a new manufacturing facility at Adityapur (Jharkhand) under its wholly owned subsidiary i.e. Jai Suspensions Limited ("JSL"). The Company had previously granted a loan of ₹ 1,000.00 to JSL to acquire leasehold land at Adityapur, which was acquired. The subsidiary has been allotted approximately 13.41 acres of land by Adityapur Industrial Area Development Authority. To meet JSL capital expenditure requirement, the Board of Directors had accorded their approval to grant a further loan of ₹ 6,000.00 at an interest of 1 year MCLR + 0.65% spread p.a. The loan is repayable in 3 years (equal quarterly installments) after a moratorium period of 2 years. The earlier loan of ₹ 1,000.00 was also rescheduled accordingly.

Out of the total approval of ₹ 7,000.00, the Company has granted a loan of ₹ 1,651.35 approximately to JSL. The loan along with interest amounting to ₹ 1,939.90 approximately is due for repayment.

Due to the recession in the automobile industry in the previous years and the Covid-19 situation, the project at Adityapur is being delayed and accordingly the Company has proposed in its Board meeting held on May 31, 2021 for the conversion of loan amount of ₹ 1,651.35 into equity shares of the subsidiary (JSL) along with interest which will accrue till date of conversion and the un-availed amount of loan i.e. ₹ 5,348.65 be cancelled. This amount of ₹ 5,348.65, when requested by JSL, will be provided by way of investment in equity share of JSL. The disclosure has been made in the financial statements accordingly.

## 8 Financial assets - Other financial assets

Particulars	Non-current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Security deposits at amortised cost	349.49	531.22	34.62	3.92
Non current bank balances (refer note 14.1)	46.49	3.80	-	-
Balance with sales tax, excise and custom authorities	-	-	34.78	35.89
Government grant receivable				
- considered good	-	-	755.25	1,151.96
- considered doubtful	-	-	396.71	-
Interest accrued but not due	288.55	-	0.30	172.15
<b>Total</b>	<b>684.53</b>	<b>535.02</b>	<b>1,221.66</b>	<b>1,363.92</b>
Less: Provision for doubtful Government grant*	-	-	(396.71)	-
<b>Grand Total</b>	<b>684.53</b>	<b>535.02</b>	<b>824.95</b>	<b>1,363.92</b>

\*As at the balance sheet date, in accordance with Ind AS accounting, the revenue recognised has exceeded by ₹ 396.71 than the amount actually received till date in lieu of the government grant receivable. The Company expects to recover the same within FY 2021-2022, however considering ongoing delays, based on principles of Expected Credit Loss and conservation, the Company has recorded a provision for impairment of amount recoverable equivalent to the revenue recognised over and above the actual receipt i.e. ₹ 396.71 upto March 31, 2021.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021

(All amounts in Rupees lakhs, unless otherwise stated)

## 9 Non current tax assets (net)

Particulars	Non-current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Advance income tax (net)	178.54	734.03	-	-
<b>Total</b>	<b>178.54</b>	<b>734.03</b>	<b>-</b>	<b>-</b>

## 10 Other assets

Particulars	Non-current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
<b>Capital advances</b>				
Unsecured considered good	566.62	1,423.84	-	-
Unsecured considered doubtful	21.23	44.89	-	-
<b>Sub Total</b>	<b>587.85</b>	<b>1,468.73</b>	<b>-</b>	<b>-</b>
Less: Provision for doubtful advances	(21.23)	(44.89)	-	-
<b>Total (A)</b>	<b>566.62</b>	<b>1,423.84</b>	<b>-</b>	<b>-</b>
<b>Advance to suppliers</b>				
- considered good	-	-	438.30	439.83
- considered doubtful	41.52	41.52	-	3.26
Prepaid expenses	17.90	16.86	152.17	205.39
Prepaid lease rent	324.07	338.59	14.63	14.63
Deferred rent	112.20	113.48	1.28	1.28
Insurance claim receivable	-	-	-	24.25
Balance with custom authority	-	-	0.41	0.41
Prepaid taxes	-	-	539.27	595.99
Duty paid under protest	192.45	295.67	-	-
<b>Other recoverable in cash or kind</b>				
- considered good	138.82	243.88	91.06	66.20
- considered doubtful	-	-	12.43	12.43
<b>Sub Total</b>	<b>826.96</b>	<b>1,050.00</b>	<b>1,249.55</b>	<b>1,363.67</b>
Less :- Allowances for doubtful advances	(41.52)	(41.52)	(12.43)	(15.69)
<b>Total (B)</b>	<b>785.44</b>	<b>1,008.48</b>	<b>1,237.12</b>	<b>1,347.98</b>
<b>Grand Total (A+B)</b>	<b>1,352.06</b>	<b>2,432.32</b>	<b>1,237.12</b>	<b>1,347.98</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021

(All amounts in Rupees lakhs, unless otherwise stated)

## 11 Deferred tax assets / (liabilities) (net)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Deferred tax assets</b>		
Provision for bad and doubtful debts	63.54	51.08
Provision for contingencies	35.24	55.83
Provision for price difference	428.17	390.84
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	660.47	552.76
<b>Total deferred tax asset</b>	<b>1,187.42</b>	<b>1,050.51</b>
<b>Less :- Deferred tax liabilities</b>		
Excess of depreciation/ amortisation on fixed assets under income tax law over depreciation/amortisation provided in accounts	(692.97)	(789.19)
Government grant deferred	-	(57.46)
<b>Total deferred tax (liabilities)</b>	<b>(692.97)</b>	<b>(846.65)</b>
<b>Deferred tax assets (net)</b>	<b>494.45</b>	<b>203.86</b>

## 12 Inventories

Particulars	As at 31 March 2021	As at 31 March 2020
Raw material (at cost) [includes goods in transit: ₹ 33.07 (March 31, 2020: ₹ 36.54)]	4,773.34	1,781.17
Components (at cost)	1,170.40	965.49
Work-in-progress (at cost)	2,114.29	2,032.62
Finished goods (at lower of cost or net realisable value) [includes goods in transit: ₹ 1,132.54 (March 31, 2020: ₹ 111.14)]	9,270.30	5,910.92
Traded goods (at cost)	213.70	-
Stores and spares (at cost)	1,582.21	1,526.44
Scrap (at net realisable value)	221.14	131.07
<b>Total</b>	<b>19,345.38</b>	<b>12,347.71</b>

## 13 Trade receivables and Contract assets

### 13.1 Trade receivables

Particulars	As at 31 March 2021	As at 31 March 2020
Trade receivables	4,724.17	6,842.92
Receivables from related party (refer note 37)	2,876.95	910.84
<b>Total</b>	<b>7,601.12</b>	<b>7,753.76</b>
There is no security against the trade receivable. The breakup is as follow:-		
Unsecured, considered good	7,601.12	7,753.76
Trade receivables-credit impaired	252.48	243.99
<b>Total</b>	<b>7,853.60</b>	<b>7,997.75</b>
Less: Allowance for trade receivables-credit impaired	(252.48)	(243.99)
<b>Total</b>	<b>7,601.12</b>	<b>7,753.76</b>



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021

(All amounts in Rupees lakhs, unless otherwise stated)

No trade receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivable are non-interest bearing and are generally on terms of 30 to 90 days.

For terms and conditions relating to related party receivables, refer note 37.

Also, refer note 36 ( c ).

## 13.2 Contract assets

As at March 31, 2021, the Company has contract assets of ₹ 1,842.65 (March 31, 2020: ₹ 9.27) which is net of an allowance for expected credit losses of ₹ NIL (March 31, 2020: ₹ NIL).

Particulars	As at 31 March 2021	As at 31 March 2020
Unbilled revenue	1,842.65	9.27
<b>Total</b>	<b>1,842.65</b>	<b>9.27</b>
Current	1,842.65	9.27
Non current	-	-

## 14 Cash and bank balances

### 14A Cash and cash equivalents

Particulars	As at 31 March 2021	As at 31 March 2020
Cash and cash equivalents		
Balance with banks		
On current account	3,501.46	47.98
Cash on hand	12.48	14.39
<b>Total</b>	<b>3,513.94</b>	<b>62.37</b>

### 14B Changes in liabilities arising from financing activities

Particulars	April 01, 2020	Cash flows	Foreign exchange	Other	Finance lease reclassified to lease liabilities	March 31, 2021
Current borrowings	7,561.95	(7,561.95)	-	-	-	-
Current lease liabilities	5.66	(211.56)	-	361.02	-	155.12
Non-current borrowings (including current maturities)	5,639.57	(5,491.96)	(147.61)	-	-	-
Non-current lease liabilities	730.39	-	-	(130.33)	-	600.06
<b>Total liabilities arising from financing activities</b>	<b>13,937.57</b>	<b>(13,265.47)</b>	<b>(147.61)</b>	<b>230.69</b>	<b>-</b>	<b>755.18</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021

(All amounts in Rupees lakhs, unless otherwise stated)

Particulars	April 01, 2019	Cash flows	Foreign exchange	Other	Finance lease reclassified to lease liabilities	March 31, 2020
Current borrowings	-	7,561.95	-	-	-	7,561.95
Current lease liabilities	-	-	-	5.66	-	5.66
Non-current borrowings (including current maturities)	150.71	5,491.08	147.61	-	(149.83)	5,639.57
Non-current lease liabilities	-	-	-	730.39	-	730.39
<b>Total liabilities arising from financing activities</b>	<b>150.71</b>	<b>13,053.03</b>	<b>147.61</b>	<b>736.05</b>	<b>(149.83)</b>	<b>13,937.57</b>

## 14.1 Other bank balances

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Balance with banks</b>		
On unpaid dividend account	253.41	237.39
Deposits with bank with more than 12 months #	46.49	3.80
Deposits with bank with more than 3 months and less than 12 months ##	17.55	50.27
<b>Total</b>	<b>317.45</b>	<b>291.46</b>
Amount disclosed under non current assets (refer note 8)	(46.49)	(3.80)
<b>Total</b>	<b>270.96</b>	<b>287.66</b>

# Includes fixed deposit kept as margin money ₹ 6.60 (March 31, 2020: ₹ 3.80)

## Includes fixed deposit kept as margin money ₹ NIL (March 31, 2020: ₹ 50.27)

## 15 Share capital

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Authorised shares (amount per share in absolute rupees)</b>		
638,865,000 (March 31, 2020: 638,865,000) equity shares of ₹ 1 each	6,388.65	6,388.65
350,000 (March 31, 2020: 350,000) 12.50% optionally convertible cumulative preference shares of ₹ 100 each	350.00	350.00
<b>Total</b>	<b>6,738.65</b>	<b>6,738.65</b>
<b>Issued, subscribed and paid up equity shares (amount per share in absolute rupees)</b>		
Subscribed and fully paid (398,186,585 (March 31, 2020: 398,186,585) equity shares of ₹ 1 each)	3,981.87	3,981.87
Subscribed but not fully paid (277,300 (March 31, 2020: 277,300) equity shares of ₹ 1 each, amount called up ₹ 1 each)	2.77	2.77
Less: Call in arrears (held by other than directors)	(1.39)	(1.39)
<b>Total</b>	<b>3,983.25</b>	<b>3,983.25</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021

(All amounts in Rupees lakhs, unless otherwise stated)

## a. Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Equity shares	As at 31 March 2021		As at 31 March 2020	
	No. of shares	Amount	No. of shares	Amount
<b>Equity share - Subscribed and fully paid up</b>				
At the beginning of the year	398,186,585	3,981.87	398,173,935	3,981.74
Add : Partial paid up converted to fully paid up	-	-	12,650	0.13
At the end of the year	398,186,585	3,981.87	398,186,585	3,981.87
<b>Equity share - Subscribed but not fully paid up</b>				
At the beginning of the year	277,300	2.77	289,950	2.90
Less : Calls in arrear received	-	-	12,650	0.13
At the end of the year	277,300	2.77	277,300	2.77

## b. Terms and Rights attached to equity shares

Each shareholder is entitled to one vote per share. The Company pays and declares dividends in Indian rupees. The dividend proposed, if any, by the Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. The repayment of equity share capital in the event of liquidation and buy back of shares are possible subject to prevalent regulations. In the event of liquidation, normally the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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

Equity shares	As at 31 March 2021		As at 31 March 2020	
	No of shares	% holding in the class	No of shares	% holding in the class
<b>Equity shares of ₹ 1 (absolute amount) each fully paid</b>				
MAP Auto Limited	135,005,021	33.88%	132,032,728	33.14%
Pradeep Singh Jauhar	22,844,323	5.73%	21,521,070	5.40%

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

## d. Shares reserved for issue under Options

For details of shares reserved for issue under the share based payment plan of the company, please refer note no 44.

## e. Forfeited shares (amount originally paid up, included in capital reserve)

Equity shares	31 March 2021		31 March 2020	
	No of shares	Amount	No of shares	Amount
Equity share capital (281,900 equity shares (March 31, 2020: 281,900) of ₹ 1 (absolute amount) each, amount called up ₹ 1 (absolute amount) each.	281,900	1.45	281,900	1.45
	281,900	1.45	281,900	1.45

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021

(All amounts in Rupees lakhs, unless otherwise stated)

## 16 Other equity

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Securities premium account</b>		
Balance at the beginning of the year	15,117.60	15,117.41
Add : Premium on conversion of partially paid shares to fully paid	-	0.19
<b>Balance at the end of the year</b>	<b>15,117.60</b>	<b>15,117.60</b>
<b>Other comprehensive income/(loss)</b>		
Balance at the beginning of the year	(215.45)	(229.57)
Add : Re-measurement gains / (losses) on defined benefit plans (net of tax)	(45.84)	14.11
<b>Balance at the end of the year</b>	<b>(261.29)</b>	<b>(215.45)</b>
<b>Surplus/(deficit) in the Statement of profit and loss</b>		
Balance at the beginning of the year	27,015.16	26,304.44
Add: Profit for the year	7,671.81	4,792.40
Less:- Final Dividend paid (refer note 1 below)	-	(1,792.44)
Less: Tax on final dividend (refer note 6 below)	-	(368.37)
Less:- Interim Dividend paid (refer note 2 below)	(995.81)	(1,593.29)
Less:- Tax on interim dividend (refer note 6 below)	-	(327.58)
<b>Net surplus in the Statement of profit and loss</b>	<b>33,691.16</b>	<b>27,015.16</b>
<b>Share based payment reserve (refer note 5 below)</b>		
Balance at the beginning of the year	-	-
Add: Compensation options granted during the year	66.18	-
<b>Balance at the end of the year</b>	<b>66.18</b>	<b>-</b>
<b>Other reserves</b>		
Capital reserve (refer note 3 below)	315.71	315.71
Capital redemption reserve (refer note 4 below)	400.00	400.00
Amalgamation reserve	1,481.46	1,481.46
General reserve	4,077.62	4,077.62
<b>Total</b>	<b>6,274.78</b>	<b>6,274.79</b>
<b>Total reserves and surplus</b>	<b>54,888.42</b>	<b>48,192.10</b>

- (1) The Company has paid final dividend for the year ended March 31, 2019 in the previous year for ₹ 0.45 (absolute amount) for every equity share of ₹ 1 (absolute amount) for the year subject to the approval of shareholders.
- (2) The Company has paid an interim dividend of ₹ 0.25 (absolute amount) for every equity share of ₹ 1 (absolute amount) (March 31, 2020 ₹ 0.40 (absolute amount) per equity share of ₹1 (absolute amount) for the year.
- (3) Includes ₹247 (March 31, 2020 : ₹247) amount forfeited against warrants and application money received in earlier years.
- (4) Represents reserve created on account of redemption of preference shares during earlier years.
- (5) The Company formulated an ESOP Scheme (referred as Company's Employee Stock Option Scheme, 2017) in accordance with SEBI (Share Based Employee Benefits) Regulation, 2014, which was duly approved in the Annual General Meeting of the Shareholders of the Company on August 1, 2017 and the Company also got in-principle approval from both NSE and BSE dated March 20, 2018 and March 27, 2018 respectively in respect of the said Scheme. During the year, pursuant to the approval by the Compensation Committee of the Board of Directors on December 26, 2020, the Company has granted options to certain eligible employees under the said approved scheme. Pursuant to the scheme, the Company has granted 25,55,000 options to the eligible employees of the Company. (Also, refer note 44).

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021

(All amounts in Rupees lakhs, unless otherwise stated)

- (6) With effect from April 01, 2020, the Dividend Distribution Tax ("DDT") payable by the company under section 115O of Income Tax Act was abolished and a withholding tax was introduced on the payment of dividend. As a result, dividend is now taxable in the hands of the recipient.
- (7) The Board of Directors at their meeting held on May 31, 2021 recommended a final dividend of ₹ 0.50 (@ 50%) per equity share of ₹1 each of the Company making a total dividend of ₹ 0.75 (@ 75%) per equity share of ₹1 each for the financial year 2020-21, including an interim dividend of ₹ 0.25 (25%) per equity share declared earlier during the financial year 2020-21. Final dividend is subject to the approval of shareholders.

## 17 Financial liabilities - Borrowings

Particulars	Non-current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
<b>Long term borrowings</b>				
Secured loans				
Term loans from banks				
- Indian rupee loan (refer note 1 below)	-	2,437.50	-	562.50
- Foreign currency loan (refer note 2 below)	-	2,639.57	-	-
<b>Total Long term borrowings</b>	-	<b>5,077.07</b>	-	<b>562.50</b>
Less: Amount disclosed under the head "other current liabilities" (refer note 22)	-	-	-	562.50
<b>Net Long term borrowings</b>	-	<b>5,077.07</b>	-	-
<b>Short term borrowings</b>				
Secured #				
Cash credit	-	-	-	2,161.95
Working capital demand loan	-	-	-	5,400.00
<b>Total short term borrowings</b>	-	-	-	<b>7,561.95</b>
<b>The above include</b>				
Aggregate Secured loans	-	13,201.52		
Aggregate Unsecured loans	-	-		

Security terms		Repayment terms and rate of interest
<b>1. Indian rupee loan from HDFC Bank ₹ Nil (March 31, 2020 : ₹ 3,000)</b>		Terms of repayment: 16 equal installments of ₹ 187.50 each starting from August, 2020 i.e. following the moratorium period of 15 months carrying a rate of interest of 9 % p.a.  The entire loan has been repaid during the current year.
(a) First Pari passu charge with the other lenders on Plant and machinery of the borrower at its Malanpur, Yamunanagar, Jamshedpur and Chennai locations.		
(b) Second pari passu charge on stock and book debts with other working capital banks on current assets of the Company.		
(c) Equitable mortgage for first pari passu on Immovable fixed assets at the Malanpur, Jamshedpur, Yamuna Nagar and Chennai plants.		
<b>2. Foreign currency loan from HDFC Bank ₹ Nil (March 31, 2020 : ₹ 2,639.57)</b>		Terms of repayment: 16 equal installments of ₹ 164.97 each starting from April, 2021 i.e. following the moratorium period of 15 months carrying a rate of interest of Euribor + 2.75 % p.a.  The entire loan has been repaid during the current year.
(a) First Pari passu charge with the other lenders on Plant and machinery of the borrower at its Malanpur, Yamunanagar, Jamshedpur and Chennai locations.		
(b) Second pari passu charge on stock and book debts with other working capital banks on current assets of the Company		
(c) Equitable mortgage for first pari passu on Immovable fixed assets at the Malanpur, Jamshedpur, Yamuna Nagar and Chennai plants.		

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021

(All amounts in Rupees lakhs, unless otherwise stated)

## Short term borrowing

# The Company has a cash credit account facility from HDFC Bank and Kotak Bank amounting to ₹ Nil (March 31, 2020 : ₹ 2,161.95) carrying rate of interest ranging from 7.40% to 8.55% and 7.50% to 8.20% respectively and facility of working capital loan from HDFC and Kotak Mahindra Bank amounting to ₹ Nil (March 31, 2020 : ₹ 5,400) carrying rate of interest 7.30%-7.40%. The security against these facilities are as follows:

- (a) First pari passu charge on entire current assets of the Company
- (b) Second pari passu charge to be shared with other lenders on all existing and future movable fixed assets of the Company situated at Malanpur, Jamshedpur, Yamuna Nagar and Chennai.
- (c) Second pari passu charge on all immovable fixed assets of the Company situated at Malanpur, Jamshedpur, Yamuna Nagar and Chennai to be shared with other secured working capital lenders.

## 18 Other financial liabilities

Particulars	Non-current	
	As at 31 March 2021	As at 31 March 2020
Security deposits at amortised cost	142.69	128.97
<b>Total</b>	<b>142.69</b>	<b>128.97</b>

## 19 Provisions

Particulars	Non-current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
<b>Provision for employees benefits</b>				
Provision for leave encashment	541.69	394.12	157.25	147.78
Provision for long service award	24.92	25.55	11.03	11.15
Provision for benevolent fund	54.62	33.63	11.09	10.68
Provision for gratuity (refer note 35)	1,147.73	872.64	127.53	201.75
<b>Sub Total</b>	<b>1,768.96</b>	<b>1,325.94</b>	<b>306.90</b>	<b>371.36</b>
<b>Other provisions</b>				
Provision for warranties (refer note 19(a))	-	-	96.63	92.25
Provision for contingencies (refer note 19(b))	-	-	140.00	544.08
Provision for price differences (refer note 19(c))	-	-	1,701.25	1,552.91
<b>Sub Total</b>	<b>-</b>	<b>-</b>	<b>1,937.88</b>	<b>2,189.24</b>
<b>Grand Total</b>	<b>1,768.96</b>	<b>1,325.94</b>	<b>2,244.78</b>	<b>2,560.60</b>

### 19(a) Provision for warranties

A provision is recognized for expected warranty claims on products sold during the last one year, based on past experience of the quantum of repairs and returns. It is expected that a significant portion of these costs will be incurred in the next financial year. Assumptions used to calculate the provision for warranties were based on current sales levels and current information available about returns based on the one-year warranty period for all products sold. The table below gives information about movement in warranty provisions.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021

(All amounts in Rupees lakhs, unless otherwise stated)

Particulars	For the Year ended 31 March 2021	For the Year ended 31 March 2020
At the beginning of the year	92.25	207.01
Arising during the year	13.20	-
Utilized during the year	(8.82)	(114.76)
<b>At the end of the year</b>	<b>96.63</b>	<b>92.25</b>
Current portion	96.63	92.25
Non-current portion	-	-

## 19(b) Provision for contingencies (also refer note 31)

Provision for contingencies represents provision made against possible tax losses based on the tax assessments and other possible losses based on the best estimate of the management.

Particulars	For the Year ended 31 March 2021	For the Year ended 31 March 2020
At the beginning of the year	544.08	360.00
Arising during the year	-	404.08
Utilized/written back during the year*	(404.08)	(220.00)
<b>At the end of the year</b>	<b>140.00</b>	<b>544.08</b>
Current portion	140.00	544.08
Non-current portion	-	-

\*The Company majorly utilized the provision against the two land parcels in Indore out of which one was surrendered and the other was registered in the Company's name during the current year.

## 19(c) Provision for price differences

Particulars	For the Year ended 31 March 2021	For the Year ended 31 March 2020
At the beginning of the year	1,552.91	2,369.19
Arising during the year	1,034.06	115.00
Utilized/written back during the year	(885.72)	(931.28)
<b>At the end of the year</b>	<b>1,701.25</b>	<b>1,552.91</b>
Current portion	1,701.25	1,552.91
Non-current portion	-	-

## 20 Deferred government grant

Particulars	For the Year ended 31 March 2021	For the Year ended 31 March 2020
At the beginning of the year	1,759.28	1,506.58
Recognised during the year	9.71	548.49
Released to the statement of profit and loss (refer note 25)	(215.87)	(295.79)
<b>At the end of the year</b>	<b>1,553.12</b>	<b>1,759.28</b>
Current portion	141.34	295.79
Non current portion	1,411.78	1,463.49

- Government grants have been received for the purchase of certain items of property, plant and equipment. There are no unfulfilled conditions or contingencies attached to these grants.
- The Company has opted the EPCG scheme, to avail the benefit of saving of custom duty by committing export of goods worth six times, of the value of duty saved, over a period of six years from the date of utilisation of benefit. Duty so saved has been recognised as Government grant and being released to profit & loss on the basis of export obligation fulfilled.
- At the year end, the Company has an outstanding export obligation of ₹ 14,145.19 (March 31, 2020: ₹ 19,111.60)

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021

(All amounts in Rupees lakhs, unless otherwise stated)

## 21 Financial liabilities -Trade payables

### 21.1 Trade payables

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Trade payables (including acceptances)</b>		
- Total outstanding dues of micro and small enterprises	<b>152.09</b>	28.48
- Total outstanding dues of creditors other than micro and small enterprises (including acceptances ₹ 11,370.42 (March 31, 2020: ₹ Nil))*	<b>17,216.23</b>	3,598.98
- Trade payable to related parties (refer note 37)	<b>109.98</b>	7.89
	<b>17,478.30</b>	<b>3,635.35</b>

#### Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled on 30-90 day terms.

For terms and conditions with related parties, refer note 37.

\*Trade payable includes Acceptances of ₹ 11,370.42 (March 31, 2020 ₹ Nil). Acceptances represent credit availed by the Company from banks for payment to suppliers of materials purchased by the Company and are payable within 90 days. Acceptances are secured under short term borrowing facilities obtained from banks and are interest bearing.

Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2021 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by the auditors.

Particulars	As at 31 March 2021	As at 31 March 2020
i) Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year:		
Principal amount due to micro and small enterprises	<b>152.09</b>	28.48
Interest due on above	-	-
ii) The amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act.	-	-
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

### 21.2 Contract liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Advance payments from customers	<b>1,833.09</b>	778.54
<b>Total Contract liabilities</b>	<b>1,833.09</b>	<b>778.54</b>
Current	<b>1,833.09</b>	778.54
Non-current	-	-



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021

(All amounts in Rupees lakhs, unless otherwise stated)

## 22 Other financial liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Current maturities of long-term borrowings (refer note 17)	–	562.50
Interest accrued but not due on borrowings	–	52.45
Investor education and protection fund, will be credited by following amounts (as and when due) - Unpaid dividends	253.41	237.39
Creditors for purchase of capital goods	1,140.54	824.00
<b>Total</b>	<b>1,393.95</b>	<b>1,676.34</b>

## 23 Other current liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Statutory dues payable	1,423.92	248.08
<b>Total</b>	<b>1,423.92</b>	<b>248.08</b>

## 24 Revenue from contract with customers

Particulars	For the Year ended 31 March 2021	For the Year ended 31 March 2020
<b>Sale of products</b>		
Sale of finished goods (automobile suspension products) (also refer note 47)	103,195.58	104,022.06
Other operating revenue		
- Scrap sale	2,075.08	1,860.05
<b>Revenue from operations</b>	<b>105,270.66</b>	<b>105,882.11</b>

### 24 (a) Contract balances

Particulars	For the Year ended 31 March 2021	For the Year ended 31 March 2020
Trade Receivables	7,601.12	7,753.76
Contract Assets	1,842.65	9.27
Contract Liabilities	1,833.09	778.54

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

Contract assets relates to revenue accrued during the year but not billed to the customer at the year end. Contract liabilities include short-term advances received from customers to deliver automobile suspension products.”

## 25 Other income

Particulars	For the Year ended 31 March 2021	For the Year ended 31 March 2020
<b>Other non-operating income</b>		
Share in profit of limited liability partnership*	462.41	575.18
Provision no longer required written back	540.58	1,059.43
Exchange fluctuation gain (net)	0.77	–
Export incentive	21.44	14.35
Government grants (refer note 20)	215.87	295.79
Miscellaneous income	160.80	40.87
<b>Total</b>	<b>1,401.87</b>	<b>1,985.62</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021

(All amounts in Rupees lakhs, unless otherwise stated)

\*Pursuant to the decision made in the meeting of partners of Jai Suspension Systems LLP, conducted on May 29, 2021, in which the Company is a partner, profits earned by the LLP for the year ended amounting to ₹ 462.41 (March 31, 2020: ₹ 575.18) has been credited to the respective current accounts of the partners.

## 26 Finance income

Particulars	For the Year ended 31 March 2021	For the Year ended 31 March 2020
<b>Interest income</b>		
- From banks	13.58	25.43
- From subsidiary	127.18	179.47
- From others	0.74	3.92
<b>Total</b>	<b>141.50</b>	<b>208.82</b>

## 27 Cost of raw material and components consumed

Particulars	For the Year ended 31 March 2021	For the Year ended 31 March 2020
Inventory at the beginning of the year	2,746.66	5,032.02
Add : Purchases during the year	70,811.57	59,421.72
Sub Total	73,558.23	64,453.74
Less : Inventory at the end of the year	6,157.44	2,746.66
<b>Total</b>	<b>67,400.79</b>	<b>61,707.08</b>

## 28 Purchase of traded goods sold

Particulars	For the Year ended 31 March 2021	For the Year ended 31 March 2020
Cost of traded goods sold	633.12	-
<b>Total</b>	<b>633.12</b>	<b>-</b>

## 29 (Increase)/ decrease in inventory of finished goods, work in progress, traded goods and scrap

Particulars	For the Year ended 31 March 2021	For the Year ended 31 March 2020
<b>Inventories at the end of year</b>		
- Finished goods and Traded goods	9,270.30	5,910.92
- Work in progress	2,114.29	2,032.62
- Scrap	221.14	131.08
<b>Total</b>	<b>11,605.73</b>	<b>8,074.62</b>
<b>Inventories at the beginning of year</b>		
- Finished goods and Traded goods	5,910.91	10,896.99
- Work in progress	2,032.63	2,263.26
- Scrap	131.08	122.78
<b>Total</b>	<b>8,074.62</b>	<b>13,283.03</b>
<b>(Increase)/ decrease in inventory of finished goods, work in progress, traded goods and scrap</b>	<b>(3,531.12)</b>	<b>5,208.41</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021

(All amounts in Rupees lakhs, unless otherwise stated)

## 30 Employee benefits expenses

Particulars	For the Year ended 31 March 2021	For the Year ended 31 March 2020
Salaries, wages and bonus	9,550.94	9,637.84
Gratuity expense (refer note 35)	187.29	204.48
Employee stock option scheme (refer note 44)	66.18	-
Contribution to provident and other funds	428.21	471.58
Staff welfare expenses	435.26	462.75
<b>Total</b>	<b>10,667.88</b>	<b>10,776.65</b>

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective. Based on a preliminary assessment, the entity believes the impact of the change will not be significant.

## 31 Other expenses

Particulars	For the Year ended 31 March 2021	For the Year ended 31 March 2020
Consumption of stores and spare parts	2,872.96	2,648.28
Power and fuel	6,777.51	6,865.58
Job charges	963.20	841.67
Rent	204.03	394.88
Repair and maintenance		
- Buildings	220.94	160.08
- Plant and machinery	278.10	298.82
- Others	203.24	208.37
Rates and taxes	127.94	156.78
Travelling and conveyance	251.32	832.60
Legal and professional (refer note 31 (a) below for payment made to auditors)	538.37	630.64
Loss on sale / discard of property, plant and equipment (net)	61.34	19.43
Provision for contingencies (refer note 19(b))	-	404.08
Impairment allowance for government grant considered doubtful (refer note 8)	396.71	-
Provision for doubtful advances	36.08	42.05
Impairment allowance for trade receivables considered doubtful	8.49	15.90
Freight, forwarding and packing charges	2,730.47	2,611.68
Sales promotion and advertisement	351.03	622.14
Selling expenses	171.28	125.96
Commission on sales	10.50	15.77
Warranty claims	13.20	(30.35)
Security charges	128.92	146.88
Contribution towards Corporate Social Responsibility (CSR) (refer note 31(b) below)	330.09	310.40
Donation	2.46	1.17
Exchange fluctuation loss	75.22	157.80
Directors sitting fees	15.60	10.30
Insurance	143.99	150.78
Printing stationery and communication	85.99	139.57
Bank charges	119.99	59.00
Miscellaneous expenses	276.40	326.08
<b>Total</b>	<b>17,395.37</b>	<b>18,166.34</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021

(All amounts in Rupees lakhs, unless otherwise stated)

## 31 (a) Payment to Auditors (excluding taxes)

Particulars	For the Year ended 31 March 2021	For the Year ended 31 March 2020
<b>As auditor :</b>		
– Audit fee	30.00	32.50
– Limited review	15.00	16.50
<b>In other capacity :</b>		
– Other services	4.43	2.50
Reimbursement of expenses	1.85	4.59
<b>Total</b>	<b>51.28</b>	<b>56.09</b>

## 31 (b) CSR expenditure

As per provisions of section 135 of the Companies Act, 2013, the Company has to incur at least 2% of average net profits of the preceding three financial years towards Corporate Social Responsibility (“CSR”). Accordingly, a CSR committee has been formed for carrying out CSR activities as per the Schedule VII of the Companies Act, 2013. The Company has contributed a sum of ₹ 330.09 (March 31, 2020: ₹ 310.40) towards this cause and charged the same to the Statement of Profit And Loss.

### Details of CSR expenditure

Particulars	For the Year ended 31 March 2021	For the Year ended 31 March 2020
a) Gross amount required to be spent by the Company during the year *	330.09	336.74
b) Amount spent during the year ending March 31, 2021	In cash	In cash
(i) Construction/acquisition of any asset	–	–
(ii) On purposes other than (i) above	330.09	–
c) Amount spent during the year ending March 31, 2020	In cash	In cash
(i) Construction/acquisition of any asset	–	–
(ii) On purpose other than (i) above	–	310.40

d) Details related to spent / unspent obligations:	For the Year ended 31 March 2021	For the Year ended 31 March 2020
i) Contribution to Public Trust	–	–
ii) Contribution to Charitable Trust	–	–
iii) Unspent amount in relation to:		
– Ongoing project	–	26.34
– Other than ongoing project	–	–

\*Includes unspent amount of ₹26.34 for FY 2019-2020.

## 32 Finance costs

Particulars	For the Year ended 31 March 2021	For the Year ended 31 March 2020
Interest on borrowings and others*	512.53	1,354.57
Interest on lease liabilities (refer note 36 (a)) (net)	71.00	128.14
<b>Total</b>	<b>583.53</b>	<b>1,482.71</b>

\* Includes interest on income tax ₹ 69.57 (March 31, 2020: ₹ NIL) and Bill discounting charges for the financing arrangement entered into with the vendors and customers respectively for early payments and receipts (net off early payment discounts received in nature of financing arrangements).

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021

(All amounts in Rupees lakhs, unless otherwise stated)

## 33 Depreciation and amortisation expenses

Particulars	For the Year ended 31 March 2021	For the Year ended 31 March 2020
Depreciation of tangible assets (refer note 3)	3,032.14	3,408.64
Depreciation of right-of-use assets (refer note 36 (a))	283.64	404.81
Amortisation of intangible assets (refer note 4)	83.57	66.42
<b>Total</b>	<b>3,399.35</b>	<b>3,879.87</b>

## 34 Earnings per share (EPS)

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

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

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

Particulars	For the Year ended 31 March 2021	For the Year ended 31 March 2020
Profit for the year	7,671.81	4,792.40
Weighted average number of equity shares during the period in calculating basic EPS	398,325,235	398,325,235
<b>Effect of dilution:</b>		
Add: Stock options granted under ESOP but yet to be exercised	–	–
Weighted average number of equity shares during the period in calculating diluted EPS	398,325,235	398,325,235
Basic EPS (in ₹)	1.93	1.20
Diluted EPS (in ₹)	1.93	1.20

The Company has granted options (ESOP's) to certain eligible employees in the current year under the approved ESOP scheme. Pursuant to the scheme, the Company has granted 25,55,000 options to the eligible employees of the Company and each options will be converted into one equity share of the Company at a later date. The effect of the granted options has an 'Anti-Dilutive' impact to the earning per share. Therefore, the effects of anti-dilutive ESOP's are ignored in calculating the diluted earnings per share.

## 35 Gratuity and other employment benefit plans

The Company operates three plans viz gratuity, long term service awards and benevolent fund for its employees. Under the gratuity plan every employee who has completed at least 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 is funded with an Insurance Company in the form of a qualifying insurance policy.

Under long term service award the employee is entitled to a fixed amount on completion of ten years and fifteen years of service. The scheme of long term service award is unfunded.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021

(All amounts in Rupees lakhs, unless otherwise stated)

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

Particulars	As at	
	31 March 2021	31 March 2020
<b>Change in benefit obligation</b>		
Opening defined benefit obligation	1,331.47	1,243.63
Service cost	117.90	131.35
Interest expenses	86.67	94.52
Benefits paid	(58.08)	(113.76)
Remeasurements - Actuarial (gains)/ loss	48.54	(24.27)
<b>Closing defined benefit obligation (A)</b>	<b>1,526.50</b>	<b>1,331.47</b>

Particulars	As at	
	31 March 2021	31 March 2020
<b>Change in plan assets</b>		
Opening fair value of plan assets	257.09	277.45
Expected return on plan assets	17.28	21.39
Contributions by employer	-	1.71
Acquisition	-	-
Benefits paid	(10.41)	(38.05)
Remeasurements - Actuarial gains/ (loss)	(12.72)	(5.41)
<b>Closing fair value of plan assets (B)</b>	<b>251.24</b>	<b>257.09</b>

Particulars	As at	
	31 March 2021	31 March 2020
Present value of defined benefit obligations at the end of the year (A)	1,526.50	1,331.47
Fair value of plan assets at the end of the year (B)	251.24	257.09
<b>Net liability recognized in the balance sheet (A-B)</b>	<b>1,275.26</b>	<b>1,074.39</b>

(b) Major categories of plan assets

Particulars	As at	
	31 March 2021	31 March 2020
Funds managed by insurer	100%	100%

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

Particulars	As at	
	31 March 2021	31 March 2020
Service cost	117.90	131.35
Net interest on the net defined benefit liability/ (asset)	69.39	73.13
<b>Net gratuity cost</b>	<b>187.29</b>	<b>204.48</b>

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

Particulars	As at	
	31 March 2021	31 March 2020
Remeasurements of the net defined benefit liability/ (assets)		
Actuarial (gains)/ losses	48.54	(24.27)
(Return)/ loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/ (assets)	12.72	5.41
<b>Total</b>	<b>61.26</b>	<b>(18.86)</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021

(All amounts in Rupees lakhs, unless otherwise stated)

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

Particulars	As at	
	31 March 2021	31 March 2020
Actuarial (gain)/loss on arising from change in demographic assumption	47.88	(41.26)
Actuarial loss/(gain) on arising from change in financial assumption	30.12	(9.49)
Actuarial loss on arising from experience adjustment	(29.47)	26.48
Actuarial loss on asset for the year	12.72	5.41
<b>Total</b>	<b>61.26</b>	<b>(18.86)</b>

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

Particulars	As at	
	31 March 2021	31 March 2020
Discount rate	6.94%	6.72%
Average rate of increase in compensations level	9.00%	First year : 0% Thereafter : 10%
Retirement age (years)	58	58
Mortality rate inclusive of provision for disability	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)
Employees turnover (age)	<b>Withdrawal rate in (%)</b>	
Upto 30 years	13.00	26.45
From 31 to 44 years	2.00	9.68
Above 44 years	1.00	9.36

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.

**(g) The Company expects to contribute ₹ 131.88 (March 31, 2020: ₹ 208.42) towards gratuity during next one year.**

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

Particulars	31 March 2021	31 March 2020
Within the next 12 months (next annual reporting period)	131.88	208.42
Between 2 and 5 years	514.29	639.05
Between 5 and 10 years	663.18	598.72
Beyond 10 years	1,778.54	751.74
<b>Total</b>	<b>3,087.89</b>	<b>2,197.93</b>

The average duration of the defined benefit plan obligation at the end of the reporting period is 11.74 years (March 31, 2020: 12.28 years).

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

Particulars	31 March 2021			
	Discount rate		Future salary increases	
Assumptions	1% increase	1% decrease	1% increase	1% decrease
Sensitivity level				
Impact on defined benefit obligation	(127.70)	136.90	101.79	(97.05)

Particulars	March 31, 2021			
	Discount rate		Future salary increases	
Assumptions	1% increase	1% decrease	1% increase	1% decrease
Sensitivity level				
Impact on defined benefit obligation	(77.25)	87.53	59.78	(55.30)

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021

(All amounts in Rupees lakhs, unless otherwise stated)

The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the Actuary.

Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

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

## 36 Commitments and contingencies

### (a) Leases

The Companies's lease asset primarily consist of leases for land and buildings for branch offices and warehouses having the various lease terms. Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified prospective method. Consequently, 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:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
- 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.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- Applied the practical expedient by not reassessing whether a contract is, or contains, a lease at the date of initial application. Instead applied the standards only to contracts that were previously identified as leases under Ind AS 17.
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

Following is carrying value of right of use assets recognised on date of transition and the movements thereof during the year ended March 31, 2021:

Particulars	Leasehold Land/ Improvement	Lease Hold Building	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	3,824.73	–	<b>3,824.73</b>	–
Reclassified from property, plant and equipment on account of adoption of Ind AS 116 "Leases" (refer note 3)	656.47	–	<b>656.47</b>	2,999.47
Additions	1,004.62	–	<b>1,004.62</b>	2,611.81
Disposals	(1,980.58)	–	<b>(1,980.58)</b>	(1,381.75)
Depreciation for the year (net)	(188.50)	–	<b>(188.50)</b>	(404.81)
<b>Balance at the end of the year</b>	<b>3,316.74</b>	<b>–</b>	<b>3,316.74</b>	<b>3,824.73</b>



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021

(All amounts in Rupees lakhs, unless otherwise stated)

Particulars	Leasehold Land/ Improvement	Lease Hold Building	Total	As at March 31, 2020
<b>Gross carrying amount</b>				
Balance at the beginning of the year	4,087.91	-	4,087.91	-
Add: Reclassified from property, plant and equipment on account of adoption of Ind AS 116 "Leases" (refer note 3)	684.93	-	684.93	3,011.54
Additions	1,004.62	-	1,004.62	2,611.81
Disposals	(1,980.58)	-	(1,980.58)	(1,535.44)
<b>Balance at the end of the year</b>	<b>3,796.88</b>	<b>-</b>	<b>3,796.88</b>	<b>4,087.91</b>

Particulars	Leasehold Land/ Improvement	Lease Hold Building	Total	As at March 31, 2020
<b>Accumulated depreciation</b>				
Balance at the beginning of the year	263.18	-	263.18	-
Add: Reclassified from property, plant and equipment on account of adoption of Ind AS 116 "Leases" (refer note 3)	28.46	-	28.46	12.07
Additions	283.64	-	283.64	404.80
Disposals	(95.14)	-	(95.14)	(153.69)
<b>Balance at the end of the year</b>	<b>480.14</b>	<b>-</b>	<b>480.14</b>	<b>263.18</b>

Net carrying amount				
As at March 31, 2021	3,316.74	-	3,316.74	-
As at March 31, 2020	3,824.73	-	3,824.73	

The following is the carrying value of lease liability on the date of transition and movement thereof during the year ended March 31, 2021:

Particulars	As at 31 March 2021	As at March 31, 2020
Balance at the beginning of the year	<b>736.05</b>	-
Reclassified from financial lease liability	-	149.83
Additions	<b>365.97</b>	2,285.28
Finance cost accrued during the period	<b>100.70</b>	179.05
Payment of lease liabilities	<b>282.87</b>	445.44
Disposals	<b>164.67</b>	1,432.66
<b>Balance at the end of the year</b>	<b>755.18</b>	<b>736.05</b>
Current liability	<b>155.12</b>	5.66
Non- Current liability	<b>600.06</b>	730.39

The Company had total cash outflows for leases of ₹ 282.87 in March 31, 2021 (₹ 445.44 in March 31, 2020). The Company also had non-cash additions to right-of-use assets and lease liabilities of ₹ 365.96 in March 31, 2021 (₹ 2,285.28 in March 31, 2020). The future cash outflows relating to leases that have not yet commenced are disclosed in Note 44.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2020 is 9%

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.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021

(All amounts in Rupees lakhs, unless otherwise stated)

The following are the amounts recognised in profit or loss:

Particulars	As at 31 March 2021	As at March 31, 2020
Depreciation expense of right-of-use assets (refer note 33)	283.64	404.81
Interest expense on lease liabilities (refer note 32)	100.70	179.05
Income on de-recognition of Liability (refer note 32)	(29.70)	(50.91)
<b>Total amount recognised in (profit) or loss</b>	<b>354.64</b>	<b>532.95</b>

## (b) Capital commitments and other commitments

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

Particulars	As at 31 March 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for relating to the plant expansion and revamping of machinery projects (Net of advances of ₹ 587.85; March 31, 2020: ₹ 1,468.73)	1,244.03	2,396.93
<b>Total</b>	<b>1,244.03</b>	<b>2,396.93</b>

## (c) Contingent liabilities (to the extent not provided for)

Particulars	March 31, 2021	March 31, 2020
(i) Income tax	474.79	474.79
(ii) Claims against company not acknowledged as debts (civil cases)	76.04	76.04
(iii) Custom and excise duty / service tax / goods and service tax	26.97	63.23
(iv) Sales tax and entry tax	131.44	191.41
<b>Total</b>	<b>709.24</b>	<b>805.47</b>

### In relation to income tax matters disclosed in (i) above:

- With respect to assessment year 2012-13 & 2013-14, the assessing officer has increased the taxable income of the Company by ₹ 1,396.85 contending that it has sold material to its subsidiary firm (Jai Suspension System LLP (JSSLLP) at lower margin in order to divert its profits to JSSLLP as JSSLLP was enjoying tax exemption during that period. Tax impact of the same is ₹ 474.79 (March 31, 2020: ₹ 474.79). The Company has preferred an appeal with CIT(A) and based on discussion with the legal counsel is confident of a favourable outcome.
- During the previous year, the Company had made voluntary application to the Central Board of Direct taxes (CBDT) under Vivad se Vishwas Scheme (VsV Scheme) for settlement of cases pertaining to the assessment years 2016-17 and 2017-18. Further, impact of the same has been duly considered by the Company for all subsequent assessment years in their provision for income tax balances and accordingly the Company had made provision amounting to ₹152.70 (net of subsequent year tax provision impact) in the books of accounts.

### In relation to (ii) above claims against company contested by the Company majorly comprises of:

- Matter pending with Tamil Nadu Generation and Distribution Corporation Limited pertaining to Financial year 2012-2014 for non payment of cross subsidy charges which were introduced subsequently with retrospective effect whereas the scheme mentioned no such charges. The Company has done an analysis and is of the opinion that it has a fair chance of favourable decision. The amount involved is ₹ 54.62. (March 31, 2020 : 54.62)
- Matter pending with the Labour court pertaining to ESI with respect to the bifurcation of material and labour in an invoice and the ESI deducted on the same. The Company has done an analysis and is of the opinion that it has fair chance of favourable decision. The amount involved is ₹ 14.05 (March 31, 2020: ₹ 14.05).

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021

(All amounts in Rupees lakhs, unless otherwise stated)

- 3) Matter pending with the EPF Appellate Tribunal pertaining to PF with respect to the PF liability on BPO consultants hired. The Company has done an analysis and is of the opinion that it has fair chance of a favourable decision. The amount involved is ₹ 6.71 (March 31, 2020: ₹ 6.71). The Company has made a payment of ₹ 3.35 (March 31, 2020 : ₹ 3.35) under protest in this regard.

**In relation to (iii) above customs and excise duty/service tax and GST contested by the Company majorly comprises of:**

- 1) During the previous year, the Company applied under Sabka Vishwas Legacy Dispute Resolution Scheme (SVLDRS) for the resolution of the matter pending with Commissioner Appeal in respect of Cenvat Credit availed by the Company on service tax paid to the transport agency for outward transportation of the goods for the period 2010-11. Pursuant to the application made, the Company has also received the discharge certificate for the same in the current year and accordingly the case have been closed. Accordingly, the amount of demand involved in this case for the current year is NIL (March 31, 2020: ₹ 3.17).
- 2) The Matter pending before Assistant Commissioner, Panchkula and Yamuna Nagar in respect of Cenvat credit not reversed on GTA services has been remanded back to the original adjudicating authority to decide the matter afresh thus dismissing the department's appeal. The amount involved is NIL (March 31, 2020: 29.76).
- 3) During the previous year, the Company applied under Sabka Vishwas Legacy Dispute Resolution Scheme (SVLDRS) for the resolution of part of the matters pending with Assistant Commissioner in respect of Cenvat Credit availed by the Company on service tax paid on charges of canteen, outdoor catering and security services. Pursuant to the application made, the Company has also received the discharge certificate for the same in the current year and accordingly these cases have been closed. One matter of same nature is pending with Assistant Commissioner, Kurukshetra for which the Company has done an analysis and is of the opinion that it has fair chance of favourable decision. The amount involved is ₹ 7.72 (March 31, 2020: 22.00).
- 4) Matter pending before Director General of Foreign Trade, New Delhi in respect of EPCG licence obtained by the Company, however, the same was lost without being used in 2008. The Company is under an obligation to surrender the licence in case of non utilisation and has received a letter from the office of Additional Directorate General of Foreign Trade for the same. The Company has appeared before the authority and submitted the facts of losing the licence without utilisation. Accordingly, the Company is of the opinion that it has fair chance of a favourable decision. The amount involved is ₹ 8.25 (March 31, 2020: ₹ 8.25).
- 5) Matters pending before Appellate Authority, Muradabad (Uttar Pradesh) and Appellate Authority, Rudrapur (Uttarakhand) pertaining to imposition of penalty. The Company has filed the present appeal before the Appellate Authority on the ground that there was typo error between invoice and Eway bill and has done an analysis and is of the opinion that it has a fair chance of a favourable decision. The amount involved is ₹ 8.36. (March 31, 2020 : NIL). The Company has made a payment of ₹ 8.36 (March 31, 2020 : ₹ 8.36) under protest in this regard.
- 6) Matters pending before Appellate Authority pertaining to imposition of penalty due to missing details in e-way bill on dispatch of goods. The Company has filed the present appeal before the Appellate Authority and has done an analysis and is of the opinion that it has a fair chance of a favourable decision. The amount involved is ₹ 2.63. (March 31, 2020 : 2.63). The Company has made a payment of ₹ 2.63 (March 31, 2020 : ₹ 2.63) under protest in this regard.

**In relation to (iv) above sale tax and entry tax matters contested by the Company majorly comprises of:**

- 1) During the previous year, the matter pending before Additional Commissioner, Grade-2, (Appeal) Fourth, Commercial Tax, Lucknow pertaining to Assessment year 2011-12 for non submission of form F. The Joint Commissioner in its order, set aside the demand against CST and VAT and allowed a refund and confirmed a demand against entry tax which is appealed for to be adjusted with the VAT refund by the Company. The Company has done an analysis and is of the opinion that it has fair chance of favourable decision on the adjustment. The amount involved is ₹ 32.78 for entry tax (March 31, 2020: ₹ 149.59) after adjustment of duty paid under protest . The Company has made a payment of ₹ 22.89 (March 31, 2020 : ₹ 22.89) under protest in this regard.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021

(All amounts in Rupees lakhs, unless otherwise stated)

- 2) Matter pending before Appellate Deputy Commissioner, Chennai (South) in respect of demand by sales tax department on reversal of ITC. The Company has done an analysis and is of the opinion that it has fair chance of favourable decision. The Amount involved is ₹ 22.42 (March 31, 2020: 22.42).
- 3) Matter pending before Assistant Commissioner (ST), Chengalpattu Assessment Circle in respect of reversal of input tax credit on stock transfer on Form F. The said liability has been discharged by the Company by adjusting the amount refundable to the Company, hence as on date nothing is payable by Company to the department and is due for the approval for same from the department. The Company has done an analysis and is of the opinion that it has fair chance of favourable decision. The Amount involved is ₹ 25.72 (March 31, 2020: ₹ NIL).
- 4) Matter pending before Assistant Commissioner (ST), Chengalpattu Assessment Circle in respect of reversal of input tax credit on purchases from cancelled dealers. The Company in its reply apart from other grounds has stated that Company has rightly claimed the ITC on basis of invoices issued by the dealers. The Company has done an analysis and is of the opinion that it has fair chance of favourable decision. The Amount involved is ₹ 6.37 (March 31, 2020: ₹ NIL).
- 5) Matter pending before Assistant Commissioner (ST), Chengalpattu Assessment Circle in respect of F.Y. 2015-2016 wherein the department has claimed that the Industrial Input Certificate in respect of goods sold to the Industrial units was not issued and in the absence of the said certificate the concessional tax rates were applied. The department has raised the instant demand and asked the Company to file its objection against the said demand. Company has filed a detailed reply along with the Industrial Input certificate. The Company has done an analysis and is of the opinion that it has fair chance of favourable decision. The Amount involved is ₹ 30.92 (March 31, 2020: ₹ NIL).
- 6) Matter pending before Assistant Commissioner (ST), Chengalpattu Assessment Circle in respect of reversal of Input Tax Credit calculated for lesser amount as per the department. The Company has done an analysis and is of the opinion that it has fair chance of favourable decision. The Amount involved is ₹ 12.31 (March 31, 2020: ₹ NIL).
- 7) As per the provisions of section 149 of Companies Act 2013, the Company needs to have at least one woman Independent director on its board throughout the year. However, during the previous year, the woman independent director on the board, resigned from the position w.e.f. August 14, 2019. Hence, to comply with section 149 of the Companies Act, the Company appointed another independent woman director, on January 31, 2020, in order to be compliant. The management took appropriate steps for condonation required in this regard and the impact of the same was not material to the financial statements.
- 8) As per regulation 34 of Listing Obligations and Disclosure Requirements (Amendments) Regulations, 2018, the listed entity shall submit to the stock exchange and publish on its website, a copy of the annual report sent to the shareholders along with the notice of the annual general meeting not later than the day of commencement of dispatch to its shareholders. However, the Company filed the annual report for the year 2018-19, with the stock exchange on August 5, 2019, whereas the notice of the annual general meeting was already served on July 4, 2019. The management have taken appropriate steps for condonation required in this regard and the impact of the same is not material to the financial statements.

The Company is contesting the demands and based on past judicial precedents, favourable decisions, views from external experts, the management believes that its position will likely be upheld and will not have a material adverse impact on the Company's financial position and results of operation of the Company. Accordingly, no provision has been made in the financial statements.

## (d) Other contingent liabilities

Particulars	March 31, 2021	March 31, 2020
(i) Guarantee given by the Company to lender of its subsidiary	13,500.00	13,500.00
(ii) Bank guarantees	1,815.23	1,639.73
(iii) Obligation related to customer collections*	11,468.13	-
<b>Total</b>	<b>26,783.36</b>	<b>15,139.73</b>

\*Represents arrangement where the obligation of the Company may arise to a bank due to unforeseen event of occurrence of default by the Company's customer, which is initially indemnified by the said customer to the bank. The Company, on conservative basis, has disclosed the said amount under contingent liability at the year end.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021

(All amounts in Rupees lakhs, unless otherwise stated)

## 37 Related party transactions

### A) Related parties under IND AS-24 with whom transactions have taken place during the year

#### I. Subsidiary

Jai Suspension Systems LLP

Jai Suspension Limited

Jai Automotive Components Limited (w.e.f. December 31, 2019)

#### II. Key managerial personnel and their relatives

Mr. B.S. Jauhar

Chairman

Mr. R.S. Jauhar

Vice Chairman & Executive Director

Mr. P.S. Jauhar

Managing Director & CEO

Mr. S.P.S. Kohli

Executive Director (appointed w.e.f. 13.02.2018)

Mrs. Sonia Jauhar

Wife of Vice Chairman

Mrs. Kirandeep Chadha

Daughter of Chairman

#### III. Companies/Concerns controlled by KMP & their relatives

Jamna Agro Implements Private Limited

S.W. Farms Private Limited

Map Auto Limited (Also having significant influence over the Company)

#### Transactions with related parties

Nature of Transaction	Subsidiaries		Companies/Concerns controlled by KMP & their relatives		Key management personnel and their relatives		Total	
	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	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Purchase of Raw materials and Components</b>								
Jai Suspension Systems LLP	288.03	102.98	-	-	-	-	288.03	102.98
MAP Auto Limited	-	-	837.62	690.39			837.62	690.39
<b>Purchase of fixed assets</b>								
Jai Suspension Systems LLP	10.44	968.90	-	-	-	-	10.44	968.90
<b>Job work charges</b>								
MAP Auto Limited	-	-	324.43	395.99	-	-	324.43	395.99
<b>Rent expense</b>								
SW Farms Private Limited	-	-	26.17	26.17	-	-	26.17	26.17
Jamna Agro Implements Private Ltd.	-	-	38.23	38.23	-	-	38.23	38.23
Mrs Sonia Jauhar	-	-	-	-	11.89	11.89	11.89	11.89
Mr P S Jauhar	-	-	-	-	-	18.44	-	18.44
<b>Sale of finished goods</b>								
Jai Suspension Systems LLP	12,775.56	19,334.89	-	-	-	-	12,775.56	19,334.89
<b>Sale of fixed assets</b>								
Jai Suspension Systems LLP	0.53	15.35	-	-	-	-	0.53	15.35
<b>Share of profits of LLP</b>								
Jai Suspension Systems LLP	462.41	575.18	-	-	-	-	462.41	575.18

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021

(All amounts in Rupees lakhs, unless otherwise stated)

Nature of Transaction	Subsidiaries		Companies/Concerns controlled by KMP & their relatives		Key management personnel and their relatives		Total	
	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	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Withdrawal of profits from LLP</b>								
Jai Suspension Systems LLP	-	1,000.00	-	-	-	-	-	1,000.00
<b>Interest income</b>								
Jai Suspensions Limited	127.92	140.38	-	-	-	-	127.92	140.38
Jai Suspension Systems LLP	0.74	39.09	-	-	-	-	0.74	39.09
<b>Expense incurred on behalf of related party</b>								
Jai Suspensions Limited	70.50	13.67	-	-	-	-	70.50	13.67
Jai Suspensions Systems LLP	-	4.99	-	-	-	-	-	4.99
Jai Automotive Components Limited	43.74	22.44	-	-	-	-	43.74	22.44
<b>Remuneration</b>								
Mr. P S Jauhar	-	-	-	-	253.57	239.64	253.57	239.64
Mr. R S Jauhar	-	-	-	-	262.93	251.24	262.93	251.24
Mr. SPS Kohli	-	-	-	-	38.58	36.75	38.58	36.75
Mrs. Kirandeep Chadha	-	-	-	-	19.15	20.65	19.15	20.65
<b>Loan given</b>								
Jai Suspensions Limited	-	345.00	-	-	-	-	-	345.00
<b>Investment in subsidiaries made during the year</b>								
Jai Automotive Components Limited	657.00	2,275.00	-	-	-	-	657.00	2,275.00

Transactions during the year	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	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Balances as at the year end</b>								
Trade payable	495.14	-	-	7.89	-	-	495.14	7.89
Trade receivable	2,876.95	910.84	-	-	-	-	2,876.95	910.84
Other receivable	30.92	41.11	-	-	-	-	30.92	41.11
Interest receivable	288.55	170.91	-	-	-	-	288.55	170.91
Loan receivable	1,651.35	1,651.35	-	-	-	-	1,651.35	1,651.35
Investments	4,886.58	3,766.99	-	-	-	-	4,886.58	3,766.99
Guarantee given by Company for borrowings of the related party	13,500.00	13,500.00	-	-	-	-	13,500.00	13,500.00

- (a) The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.
- (b) All the liabilities for post retirement benefits being 'Gratuity' are provided on actuarial basis for the Company as a whole, the amount pertaining to Key management personnel are not included above.
- (c) Transactions have been reported gross off Goods and Service Tax.
- (d) Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

# NOTES TO THE FINANCIAL STATEMENTS

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- (e) For the year ended March 31, 2021, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2020 : Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

## Loan to Subsidiary

For the terms on loan to subsidiary refer note 7.

## Guarantee given by the Company

The Company has given the guarantee to the bank of Jai Suspension Systems LLP (Subsidiary entity) for the utilisation of short term borrowing from the banks.

## 38 Segment Reporting

Ind AS 108 establishes standards for the way the Company report information about operating segments and related disclosures about products and services, geographic areas, and major customers. The Company is engaged in the business of manufacturing of Automotive suspension which includes Parabolic/ Tapered leaf spring and Lift axle which constitute single reporting business segment. The entire operations are governed by the same set of risk and returns. Based on the “management approach” as defined in Ind AS 108, the management also reviews and measures the operating results taking the whole business as one segment and accordingly make decision about the resource allocation. In view of the same, separate segment information is not required to be given as per the requirements of Ind AS 108 on “Operating Segments”. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the significant accounting policies.

The analysis of geographical segment is based on the geographical location of the customers. The Company operates primarily in India and has presence in international markets as well. Its business is accordingly aligned geographically, catering to two markets i.e. India and Outside India. For customers located outside India, the Company has assessed that they carry same risk and rewards. The Company has considered domestic and exports markets as geographical segments and accordingly disclosed these as separate segments. The geographical segments considered for disclosure are as follows:

- Sales within India include sales to customers located within India.
- Sales outside India include sales to customers located outside India.

The following is the distribution of the Company’s revenue of operations by geographical market, regardless of where the goods were produced:

### Revenue from external customers

Particulars	For the Year ended 31 March 2021	For the Year ended 31 March 2020
Within India	104,202.67	105,076.86
Outside India	1,067.99	805.25
<b>Total</b>	<b>105,270.66</b>	<b>105,882.11</b>

Sales to customers generating more than 10% of total revenue aggregates to ₹ 57,567.03 (March 31, 2020 ₹ 63,062.43).

Trade receivables from customers generating more than 10% of total revenue aggregates to ₹ 5,208.91 (March 31, 2020 ₹ 4,152.60).

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021

(All amounts in Rupees lakhs, unless otherwise stated)

## Trade receivable as per geographical locations

Particulars	For the Year ended 31 March 2021	For the Year ended 31 March 2020
Within India	7,476.20	7,651.73
Outside India	124.92	102.03
<b>Total</b>	<b>7,601.12</b>	<b>7,753.76</b>

The trade receivable information above is based on the location of the customers.

All other assets (other than trade receivable) used in the Company's business are located in India and are used to cater both the customers (within India and outside India), accordingly the total cost incurred during the period to acquire the property, plant and equipment and intangible assets has not been disclosed.

## 39 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. The company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

### Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Company



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021

(All amounts in Rupees lakhs, unless otherwise stated)

uses a Black Scholes Option pricing model for ESOP scheme. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 44.

## Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in Note 35.

## 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 significant capital commitments in relation to various capital projects which are not recognized on the balance sheet. In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Guarantees are also provided in the normal course of business. There are certain obligations which management has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent 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. Refer note 40 for such measurement.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021

(All amounts in Rupees lakhs, unless otherwise stated)

## Leases - Estimating the incremental borrowing rate

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

## 40 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 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
<b>Financial assets</b>					
Security deposits paid	Amortised Cost	<b>384.11</b>	535.14	<b>384.11</b>	535.14
Investment	Fair Value through OCI	<b>47.29</b>	47.29	<b>47.29</b>	47.29
Loans	Amortised Cost	<b>1,780.41</b>	1,734.19	<b>1,780.41</b>	1,734.19
Government grant receivable	Amortised Cost	<b>755.25</b>	1,151.96	<b>755.25</b>	1,151.96
Contract assets (unbilled revenue)	Amortised Cost	<b>1,842.65</b>	9.27	<b>1,842.65</b>	9.27
Other financial assets	Amortised Cost	<b>370.12</b>	211.84	<b>370.12</b>	211.84
<b>Total</b>		<b>5,179.83</b>	<b>3,689.69</b>	<b>5,179.83</b>	<b>3,689.69</b>
<b>Financial liabilities</b>					
Borrowings (Incl Current Maturities)	Amortised Cost	-	5,639.57	-	5,639.57
Lease obligations (Incl Current Maturities)	Amortised Cost	<b>755.18</b>	736.05	<b>755.18</b>	736.05
Other financial liabilities					
Security deposits received	Amortised Cost	<b>142.69</b>	128.97	<b>142.69</b>	128.97
<b>Total</b>		<b>897.87</b>	<b>6,504.59</b>	<b>897.87</b>	<b>6,504.59</b>

The management assessed that cash and cash equivalents, short-term borrowings, interest accrued but not due on borrowings, trade receivables, trade payables and creditor for fixed asset, investor education and protection fund 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 deposits (paid/received) are evaluated by the company based on parameters such as interest rate, risk factors, risk characteristics, and individual credit worthiness of the counterparty. Based on this evaluation allowances are taken into account for the expected losses of the security deposits.

Borrowing are evaluated by the company based on parameters such as interest rates, specific country risk factors and prepayment.

The fair value of unquoted instruments, other non-current financial assets and non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are

# NOTES TO THE FINANCIAL STATEMENTS

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disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

Long-term receivables/payables are evaluated by the Company based on parameters such as interest rates, risk factors, individual credit-worthiness of the counterparty and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

Lease obligations are evaluated by the company based on parameters such as interest rates, lease period and other lease terms.

## 41 Fair value hierarchy

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

### Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2021 :

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)
<b>Financial assets</b>					
<b>Security deposits paid</b>	<b>March 31, 2021</b>	<b>384.11</b>	-	-	<b>384.11</b>
Security deposits paid	March 31, 2020	535.14	-	-	535.14
<b>Investments</b>	<b>March 31, 2021</b>	<b>47.29</b>	-	-	<b>47.29</b>
Investments	March 31, 2020	47.29	-	-	47.29
<b>Loans given</b>	<b>March 31, 2021</b>	<b>1,780.41</b>	-	-	<b>1,780.41</b>
Loans given	March 31, 2020	1,734.19	-	-	1,734.19
<b>Government grant receivable</b>	<b>March 31, 2021</b>	<b>755.25</b>	-	-	<b>755.25</b>
Government grant receivable	March 31, 2020	1,151.96	-	-	1,151.96
<b>Unbilled revenue</b>	<b>March 31, 2021</b>	<b>1,842.65</b>	-	-	<b>1,842.65</b>
Unbilled revenue	March 31, 2020	9.27	-	-	9.27
<b>Other financial assets</b>	<b>March 31, 2021</b>	<b>370.12</b>	-	-	<b>370.12</b>
Other financial assets	March 31, 2020	211.84	-	-	211.84

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

### Quantitative disclosures fair value measurement hierarchy for liabilities as at March 31, 2021 :

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)
<b>Financial liabilities</b>					
<b>Borrowings (including current maturities)</b>	<b>March 31, 2021</b>	-	-	-	-
Borrowings (including current maturities)	March 31, 2020	5,639.57	-	-	5,639.57
<b>Lease obligations</b>	<b>March 31, 2021</b>	<b>755.18</b>	-	<b>755.18</b>	-
Lease obligations	March 31, 2020	736.05	-	736.05	-
<b>Other financial liabilities</b>					
<b>Security deposits received</b>	<b>March 31, 2021</b>	<b>142.69</b>	-	-	<b>142.69</b>
Security deposits received	March 31, 2020	128.97	-	-	128.97

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

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021

(All amounts in Rupees lakhs, unless otherwise stated)

## 42 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
Borrowings including current maturities of long term borrowing (refer note 17)	-	5,639.57
Creditors for capital goods (refer note 22)	1,140.54	824.00
<b>Net debts</b>	<b>1,140.54</b>	<b>6,463.57</b>
<b>Capital components</b>		
Share capital (refer note 15)	3,983.25	3,983.25
Other equity (refer note 16)	54,888.42	48,192.10
<b>Total equity</b>	<b>58,871.67</b>	<b>52,175.35</b>
<b>Capital and net debt</b>	<b>60,012.21</b>	<b>58,638.92</b>
<b>Gearing ratio (%)</b>	<b>1.90%</b>	<b>11.02%</b>

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. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021 and March 31, 2020.

## 43 Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, 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 loans, trade receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds investments in debt and equity instruments and enters into derivative transactions.

The Company's financial risk management is an integral part of how to plan and execute its business strategies.

The company is exposed to market risk, credit risk and liquidity risk. The company's senior management oversees the management of these risks. The company's senior management is supported by a finance department that advises on financial risks and the appropriate financial risk governance framework for the Company. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Company are accountable to the Board of Directors. This process provides assurance to Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Company policies and Company risk objective. In the event of crisis caused due to external factors such as caused by recent pandemic "COVID-19", the management assesses the recoverability of its assets, maturity of its liabilities to factor it in cash flow forecast to ensure there is enough liquidity in these situations through internal and external source of funds. These forecast and assumptions are reviewed by board of directors.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021

(All amounts in Rupees lakhs, unless otherwise stated)

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized as below:

## (a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, debt and equity investments and derivative financial instruments.

### (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 long-term debt obligations with floating interest rates.

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to interest rate risk. The Company manages its net exposure to interest rate risk related to borrowings, by balancing a proportion of fixed rate and floating rate borrowing in its total borrowing portfolio. To manage this portfolio mix, the Company may enter into currency rate swap arrangements and/ or interest rate swap arrangements, which allows the company to exchange periodic payments based on a notional amount and agreed upon fixed and floating interest rates.

#### Interest rate sensitivity of borrowings:

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the portion of loan and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase / decrease in basis points	March 31, 2021	March 31, 2020
<b>Borrowing :</b>			
Long term loan	Increase in floating interest rate by 100 basis points (1%) for borrowings	<b>40.38</b>	32.56
Working capital demand loan		<b>23.52</b>	3.34
Cash Credit		<b>3.29</b>	1.11
Long term loan	Decrease in floating interest rate by 100 basis points (1%) for borrowings	<b>(40.38)</b>	(32.56)
Working capital demand loan		<b>(23.52)</b>	(3.34)
Cash Credit		<b>(3.29)</b>	(1.11)
<b>Total</b>		<b>67.19</b>	<b>37.01</b>

### (ii) Foreign currency risk

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

The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12-month period for hedges of forecasted sales and purchases(including property, plant and equipment).

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

The Company hedges its exposure to fluctuations on the translation into INR of its foreign operations by entering into forward contracts.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021

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## Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, EURO and JPY exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

### For the year ended March 31, 2021

Particulars	Change in currency rate (+/-)	Trade receivables	Long term borrowings	Creditors for fixed assets	Trade payables
EURO	1.00%	-	-	(4.08)	(0.23)
JPY	1.00%	-	-	-	-
USD	1.00%	0.82	-	(0.34)	(0.39)

### For the year ended March 31, 2020

Particulars	Change in currency rate (+/-)	Trade receivables	Long term borrowings	Creditors for fixed assets	Trade payables
EURO	1.00%	0.55	(26.40)	(2.81)	(1.26)
JPY	1.00%	-	-	-	(0.18)
USD	1.00%	0.33	-	(0.70)	(0.12)

## (b) Legal, taxation and accounting risk:

The Company is exposed to few legal and administrative proceedings arising during the course of business. The management makes an assessment of these pending cases and in case where it believes that loss arising from a proceeding is probable and can reasonably be estimated, the amount is recorded in the books of account. To mitigate these risks arising from the proceedings, the Company employs third party tax and legal experts to assist in structuring significant transactions and contracts.

## (c) Credit risk

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

### Trade receivables

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. The major customers of the Company are original equipment manufacturers (OEM's) which have a defined period for payment of receivables and from related party, hence the Company evaluates the concentration of risk with respect to trade receivables as low. At March 31, 2021, approximately 98% (March 31, 2020: 98%) of all the receivables outstanding were from OEMs and related party.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, all the minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 13. The Company does not hold collateral as security except in case of dealer's securities deposit in after market.

### 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. The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2021 and March 31, 2020 is the carrying amounts as illustrated in Note 14.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021

(All amounts in Rupees lakhs, unless otherwise stated)

## (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 by doing liquidity planning. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, cash credits and advance payment terms.

### Maturity profile of financial liabilities :

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

#### March 31, 2021

Particulars	On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Borrowings	-	-	-	-	-	-
Trade payables	-	17,478.30	-	-	-	17,478.30
Lease obligations	-	75.00	172.01	575.03	1,150.68	1,972.72
Other financial liabilities	396.10	-	1,140.54	-	-	1,536.64
<b>Total</b>	<b>396.10</b>	<b>17,553.30</b>	<b>1,312.55</b>	<b>575.03</b>	<b>1,150.68</b>	<b>20,987.66</b>

#### March 31, 2020

Particulars	On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Borrowings	-	7,561.95	562.50	5,077.07	-	13,201.52
Trade payables	-	3,635.35	-	-	-	3,635.35
Lease obligations	-	37.08	134.12	370.58	194.27	736.05
Other financial liabilities	366.36	-	876.45	-	-	1,242.81
<b>Total</b>	<b>366.36</b>	<b>11,234.38</b>	<b>1,573.07</b>	<b>5,447.65</b>	<b>194.27</b>	<b>18,815.73</b>

## (e) Commodity price risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchases of steel which is a volatile products and is major component of end product. The prices in these purchase contracts are linked to the price of raw steel and demand supply matrix. However, at present, the Company do not hedge its raw material procurements, as the price of the final product of the Company also vary with the price of steel which mitigate the risk of price volatility.

## 44 Share based payments

The Company formulated an ESOP Scheme (referred as Company's Employee Stock Option Scheme, 2017) in accordance with SEBI (Share Based Employee Benefits) Regulation, 2014, which was duly approved in the Annual General Meeting of the Shareholders of the Company on August 1, 2017 and the Company also got in-principle approval from both NSE and BSE dated March 20, 2018 and March 27, 2018 respectively in respect of the said Scheme. During the year, pursuant to the approval by the Compensation Committee of the Board of Directors on December 26, 2020, the Company has granted options to certain eligible employees under the said approved Scheme. Pursuant to the scheme, the Company has granted 25,55,000 options to the eligible employees of the Company .

Under the ESOP Scheme, the eligible employees shall be granted employee Stock Options which will be exercisable into equal number of equity shares of ₹ 1/- each of the Company. The fair value of the share options is estimated at the grant date using a Black Scholes option pricing model, taking into account the terms and conditions upon which the share options were granted.

# NOTES TO THE FINANCIAL STATEMENTS

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## Details of the ESOP Scheme:

- Total number of Options granted: 25,55,000 Stock Options
- Grant date : 26 December,2020
- Exercise price: ₹50 each Option.
- Exercise period: 3 years post vesting.
- Fair value of option : ₹31.10
- Method of settlement: Equity.
- Vesting conditions: Employee remaining in the employment of the Company during the vesting period.
- Vesting period: Vesting will start after one year from Grant date i.e. 26 Dec, 2020

I year	II year	III year	IV year	V year
10%	10%	5%	0	75%"

Particulars	March 31,2021				
	Vesting period-1	Vesting period-2	Vesting period-3	Vesting period-4	Vesting period-5
Outstanding Stock Options (number) at the beginning of the year	-	-	-	-	-
Options granted during the year	255,500	255,500	127,750	-	1,916,250
Options Lapsed during the year	-	-	-	-	-
Options vested during the year	-	-	-	-	-
Options exercised during the year	-	-	-	-	-
Options outstanding at the end of the year	255,500	255,500	127,750	-	1,916,250
Exercise Price	50	50	50	-	50
Vesting Date	27 December, 2021	27 December, 2022	27 December, 2023	-	27 December, 2025

The expense recognised for employee services received during the year is shown in the following table:

Particulars	March 31, 2021	March 31, 2020
Expense for the year (refer note 30)	66.18	-
<b>Total</b>	<b>66.18</b>	<b>-</b>

## Movements during the year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year :

Particulars	31 March 2021		31 March 2020	
	Number	WAEP	Number	WAEP
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	212,800	31.10	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	212,800	31.10	-	-



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(All amounts in Rupees lakhs, unless otherwise stated)

## 45 Deferred tax assets (net)

Particulars	March 31, 2021	March 31, 2020
Deferred tax assets	494.45	203.86
<b>Total</b>	<b>494.45</b>	<b>203.86</b>

Income tax expenses reported in the statement of profit and loss comprises:	March 31, 2021	March 31, 2020
<b>Current income tax :</b>		
Current Income tax charge	2,863.17	1,451.02
Adjustments in respect of current income tax of previous years	5.29	(144.42)
<b>Deferred tax :</b>		
Relating to origination and reversal of temporary differences	(275.16)	756.49
<b>Income tax expenses reported in statement of profit and loss</b>	<b>2,593.30</b>	<b>2,063.09</b>

Statement of other comprehensive income	March 31, 2021	March 31, 2020
Net gain / (loss) on remeasurements of defined benefit plan	(61.26)	18.86
Deferred tax asset on above	15.42	(4.75)
<b>Total</b>	<b>(45.84)</b>	<b>14.11</b>

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2021 and March 31, 2020:

Particulars	March 31, 2021	March 31, 2020
Accounting profit before tax	10,265.11	6855.49
Statutory income tax rate	25.17%	25.17%
Computed tax expenses	2,583.52	1,725.39
Adjustments in respect of current income tax of previous years	5.29	85.35
Impact of adoption of new tax regime under section 115BAA on deferred tax	-	197.45
Deferred tax on remeasurement of defined benefit plan	15.42	(4.75)
Non-deductible expenses for tax purposes :		
Income not considered for tax purpose (Income from subsidiary (Jai Suspensions Systems LLP)	(116.38)	(144.76)
Expenses/(Income) not considered for tax purpose (Permanent differences)	117.92	196.42
Others	18.37	7.99
At the effective income tax rate of 25.43% ( March 31, 2020: 30.16%)	2,593.30	2,063.09

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Deferred tax asset comprises the following :

Deferred tax assets/ (liabilities)	Balance Sheet		During the year	
	March 31, 2021	March 31, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020
Property, plant and equipment - Impact of difference between tax depreciation and depreciation charged to financial statements	(692.97)	(789.19)	96.22	810.31
Adjustments in respect of deferred tax of previous years	-	-	(30.85)	(29.58)
Impact of Government grant deferred	(289.92)	(57.46)	(232.46)	(57.46)
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	63.54	51.08	12.46	(68.28)
Provision for contingencies	35.24	55.83	(20.59)	(69.97)
Provision for price difference	428.17	390.84	37.33	(495.75)
Provision for warranty	24.32	23.22	1.10	(49.12)
Impact of Government grant deferred	190.08	-	190.08	(408.20)
Gratuity	320.96	270.40	50.56	(67.22)
Employee incentive	9.08	-	9.08	(204.21)
Leave encashments	175.94	136.39	39.55	(71.87)
Bonus payable	59.33	78.28	(18.95)	(38.13)
Other expenditure (net)	170.68	44.47	126.21	(11.76)
<b>Total</b>	<b>494.45</b>	<b>203.86</b>	<b>259.74</b>	<b>(761.24)</b>

Particulars	March 31, 2021	March 31, 2020
Reconciliation of deferred tax assets (net)		
Balance at the beginning of the year	203.86	935.52
Tax expenses recognised in statement of profit and loss	259.74	(761.24)
Tax expenses related to earlier years	30.85	29.58
<b>Balance at the end of the year</b>	<b>494.45</b>	<b>203.86</b>

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

The Company in the previous year elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961, as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company had recognized Provision for Income Tax for the year and re-measured its deferred tax asset basis the rate prescribed in the said section. Accordingly, deferred tax asset was reduced by ₹ 197.45. The tax charge for the previous year decreased by ₹ 563.62.

Effective tax rate has been calculated on profit before tax.

- 46** The Company is a majority partner with 99.9985% share in Jai Suspension Systems LLP ("the LLP"). Partners of the LLP at their meeting held on 21 September, 2020 have decided to convert the LLP into a private limited company with the name Jai Suspension Systems Private Limited under applicable provisions of the Companies Act, 2013. Application filed by the LLP for conversion into company is pending for approval as on date.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021

(All amounts in Rupees lakhs, unless otherwise stated)

- 47** Revenue is measured by the Company at the fair value of consideration received/receivable from its customers and in determining the transaction price for the sale of finished goods, the Company considers the effect of various factors such as price differences and volume based discounts, rebates and other promotion incentive schemes ("trade schemes") provided to the customers. Adequate provisions have been made for such price differences, and trade schemes with a corresponding impact on the revenue. Accordingly, revenue for the current year is net price differences, trade schemes, rebates, discounts, etc.
- 48** The global pandemic outbreak has impacted the Company's business in early part of the financial year 2020-2021. However, the Company has been able to recover the business in course of the year. Further, at the time of finalization of these financial statements, the severity of the pandemic in the form of Wave 2 is peaking day by day across the country and on account of which various state governments have started imposing lockdown-like restrictions in various parts of the country. 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, investments, inventories and trade receivables, 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.

## 49 Standard issued but not yet effective

There are no new standards that are notified, but not yet effective, upto the date of issuance of the Company's financial statements.

- 50** Amounts appearing as zero "0" in financial are below the rounding off norm adopted by the Company.

As per our report of even date

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

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

**per Amit Gupta**

Partner

Membership No.: 501396

Place: Faridabad

Date: May 31, 2021

For and on behalf of the Board of Directors of

**Jamna Auto Industries Limited**

**P.S. Jauhar**

Managing Director & CEO

DIN : 00744518

**Praveen Lakhera**

Company Secretary

Membership No: A12507

Place: New Delhi

Date: May 31, 2021

**R.S. Jauhar**

Vice Chairman & Executive Director

DIN : 00746186

**Shakti Goyal**

Chief Financial Officer

# Independent Auditor's Report

To the Members of **Jamna Auto Industries Limited**

## Report on the Audit of the Consolidated Ind AS Financial Statements

### Opinion

We have audited the accompanying consolidated Ind AS financial statements of Jamna Auto Industries Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31 2021, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, their consolidated profit including other comprehensive income their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India

together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

### Emphasis of Matter

We draw attention to Note 49 to the consolidated financial statements, which describes the uncertainties and the management's assessment of the impact of COVID-19 pandemic on the Group's operations, assets, cash flows and results, which is highly dependent on future developments and circumstances as they evolve. Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us [and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
<p><b>Recording of price differences and trade schemes and their impact on revenue recognition</b> (as described in <b>Note 47</b> of the consolidated Ind AS financial statements)</p>	
<p>Revenue is measured by the Group at the transaction price i.e. the amount of consideration received/ receivable from its customers. In determining the transaction price for the sale of products, the Company considers the effects of various factors such as volume-based discounts, price</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>Assessed the Group's accounting policy for revenue recognition including the policy for recording price adjustments in terms of Ind AS 115;</li> </ul>

Key audit matters	How our audit addressed the key audit matter
<p>adjustments to be passed on to the customers based on various parameters like negotiations based on savings on materials/share of business, rebates etc provided to the customers.</p> <p>The Group's business also requires passing on these credits related to price adjustments and others to the customers for the sales made by the Company. The Company, at the year end, has provided for such price adjustments to be passed on to the customers based on agreed terms, negotiations undertaken, commercial considerations and other factors. The estimated liabilities on this account at the year-end is shown under note 18 and note 20 to the financial statements and the same consequentially impacts the revenue appearing in note 24 to the financial statements.</p> <p>We have considered this as a key audit matter on account of the significant judgement and estimate involved in calculation of price differences and trade schemes to be recorded as at the year end</p>	<ul style="list-style-type: none"> <li>• Obtained understanding of the revenue process, and the assumptions used by the management in the process of calculation of price adjustments as per customer contracts, including design and implementation of controls, testing of management review controls and tested the operating effectiveness of these controls;</li> <li>• Evaluated management's methodology and assumptions used in the calculations of price adjustments as per customer contracts;</li> <li>• Tested completeness and arithmetical accuracy of the data used in the computation of price difference and savings as per trade schemes;</li> <li>• Tested, on sample basis, credit notes issued and payment made as per customer contracts / agreed price negotiations;</li> <li>• Performed analytical procedures to identify any unusual trends and identify any unusual items for further testing. Compared ratio of these price adjustments as a percentage of sales for both current year and previous year and audit tested the specific exception, if any.</li> </ul>

### Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Director's Report, Management Discussion and Analysis and Business Responsibility Report but does not include the financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

### Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of

Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and

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

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

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

within the Group of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors 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 consolidated Ind AS financial statements for the financial year ended March 31, 2021 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.

### **Other Matter**

We did not audit the financial statements and other financial information, in respect of three subsidiaries, whose financial statements include total assets of ₹ 10,540.85 Lakhs as at March 31, 2021, and total revenues of ₹ 13,230.43 Lakhs and net cash inflows of ₹ 275.32 Lakhs for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the report(s) of such other auditors.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) The matter described in Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Group;
- (f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- (g) With respect to the adequacy and the operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies, incorporated in India, refer to our separate Report in "Annexure 1" to this report;
- (h) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Holding Company and its subsidiaries incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (i) 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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:
  - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated Ind AS financial position of the Group in its consolidated Ind AS financial statements – Refer Note 35(c) to the consolidated Ind AS financial statements;
  - ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2021;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its incorporated in India during the year ended March 31, 2021.

For **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

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per **Amit Gupta**  
Partner  
Membership Number: 501396  
UDIN: 21501396AAAABE3867

Place of Signature: Faridabad  
Date: May 31, 2021

# Annexure 1

## Annexure 1 to the Independent Auditor's Report of Even Date on the Consolidated Ind AS Financial Statements of Jamna Auto Industries Limited

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

In conjunction with our audit of the consolidated Ind AS financial statements of Jamna Auto Industries Limited as of and or the year ended March 31, 2021, we have audited the internal financial controls with reference to these consolidated Ind AS financial statements of Jamna Auto Industries Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls with reference to these consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, 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 with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to these consolidated Ind AS financial statements.

### Meaning of Internal Financial Controls With Reference to these Consolidated Ind AS Financial Statements

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



**Inherent Limitations of Internal Financial Controls With Reference to these Ind AS Financial Statements**

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

**Opinion**

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have maintained in all material respects, adequate internal financial controls with reference to these consolidated financial statements and such internal financial controls with reference to these consolidated financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Holding 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.

**Other Matter**

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to these consolidated financial statements of the Holding Company, insofar as it relates to a subsidiary company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary. Further, one other subsidiary, being a Limited Liability Partnership is not governed by the Companies Act, 2013 and the auditors of such subsidiary have not issued a report on adequacy and operating effectiveness of the internal financial control over financial reporting of the subsidiary, hence the same is not covered by us in our report on internal financial controls over financial reporting.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

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per **Amit Gupta**

Partner

Membership Number: 501396

UDIN: 21501396AAAABE3867

Place of Signature: Faridabad

Date: May 31, 2021

# CONSOLIDATED BALANCE SHEET

as at March 31, 2021

(All amounts in Rupees lakhs, unless otherwise stated)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
<b>A Assets</b>			
<b>1 Non-current assets</b>			
Property, plant and equipment	3	28,469.15	29,678.93
Right-of-use assets	35(a)	6,454.79	6,963.68
Capital work in progress	3	13,375.58	13,216.87
Other Intangible assets	4	168.13	226.29
Financial assets			
Investments	5	47.29	47.29
Other financial assets	7	367.06	574.81
Non current tax assets (net)	8	230.36	822.38
Other non-current assets	9	2,160.95	2,832.53
Deferred tax assets (net)	10	635.52	275.12
		<b>51,908.83</b>	<b>54,637.90</b>
<b>2 Current assets</b>			
Inventories	11	20,955.94	12,998.01
Contract assets	12.2	2,046.53	9.27
Financial assets			
Loans	6	1,331.35	86.85
Trade receivables	12.1	5,581.56	8,008.21
Cash and cash equivalents	13A	3,802.11	71.33
Other bank balances	13.1	315.81	289.82
Other financial assets	7	857.46	1,198.17
Other current assets	9	1,484.50	1,710.89
		<b>36,375.26</b>	<b>24,372.55</b>
<b>Total-Assets</b>		<b>88,284.09</b>	<b>79,010.45</b>
<b>B Equity and Liabilities</b>			
<b>1 Equity</b>			
Equity share capital	14	3,983.25	3,983.25
Other equity	15	54,017.41	47,687.27
Equity attributable to equity holders of the Parent		<b>58,000.66</b>	51,670.52
Non-controlling interest	15	0.14	0.13
<b>Total equity</b>		<b>58,000.80</b>	<b>51,670.65</b>
<b>2 Non-current liabilities</b>			
Financial liabilities			
Borrowings	16	-	5,077.07
Lease liabilities	35(a)	907.36	974.31
Other financial liabilities	17	148.12	128.97
Long term provisions	18	1,861.33	1,386.11
Deferred government grant	19	1,411.78	1,463.49
		<b>4,328.59</b>	<b>9,029.95</b>
<b>3 Current liabilities</b>			
Contract liabilities	20.2	1,836.61	780.54
Financial liabilities			
Borrowings	16	-	8,607.19
Lease liabilities	35(a)	171.35	5.74
Trade payables			
- Total outstanding dues of micro and small enterprises	20.1	470.37	39.97
- Total outstanding dues of creditors other than micro and small enterprises		18,002.38	3,746.14
Other financial liabilities	21	1,396.36	1,727.18
Deferred government grant	19	141.34	295.79
Liabilities for current tax (net)	22	-	148.57
Short term provisions	18	2,429.84	2,616.39
Other current liabilities	23	1,506.45	342.34
		<b>25,954.70</b>	<b>18,309.85</b>
<b>Total-Equity and Liabilities</b>		<b>88,284.09</b>	<b>79,010.45</b>
Summary of significant accounting policies	2.1		
The accompanying notes form an integral part of the financial statements			

As per our report of even date

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

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

per **Amit Gupta**

Partner

Membership No.: 501396

Place: Faridabad

Date: May 31, 2021

For and on behalf of the Board of Directors of

**Jamna Auto Industries Limited****P.S. Jauhar**

Managing Director &amp; CEO

DIN : 00744518

**Praveen Lakhera**

Company Secretary

Membership No: A12507

Place: New Delhi

Date: May 31, 2021

**R.S. Jauhar**

Vice Chairman &amp; Executive Director

DIN : 00746186

**Shakti Goyal**

Chief Financial Officer

# STATEMENT OF CONSOLIDATED PROFIT AND LOSS

for the year ended March 31, 2021

(All amounts in Rupees lakhs, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Income</b>			
Revenue from operations	24	1,07,947.84	1,12,895.15
Other income	25	992.96	1,614.03
<b>Total revenue</b>		<b>1,08,940.80</b>	<b>1,14,509.18</b>
<b>Expenses</b>			
Cost of raw materials and components consumed	27(a)	69,352.31	64,263.18
Purchase of traded goods	27(b)	633.12	-
(Increase)/Decrease in inventories of finished goods, work in progress, traded goods and scrap	28	(4,180.54)	6,962.13
Employee benefit expenses	29	11,176.11	11,294.19
Other expenses	30	17,720.52	18,962.79
<b>Total expenses</b>		<b>94,701.52</b>	<b>101,482.29</b>
<b>Profit before finance costs, depreciation/amortisation expense and tax</b>		<b>14,239.28</b>	<b>13,026.89</b>
<b>Finance cost</b>			
Finance costs	31	611.98	1,758.24
Finance income	26	18.97	32.49
<b>Net finance cost</b>		<b>593.01</b>	<b>1,725.75</b>
Depreciation and amortisation expense	32	3,558.09	4,137.02
<b>Profit before tax</b>		<b>10,088.18</b>	<b>7,164.12</b>
<b>Tax expense</b>	45		
Current tax		3,129.07	1,945.34
Adjustment of tax relating to earlier periods (net)		15.58	(144.42)
Deferred tax charge / (credit)		(352.76)	575.23
<b>Total tax expense</b>		<b>2,791.89</b>	<b>2,376.15</b>
<b>Profit for the year</b>		<b>7,296.29</b>	<b>4,787.97</b>
<b>Profit for the year</b>		<b>7,296.28</b>	<b>4,787.96</b>
<b>Other comprehensive income/(loss)</b>	45		
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods :			
- Re-measurement gains / (losses) on defined benefit plans		(44.16)	10.89
- Income tax effect		7.64	(1.84)
<b>Other comprehensive income/(loss) for the year, net of tax</b>		<b>(36.52)</b>	<b>9.05</b>
<b>Total comprehensive income/(loss) for the year, net of tax</b>		<b>7,259.77</b>	<b>4,797.02</b>
Total comprehensive income/(loss) for the year attributable to:			
Equity holders of the parent		7,259.76	4,797.01
Non-controlling interests		0.01	0.01
<b>Earnings per equity share (par value ₹ 1 (absolute amount) per share)</b>			
- Basic	33	1.83	1.20
- Diluted		1.83	1.20
[Earnings per equity share expressed in absolute amount in Indian Rupees]			
Significant accounting policies	2.1		
The accompanying notes form an integral part of the financial statements			

As per our report of even date

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

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

per **Amit Gupta**

Partner

Membership No.: 501396

Place: Faridabad

Date: May 31, 2021

For and on behalf of the Board of Directors of

**Jamna Auto Industries Limited**

**P.S. Jauhar**

Managing Director & CEO

DIN : 00744518

**Praveen Lakhera**

Company Secretary

Membership No: A12507

Place: New Delhi

Date: May 31, 2021

**R.S. Jauhar**

Vice Chairman & Executive Director

DIN : 00746186

**Shakti Goyal**

Chief Financial Officer

# STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2021

(All amounts in Rupees lakhs, unless otherwise stated)

## (a) Equity share capital :

Particulars	No. of shares*	Amount
<b>Equity shares of ₹ 1 each issued, subscribed and paid (refer note no 14)</b>		
Balance as at April 1, 2019	39,81,73,935	3,983.19
Partial paid converted into fully paid	12,650	0.06
Closing balance as at March 31, 2020	<b>39,81,86,585</b>	<b>3,983.25</b>
<b>Closing balance as at March 31, 2021</b>	<b>39,81,86,585</b>	<b>3,983.25</b>

\* No. of shares issued, subscribed and fully paid only.

## (b) Other equity (refer note no. 14)

Particulars	Capital reserve	Amalgamation reserve	Capital redemption reserve	Securities premium account	Share based payment reserve	General reserve	Retained earnings	Total	Non-controlling interest	Total equity including Non-controlling interest
<b>As at April 1, 2019</b>	<b>315.71</b>	<b>1,481.46</b>	<b>400.00</b>	<b>15,117.41</b>	-	<b>4,077.62</b>	<b>25,579.55</b>	<b>46,971.75</b>	<b>0.13</b>	<b>46,971.88</b>
Add: Profit for the year	-	-	-	-	-	-	4,787.97	4,787.97	-	4,787.97
Add: Security premium for the year	-	-	-	0.19	-	-	-	0.19	-	0.19
Less: Dividend paid	-	-	-	-	-	-	(3,385.74)	(3,385.74)	-	(3,385.74)
Less: Tax on dividend	-	-	-	-	-	-	(695.95)	(695.95)	-	(695.95)
Less: Non controlling interest for the year	-	-	-	-	-	-	-	-	-	-
Add: Other comprehensive income/(loss)	-	-	-	-	-	-	9.05	9.05	-	9.05
<b>As at March 31, 2020</b>	<b>315.71</b>	<b>1,481.46</b>	<b>400.00</b>	<b>15,117.60</b>	-	<b>4,077.62</b>	<b>26,294.88</b>	<b>47,687.27</b>	<b>0.13</b>	<b>47,687.40</b>
Add: Profit for the year	-	-	-	-	-	-	7,296.29	7,296.29	-	7,296.29
Add: Options granted during the year	-	-	-	-	66.18	-	-	66.18	-	66.18
Less: Dividend paid	-	-	-	-	-	-	(995.81)	(995.81)	-	(995.81)
Less: Non controlling interest for the year	-	-	-	-	-	-	-	-	0.01	0.01
Add: Other comprehensive income/(loss)	-	-	-	-	-	-	(36.52)	(36.52)	-	(36.52)
<b>As at March 31, 2021</b>	<b>315.71</b>	<b>1,481.46</b>	<b>400.00</b>	<b>15,117.60</b>	<b>66.18</b>	<b>4,077.62</b>	<b>32,558.84</b>	<b>54,017.41</b>	<b>0.14</b>	<b>54,017.55</b>
<b>Total other equity</b>	<b>315.71</b>	<b>1,481.46</b>	<b>400.00</b>	<b>15,117.60</b>	<b>66.18</b>	<b>4,077.62</b>	<b>32,558.84</b>	<b>54,017.41</b>	<b>0.14</b>	<b>54,017.55</b>

Summary of significant accounting policies

The accompanying notes form an integral part of the financial statements

As per our report of even date

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

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

per **Amit Gupta**

Partner

Membership No.: 501396

Place: Faridabad

Date: May 31, 2021

For and on behalf of the Board of Directors of

**Jamna Auto Industries Limited****P.S. Jauhar**

Managing Director &amp; CEO

DIN : 00744518

**Praveen Lakhera**

Company Secretary

Membership No: A12507

Place: New Delhi

Date: May 31, 2021

**R.S. Jauhar**

Vice Chairman &amp; Executive Director

DIN : 00746186

**Shakti Goyal**

Chief Financial Officer

# STATEMENT OF CONSOLIDATED CASH FLOW

for the year ended March 31, 2021

(All amounts in Rupees lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>A. Cash flow from operating activities</b>		
Profit before tax	10,088.18	7,164.12
<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
Depreciation and amortization expenses	3,558.09	4,137.02
Loss on sale of property, plant and equipment	60.02	109.03
Finance cost	611.98	1,758.24
Finance income	(18.97)	(32.49)
Excess provision no longer required written back	(587.47)	(1,105.40)
Impairment allowance for trade receivables and advances considered doubtful	48.07	65.46
Bad debts written off	-	3.59
Government grant and export incentive income recognised	(215.87)	(295.79)
Provision for Government grant recoverable	396.71	-
Provision for contingencies	-	404.08
Employee stock option expenses	66.18	-
Unrealised foreign exchange loss (net)	(194.81)	149.66
<b>Operating profit before working capital changes</b>	<b>13,812.11</b>	<b>12,357.52</b>
<b>Changes in operating assets and liabilities:</b>		
Increase / (decrease) in trade payable and other current liabilities	17,480.81	(42,074.97)
Increase in provision (Non current & current)	648.60	(888.37)
(Increase) / decrease in trade receivables	2,416.76	22,382.73
(Increase) / decrease in inventories	(7,957.94)	9,893.95
Increase in loans	(1,244.50)	52.66
Increase / (decrease) in other financial liabilities	19.15	(129.26)
(Increase) / decrease in other assets & other financial assets	(929.66)	527.86
<b>Cash generated from / (used in) operations</b>	<b>24,245.35</b>	<b>2,122.12</b>
Direct taxes paid (net)	(2,770.76)	(2,260.20)
<b>Net cash flow from / (used in) operating activities</b>	<b>21,474.58</b>	<b>(138.08)</b>
<b>B. Cash flow from investing activities</b>		
Purchase for property, plant and equipment (including initial costs for ROU)	(3,260.62)	(10,915.60)
Proceeds from sale of property, plant and equipment	1,459.32	945.92
Investment in fixed deposits	(9.97)	-
Fixed deposits matured during the year	-	248.41
Interest received (finance income)	17.61	35.41
<b>Net cash used in investing activities</b>	<b>(1,793.66)</b>	<b>(9,685.86)</b>

# STATEMENT OF CONSOLIDATED CASH FLOW

for the year ended March 31, 2021

(All amounts in Rupees lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>C. Cash flow from financing activities</b>		
Proceeds from calls in arrear of partly paid equity shares (including share premium)	-	0.25
Dividend paid (including dividend distribution tax) and deposit to investor education & protection fund	(995.81)	(4,081.58)
Payment of principal portion of lease liabilities	(211.65)	(304.76)
Proceeds from long term borrowings	-	5,489.92
Repayment of long term borrowings	(5,491.96)	-
Proceeds from/ (Repayment) of short term borrowings (net)	(8,607.19)	8,607.19
Interest paid	(642.48)	(1,751.58)
<b>Net cash (used in) / from financing activities</b>	<b>(15,949.09)</b>	<b>7,959.45</b>
Net increase / (decrease) in cash and cash equivalents (A+B+C)	<b>3,730.78</b>	(1,864.49)
Cash and cash equivalents at the beginning of the year	<b>71.33</b>	1,935.82
<b>Cash and cash equivalents at the end of the year</b>	<b>3,802.11</b>	<b>71.33</b>
<b>Components of cash and cash equivalents:</b>		
Cash in hand	<b>12.86</b>	14.87
Balances with scheduled banks		
- On current account	<b>3,789.25</b>	56.46
	<b>3,802.11</b>	<b>71.33</b>

**Note:**

The above cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, "Statement of cash flow".

As per our report of even date

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

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

**per Amit Gupta**

Partner

Membership No.: 501396

Place: Faridabad

Date: May 31, 2021

For and on behalf of the Board of Directors of

**Jamna Auto Industries Limited****P.S. Jauhar**

Managing Director &amp; CEO

DIN : 00744518

**Praveen Lakhera**

Company Secretary

Membership No: A12507

Place: New Delhi

Date: May 31, 2021

**R.S. Jauhar**

Vice Chairman &amp; Executive Director

DIN : 00746186

**Shakti Goyal**

Chief Financial Officer

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in Rupees lakhs, unless otherwise stated)

## 1. Corporate information

The consolidated financial statements comprise financial statements of Jamna Auto Industries Limited (the company) and its subsidiaries, Jai Suspension Systems LLP and Jai Suspensions Limited, Jai Automotive Components Limited (collectively, referred as the Group) for the year ended March 31, 2021. The Group is engaged in manufacturing and selling of Tapered Leaf, Parabolic Springs and Lift Axles. The Group has its manufacturing facilities at Malanpur, Chennai, Yamuna Nagar, Jamshedpur, Hosur, Pillaipakkam, Rudrapur and Pune.

The Company is public company domiciled in India and is incorporated under the provisions of the Companies Act. Its shares are listed on two recognized stock exchanges in India. The registered office of the Company is located at Jai Spring Road, Yamuna Nagar, Haryana —135001

Information on the Group's structure is provided in Note 44. Information on other related party relationships of the Group is provided in Note 36.

The consolidated financial statements were approved for issue in accordance with a resolution of the board of directors on May 31, 2021.

## 2. Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended.

The consolidated 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 consolidated financial statements are presented in Indian Rupees (₹) and all values are rounded to the nearest lakhs (₹ 00,000), except wherever otherwise stated.

### 2.1 Basis of consolidation

The consolidated financial statements comprise of the financial statements of the Company and its subsidiaries

as at March 31, 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

The financial statements of all the entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31, 2021.

#### Consolidation procedure:

Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in Rupees lakhs, unless otherwise stated)

between entities of the group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non—controlling interests, even if this results in the non—controlling interests having a deficit balance.

## 2.2 Significant accounting policies

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

### a) Current versus non-current classification

The Group 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 Group 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 Group has identified twelve months as its operating cycle.

### b) Foreign currencies

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The financial statements are presented in Indian Rupee (INR), which is the Group's functional and presentation currency.

#### Transactions and balances

Foreign currency transactions are recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss.

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

### c) Property, plant and equipment (PPE)

Capital work in progress, plant and equipment is stated at cost, net of accumulated depreciation and accumulated



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in Rupees lakhs, unless otherwise stated)

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, Group 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 Group 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 Group intends to use these during more than a period of 12 months.

## Depreciation on property, plant and equipment

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 Group 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 Group has used following estimated useful life to provide depreciation on its property, plant and equipment:

Particulars	Estimated Useful Life (Years)
Factory buildings	30
Other buildings	60
Plant and machinery <sup>1</sup>	15-20
Research and development equipment	1
Furniture and fixtures <sup>2</sup>	4
Vehicles <sup>2</sup>	4
Office equipment <sup>2</sup>	3
Computers	3

1. The management has estimated, supported by independent assessment, the useful life of certain plant and machinery as 20 years, which is higher than those indicated in schedule II of the Companies Act 2013.
2. The management has estimated, based on its internal assessment and past experience, the useful life of these blocks of assets as lower than the life indicated for respective block of assets in schedule II of the Companies Act 2013.

Residual value of plant and machinery is considered at 5%.

Property, plant and equipment individually costing up to ₹ 0.05 are depreciated at the rate of 100 percent.

## d) 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, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

The useful lives of the intangible assets are assessed as either finite or infinite.

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in Rupees lakhs, unless otherwise stated)

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.

## e) Leases

The Group 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.

### Group as a lessee

The Group's lease asset classes primarily comprise of lease for Land & Building. The Group 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 Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

#### (i) Right-of-use assets

The Group 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 Group 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 Group 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 Group and payments of penalties for terminating the lease, if the lease term reflects the Group 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 Group 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 Group 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in Rupees lakhs, unless otherwise stated)

“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.

## 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 an entity incurs in connection with the borrowing of funds and charged to Statement of Profit & Loss. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing cost.

## g) Impairment of non-financial asset

The Group 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 Group 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. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of four to five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the forecast period. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group

extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the Group operates, or for the market in which the asset is used.

For assets excluding goodwill and intangible assets having indefinite life, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

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

## h) Investment

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Investments in quoted and unquoted equity instruments are recognized at fair value through Other Comprehensive income.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in Rupees lakhs, unless otherwise stated)

## i) Inventories

Raw materials, components and stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on moving weighted average basis.

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

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on moving weighted average basis.

Traded goods are valued at cost.

Scrap is valued at net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. Obsolete and non-moving inventory are determined on the basis of regular review and are valued at net realizable value or cost whichever is lower.

## j) Revenue from contract with customers

The Group manufactures and sells a range of automobile suspension products. 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 Group expects to be entitled in exchange for those goods or services. The Group 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:

### 1) Sale of goods

Revenue from sale of goods is recognized at the point in time when control of the inventory is transferred to the customer, generally on delivery of the equipment. The normal credit term is 30 to 90 days upon delivery.

The Group considers whether there are other promises in the contract that are separate performance

obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Group allocated a portion of the transaction price to goods bases on its relative standalone prices and also considers the following:

### (i) Warranty obligations

The Group generally provides for warranties for general repair of defects. These warranties are assurance-type warranties under Ind AS 115, which are accounted for under Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets), consistent with its current practice. The Group adjust the transaction price for the time value of money where the period between the transfer of the promised goods or services to the customer and payment by customer exceed one year.

### (ii) Significant financing components

In respect of short-term advances from its customers, using the practical expedient in Ind AS 115, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be within normal operating cycle.

### (iii) Schemes

The Group operates several sales incentive programs wherein the customers are eligible for several benefits on achievement of underlying conditions as prescribed in the scheme program such as credit notes, tours, reimbursement etc. Revenue from contract with customer is presented deducting cost of all these schemes.

## 2) Service income

Job work charges are accrued, as and when services are performed.

## 3) 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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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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 Group 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 is included under the head "other income" in the statement of profit and 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 "finance income" in the statement of profit and loss.

#### 4) Share of profit from LLP

Share of profit from LLP is recognized when the right to receive share of profit is established.

#### 5) Export incentives

Export incentives are accrued in the underlying period of export sales in accordance with the terms of the export benefit scheme, provided that there is no significant uncertainty regarding the entitlement to the credit and the amount thereof.

#### Contract balances

##### (i) Trade receivables

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

##### (ii) Contract assets

Contract assets relates to revenue accrued during the year but not billed to the customer at the period end.

##### (iii) Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier)

from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

#### k) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group 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 Group operates three defined benefit plans for its employees i.e. gratuity, long service award and benevolent fund. The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out for these plans 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.

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

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in Rupees lakhs, unless otherwise stated)

- 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 Group 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 Group 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.

## l) Taxes

Tax expense for the year comprises of current tax and deferred tax.

### Current income 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 item recognized outside the statement of profit and loss is recognized outside profit or loss (either in other comprehensive income or equity). Current tax items are recognized in correlation to the underlying transactions 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.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Group recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement" under the head deferred tax assets. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

## m) Share based payments

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments which are classified as equity-settled transactions.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in Rupees lakhs, unless otherwise stated)

## Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised as an employee benefit expense with a corresponding increase in 'Share Based Payment Reserve' in other equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company best estimate of the number of equity instruments that will ultimately vest.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions.

Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the Statement of Profit and Loss.

## n) Segment reporting

Identification of segments - The Group's operating businesses are organized and managed separately according to the nature of products and services provided,

with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the geographical location of the customers.

Segment accounting policies - The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

## o) Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

## p) 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. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in Rupees lakhs, unless otherwise stated)

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.

## q) Provisions

### General

A provision is recognized when the Group 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. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

### Warranty provision

Provision for warranty related costs are recognized when the product is sold. Provision is based on historical experience. The estimate of such warranty related costs is revised annually.

### Provision for price difference

The Group recognizes the price difference payable to parties, where settlement is pending for final negotiation. It is provided on the basis of best estimates and management's assessment, considering the past trend and various other factors. These provisions are reviewed on a regular basis and adjusted with respective element with statement of profit and loss from the adequacy and reasonability point of view.

## r) 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 Group 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 Group does not recognize a contingent liability but discloses its existence in the financial statements.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

## s) Cash and cash equivalents

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

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposit held at call with financial institutions, other short - term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

## t) Dividend

The Group recognizes a liability to make the payment of dividend to owners of equity, when the distribution is authorized, and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

## u) Measurement of EBITDA

The Group has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Group measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Group does not include depreciation and amortization expense, interest income, finance costs and tax expense.

## v) Fair value measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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



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- 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 Group.

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 Group 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 Group 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 Group 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
- Financial guarantee
- Financial instruments (including those carried at amortized cost)

## w) Suppliers credit / vendor bill discounting

The Holding Company enters into deferred payment arrangements (acceptances) whereby banks/financial institutions initially make payment to Holding Company's suppliers for raw materials, goods and services directly, while the Holding Company continues to recognize the liability till settlement with the bank/financial institution at a later date, which is normally effected within a period of 90 days. The arrangement provides working capital timing benefits and the economic substance of the transaction is determined to be operating in nature. These arrangements are in the nature of credit extended in normal operating cycle and these arrangements are recognized as 'Acceptances' under Trade Payables. Interest borne by the Holding Company on such arrangements is accounted under the head 'Finance Cost'.

## x) 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.

### 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 marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

#### Subsequent measurement

For the purpose of subsequent measurement, financial assets are only classified as debt instruments at amortized cost.

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## Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- a) **Business model test:** The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) **Cash Flow characteristics test:** 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 amortized cost using the effective interest rate (EIR) method. 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 amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

## Derecognition

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 Group 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 Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group 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 Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group 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 Group 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 Group could be required to repay.

## Impairment of financial assets:

In accordance with Ind AS 109, the Group 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 Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables.

The application of simplified approach does not require the Group 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 Group determines that whether there has been a significant increase in the credit risk since initial recognition. The credit risk of the Group 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 Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, the Group 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

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for the year ended March 31, 2021

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

### Subsequent measurement

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

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

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/ losses are not subsequently transferred to statement of profit and loss. However, the Group 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 Group has not designated any financial liability as at fair value through profit and loss.

### Financial liabilities at amortised cost (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 derecognized 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. For more information refer Note 17.

### Trade and other payables

These amounts represent liabilities for goods and services provided to the Group 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.

### Financial guarantee contracts

Financial guarantee contracts obtained by the Group are those contracts that require a payment to be made by the issuer to reimburse the holder for a loss it incurs because the Group fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially at fair value, adjusted for transaction costs that are directly attributable to the

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(All amounts in Rupees lakhs, unless otherwise stated)

issuance of the guarantee. Subsequently, the financial guarantee is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization in accordance with the principles of Ind AS 115.

## 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.

## y) Changes in accounting policies and disclosures

### 1. Amendments to Ind AS 1 and Ind AS 8: Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to the Company.

These amendments are applicable prospectively for annual periods beginning on or after the 1 April 2020. The amendments to the definition of material are not expected to have a significant impact on the Company's standalone financial statements.

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## 3 Property, plant and equipment

Particulars	Freehold land	Leasehold land	Leasehold improvement	Leasehold building	Building	Plant and machinery	Furniture and fixtures	Vehicles	Office equipment	Computer hardware	Total tangible assets
<b>Gross Block</b>											
As at April 01, 2019	3,586.90	4,800.43	40.23	208.63	9,486.07	29,679.96	229.88	447.25	179.29	169.24	48,827.88
Reclassified on account of adoption of Ind AS 116 "Leases" {refer note 35(a)}	-	4,123.92	-	208.63	-	-	-	-	-	-	4,332.55
Adjustment	676.51	(676.51)	-	-	-	-	-	-	-	-	-
Add: Additions	-	-	6.26	-	497.45	828.48	34.67	-	35.53	40.92	1,443.31
Less: Disposals	-	-	36.03	-	102.96	1,233.59	7.54	111.44	17.31	15.22	1,524.09
<b>As at March 31, 2020</b>	<b>4,263.41</b>	<b>-</b>	<b>10.46</b>	<b>0.00</b>	<b>9,880.56</b>	<b>29,274.85</b>	<b>257.01</b>	<b>335.81</b>	<b>197.51</b>	<b>194.94</b>	<b>44,414.55</b>
Adjustments (refer note 1 below)	(676.51)	-	-	-	-	-	-	-	-	-	(676.51)
Add: Additions	-	-	10.35	-	1,769.40	499.58	53.47	202.08	57.81	29.80	2,622.49
Less: Disposals	-	-	-	-	64.79	784.58	2.19	26.20	1.16	35.66	914.58
<b>As at March 31, 2021</b>	<b>3,586.90</b>	<b>-</b>	<b>20.81</b>	<b>0.00</b>	<b>11,585.17</b>	<b>28,989.85</b>	<b>308.29</b>	<b>511.69</b>	<b>254.16</b>	<b>189.08</b>	<b>45,445.95</b>
<b>Accumulated depreciation</b>											
As at March 31, 2019	-	63.33	7.44	22.91	987.19	10,230.77	67.44	188.82	103.78	64.92	11,736.60
Reclassified on account of adoption of Ind AS 116 "Leases" {refer note 35(a)}	-	50.60	-	22.91	-	-	-	-	-	-	73.51
Adjustment	12.73	(12.73)	-	-	-	-	-	-	-	-	-
Add: Charge for the year	-	-	4.65	-	459.18	2,810.15	70.35	86.15	62.53	73.21	3,566.22
Deductions	-	-	7.25	-	10.26	351.83	6.21	95.51	11.00	11.62	493.68
<b>As at March 31, 2020</b>	<b>12.73</b>	<b>-</b>	<b>4.84</b>	<b>-</b>	<b>1,436.11</b>	<b>12,689.09</b>	<b>131.58</b>	<b>179.46</b>	<b>155.31</b>	<b>126.51</b>	<b>14,735.63</b>
Adjustments (refer note 1 below)	12.73	-	-	-	-	7.31	-	-	-	-	20.04
Add: Charge for the year	-	-	1.69	-	448.86	2,428.27	71.49	89.25	49.09	42.04	3,130.69
Deductions	-	-	-	-	64.79	747.19	1.28	25.38	1.08	34.46	874.18
<b>As at March 31, 2021</b>	<b>-</b>	<b>-</b>	<b>6.53</b>	<b>-</b>	<b>1,820.18</b>	<b>14,362.86</b>	<b>201.79</b>	<b>243.33</b>	<b>203.32</b>	<b>134.09</b>	<b>16,976.81</b>
<b>Net Block</b>											
<b>As at March 31, 2021</b>	<b>3,586.90</b>	<b>-</b>	<b>14.28</b>	<b>-</b>	<b>9,764.99</b>	<b>14,626.99</b>	<b>106.50</b>	<b>268.00</b>	<b>50.84</b>	<b>54.99</b>	<b>28,469.15</b>
<b>As at March 31, 2020</b>	<b>4,250.68</b>	<b>-</b>	<b>5.62</b>	<b>-</b>	<b>8,444.45</b>	<b>16,585.76</b>	<b>125.43</b>	<b>156.35</b>	<b>42.20</b>	<b>68.43</b>	<b>29,678.93</b>

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Capital work in progress	<b>13,375.58</b>	13,216.87

(1) Based on contractual agreement, a portion of land representing right of use asset has been transferred thereto during the current year. The said reclassification does not have material impact on the financial statements of the Group.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in Rupees lakhs, unless otherwise stated)

## 4 Intangible Assets

Particulars	Computer software	Total intangible assets
<b>Gross carrying amount (at Cost)</b>		
As at April 1, 2019	296.96	296.96
Add: Additions	112.01	112.01
Less: Disposals	2.68	2.68
As at March 31, 2020	406.29	406.29
Add: Additions	25.55	25.55
<b>As at March 31, 2021</b>	<b>431.84</b>	<b>431.84</b>
<b>Accumulated amortisation</b>		
As at April 1, 2019	112.62	112.62
Add: Charge for the year	67.38	67.38
As at March 31, 2020	180.00	180.00
Add: Charge for the year	83.71	83.71
<b>As at March 31, 2021</b>	<b>263.71</b>	<b>263.71</b>
<b>Net carrying amount</b>		
<b>As at March 31, 2021</b>	<b>168.13</b>	<b>168.13</b>
<b>As at March 31, 2020</b>	<b>226.29</b>	<b>226.29</b>

## 5 Investments in others

Particulars	As at March 31, 2021	As at March 31, 2020
<b>At fair value through OCI (fully paid up)</b>		
<b>Unquoted equity shares</b>		
100 equity share of ₹ 655 each (March 31, 2020 : 100 equity shares of ₹ 655 each) in TCP Limited *	0.66	0.66
466,263 equity share of ₹ 10 each (March 31, 2020 : 466,263 shares of ₹ 10 each) in IND Bharath Powergencom Limited *	46.63	46.63
<b>Total</b>	<b>47.29</b>	<b>47.29</b>

\* Investment is with an objective to attain continuous power supply and cost is estimated as fair value.

## 6 Financial assets - Loans (considered good)

Particulars	Current	
	As at March 31, 2021	As at March 31, 2020
Inter corporate deposits (secured)*	1,200.00	-
Advance to employees (unsecured)	131.35	86.85
<b>Total</b>	<b>1,331.35</b>	<b>86.85</b>

\*The subsidiary company has advanced a loan to a company called AIS Glass Solutions Limited (GS) during the year for General Corporate Purposes payable within 60 days secured by a Demand Promissory Note. Rate of interest applicable is 7% p.a. payable on repayment date.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in Rupees lakhs, unless otherwise stated)

## 7 Other financial assets

Particulars	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 at amortised cost	362.96	539.59	34.92	3.92
Non current bank balances (refer note 13.1)	4.10	7.98	-	-
Balance with sales tax, excise and custom authorities	-	27.24	62.20	39.08
Government grant receivable - considered good	-	-	755.25	1,151.96
- considered doubtful	-	-	396.71	-
Interest accrued	-	-	5.09	3.21
<b>Total</b>	<b>367.06</b>	<b>574.81</b>	<b>1,254.17</b>	<b>1,198.17</b>
Less: Provision for Government grant*	-	-	(396.71)	-
<b>Grand Total</b>	<b>367.06</b>	<b>574.81</b>	<b>857.46</b>	<b>1,198.17</b>

\*As at the balance sheet date, in accordance with Ind AS accounting, the revenue recognised has exceeded by ₹ 396.71 than the amount actually received till date in lieu of the government grant receivable. The Group expects to recover the same within FY 2021-2022, however considering ongoing delays, based on principles of Expected Credit Loss and conservation, the Holding Company has recorded a provision for impairment of amount recoverable equivalent to the revenue recognised over and above the actual receipt i.e. ₹ 396.71 upto March 31, 2021.

## 8 Non current tax assets (net)

Particulars	Non-current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Advance income tax (net)	230.36	822.38	-	-
<b>Total</b>	<b>230.36</b>	<b>822.38</b>	<b>-</b>	<b>-</b>

## 9 Other assets

Particulars	Non-current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
<b>Capital advances</b>				
Unsecured considered good	1,369.85	1,818.03	-	-
Unsecured considered doubtful	21.93	44.89	-	-
<b>Sub Total</b>	<b>1,391.78</b>	<b>1,862.92</b>	<b>-</b>	<b>-</b>
Less: Provision for doubtful advances	(21.93)	(44.89)	-	-
<b>Total (A)</b>	<b>1,369.85</b>	<b>1,818.03</b>	<b>-</b>	<b>-</b>
Advance to suppliers - considered good	-	1.54	438.94	440.01
- considered doubtful	41.52	41.52	-	3.26
Prepaid expenses	19.70	17.16	158.65	212.60
Prepaid lease rent	324.07	338.59	14.63	14.63
Deferred rent	112.20	113.48	1.28	1.28
Insurance claim receivable	-	-	-	24.25
Balance with custom authority	-	-	0.41	0.41
Prepaid taxes	-	-	686.77	690.76
Duty paid under protest	199.67	302.88	-	-
Other recoverable in cash or kind (considered good)	138.82	244.21	183.82	346.99
- considered doubtful	-	-	12.43	12.43
<b>Sub Total</b>	<b>835.98</b>	<b>1,059.38</b>	<b>1,496.93</b>	<b>1,746.62</b>
Less :- Allowances for doubtful advances	(44.88)	(44.88)	(12.43)	(35.73)
<b>Total (B)</b>	<b>791.10</b>	<b>1,014.50</b>	<b>1,484.50</b>	<b>1,710.89</b>
<b>Grand Total (A+B)</b>	<b>2,160.95</b>	<b>2,832.53</b>	<b>1,484.50</b>	<b>1,710.89</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in Rupees lakhs, unless otherwise stated)

## 10 Deferred tax assets / (liabilities) (net)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Deferred tax assets</b>		
Provision for bad and doubtful debts	67.51	55.05
Provision for contingency	35.24	55.83
Provision for price difference	491.68	390.84
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	981.92	647.07
<b>Total deferred tax asset</b>	<b>1,576.35</b>	<b>1,148.79</b>
<b>Less :- Deferred tax liability</b>		
Excess of depreciation/ amortisation on fixed assets under income tax law over depreciation/ amortisation provided in accounts	(696.85)	(802.83)
Government grant deferred	(289.92)	(57.46)
Others	45.94	(13.38)
<b>Total deferred tax (liabilities)</b>	<b>(940.83)</b>	<b>(873.67)</b>
<b>Deferred tax assets (net) (refer note 45)</b>	<b>635.52</b>	<b>275.12</b>

## 11 Inventories

Particulars	As at March 31, 2021	As at March 31, 2020
Raw material (at cost) [includes goods in transit: ₹282.72 (March 31, 2020: ₹ 57.65)]	5,331.51	2,053.30
Components (at cost)	1,214.01	985.42
Work-in-progress (at cost)	2,254.21	2,093.71
Finished goods (at lower of cost or net realisable value) [includes sales in transit: ₹ 1,132.54 (March 31, 2020: ₹ 127.51)]	10,117.02	6,187.06
Traded goods (at cost)	213.70	-
Stores and spares (at cost)	1,604.34	1,547.44
Scrap (at net realisable value)	221.15	131.08
<b>Total</b>	<b>20,955.94</b>	<b>12,998.01</b>

## 12 Trade receivables

### 12.1 Trade receivables

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables	5,581.57	8,008.21
<b>Total</b>	<b>5,581.57</b>	<b>8,008.21</b>
There is no security against the trade receivables. The breakup is as follow:-		
Unsecured, considered good	5,581.57	8,008.21
Trade receivables-credit impaired	263.84	255.34
<b>Total</b>	<b>5,845.41</b>	<b>8,263.55</b>
Less: Allowance for trade receivables-credit impaired	(263.84)	(255.34)
<b>Total</b>	<b>5,581.57</b>	<b>8,008.21</b>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in Rupees lakhs, unless otherwise stated)

No trade receivable are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivable are non-interest bearing and are generally on terms of 30 to 90 days.

For terms and conditions relating to related party receivables, refer Note 36.

Also, refer note 35 ( c).

## 12.2 Contract assets

As at March 31, 2021, the Group has contract assets of ₹ 2,046.53 (March 31, 2020: ₹9.27) which is net of an allowance for expected credit losses of ₹ NIL (March 31, 2020: ₹ NIL).

Particulars	As at March 31, 2021	As at March 31, 2020
Unbilled revenue	2,046.53	9.27
<b>Total</b>	<b>2,046.53</b>	<b>9.27</b>
Current	2,046.53	9.27
Non current	-	-

## 13 Cash and bank balances

### 13A Cash and cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Balance with banks		
On current account	3,789.25	56.46
Cash on hand	12.86	14.87
<b>Total</b>	<b>3,802.11</b>	<b>71.33</b>

### 13B Changes in liabilities arising from financing activities

Particulars	April 01, 2020	Cash flows	Reclassified on account of change in policy	Foreign exchange	Other	March 31, 2021
Current borrowings	8,607.19	(8,607.19)	-	-	-	-
Current lease liabilities	5.75	-	-	-	171.35	177.10
Non-current borrowings	5,639.57	(5,491.96)	-	(147.61)	-	-
Non-current lease liabilities	974.31	-	-	-	907.36	1,881.67
<b>Total liabilities arising from financing activities</b>	<b>15,226.82</b>	<b>(14,099.15)</b>	<b>-</b>	<b>(147.61)</b>	<b>1,078.71</b>	<b>2,058.77</b>

Particulars	April 01, 2019	Cash flows	Reclassified on account of change in policy	Foreign exchange	Other	March 31, 2020
Current borrowings	-	8,607.19	-	-	-	8,607.19
Current lease liabilities	-	-	-	-	5.75	5.75
Non-current borrowings	361.63	5,489.92	(359.59)	147.61	-	5,639.57
Non-current lease liabilities	-	-	-	-	974.31	974.31
<b>Total liabilities arising from financing activities</b>	<b>361.63</b>	<b>14,097.11</b>	<b>(359.59)</b>	<b>147.61</b>	<b>980.06</b>	<b>15,226.82</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in Rupees lakhs, unless otherwise stated)

## 13.1 Other bank balances

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Balance with banks</b>		
On unpaid dividend account	253.41	237.39
Fixed deposits with original maturity of more than 12 months #	4.10	7.98
Fixed deposits with original maturity of more than 3 months and less than 12 months # #	62.40	52.43
<b>Total</b>	<b>319.91</b>	<b>297.80</b>
Amount disclosed under non current assets (refer note 7)	(4.10)	(7.98)
<b>Total</b>	<b>315.81</b>	<b>289.82</b>

# Includes fixed deposit kept as margin money ₹ 4.10 (March 31, 2020: ₹ 7.98)

## Includes fixed deposit kept as margin money ₹ NIL (March 31, 2020: ₹ 52.43)

## 14 Share capital

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Authorised share capital (amount per share in absolute rupees)</b>		
63,88,65,000 (March 31, 2020: 63,88,65,000) equity shares of ₹ 1 each	6,388.65	6,388.65
3,50,000 (March 31, 2020: 3,50,000) 12.50% optionally convertible cumulative preference shares of ₹ 100 each	350.00	350.00
<b>Total</b>	<b>6,738.65</b>	<b>6,738.65</b>
<b>Issued, subscribed and paid up equity shares (amount per share in absolute rupees)</b>		
Subscribed and fully paid (39,81,86,585 (March 31, 2020: 39,81,86,585) equity shares of ₹ 1 each)	3,981.87	3,981.87
Subscribed but not fully paid (2,77,300 (March 31, 2020: 2,77,300) equity shares of ₹ 1 each, amount called up ₹ 1 each)	2.77	2.77
Less: Call in arrears (held by other than directors)	(1.39)	(1.39)
<b>Total</b>	<b>3,983.25</b>	<b>3,983.25</b>

### a. Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Equity shares	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount	No. of shares	Amount
<b>Equity share - Subscribed and fully paid up</b>				
At the beginning of the year	39,81,86,585	3,981.87	39,81,73,935	3,981.74
Add : Partial paid up converted to fully paid up	-	-	12,650	0.13
At the end of the year	39,81,86,585	3,981.87	39,81,86,585	3,981.87
<b>Equity share - Subscribed but not fully paid up</b>				
At the beginning of the year	2,77,300	2.77	2,89,950	2.90
Less : Calls in arrear received	-	-	12,650	0.13
At the end of the year	2,77,300	2.77	2,77,300	2.77

### b. Term and Rights attached to equity shares

Each shareholder is entitled to one vote per share. The Group pays and declares dividends in Indian rupees. The dividend proposed, if any, by the Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. The repayment of equity share capital in the event of liquidation and buy back of shares are possible subject to prevalent regulations. In the event of liquidation, normally the equity shareholders are eligible to receive the remaining assets of the Group after distribution of all preferential amounts, in proportion to their shareholding.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in Rupees lakhs, unless otherwise stated)

## c. Details of shareholders holding more than 5% shares in the Group :

Equity shares	As at March 31, 2021		As at March 31, 2020	
	No of shares	% holding in the class	No of shares	% holding in the class
<b>Equity shares of ₹ 1 (absolute amount) each fully paid</b>				
MAP Auto Limited	13,50,05,021	33.88%	13,20,32,728	33.14%
Pradeep Singh Jauhar	2,28,44,323	5.73%	2,15,21,070	5.40%

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

## d. Shares reserved for issue under options

For details of shares reserved for issue under the share based payment plan of the company, please refer note 43.

## e. Forfeited shares (amount originally paid up, included in capital reserve)

Equity shares	March 31, 2021		March 31, 2020	
	No of shares	Amount	No of shares	Amount
Equity share capital (2,81,900 equity shares (March 31, 2020: 2,81,900) of ₹ 1 (absolute amount) each, amount called up ₹ 1 (absolute amount) each.	2,81,900	1.45	2,81,900	1.45
	2,81,900	1.45	2,81,900	1.45

## 15 Other equity

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Securities premium account</b>		
Balance at the beginning of the year	15,117.60	15,117.41
Add : Premium on conversion of partially paid shares to fully paid	-	0.19
<b>Balance at the end of the year</b>	15,117.60	15,117.60
<b>Non-controlling interest</b>	0.14	0.13
<b>Other comprehensive income</b>		
Balance at the beginning of the year	(231.01)	(240.06)
Add : Re-measurement gains / (losses) on defined benefit plans (net of tax)	(36.52)	9.05
<b>Balance at the end of the year</b>	(267.52)	(231.01)
<b>Surplus/(deficit) in the Statement of profit and loss</b>		
Balance at the beginning of the year	26,525.89	25,819.61
Add: Profit for the year	7,296.29	4,787.97
Less:- Final dividend paid (refer note 1 below)	-	(1,792.44)
Less: Tax on final equity dividend (refer note 6 below)	-	(368.37)
Less:- Interim dividend paid (refer note 2 below)	(995.81)	(1,593.30)
Less:- Tax on interim dividend (refer note 6 below)	-	(327.58)
<b>Net surplus in the Statement of profit and loss</b>	32,826.37	26,525.89
<b>Share based payment reserve (refer note no 5 below)</b>		
Balance at the beginning of the year	-	-
Add: Compensation options granted during the year	66.18	-
<b>Balance at the end of the year</b>	66.18	-
<b>Other reserves</b>		
Capital reserve (refer note no 3 below)	315.71	315.71
Capital redemption reserve (refer note no 4 below)	400.00	400.00
Amalgamation reserve	1,481.46	1,481.46
General reserve	4,077.62	4,077.62
<b>Total</b>	6,274.79	6,274.79
<b>Total reserves and surplus</b>	54,017.55	47,687.40

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in Rupees lakhs, unless otherwise stated)

- (1) The Parent Company has paid final dividend for the year ended March 31, 2019 in the previous year for ₹ 0.45 (absolute amount) for every equity share of ₹ 1 for the year subject to the approval of shareholders.
- (2) The Parent Company has paid an interim dividend of ₹ 0.25 (absolute amount) for every equity share of ₹ 1 (absolute amount) (March 31, 2020 ₹ 0.40 (absolute amount) per equity share of ₹1 (absolute amount) for the year.
- (3) Includes ₹247 (March 31, 2020: ₹ 247) amount forfeited against warrants and application money received in earlier years.
- (4) Represents reserve created on account of redemption of preference shares during earlier years.
- (5) The Parent Company formulated an ESOP Scheme (referred as Company's Employee Stock Option Scheme, 2017) in accordance with SEBI (Share Based Employee Benefits) Regulation, 2014, which was duly approved in the Annual General Meeting of the Shareholders of the Company on August 1, 2017 and the Company also got in-principle approval from both NSE and BSE dated March 20, 2018 and March 27, 2018 respectively in respect of the said Scheme. During the year, pursuant to the approval by the Compensation Committee of the Board of Directors on December 26, 2020, the Company has granted options to certain eligible employees under the said approved Scheme. Pursuant to the scheme, the Company has granted 25,55,000 options to the eligible employees of the Company .(Also, refer note 43).
- (6) With effect from April 01, 2020, the Dividend Distribution Tax ('DDT') payable by the company under section 115O of Income Tax Act was abolished and a withholding tax was introduced on the payment of dividend. As a result, dividend is now taxable in the hands of the recipient.
- (7) The Board of Directors of the Holding Company at their meeting held on May 31, 2021 recommended a final dividend of ₹ 0.50 (@ 50% ) per equity share of ₹1 each of the Holding Company making a total dividend of ₹ 0.75 (@ 75%) per equity share of ₹1 each for the financial year 2020-21, including an interim dividend of ₹ 0.25 (25%) per equity share declared earlier during the financial year 2020-21.Final dividend is subject to the approval of shareholders.

## 16 Financial liabilities - Borrowings

Particulars	Non-current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
<b>Long term borrowings</b>				
Secured loans				
Term loans from banks				
- Indian rupee loan (refer note 1 below)	-	2,437.50	-	562.50
- Foreign currency loan (refer note 2 below)	-	2,639.57	-	-
<b>Total long term borrowings</b>	-	<b>5,077.07</b>	-	<b>562.50</b>
Less: Amount disclosed under the head "other current liabilities" (refer note 21)	-	-	-	562.50
<b>Net amount</b>	-	<b>5,077.07</b>	-	-
<b>Short term borrowings</b>				
Secured #				
Cash credit	-	-	-	3,207.19
Working capital demand loan	-	-	-	5,400.00
<b>Total short term borrowings</b>	-	-	-	<b>8,607.19</b>
<b>The above include</b>				
Aggregate Secured loans	-	14,246.76	-	-
Aggregate Unsecured loans	-	-	-	-

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in Rupees lakhs, unless otherwise stated)

Security terms		Repayment terms and rate of interest
<b>1.</b>	<b>Indian rupee loan from HDFC Bank ₹ Nil (March 31, 2020 : ₹ 3,000)</b>	Terms of repayment: 16 equal installments of ₹ 187.50 each starting from August, 2020 i.e. following the moratorium period of 15 months carrying a rate of interest of 9 % p.a.  The entire loan has been repaid during the current year.
(a)	First Pari passu charge with the other lenders on Plant and machinery of the borrower at its Malanpur, Yamunanagar, Jamshedpur and Chennai locations.	
(b)	Second pari passu charge on stock and book debts with other working capital banks on current assets of the Company.	
(c)	Equitable mortgage for first pari passu on Immovable fixed assets at the Malanpur, Jamshedpur, Yamuna Nagar and Chennai plants.	
<b>2.</b>	<b>Foreign currency loan from HDFC Bank ₹ Nil (March 31, 2020 : ₹ 2,639.57)</b>	Terms of repayment: 16 equal installments of ₹ 164.97 each starting from April, 2021 i.e. following the moratorium period of 15 months carrying a rate of interest of Euribor + 2.75 % p.a.  The entire loan has been repaid during the current year.
(a)	First Pari passu charge with the other lenders on Plant and machinery of the borrower at its Malanpur, Yamunanagar, Jamshedpur and Chennai locations.	
(b)	Second pari passu charge on stock and book debts with other working capital banks on current assets of the Company	
(c)	Equitable mortgage for first pari passu on Immovable fixed assets at the Malanpur, Jamshedpur, Yamuna Nagar and Chennai plants.	

## Short term borrowings- for Parent Company

# The Parent Company has a cash credit account facility from HDFC Bank and Kotak Bank amounting to ₹ Nil (March 31, 2020 : ₹ 2,161.95) carrying rate of interest ranging from 7.40% to 8.55% and 7.50% to 8.20% respectively and facility of working capital loan from HDFC Bank and Kotak Mahindra Bank amounting to ₹ Nil (March 31, 2020: ₹ 5,400) carrying rate of interest 7.30%-7.40%. The security against these facilities are as follows:

- (a) First pari passu charge on entire current assets of the Company
- (b) Second pari passu charge to be shared with other lenders on all existing and future movable fixed assets of the Company situated at Malanpur, Jamshedpur, Yamuna Nagar and Chennai.
- (c) Second pari passu charge on all immovable fixed assets of the Company situated at Malanpur, Jamshedpur, Yamuna Nagar and Chennai to be shared with other secured working capital lenders.

## Short term borrowings-for Subsidiary entity

The subsidiary has a facility for short term borrowing from banks. The balance outstanding as at the year end is ₹ Nil (March 31, 2020 : ₹ 1045.24) which carries interest rate of 8.10% to 9.45% and is secured by :

- First pari passu charge on all current assets and movable fixed asset of the subsidiary and
- Corporate guarantee of the parent company.

## 17 Other financial liabilities

Particulars	Non-current	
	As at March 31, 2021	As at March 31, 2020
Security deposits at amortised cost	148.12	128.97
<b>Total</b>	<b>148.12</b>	<b>128.97</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in Rupees lakhs, unless otherwise stated)

## 18 Provisions

Particulars	Non-current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
<b>Provision for employee benefits</b>				
Provision for leave encashment	558.29	405.15	158.88	154.18
Provision for long service award	26.03	26.57	11.48	11.35
Provision for benevolent fund	56.94	34.90	11.37	10.92
Provision for gratuity (refer note 34)	1,220.07	919.49	128.48	250.69
<b>Sub Total</b>	<b>1,861.33</b>	<b>1,386.11</b>	<b>310.21</b>	<b>427.14</b>
<b>Other provisions</b>				
Provision for warranties (refer note 18(a))	-	-	96.63	92.25
Provision for contingencies (refer note 18(b))	-	-	140.00	544.08
Provision for price differences (refer note 18(c))	-	-	1,883.00	1,552.91
<b>Sub Total</b>	<b>-</b>	<b>-</b>	<b>2,119.63</b>	<b>2,189.24</b>
<b>Grand Total</b>	<b>1,861.33</b>	<b>1,386.11</b>	<b>2,429.84</b>	<b>2,616.39</b>

### 18(a) Provision for warranties

A provision is recognized for expected warranty claims on products sold during the last one year, based on past experience of the level of repairs and returns. It is expected that significant portion of these costs will be incurred in the next financial year. Assumptions used to calculate the provision for warranties were based on current sales levels and current information available about returns based on the one-year warranty period for all products sold. The table below gives information about movement in warranty provisions.

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
At the beginning of the year	92.25	207.01
Arising during the year	13.20	-
Utilized during the year	(8.82)	(114.76)
<b>At the end of the year</b>	<b>96.63</b>	<b>92.25</b>
Current portion	96.63	92.25
Non-current portion	-	-

### 18(b) Provision for contingencies (also refer note 30)

Provision for contingencies represents provision made against possible tax losses based on the tax assessments and other possible losses based on the best estimate of the management.

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
At the beginning of the year	544.08	360.00
Arising during the year*	-	404.08
Utilized/written back during the year	(404.08)	(220.00)
<b>At the end of the year</b>	<b>140.00</b>	<b>544.08</b>
Current portion	140.00	544.08
Non-current portion	-	-

\* The Parent Company majorly utilized the provision against the two land parcels in Indore out of which one was surrendered and the other was registered in the Parent Company's name during the current year.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in Rupees lakhs, unless otherwise stated)

## 18(c) Provision for price differences (also refer note 47)

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
At the beginning of the year	1,552.91	2,369.19
Arising during the year	857.86	115.00
Utilized/written back during the year	(527.77)	(931.28)
<b>At the end of the year</b>	<b>1,883.00</b>	<b>1,552.91</b>
Current portion	1,883.00	1,552.91
Non-current portion	-	-

## 19 Deferred government grant

Particulars	As at March 31, 2021	As at March 31, 2020
At the beginning of the year	1,759.28	1,506.59
Recognised during the year	9.71	548.49
Released to the statement of profit and loss (refer note 25)	(215.87)	(295.79)
<b>At the end of the year</b>	<b>1,553.12</b>	<b>1,759.28</b>
Current portion	141.34	295.79
Non-current portion	1,411.78	1,463.49

### Notes:

- Government grants have been received for the purchase of certain items of property, plant and equipment. There are no unfulfilled conditions or contingencies attached to these grants.
- The Group has opted the EPCG scheme, to avail the benefit of saving of custom duty by committing export of goods worth six times, of the value of duty saved, over a period of six years from the date of utilisation of benefit. Duty so saved has been recognised as Government grant and being released to profit & loss on the basis of export obligation fulfilled.
- At the year end, the Group has an outstanding export obligation of ₹ 14,145.19 (March 31, 2020: ₹ 19,111.60)

## 20 Financial liabilities -Trade payables

### 20.1 Trade payables

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Trade payables</b>		
- Total outstanding dues of micro and small enterprises	470.37	39.97
- Total outstanding dues of creditors other than micro and small enterprises (including acceptances ₹ 11,370.42 (March 31, 2020: ₹ NIL))*	18,002.38	3,746.14
<b>Total</b>	<b>18,472.75</b>	<b>3,786.11</b>

Trade payables are non-interest bearing and are normally settled on 30-90 day terms.

\*Trade payable includes Acceptances of ₹ 11,370.42 (March 31, 2020 ₹ Nil). Acceptances represent credit availed by the Holding Company from banks for payment to suppliers of materials purchased by the Holding Company and are payable within 90 days. Acceptances are secured under short term borrowing facilities obtained from banks and are interest bearing.

Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2021 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Group and relied upon by the auditors.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in Rupees lakhs, unless otherwise stated)

Particulars	As at March 31, 2021	As at March 31, 2020
i) Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year:		
Principal amount due to micro and small enterprises	<b>470.37</b>	39.97
Interest due on above	-	-
ii) The amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act.	-	-
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

## 20.2 Contract liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Advance payments from customers	<b>1,836.61</b>	780.54
<b>Total contract liabilities</b>	<b>1,836.61</b>	<b>780.54</b>
Current	<b>1,836.61</b>	780.54
Non-current	-	-

## 21 Other financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Current maturities of long-term borrowing (refer note 16)	-	562.50
Interest accrued but not due on borrowings	-	52.45
Investor education and protection fund, will be credited by following amounts (as and when due) - Unpaid dividends	<b>253.41</b>	237.39
Creditors for capital goods	<b>1,142.95</b>	874.84
<b>Total</b>	<b>1,396.36</b>	<b>1,727.18</b>

## 22 Current tax liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Current tax liabilities	-	148.57
<b>Total</b>	<b>-</b>	<b>148.57</b>

## 23 Other current liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory dues payable	<b>1,506.18</b>	342.34
<b>Total</b>	<b>1,506.18</b>	<b>342.34</b>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in Rupees lakhs, unless otherwise stated)

## 24 Revenue from contract with customers

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
<b>Sale of products</b>		
Sale of finished goods (automobile suspension products) (also refer note 47)	1,05,815.49	1,11,031.52
Other operating revenue		
– Scrap sale	2,132.35	1,863.63
<b>Total Revenue from operations</b>	<b>1,07,947.84</b>	<b>1,12,895.15</b>

### 24 (a) Contract balances

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Trade Receivables	5,581.57	8,008.21
Contract assets	2,046.53	9.27
Contract liabilities	1,836.61	780.54

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

Contract assets relates to revenue accrued during the year but not billed to the customer at the year end.

Contract liabilities include short-term advances received from customers to deliver automobile suspension products.

## 25 Other income

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Provision no longer required, written back	587.47	1,105.40
Exchange fluctuation gain (net)	3.91	–
Export incentives	21.44	14.35
Government grants (refer note 19)	215.87	295.79
Miscellaneous income	164.27	198.49
<b>Total</b>	<b>992.96</b>	<b>1,614.03</b>

## 26 Finance income

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
<b>Interest income</b>		
– from banks	18.97	28.57
– from others	–	3.92
<b>Total</b>	<b>18.97</b>	<b>32.49</b>

## 27(a) Cost of raw material and components consumed

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Inventory at the beginning of the year	3,038.72	5,897.41
Add : Purchases during the year	73,072.49	61,404.49
Sub Total	76,111.21	67,301.90
Less : Inventory at the end of the year	6,758.90	3,038.72
<b>Total</b>	<b>69,352.31</b>	<b>64,263.18</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in Rupees lakhs, unless otherwise stated)

## 27(b) Purchase of traded goods sold

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Purchases during the year	633.12	-
<b>Total</b>	<b>633.12</b>	<b>-</b>

## 28 (Increase)/ decrease in inventory of finished goods, work in progress, traded goods and scrap

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
<b>Inventories at the end of year</b>		
- Finished goods/traded goods	10,117.02	6,181.38
- Work in progress	2,254.21	2,099.38
- Scrap	221.15	131.08
<b>Total</b>	<b>12,592.38</b>	<b>8,411.84</b>
<b>Inventories at the beginning of year</b>		
- Finished goods/traded goods	6,181.38	12,520.03
- Work in progress	2,099.38	2,731.16
- Scrap	131.08	122.78
<b>Total</b>	<b>8,411.84</b>	<b>15,373.97</b>
<b>Total (increase)/decrease in inventory of finished goods , work in progress, traded goods and scrap</b>	<b>(4,180.54)</b>	<b>6,962.13</b>

## 29 Employee benefits expenses

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Salaries, wages and bonus	10,006.89	10,099.34
Gratuity expense (refer note 34)	202.07	218.77
Employee stock option scheme (refer note 43)	66.18	-
Contribution to provident fund and other funds	453.58	497.25
Staff welfare expenses	447.39	478.83
<b>Total</b>	<b>11,176.11</b>	<b>11,294.19</b>

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective. Based on a preliminary assessment, the Group believes the impact of the change will not be significant.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in Rupees lakhs, unless otherwise stated)

## 30 Other expenses

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Consumption of stores and spare parts	2,996.98	2,837.70
Power and fuel	6,794.71	6,917.16
Job work charges	1,022.80	871.52
Rent	210.38	409.73
Repair and maintenance		
– Buildings	221.06	163.08
– Plant and machinery	288.82	315.90
– Others	210.15	217.10
Rates and taxes	133.39	204.14
Travelling and conveyance	254.41	847.54
Legal and professional (refer note 30(a) below for payment made to auditors)	557.28	653.49
Loss on sale / discard of fixed assets	60.02	109.03
Sundry balances written off	–	0.80
Provision for contingencies (refer note 18 (b))	–	404.08
Provision for doubtful government grant (refer note 7)	396.71	–
Provision for doubtful advances	39.58	65.46
Impairment allowance for trade receivables considered doubtful	8.49	15.73
Bad debts written off	–	3.59
Freight, forwarding and packing	2,767.68	2,676.82
Sales promotion and advertisement	351.03	623.84
Selling expenses	171.28	174.83
Commission on sales	10.50	15.77
Warranty expense	14.57	(22.29)
Security charges	133.30	152.73
Contribution towards Corporate Social Responsibility (CSR) (refer note 30(b) below)	330.09	310.40
Donation	2.46	91.18
Exchange fluctuation loss	78.36	157.38
Director sitting fees	15.60	10.30
Insurance	151.93	160.47
Printing stationery and communication	86.99	142.93
Bank charges	120.62	64.11
Miscellaneous expenses	291.33	368.27
<b>Total</b>	<b>17,720.52</b>	<b>18,962.79</b>

## 30 (a) Payment to auditors (excluding taxes)

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
<b>As auditor :</b>		
– Audit fee	32.25	32.50
– Limited review	19.05	16.50
<b>In other capacity :</b>		
– Other services	5.29	2.50
Reimbursement of expenses	1.85	4.59
<b>Total</b>	<b>58.44</b>	<b>56.09</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in Rupees lakhs, unless otherwise stated)

## 30 (b) CSR expenditure

As per provisions of section 135 of the Companies Act, 2013, the Parent Company has to incur at least 2% of average net profits of the preceding three financial years towards Corporate Social Responsibility ("CSR"). Accordingly, a CSR committee has been formed for carrying out CSR activities as per the Schedule VII of the Companies Act, 2013. The Parent Company has contributed a sum of ₹ 330.09 (March 31, 2020: ₹ 310.40) towards this cause and charged the same to the Statement of Profit And Loss.

### Details of CSR expenditure

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
a) Gross amount required to be spent by the Parent Company during the year *	330.09	336.74
b) Amount spent during the year ending March 31, 2021	In cash	In cash
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	330.09	-
c) Amount spent during the year ending March 31, 2020		
(i) Construction/acquisition of any asset	-	-
(ii) On purpose other than (i) above		310.40

d) Details related to spent / unspent obligations:	For the Year ended March 31, 2021	For the Year ended March 31, 2020
i) Contribution to Public Trust	-	-
ii) Contribution to Charitable Trust	-	-
iii) Unspent amount in relation to:		
- Ongoing project	-	26.34
- Other than ongoing project	-	-

\*Includes unspent amount of ₹26.34 for FY 2019-2020.

## 31 Finance costs

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Interest on borrowings and others*	515.92	1,577.87
Interest on lease liabilities (refer note 35(a)) (net)	96.06	180.37
<b>Total</b>	<b>611.98</b>	<b>1,758.24</b>

\* Includes interest on income tax ₹ 69.57 (March 31, 2020: ₹1.30) and Bill discounting charges for the financing arrangement entered into with the vendors and customers respectively for early payments and receipts (net off early payment discounts received in nature of financing arrangements).

## 32 Depreciation and amortisation expenses

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Depreciation on property, plant and equipment (refer note 3)	3,130.71	3,566.22
Depreciation on right-of-use assets (refer note 35(a))	343.77	503.42
Amortisation of intangible assets (refer note 4)	83.61	67.38
<b>Total</b>	<b>3,558.09</b>	<b>4,137.02</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in Rupees lakhs, unless otherwise stated)

## 33 Earnings per share (EPS)

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

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

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

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Profit for the year	7,296.29	4,787.97
Weighted average number of equity shares during the period in calculating basic EPS	39,83,25,235	39,83,25,235
<b>Effect of dilution:</b>		
Add: Stock options granted under ESOP but yet to be exercised	-	-
Weighted average number of equity shares during the period in calculating diluted EPS	39,83,25,235	39,83,25,235
Basic EPS (in ₹)	1.83	1.20
Diluted EPS (in ₹)	1.83	1.20

The Parent Company has granted options (ESOP's) to certain eligible employees in the current year under the approved ESOP scheme. Pursuant to the scheme, the Parent Company has granted 25,55,000 options to the eligible employees of the Parent Company and each option will be converted into one equity share of the Company at a later date. The effect of the granted options has an 'Anti-Dilutive' impact to the earning per share. Therefore, the effects of anti-dilutive ESOP's are ignored in calculating the diluted earnings per share.

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Exceptional items		
Depreciation on custom duty capitalised on surrender of EPCG licenses**	-	-
Interest on surrender of EPCG licences **	-	-
	-	-

\* Represents profit on sale of 5,249,920 shares in NHK Spring India Limited at an agreed price of ₹ 2,550.

\*\* During the year, the Company surrendered some of its EPCG licences and paid duty and interest amounting to ₹ 58.26 and ₹ 229.99 respectively. Amount of duty was capitalised as part of respective fixed assets and depreciated from the date of put to use of respective fixed assets.

## 33 Prior period expenses

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Raw material consumed	-	-
Freight	-	-
Rates and taxes	-	-
Repairs - Building	-	-
Miscellaneous expenses	-	-
Legal and Professional	-	-
Travelling and conveyance	-	-
Salaries, wages and bonus	-	-
Rent	-	-
Repairs - Others	-	-
Advertising	-	-
	-	-

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in Rupees lakhs, unless otherwise stated)

## 34 Gratuity and other employment benefit plans

The group operates three plans viz gratuity, long term service awards and benevolent fund for its employees. Under the gratuity plan every employee who has completed at least 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 is funded with an Insurance Company in the form of a qualifying insurance policy.

Under long term service award the employee is entitled to a fixed amount on completion of ten years and fifteen years of service. The scheme of long term service award is unfunded.

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

Particulars	As at	
	March 31, 2021	March 31, 2020
<b>Change in benefit obligation</b>		
Opening defined benefit obligation	1,427.45	1,336.56
Service cost	125.65	139.39
Interest expenses	93.33	100.76
Benefits paid	(78.07)	(132.96)
Remeasurements - Actuarial (gains)/ loss	31.43	(16.31)
<b>Closing defined benefit obligation (A)</b>	<b>1,599.79</b>	<b>1,427.45</b>

Particulars	As at	
	March 31, 2021	March 31, 2020
<b>Change in plan assets</b>		
Opening fair value of plan assets	257.09	277.45
Expected return on plan assets	17.28	21.39
Contributions by employer	-	1.71
Acquisition	-	-
Benefits paid	(10.40)	(38.05)
Remeasurements - Actuarial gains/ (loss)	(12.73)	(5.41)
<b>Closing fair value of plan assets (B)</b>	<b>251.24</b>	<b>257.10</b>

Particulars	As at	
	March 31, 2021	March 31, 2020
Present value of defined benefit obligations at the end of the year (A)	1,599.79	1,427.45
Fair value of plan assets at the end of the year (B)	251.24	257.10
<b>Net liability recognized in the balance sheet (A-B)</b>	<b>1,348.55</b>	<b>1,170.36</b>

(b) Major categories of plan assets

Particulars	As at	
	March 31, 2021	March 31, 2020
Funds managed by insurer	100%	100%

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in Rupees lakhs, unless otherwise stated)

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

Particulars	As at	
	March 31, 2021	March 31, 2020
Service cost	125.65	139.40
Net interest on the net defined benefit liability/ (asset)	76.42	79.37
<b>Net gratuity cost</b>	<b>202.07</b>	<b>218.77</b>

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

Particulars	As at	
	March 31, 2021	March 31, 2020
<b>Remeasurements of the net defined benefit liability/ (assets)</b>		
Actuarial (gains)/ losses	31.43	(16.31)
(Return)/ loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/ (assets)	12.73	5.41
<b>Total</b>	<b>44.16</b>	<b>(10.89)</b>

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

Particulars	As at	
	March 31, 2021	March 31, 2020
Actuarial (gain)/loss arising from change in demographic assumption	47.88	(41.26)
Actuarial (gain)/loss arising from change in financial assumption	30.12	(9.49)
Actuarial (gain)/loss arising from experience adjustment	(46.57)	34.45
Actuarial loss on asset for the year	12.73	5.41
<b>Total</b>	<b>44.16</b>	<b>(10.89)</b>

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

Particulars	As at	
	March 31, 2021	March 31, 2020
Discount rate (For Parent)	6.94%	6.72%
Discount rate (For Subsidiary)	6.97%	6.72%
Average rate of increase in compensations level (For Parent)	9.00%	First year : 0% Thereafter : 10%
Average rate of increase in compensations level (For Subsidiary)	10.00%	
Retirement age (years)	58	58
Mortality rate inclusive of provision for disability	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)
<b>Employees turnover (age) -For Parent</b>	<b>Withdrawal rate in (%)</b>	
Upto 30 years	13.00	26.45
From 31 to 44 years	2.00	9.68
Above 44 years	1.00	9.36
<b>Employees turnover (age) -For Subsidiary</b>	<b>Withdrawal rate in (%)</b>	
Upto 30 years	6.50%	21.50%
From 31 to 44 years	2.00%	8.70%
Above 44 years	0.90%	8.10%

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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

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**(g) The Group expects to contribute ₹ 133.02 (March 31, 2020: ₹ 257.77) 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)	133.02	257.77
Between 2 and 5 years	528.43	649.03
Between 5 and 10 years	702.26	671.77
Beyond 10 years	1,778.54	751.74
<b>Total</b>	<b>3,142.24</b>	<b>2,330.31</b>

The average duration of the defined benefit plan obligation at the end of the reporting period is 11.74 years (March 31, 2020: 12.28 years) for the parent company and 19.64 years (March 31, 2020 : 19.29) years for the subsidiary.

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

**Gratuity Plan**

Particulars	March 31, 2021			
	Discount rate		Future salary increases	
<b>Assumptions</b>				
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(137.62)	148.73	113.15	(106.80)

Particulars	March 31, 2020			
	Discount rate		Future salary increases	
<b>Assumptions</b>				
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(81.44)	92.33	64.41	(59.42)

The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the Actuary.

Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

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

## 35 Commitments and contingencies

**(a) Leases**

The Group's lease asset primarily consist of leases for land and buildings for branch offices and warehouses having the various lease terms. Effective April 1, 2019, the Group adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Consequently, the Group 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.



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- (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) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application (except payment for leasehold land).
- (d) Applied the practical expedient by not reassessing whether a contract is, or contains, a lease at the date of initial application. Instead applied the standards only to contracts that were previously identified as leases under Ind AS 17.
- (e) Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

Following is carrying value of right of use assets recognised on date of transition and the movements thereof during the year ended March 31, 2021:

Particular	Leasehold Land/ Improvement	Lease Hold Building	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	6,963.68	-	<b>6,963.68</b>	-
Reclassified from property, plant and equipment on account of adoption of Ind AS 116 "Leases" (refer note 3)	656.47	-	<b>656.47</b>	4,259.03
<b>Total Right of use on Transition date</b>	<b>7,620.15</b>	-	<b>7,620.15</b>	<b>4,259.03</b>
Addition	1,063.85	-	<b>1,063.85</b>	6,020.73
Deletion	(1,980.58)	-	<b>(1,980.58)</b>	(2,812.66)
Depreciation for the year (net)	(248.62)	-	<b>(248.62)</b>	(503.42)
<b>Balance at the end of the year</b>	<b>6,454.79</b>	-	<b>6,454.79</b>	<b>6,963.68</b>

Particular	Leasehold Land/ Improvement	Lease Hold Building	As at March 31, 2021	As at March 31, 2020
<b>Gross carrying amount</b>				
Balance at the beginning of the year	7,307.00	-	<b>7,307.00</b>	-
Add: Reclassified from property, plant and equipment on account of adoption of Ind AS 116 "Leases" (refer note 3)	676.51	-	<b>684.93</b>	4,332.55
Add: Additions	1,063.85	-	<b>1,063.85</b>	6,020.73
Less: Disposals	(1,980.58)	-	<b>(1,980.58)</b>	(3,046.28)
<b>Balance at the end of the year</b>	<b>7,075.20</b>	-	<b>7,075.20</b>	<b>7,307.00</b>

Particular	Leasehold Land/ Improvement	Lease Hold Building	As at March 31, 2021	As at March 31, 2020
<b>Accumulated depreciation</b>				
Balance at the beginning of the year	343.32	-	<b>343.32</b>	-
Add: Reclassified from property, plant and equipment on account of adoption of Ind AS 116 "Leases" (refer note 3)	20.04	-	<b>28.46</b>	73.52
Add: Additions	343.77	-	<b>343.77</b>	503.42
Less: Disposals	(95.14)	-	<b>(95.14)</b>	(233.62)
<b>Balance at the end of the year</b>	<b>620.40</b>	-	<b>620.40</b>	<b>343.32</b>
<b>Net carrying amount</b>				
<b>As at March 31, 2021</b>	<b>6,454.79</b>	-	-	<b>6,454.79</b>
<b>As at March 31, 2020</b>	<b>6,963.68</b>	-	-	<b>6,963.68</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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The following is the carrying value of lease liability on the date of transition and movement thereof during the year ended March 31, 2021:

Particulars	March 31, 2021	March 31, 2020
Balance at the beginning of the year	980.05	-
Reclassified from financial lease liability	-	359.59
Addition	424.33	3,783.65
Finance cost accrued during the period	125.75	295.80
Payment of lease liabilities	286.76	532.08
Deletions	164.67	2,926.90
<b>Balance at the end of the year</b>	<b>1,078.71</b>	<b>980.05</b>
Current liability	171.35	5.74
Non- current liability	907.36	974.31

The weighted average incremental borrowing rate applied to lease liabilities as at April 01, 2020 is 9% for parent Company and 10% for subsidiaries.

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

The following are the amounts recognised in profit or loss:

Particulars	March 31, 2021	March 31, 2020
Depreciation expense of right-of-use assets	343.77	503.42
Interest expense on lease liabilities	125.75	295.80
Income on de-recognition of liability	(29.69)	(115.43)
<b>Total amount recognised in (profit) or loss</b>	<b>439.82</b>	<b>683.79</b>

## (b) Capital commitments and other commitments

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

Particulars	March 31, 2021	March 31, 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances of ₹ 1,391.79; 31.03.2020: ₹ 1,862.92)	3,067.16	2,785.02
<b>Other commitments</b>	-	-
<b>Total</b>	<b>3,067.16</b>	<b>2,785.02</b>

## (c) Contingent liabilities (to the extent not provided for)

Particulars	March 31, 2021	March 31, 2020
(i) Income tax	1,031.26	1,031.26
(ii) Claims against company not acknowledged as debts (civil cases)	76.04	76.04
(iii) Custom and excise duty / service tax / GST	27.31	63.23
(iv) Sales tax and entry tax	248.76	354.08
<b>Total</b>	<b>1,383.37</b>	<b>1,524.61</b>

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for the year ended March 31, 2021

(All amounts in Rupees lakhs, unless otherwise stated)

## In relation to income tax matters disclosed in (i) above:

- 1) With respect to assessment year 2012-13 & 2013-14, the assessing officer has increased the taxable income of the Group by ₹ 1,396.85 contending that the parent Company has sold material to its subsidiary firm (Jai Suspension System LLP (JSSLLP) at lower margin in order to divert its profits to JSSLLP as JSSLLP was enjoying tax exemption during that period. Tax impact of the same is ₹ 474.79 (March 31, 2020: ₹ 474.79). The Group has preferred an appeal with CIT(A) and based on discussion with the legal counsel is confident of a favourable outcome.
- 2) An order dated December 21, 2016 had been received from the Income Tax for the AY 2013-14, wherein disallowance of deduction u/s 80-IC had been made for ₹ 1,800.89 (March 31, 2020: 1,800.89) for excess claim of deduction on account of interunit transfer as per provisions of section 80-IA (10). The tax effect of such additions made is ₹ 556.47 (March 31, 2020: 556.47). The Group preferred an appeal before CIT (A) and based on internal assessment and discussion with its legal counsel, Group is confident of a favourable outcome.
- 3) During the previous year, the Holding Company had made voluntary application to the Central Board of Direct taxes (CBDT) under Vivad se Vishwas Scheme (VsV Scheme) for settlement of cases pertaining to the assessment years 2016-17 and 2017-18. Further, impact of the same has been duly considered by the Holding Company for all subsequent assessment years in their provision for income tax balances and accordingly the Holding Company had made provision amounting to ₹152.70 (net of subsequent year tax provision impact) in the books of accounts.

## In relation to (ii) above claims against company contested by the Company majorly comprises of:

- 1) Matter pending with Tamil Nadu Generation and Distribution Corporation Limited pertaining to Financial year 2012-2014 for non payment of cross subsidy charges which were introduced subsequently with retrospective effect whereas the scheme mentioned no such charges. The Company has done an analysis and is of the opinion that it has a fair chance of favourable decision. The amount involved is ₹ 54.62. (March 31, 2020 : 54.62).
- 2) Matter pending with the Labour court pertaining to ESI with respect to the bifurcation of material and labour in an invoice and the ESI deducted on the same. The Company has done an analysis and is of the opinion that it has fair chance of favourable decision. The amount involved is ₹ 14.05 (March 31, 2020: ₹ 14.05).
- 3) Matter pending with the EPF Appellate Tribunal pertaining to PF with respect to the PF liability on BPO consultants hired. The Company has done an analysis and is of the opinion that it has fair chance of a favourable decision. The amount involved is ₹ 6.71 (March 31, 2020: ₹ 6.71). The Company has made a payment of ₹ 3.35 (March 31, 2020 : ₹ 3.35) under protest in this regard.

## In relation to (iii) above customs and excise duty/service tax and GST contested by the Company majorly comprises of:

- 1) During the previous year, the Group applied under Sabka Vishwas Legacy Dispute Resolution Scheme (SVLDRS) for the resolution of the matter pending with Commissioner Appeal in respect of Cenvat Credit availed by the Group on service tax paid to the transport agency for outward transportation of the goods for the period 2010-11. Pursuant to the application made, the Group has also received the discharge certificate for the same in the current year and accordingly the case have been closed. Accordingly, the amount of demand involved in this case for the current year is NIL (March 31, 2020: ₹ 3.17).
- 2) The Matter pending before Assistant Commissioner, Panchkula and Yamuna Nagar in respect of Cenvat credit not reversed on GTA services has been remanded back to the original adjudicating authority to decide the matter afresh thus dismissing the department's appeal. The amount involved is NIL (March 31, 2020: 29.76).
- 3) During the previous year, the Group applied under Sabka Vishwas Legacy Dispute Resolution Scheme (SVLDRS) for the resolution of part of the matters pending with Assistant Commissioner in respect of Cenvat Credit availed by the Group on service tax paid on charges of canteen, outdoor catering and security services. Pursuant to the application made, the Group has also received the discharge certificate for the same in the current year and accordingly these cases have been closed. One matter of same nature is pending with Assistant Commissioner, Kurukshetra for which the Group has done an analysis and is of the opinion that it has fair chance of favourable decision. The amount involved is ₹ 7.72 (March 31, 2020: 22.00).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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- 4) Matter pending before Director General of Foreign Trade, New Delhi in respect of EPCG licence obtained by the Group, however, the same was lost without being used in 2008. The Group is under an obligation to surrender the licence in case of non utilisation and has received a letter from the office of ADGFT for the same. The Group has appeared before the authority and submitted the facts of losing the licence without utilisation. Accordingly, the Group is of the opinion that it has fair chance of a favourable decision. The amount involved is ₹ 8.25 (March 31, 2020: ₹ 8.25).
- 5) Matters pending before Appellate Authority, Muradabad (Uttar Pradesh) and Appellate Authority, Rudrapur (Uttarakhand) pertaining to imposition of penalty on E-way bill errors. The Group has filed the present appeal before the Appellate Authority on the ground that there was typo error between invoice and Eway bill and has done an analysis and is of the opinion that it has a fair chance of a favourable decision. The amount involved is ₹ 8.36. (March 31, 2020 : NIL). The Group has made a payment of ₹ 8.36 (March 31, 2020 : ₹ 8.36) under protest in this regard.
- 6) Matters pending before Appellate Authority pertaining to imposition of penalty due to missing details in e-way bill on dispatch of goods. The Group has filed the present appeal before the Appellate Authority and has done an analysis and is of the opinion that it has a fair chance of a favourable decision. The amount involved is ₹ 2.63. (March 31, 2020 : 2.63). The Group has made a payment of ₹ 2.63 (March 31, 2020 : ₹ 2.63) under protest in this regard.
- 7) Under The Uttarakhand CGST Act, demand of ₹ 0.34 (March 31, 2020: ₹ NIL) has been raised by CGST department by imposing penalty. The Group preferred appeals against such orders and based on legal advice and internal assessment entity is confident that no liability is probable in the matter.

## In relation to (iv) above sale tax and entry tax matters contested by the Company majorly comprises of:

- 1) During the previous year, the matter pending before Additional Commissioner, Grade-2, (Appeal) Fourth, Commercial Tax, Lucknow pertaining to Assessment year 2011-12 for non submission of form F. The Joint Commissioner in its order, set aside the demand against CST and VAT and allowed a refund and confirmed a demand against entry tax which is appealed for to be adjusted with the VAT refund by the Group. The Group has done an analysis and is of the opinion that it has fair chance of favourable decision on the adjustment. The amount involved is ₹ 32.78 for entry tax (March 31, 2020: ₹ 149.59) after adjustment of duty paid under protest. The Group has made a payment of ₹ 22.89 (March 31, 2020 : ₹ 22.89) under protest in this regard.
- 2) Matter pending before Appellate Deputy Commissioner, Chennai (South) in respect of demand by sales tax department on reversal of ITC. The Group has done an analysis and is of the opinion that it has fair chance of favourable decision. The Amount involved is ₹ 22.42 (March 31, 2020: 22.42).
- 3) Matter pending before Assistant Commissioner (ST), Chengalpattu Assessment Circle in respect of reversal of input tax credit on stock transfer on Form F. The said liability has been discharged by the Group by adjusting the amount refundable to the Group, hence as on date nothing is payable by Group to the department and is due for the approval for same from the department. The Group has done an analysis and is of the opinion that it has fair chance of favourable decision. The Amount involved is ₹ 25.72 (March 31, 2020: ₹ NIL).
- 4) Matter pending before Assistant Commissioner (ST), Chengalpattu Assessment Circle in respect of reversal of input tax credit on purchases from cancelled dealers. The Group in its reply apart from other grounds has stated that Group has rightly claimed the ITC on basis of invoices issued by the dealers. The Group has done an analysis and is of the opinion that it has fair chance of favourable decision. The Amount involved is ₹ 6.37 (March 31, 2020: ₹ NIL).
- 5) Matter pending before Assistant Commissioner (ST), Chengalpattu Assessment Circle in respect of reversal of Input Tax Credit calculated for lesser amount as per the department. The Group has done an analysis and is of the opinion that it has fair chance of favourable decision. The Amount involved is ₹ 12.31 (March 31, 2020: ₹ NIL).
- 6) Matter pending before Assistant Commissioner (ST), Chengalpattu Assessment Circle in respect of F.Y. 2015-2016 wherein the department has claimed that the Industrial Input Certificate in respect of goods sold to the Industrial units was not issued and in the absence of the said certificate the concessional tax rates were applied. The department has raised the

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in Rupees lakhs, unless otherwise stated)

instant demand and asked the Group to file its objection against the said demand. Group has filed a detailed reply along with the Industrial Input certificate. The Group has done an analysis and is of the opinion that it has fair chance of favourable decision. The Amount involved is ₹30.92 (March 31, 2020: ₹ NIL).

- 7) An order dated 24/06/2013 was passed by Hon'ble Calcutta High Court (Single Bench) holding that Entry Tax imposition was unconstitutional and quashed the same. After this, the matter was taken up by West Bengal Government for review by the larger bench of the High Court. The petition was admitted by the High Court. The High Court (Larger Bench) refused to grant refund of the entry tax already deposited and also directed to carry on assessment proceedings in the matter. Pursuant to the order, the LLP had stopped paying Entry Tax in West Bengal. As the matter is subjudice, the liability on account of entry tax is taken in the contingent liability for FY 2013-14 to FY 2017-18 till the disposal of appeal pending before larger bench of the High Court. The amount involved is ₹ 88.40 (March 31, 2020: ₹ 88.40).
- 8) The group received sales tax assessment orders under Utrakhnad/Jharkhand VAT Act/CST Act for the financial years 2010-11, 2011-12 & 2012-13 wherein assessing officer raised demand of ₹3.39 (March 31, 2020: ₹3.39). The Group preferred appeals against such orders and based on legal advice and internal assessment entity is confident that no liability is probable in the matter.
- 9) Under Central Sales Act, 1956, the Group received orders for financial years 2012-13 & 2013-14 wherein demand of ₹ 5.70 (March 31, 2020: ₹ 5.70) had been raised. The Group preferred rectification against such orders and is confident that no liability is probable in the matter.
- 10) Under Kerala VAT Act, 2003, revised orders have been received from Assessing Officer for the financial years 2011-12 & 2013-14, wherein demands of ₹ 9.05 (March 31, 2020: ₹ 19.75) have been raised by CTO, Kakknad. The Group has preferred rectification against such orders and is confident that no liability is probable in the matter.
- 11) Under CST Act 1956 demand for ₹ 10.78 (March 31, 2020: ₹ 45.42) has been raised by CST department, after giving effect to the appeal order passed by JCIT. The Group has preferred rectification against such order for the mistake in calculation of tax liability without considering F forms and is confident that no liability is probable in the matter.

The Group is contesting the demands and based on past judicial precedents, favourable decisions, views from external experts, the management believes that its position will likely be upheld and will not have a material adverse impact on the Group's financial position and results of operation of the Group. Accordingly, no provision has been made in the financial statements.

As per the provisions of section 149 of Companies Act 2013, the Parent Company needs to have at least one woman Independent director on its board throughout the year. However, during the year, the woman independent director on the board, resigned from the position w.e.f. August 14, 2019. Hence, to comply with section 149 of the Companies Act, the Parent Company appointed another independent woman director, on January 31, 2020, in order to be compliant. The management took appropriate steps for condonation required in this regard and the impact of the same was not material to the financial statements.

As per regulation 34 of Listing Obligations and Disclosure Requirements (Amendments) Regulations, 2018, the listed entity shall submit to the stock exchange and publish on its website, a copy of the annual report sent to the shareholders along with the notice of the annual general meeting not later than the day of commencement of dispatch to its shareholders. However, the Holding Company filed the annual report for the year 2018-19, with the stock exchange on August 5, 2019, whereas the notice of the annual general meeting was already served on July 4, 2019. The management have taken appropriate steps for condonation required in this regard and the impact of the same is not material to the financial statements.

## (d) Other contingent liabilities

Particulars	March 31, 2021	March 31, 2020
(i) Obligation related to customer collections*	11,468.13	32.48
(ii) Bank guarantees	1,815.23	1,639.73
<b>Total</b>	<b>13,283.36</b>	<b>1,672.21</b>

\*Represents arrangement where the obligation of the Group may arise to a bank due to unforeseen event of occurrence of default by the Group's customer, which is initially indemnified by the said customer to the bank. The Group, on conservative basis, has disclosed the said amount under contingent liability at the year end.

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(All amounts in Rupees lakhs, unless otherwise stated)

## 36 Related party transactions

### A) Related parties under IND AS-24 with whom transactions have taken place during the year

#### I. Key managerial personnel and their relatives

Mr. B.S. Jauhar	Chairman
Mr. R.S. Jauhar	Vice Chairman & Executive Director
Mr. P.S. Jauhar	Managing Director & CEO
Mr. S.P.S. Kohli	Executive Director
Mrs. Sonia Jauhar	Wife of Vice Chairman
Mrs. Kirandeep Chadha	Daughter of Chairman

#### II. Companies/Concerns controlled by KMP & their relatives

Jamna Agro Implements Private Limited
S.W. Farms Private Limited
Map Auto Limited (Also having significant influence over the Company)

### B) Transactions with related parties

Nature of Transaction	Companies/Concerns controlled by KMP & their relatives		Key management personnel and their relatives		Total	
	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
<b>Purchase of Raw materials and Components</b>						
Map Auto Limited	837.62	690.39	-	-	837.62	690.39
<b>Job work charges</b>						
Map Auto Limited	324.43	395.99	-	-	324.43	395.99
<b>Rent expense</b>						
SW Farms Private Limited	26.17	26.17	-	-	26.17	26.17
Jamna Agro Implements Private Ltd.	38.23	38.23	-	-	38.23	38.23
Mrs Sonia Jauhar	-	-	14.01	14.01	14.01	14.01
Mr P S Jauhar	-	-	-	18.44	-	18.44
<b>Remuneration</b>						
Mr. B S Jauhar	-	-	177.89	136.15	177.89	136.15
Mr. P S Jauhar	-	-	253.57	239.64	253.57	239.64
Mr. R S Jauhar	-	-	262.93	251.24	262.93	251.24
Mr. SPS Kohli	-	-	38.58	36.75	38.58	36.75
Mrs. Kirandeep Chadha	-	-	19.15	20.65	19.15	20.65
	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
<b>Balances as at the year end</b>						
Trade payable	16.59	7.89	-	-	16.59	7.89

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- (a) The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.
- (b) All the liabilities for post retirement benefits being 'Gratuity' are provided on actuarial basis for the Group as a whole, the amount pertaining to Key management personnel are not included above.
- (c) Transactions have been reported gross off Goods and Service Tax.
- (d) Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.
- (e) For the year ended March 31, 2021, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2020 : Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

## 37 Segment Reporting

Ind AS 108 establishes standards for the way the Group report information about operating segments and related disclosures about products and services, geographic areas, and major customers. The Group is engaged in the business of manufacturing of Automotive suspension which includes Parabolic/ Tapered leaf spring and Lift axle which constitute single reporting business segment. The entire operations are governed by the same set of risk and returns. Based on the "management approach" as defined in Ind AS 108, the management also reviews and measure the operating results taking the whole business as one segment and accordingly make decision about the resource allocation. In view of the same, separate segment information is not required to be given as per the requirements of Ind AS 108 on "Operating Segments". The accounting principles used in the preparation of the consolidated financial statements are consistently applied to record revenue and expenditure in individual segments and are as set out in the significant accounting policies.

The analysis of geographical segment is based on the geographical location of the customers. The Group operates primarily in India and has presence in international markets as well. Its business is accordingly aligned geographically, catering to two markets i.e. India and Outside India. For customers located outside India, the Group has assessed that they carry same risk and rewards. The Group has considered domestic and exports markets as geographical segments and accordingly disclosed these as separate segments. The geographical segments considered for disclosure are as follows:

- Sales within India include sales to customers located within India.
- Sales outside India include sales to customers located outside India.

The following is the distribution of the Group revenue of operations by geographical market, regardless of where the goods were produced:

### Revenue from external customers

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Within India	1,06,879.85	1,12,089.91
Outside India	1,067.99	805.25
<b>Total</b>	<b>1,07,947.84</b>	<b>1,12,895.16</b>

Sales to customers generating more than 10% of total revenue aggregates to ₹ 59,932.29 (March 31, 2020 ₹ 69,791.50)

Trade receivables from customers generating more than 10% of total revenue aggregates to ₹ 3,044.69 (March 31, 2020: ₹ 4,403.67).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in Rupees lakhs, unless otherwise stated)

## Trade receivable as per geographical locations

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Within India	5,456.64	7,906.18
Outside India	124.92	102.03
<b>Total</b>	<b>5,581.56</b>	<b>8,008.21</b>

The trade receivable information above is based on the location of the customers.

All other assets (other than trade receivable) used in the Group business are located in India and are used to cater both the customers (within India and outside India), accordingly the total cost incurred during the period to acquire the property, plant and equipment and intangible assets has not been disclosed.

## 38 Significant accounting judgements, estimates and assumptions

The preparation of the Group 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 Group 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 Group 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 Group has several lease contracts that include extension and termination options. The Group 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 Group 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. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

### Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Group uses a Black Scholes Option pricing model for ESOP scheme. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 43.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in Rupees lakhs, unless otherwise stated)

## Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans, the management considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in Note 34.

## Taxation

In preparing consolidated financial statements, there are many transactions and calculations for which the ultimate tax determination is uncertain. The Group 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 Group 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 Group 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 Group has significant capital commitments in relation to various capital projects which are not recognized in the balance sheet. In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Guarantees are also provided in the normal course of business. There are certain obligations which management has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the consolidated 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. Refer note 39 for such measurement.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in Rupees lakhs, unless otherwise stated)

## Leases - Estimating the incremental borrowing rate

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

## 39 Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Group 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
<b>Financial assets</b>					
Security deposits paid	Amortised Cost	<b>397.88</b>	543.51	<b>397.88</b>	543.51
Investment	Fair Value through OCI	<b>47.29</b>	47.29	<b>47.29</b>	47.29
Loan	Amortised Cost	<b>1,331.35</b>	86.85	<b>1,331.35</b>	86.85
Government grant receivable	Amortised Cost	<b>755.25</b>	1,151.96	<b>755.25</b>	1,151.96
Contract assets (unbilled revenue)	Amortised Cost	<b>2,046.53</b>	9.27	<b>2,046.53</b>	9.27
Other financial assets	Amortised Cost	<b>71.39</b>	77.51	<b>71.39</b>	77.51
<b>Total</b>		<b>4,649.69</b>	<b>1,916.39</b>	<b>4,649.69</b>	<b>1,916.39</b>
<b>Financial liabilities</b>					
Borrowings (including current maturities)	Amortised Cost	-	5,639.57	-	5,639.57
Lease liabilities	Amortised Cost	<b>1,078.71</b>	980.05	<b>1,078.71</b>	980.05
Other financial liabilities					
Security deposits received	Amortised Cost	<b>148.12</b>	128.97	<b>148.12</b>	128.97
<b>Total</b>		<b>1,226.83</b>	<b>6,748.59</b>	<b>1,226.83</b>	<b>6,748.59</b>

The management assessed that cash and cash equivalents, short-term borrowings, interest accrued but not due, trade receivables, trade payables and creditor for fixed asset, investor education and protection fund 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 deposits (paid/received) are evaluated by the Group based on parameters such as interest rate, risk factors, risk characteristics, and individual credit worthiness of the counterparty. Based on this evaluation allowances are taken into account for the expected losses of the security deposits.

Borrowing are evaluated by the Group based on parameters such as interest rates, specific country risk factors and prepayment.

The fair value of unquoted instruments, other non-current financial assets and non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

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Long-term receivables/payables are evaluated by the Group based on parameters such as interest rates, risk factors, individual credit-worthiness of the counterparty and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

Lease obligations are evaluated by the company based on parameters such as interest rates, lease period and other lease terms.

## 40 Fair value hierarchy

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

### Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2021:

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)
<b>Financial assets</b>					
<b>Security deposits paid</b>	<b>March 31, 2021</b>	<b>397.88</b>	-	-	<b>397.88</b>
Security deposits paid	March 31, 2020	543.51	-	-	543.51
<b>Investments</b>	<b>March 31, 2021</b>	<b>47.29</b>	-	-	<b>47.29</b>
Investments	March 31, 2020	47.29	-	-	47.29
<b>Loan</b>	<b>March 31, 2021</b>	<b>1,331.35</b>	-	-	<b>1,331.35</b>
Loan	March 31, 2020	86.85	-	-	86.85
<b>Government grant receivable</b>	<b>March 31, 2021</b>	<b>755.25</b>	-	-	<b>755.25</b>
Government grant receivable	March 31, 2020	1,151.96	-	-	1,151.96
<b>Contract assets (unbilled revenue)</b>	<b>March 31, 2021</b>	<b>2,046.53</b>	-	-	<b>2,046.53</b>
Contract assets (unbilled revenue)	March 31, 2020	9.27	-	-	9.27
<b>Other financial assets</b>	<b>March 31, 2021</b>	<b>71.39</b>	-	-	<b>71.39</b>
Other financial assets	March 31, 2020	77.51	-	-	77.51

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

### Quantitative disclosures fair value measurement hierarchy for liabilities as at March 31, 2021 :

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)
<b>Financial liabilities</b>					
<b>Borrowings (including current maturities)</b>	<b>March 31, 2021</b>	-	-	-	-
Borrowings (including current maturities)	March 31, 2020	5,639.57	-	-	5,639.57
<b>Lease liabilities</b>	<b>March 31, 2021</b>	<b>1,078.71</b>	-	-	<b>1,078.71</b>
Lease liabilities	March 31, 2020	980.05	-	-	980.05
<b>Other financial liabilities</b>					
<b>Security deposits received</b>	<b>March 31, 2021</b>	<b>148.12</b>	-	-	<b>148.12</b>
Security deposits received	March 31, 2020	128.97	-	-	128.97

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in Rupees lakhs, unless otherwise stated)

## 41 Capital management

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

The Group 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 Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group 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
Borrowings including current maturities of long term borrowing (refer note 16)	-	5,639.57
Payable for purchase of fixed assets (refer note 21)	1,142.95	874.84
<b>Net debts</b>	<b>1,142.95</b>	<b>6,514.41</b>
<b>Capital components</b>		
Share capital	3,983.25	3,983.25
Other equity	54,017.41	47,687.27
<b>Total equity</b>	<b>58,000.66</b>	<b>51,670.52</b>
<b>Capital and net debt</b>	<b>59,143.61</b>	<b>58,184.93</b>
<b>Gearing ratio (%)</b>	<b>1.93%</b>	<b>11.20%</b>

In order to achieve this overall objective, the Group'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. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021 and March 31, 2020.

## 42 Financial risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Group also enters into derivative transactions.

The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Group is exposed to market risk, credit risk and liquidity risk. The Group is exposed to market risk, credit risk and liquidity risk.

The Group's senior management oversees the management of these risks. The Group's senior management is supported by a finance department that advises on financial risks and the appropriate financial risk governance framework for the Group. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Group are accountable to the Board of Directors. This process provides assurance to Group's senior management that the Group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Group policies and Group risk objective. In the event of crisis caused due to external factors such as caused by recent pandemic "COVID-19", the management assesses the recoverability of its assets, maturity of its liabilities to factor it in cash flow forecast to ensure there is enough liquidity in these situations through internal and external source of funds. These forecast and assumptions are reviewed by board of directors.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in Rupees lakhs, unless otherwise stated)

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized as below:

## (a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and derivative financial instruments.

### (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 Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

#### Interest rate sensitivity of borrowings:

Particulars	Increase / decrease in basis points	March 31,2021	March 31,2020
<b>Borrowing :</b>			
Long term loan	Increase in floating Interest rate by 100 basis points (1%) for borrowings	<b>40.38</b>	32.56
Working capital demand/ Short term loan		<b>23.90</b>	29.43
Cash credit		<b>3.29</b>	1.11
Long term loan	Decrease in floating Interest rate by 100 basis points (1%) for borrowings	<b>(40.38)</b>	(32.56)
Working capital demand/ Short term loan		<b>(23.90)</b>	(29.43)
Cash credit		<b>(3.29)</b>	(1.11)
<b>Total</b>		<b>67.57</b>	<b>63.10</b>

### (ii) Foreign currency risk

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

The Group manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12-month period for hedges of forecasted sales and purchases(including property, plant and equipment).

When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

The Group hedges its exposure to fluctuations on the translation into INR of its foreign operations by entering into forward contracts.

Since the hedge transaction done by the Group does not have significant impact on the results of operations, a sensitivity analysis is not presented.

#### Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, EURO and JPY exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in Rupees lakhs, unless otherwise stated)

## For the year ended March 31, 2021

Particulars	Change in currency rate (+/-)	Trade Receivables	Long Term Borrowings	Creditors for fixed assets	Trade Payables
EURO	1.00%	-	-	(4.08)	(0.23)
JPY	1.00%	-	-	-	-
USD	1.00%	0.82	-	(0.34)	(0.39)

## For the year ended March 31, 2020

Particulars	Change in currency rate (+/-)	Trade Receivables	Long Term Borrowings	Creditors for fixed assets	Trade Payables
EURO	1.00%	-	(26.40)	(2.82)	(1.27)
JPY	1.00%	-	-	-	(0.13)
USD	1.00%	0.26	-	(0.70)	(0.13)

### (b) Legal, taxation and accounting risk:

The Group is exposed to few legal and administrative proceedings arising during the course of business. The management makes an assessment of these pending cases and in case where it believes that loss arising from a proceeding is probable and can reasonably be estimated, the amount is recorded in the books of account. To mitigate these risks arising from the proceedings, the Group employs third party tax and legal experts to assist in structuring significant transactions and contracts.

### (c) Credit risk

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

#### Trade receivables

Customer credit risk is managed by the Group's established policy, procedures and control relating to customer credit risk management. The major customers of the Group are original equipment manufacturers (OEM's) which have a defined period for payment of receivables and hence the Group evaluates the concentration of risk with respect to trade receivables as low. At March 31, 2021, approximately 98% (March 31, 2020: 98%) of all the receivables outstanding were from OEMs.

An impairment analysis is performed at each reporting date on an individual basis for major customers. In addition, all the minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 7. The Group does not hold collateral as security except in case of dealer's securities deposit in after market.

#### Financial instruments and cash deposits

Credit risk from balances with banks is managed by the Group's treasury department in accordance with the Group's policy. Credit risk on cash and cash equivalents is limited as the Group generally invests in deposits with the banks with high credit ratings. The Group's maximum exposure to credit risk for the components of the balance sheet at March 31, 2021 and March 31, 2020 is the carrying amounts as illustrated in Note 13.

### (d) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with its financial liabilities. The Group monitors its risk of a shortage of funds by doing liquidity planning. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, cash credits and advance payment terms.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

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## Maturity profile of financial liabilities :

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

### March 31, 2021

Particulars	On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Borrowings (Including current maturities of long term borrowings)	-	-	-	-	-	-
Trade payables	-	18,472.76	-	-	-	18,472.76
Lease obligations	-	78.88	184.97	615.23	1,406.96	2,286.04
Other financial liabilities (Excluding current maturities)	401.53	-	1,142.95	-	-	1,544.48
<b>Total</b>	<b>401.53</b>	<b>18,551.64</b>	<b>1,327.92</b>	<b>615.23</b>	<b>1,406.96</b>	<b>22,303.28</b>

### March 31, 2020

Particulars	On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Borrowings (Including current maturities of long term borrowings)	-	8,607.19	562.50	5,077.07	-	14,246.76
Trade payables	-	3,786.11	-	-	-	3,786.11
Lease obligations	-	37.10	134.19	371.00	437.77	980.06
Other financial liabilities (Excluding current maturities)	366.36	-	927.29	-	-	1,293.65
<b>Total</b>	<b>366.36</b>	<b>12,430.40</b>	<b>1,623.98</b>	<b>5,448.07</b>	<b>437.77</b>	<b>20,306.58</b>

## (e) Commodity price risk

The Group is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchases of steel which is a volatile products and is major component of end product. The prices in these purchase contracts are linked to the price of raw steel and demand supply matrix. However, at present, the Group do not hedge its raw material procurements, as the price of the final product of the Group also vary with the price of steel which mitigate the risk of price volatility.

## 43 Share based payments

(A) The Parent Company formulated an ESOP Scheme (referred as Company's Employee Stock Option Scheme, 2017) in accordance with SEBI (Share Based Employee Benefits) Regulation, 2014, which was duly approved in the Annual General Meeting of the Shareholders of the Parent Company on August 1, 2017 and the Parent Company also got in-principle approval from both NSE and BSE dated March 20, 2018 and March 27, 2018 respectively in respect of the said Scheme. During the year, pursuant to the approval by the Compensation Committee of the Board of Directors on December 26, 2020, the Parent Company has granted options to certain eligible employees under the said approved Scheme. Pursuant to the scheme, the Parent Company has granted 25,55,000 options to the eligible employees of the Company .

Under the ESOP Scheme, the eligible employees shall be granted employee Stock Options which will be exercisable into equal number of equity shares of ₹ 1/- each of the Parent Company. The fair value of the share options is estimated at the grant date using a Black Scholes option pricing model, taking into account the terms and conditions upon which the share options were granted.

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Details of the ESOP Scheme:

- Total number of Options granted: 25,55,000 Stock Options
- Grant date : 26 December,2020
- Exercise price: ₹50 each Option.
- Exercise period: 3 years post vesting.
- Fair value of option : ₹31.10
- Method of settlement: Equity.
- Vesting conditions: Employee remaining in the employment of the Company during the vesting period.
- Vesting period: Vesting will start after one year from Grant date i.e. 26 Dec, 2020

I year	II year	III year	IV year	V year
10%	10%	5%	0	75%

Particulars	March 31, 2021				
	Vesting period-1	Vesting period-2	Vesting period-3	Vesting period-4	Vesting period-5
Outstanding Stock Options (number) at the beginning of the year	-	-	-	-	-
Options granted during the year	2,55,500	2,55,500	1,27,750	-	19,16,250
Options Lapsed during the year	-	-	-	-	-
Options vested during the year	-	-	-	-	-
Options exercised during the year	-	-	-	-	-
Options outstanding at the end of the year	2,55,500	2,55,500	1,27,750	-	19,16,250
Exercise Price	50	50	50	-	50
Vesting Date	27 December, 2021	27 December, 2022	27 December, 2023	-	27 December, 2025

The expense recognised for employee services received during the year is shown in the following table:

Particulars	March 31, 2021	March 31, 2020
Expense for the year (refer note 29)	66.18	-
<b>Total</b>	<b>66.18</b>	<b>-</b>

## Movements during the year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year :

Particulars	March 31, 2021		March 31, 2020	
	Number	WAEP	Number	WAEP
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	2,12,800	31.10	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	2,12,800	31.10	-	-



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in Rupees lakhs, unless otherwise stated)

## 44 Additional information pursuant to Schedule III of Companies Act 2013, "General instructions for the preparation of consolidated financial statements" for financial year 2020-21

Name of the Entity	As at March 31, 2021			
	Net assets, i.e., total assets minus total liabilities		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated total comprehensive income	Amount
Jamna Auto Industries Limited (Consolidated)	100.00%	58,000.80	100.00%	7,259.77
Parent Company	92.88%	53,870.41	97.71%	7,093.69
India Subsidiaries	7.12%	4,130.25	2.29%	166.07
Minority interests in the subsidiaries	0.00%	0.14	0.00%	0.01
<b>Total</b>	<b>100.00%</b>	<b>58,000.80</b>	<b>100.00%</b>	<b>7,259.77</b>

Name of the Entity	As at March 31, 2020			
	Net Assets, i.e., total assets minus total liabilities		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated total comprehensive income	Amount
Jamna Auto Industries Limited (Consolidated)	100.00%	51,670.30	100.00%	4,797.03
Parent Company	93.60%	48,363.27	93.57%	4,488.37
India Subsidiaries	6.40%	3,306.90	6.43%	308.65
Minority interests in the subsidiaries	0.00%	0.13	0.00%	0.01
<b>Total</b>	<b>100.00%</b>	<b>51,670.30</b>	<b>100.00%</b>	<b>4,797.03</b>

**Note:** Above figures for the net assets and share in total comprehensive income of entities are after elimination of all intra group transactions.

S. No.	Name of Company	Country of Incorporation	Ownership interest held by the group		Ownership interest held by the non-controlling interest		Reporting dates used for consolidation
			March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	
1	Jai Suspension Systems LLP (JSSLLLP)	India	99.9985%	99.9985%	0.0015%	0.0015%	March 31,2021
2	Jai Suspension Limited (JSL)	India	100%	100%	-	-	March 31,2021
3	Jai Automotive Components Limited (JACL)	India	100%	100%	-	-	March 31,2021

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in Rupees lakhs, unless otherwise stated)

## 45 Deferred tax assets (net)

Particulars	March 31, 2021	March 31, 2020
Deferred tax assets (net)	635.52	275.12
<b>Total</b>	<b>635.52</b>	<b>275.12</b>

Income tax expenses reported in the statement of profit and loss comprises:	March 31, 2021	March 31, 2020
<b>Current Income tax :</b>		
Current Income tax charge	3,129.07	1,945.34
Adjustments in respect of current income tax of previous years	15.58	(144.42)
<b>Deferred tax :</b>		
Relating to origination and reversal of temporary differences	(352.76)	575.23
<b>Income tax expenses reported in statement of profit and loss</b>	<b>2,791.89</b>	<b>2,376.15</b>

Statement of other comprehensive income/(loss)	March 31, 2021	March 31, 2020
Net gain/(loss) on remeasurements of defined benefit plan	(44.16)	10.89
Deferred tax asset charged on above	7.64	(1.84)
<b>Other comprehensive income/(loss) for the year net of tax</b>	<b>(36.52)</b>	<b>9.05</b>

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2021 and March 31, 2020:

Particulars	March 31, 2021	March 31, 2020
Accounting profit before tax	10,088.18	7,164.13
Statutory income tax rate	25.85%	26.47%
Computed tax expenses	2,607.99	1,896.41
Adjustments in respect of current income tax of previous years	15.58	85.89
Deferred tax on remeasurement of defined benefit plan	7.64	1.84
Non-deductible expenses for tax purposes :	8.72	237.24
Income not considered for tax purpose (Permanent differences)	149.13	150.46
Others	18.11	7.99
At the effective income tax rate of 27.92% ( March 31, 2020: 33.19%)	2,791.89	2,376.15

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in Rupees lakhs, unless otherwise stated)

## Deferred tax asset comprises the following:

Deferred tax assets/ (liabilities)	Balance Sheet		During the year	
	March 31, 2021	March 31, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020
Property, plant and equipment - Impact of difference between tax depreciation and depreciation charged to financial statements	(696.85)	(802.83)	105.98	907.67
Adjustments in respect of deferred tax of previous years	-	-	(30.25)	(29.38)
Impact of Government grant deferred	(289.92)	(57.46)	(232.46)	(57.46)
Deferred tax on profit elimination	45.94	(13.38)	59.32	64.80
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	67.51	55.05	12.46	(69.99)
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	-	94.31	(94.31)	23.60
Provision for contingencies	35.24	55.83	(20.59)	(69.97)
Provision for price difference	491.68	390.84	100.84	(495.75)
Provision for warranty	24.32	23.22	1.10	(49.12)
Impact of Government grant deferred	190.08	-	190.08	(408.20)
Gratuity	343.86	270.40	73.46	(67.22)
Employee incentive	9.08	-	9.08	(204.21)
Leave encashments	180.84	136.39	44.45	(71.87)
Bonus payable	61.66	78.28	(16.62)	(38.13)
Other expenditure (net)	172.09	44.47	127.62	(11.84)
<b>Total</b>	<b>635.52</b>	<b>275.12</b>	<b>330.15</b>	<b>(577.07)</b>

Reconciliation of deferred tax assets (net)	March 31, 2021	March 31, 2020
Balance at the beginning of the year	275.12	822.81
Tax expenses recognised in statement of profit and loss	330.15	(577.07)
Tax expenses related to earlier years	30.25	29.38
<b>Balance at the end of the year</b>	<b>635.52</b>	<b>275.12</b>

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

The Group in the previous year elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961, as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Group had recognized Provision for Income Tax for the year and re-measured its deferred tax asset basis the rate prescribed in the said section. Accordingly, deferred tax asset was reduced by ₹ 197.45. The tax charge for the previous year decreased by ₹ 563.62.

Effective tax rate has been calculated on profit before tax.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in Rupees lakhs, unless otherwise stated)

**46** The Holding Company is a majority partner with 99.9985% share in Jai Suspension Systems LLP (“the LLP”). Partners of the LLP at their meeting held on September 21, 2020 have decided to convert the LLP into a private limited company with the name Jai Suspension Systems Private Limited under applicable provisions of the Companies Act, 2013. Application filed by the LLP for conversion into company is pending for approval as on date. These balances have been eliminated as part of inter-company eliminations in preparation of the consolidated financial statements.

**47** Revenue is measured by the Group at the fair value of consideration received/receivable from its customers and in determining the transaction price for the sale of finished goods, the Group considers the effect of various factors such as price differences and volume based discounts, rebates and other promotion incentive schemes (“trade schemes”) provided to the customers. Adequate provisions have been made for such price differences, and trade schemes, with a corresponding impact on the revenue. Accordingly, revenue for the current year is net of price differences, trade schemes, rebates, discounts, etc.

**48** The Holding Company is setting up a new manufacturing facility at Adityapur (Jharkhand) under its wholly owned subsidiary i.e. Jai Suspensions Limited (“JSL”). The Holding Company had previously granted a loan of ₹ 1,000.00 to JSL to acquire leasehold land at Adityapur, which was acquired. The subsidiary has been allotted approximately 13.41 acres of land by Adityapur Industrial Area Development Authority. To meet JSL capital expenditure requirement, the Board of Directors had accorded their approval to grant a further loan of ₹ 6,000.00 at an interest of 1 year MCLR + 0.65% spread p.a. The loan is repayable in 3 years (equal quarterly installments) after a moratorium period of 2 years. The earlier loan of ₹ 1,000.00 was also rescheduled accordingly.

Out of the total approval of ₹ 7,000.00 the Company has granted a loan of ₹ 1,651.35 approximately to JSL. The loan along with interest amounting to ₹ 1,939.90 approximately is due for repayment.

Due to the recession in the automobile industry in the previous years and the Covid-19 situation, the project at Adityapur is being delayed and accordingly the Holding Company has proposed in its Board meeting held on May 31, 2021 for the conversion of loan amount of ₹ 1,651.35 into equity shares of the subsidiary (JSL) along with interest which will accrued till date of conversion and the un-availed amount of loan i.e. ₹ 5,348.65 be cancelled. This amount of ₹ 5,348.65 when requested by JSL, will be provided by way of investment in equity shares of JSL. The disclosure has been made in the financial statements accordingly. These balances have been eliminated as part of inter-company eliminations in preparation of the consolidated financial statements.

**49** The global pandemic outbreak has impacted the Group’s business in early part of the financial year 2020-2021. However, the Group has been able to recover the business in course of the year. Further, at the time of finalization of these financial statements, the severity of the pandemic in the form of Wave 2 is peaking day by day across the country and on account of which various state governments have started imposing lockdown-like restrictions in various parts of the country. The Group has

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in Rupees lakhs, unless otherwise stated)

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, investments, inventories and trade receivables, 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 Group expects to recover the carrying amount of its assets and does not anticipate any impairment of these financial and non-financial assets. Further, the Group 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 Group's financial statements may differ from that estimated as on the date of approval of these financial statements.

## 50 Standards issued but not yet effective

There are no new standards that are notified, but not yet effective, upto the date of issuance of the Group's financial statements.

## 51 Amounts appearing as zero "0" in financial are below the rounding off norm adopted by the Group.

As per our report of even date

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

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

**per Amit Gupta**

Partner

Membership No.: 501396

Place: Faridabad

Date: May 31, 2021

For and on behalf of the Board of Directors of

**Jamna Auto Industries Limited**

**P.S. Jauhar**

Managing Director & CEO

DIN : 00744518

**Praveen Lakhera**

Company Secretary

Membership No: A12507

Place: New Delhi

Date: May 31, 2021

**R.S. Jauhar**

Vice Chairman & Executive Director

DIN : 00746186

**Shakti Goyal**

Chief Financial Officer

# Form AOC- 1

(Pursuant to the first proviso to sub section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

## Statement containing salient features of the financial statement of subsidiaries/ associate companies/joint ventures

### Part "A": Subsidiaries

(Amount in Rupees)

Name of Subsidiary		Jai Suspensions Limited	Jai Automotive Components Limited
S. No.	Reporting Period	1st April, 2020 to 31st March, 2021	1st April, 2020 to 31st March, 2021
1	The date since when subsidiary was acquired	31/08/2016	03/12/2019
2	Reporting Currency	INR	INR
3	Exchange Rate	-	-
4	Share Capital	1,00,00,000	293,200,000
5	Reserves and Surplus	(54,017,046)	(21,109,030)
6	Total Assets	154,752,317	305,447,010
7	Total Liabilities	154,752,317	305,447,010
8	Investments	-	-
9	Turnover	-	-
10	Profit before taxation	(16,666,635)	(12,450,227)
11	Provision for taxation	-	-
12	Profit after taxation	(16,666,635)	(12,450,227)
13	Proposed Dividend	-	-
14	% of shareholding	100.00%	100.00%

#### Notes:

- Jai Suspensions Limited and Jai Automotive Components Limited are yet to commence their business operations.
- There were no subsidiaries which have been liquidated or sold during the year.

For and on behalf of the Board of Directors of

### Jamna Auto Industries Limited

#### P.S. Jauhar

Managing Director & CEO  
DIN: 00744518

#### R.S. Jauhar

Vice Chairman & Executive Director  
DIN: 00746186

#### Praveen Lakhera

Company Secretary  
Membership No: A12507

#### Shakti Goyal

Chief Financial Officer

Place: New Delhi

Date: May 31, 2021

## Disclaimer

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements-written and oral- that we make may contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and word of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether because of new information, future events or otherwise.



**Jamna Auto Industries Ltd.**

**Registered Office**

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Ph. & Fax No. 01732-251810/11/14