JAI SUSPENSION SYSTEMS PRIVATE LIMITED

CIN: U35999DL2021PTC381588

Registered Office: 2, Park Lane, Kishangarh, Vasant Kunj, New Delhi - 110070

FY 2021-22

K. Khanna & Co.
Chartered Accountants

126, DLF Star Tower, Sector-30,
Gurugram, Haryana-122001 (India)
Tel. : 91-124-4367139
E-mail : kkc657@yahoo.com
GSTIN : 06AASPK3616L1ZC

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF JAI SUSPENSION SYSTEMS PRIVATE LIMITED
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **JAI SUSPENSION SYSTEMS PRIVATE LIMITED** (the "Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and its profit, total comprehensive income, changes in equity and its cash flows for the period 28th May 2021 to 31st March 2022.

Basis for Opinion

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

Emphasis of Matter

During the period under review the company has been formed by virtue of provision of section 366 to 371 of the Companies Act 2013 on 28th May 2021, on conversion of M/s Jai Suspension Systems LLP (LLP) into a Private Limited Company vide certificate of Incorporation dated 01st Jun 2021 issued by the Registrar of Companies NCT of Delhi & Haryana. All the Assets and Liabilities of the LLP have been taken over by the Company at book value as appearing on 27th May 2021 in the books of LLP. Resultantly, the LLP has ceased to exist after 27th May 2021.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	How our audit addressed the key audit matter
Recording of price differences and trade schemes and their impact on revenue recognition	
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 products, the Company considers the effects of various factors such as volume-based discounts, price differences and rebates provided to the customers. The Company's business also requires passing on price differences to the customers for the sales made by the Company. The Company at the end of the period, has provided for such price differences to be passed on to the customers. The estimated price differences at the end of the period is incorporated in financial statements and the same consequentially impacts the revenue appearing in note 19 to the financial statements. We have considered this as a key audit matter on account of the significant judgement and estimate involved in calculation of price differences to be recorded as at the year end	Our audit procedures included the following: ✓ Assessed the Company's accounting policy for revenue recognition including the policy for recording price differences and savings as per trade schemes in terms of Ind AS 115. ✓ 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; ✓ Evaluated management's methodology and assumptions used in the calculations of price adjustments as per customer contracts; ✓ Tested completeness, arithmetical accuracy and validity of the data used in the computation of price adjustments as per customer contracts; ✓ Tested, on sample basis, credit notes issued and payment made as per customer contracts/agreed price negotiations; ✓ Performed various analytical procedures to identify any unusual trends and identify any unusual items for further testing. Also, compared ratio of these price adjustments as a percentage of sales for both current year and previous year and audit the specific exception, if any.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibilities for the Financial Statements

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

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on March 31, 2022, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

      In our opinion and to the best of our information and according to the explanations given to us, there is no remuneration paid by the Company to its directors during the period.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.

ii. The Company has not made any long-term contracts including derivative contracts during the period.

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

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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

2. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For K. Khanna & Co.
Chartered Accountants
Firm's Registration No. 008450N

Kamal Khanna
Proprietor
Membership No.086600
Place: Gurugram
Date: 20th May 2022
UDIN: 22086600AJIPTV8499

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of JAI SUSPENSION SYSTEMS PRIVATE LIMITED of even date)

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

We have audited the internal financial controls over financial reporting of **JAI SUSPENSION SYSTEMS PRIVATE LIMITED** (the "Company") as of March 31, 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the period ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting 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 ICAI.

For K. Khanna & Co.
Chartered Accountants
Firm's Registration No. 008450N

Kamal Khanna
Proprietor
Membership No.086600
Place: Gurugram
Date: 20th May 2022
UDIN: 22086600AJIPTV8499

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of JAI SUSPENSION SYSTEMS PRIVATE LIMITED of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

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

(b) The Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the period and were physically verified by the Management during the period. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) Based on our examination of the lease agreement for land where the company is a sub lessee on which building is constructed, we report that, the title in respect of such land on which the building is constructed is executed in favour of erstwhile M/s Jai Suspension Systems LLP (LLP), which got converted into this company. Similarly other immovable property is also held in the name of erstwhile LLP as on the date of the Balance Sheet. The company is yet to get such immovable property/rights transferred in its name.

(d) The Company has not revalued any of its Property, Plant and Equipment (including right- of-use assets) and intangible assets during the period.

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

ii. (a) The Company has inventory, which has been physically verified by the management during the period. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification.

(b) The Company has been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate during the period, from banks or financial institutions on the basis of security of current assets. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks are not in agreement with the books of accounts of the Company and the details are as follows:

Quarter ended	Value as per books of accounts	Value as per quarterly return/ statement	Discrepancy	Discrepancy details
Net Inventories				
Jun 30, 2021	2369.96	2008.00	(361.96)	As informed by the management, quarterly statements filed with bank were on provisional numbers and the difference is mainly on account of valuation rate.
Sep 30, 2021	1478.07	1395.00	(83.07)	
Dec 31, 2021	2677.90	2361.00	(316.90)	
Mar 31, 2022	1678.70	1672.00	(6.79)	

Trade receivables				
Jun 30, 2021	2774.25	2773.00	(1.25)	As informed by the management, quarterly statements filed with bank were on provisional numbers
Sep 30, 2021	683.03	683.00	(0.03)	
Dec 31, 2021	3399.51	3124.00	(275.51)	
Mar 31, 2022	3260.53	3260.00	(0.53)	

iii. The Company has made investments in, companies, firms, Limited Liability Partnerships, and granted unsecured loans to other parties, during the period, in respect of which:

(a) The Company has provided loans or advances in the nature of loans to entity other than Subsidiary, Joint Ventures and Associates during the period, and aggregate amount outstanding in respect of which is Rs. 105 Lacs.

(b) In our opinion, the terms and conditions of the grant of loans, during the period are, prima facie, not prejudicial to the Company's interest.

(c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has not been stipulated as the loan granted is repayable on demand along with interest thereon.

(d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) No loan granted by the Company which has fallen due during the period, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.

(f) The Company has granted loans or advances in the nature of loans which is repayable on demand or without specifying any terms or period of repayment during the period. The aggregate amount of such loan is Rs. 105 lacs, which is to a firm which is neither a promoter nor a related party as defined under clause (76) of section 2 of the Companies Act, 2013. The percentage of such loan is 100 % of the total loan granted during the period.

iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

vi. The maintenance of cost records has been specified by the Central Government under sub- section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. However, as this is the first year of the company after its incorporation, it is not required to maintain the Cost Audit records and get the same audited by the Cost Accountant during the period. Hence, reporting under clause (vi) of the Order is not applicable.

vii. In respect of statutory dues:

(a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

(b) According to the records of the Company, the statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputes are related to the erstwhile entity M/s Jai Suspension Systems LLP converted into this company are as under:

Name of the Statute	Nature of dispute	Forum where dispute is pending	Amount (Rs. in Lacs)	Amount paid under protest (Rs. in Lacs)	Period to which the amount related
Income Tax Act, 1961	Disallowance of deduction u/s 80IC	Commissioner of Income Tax (Appeals)	556.47	-	FY 2012-13
The Uttarakhand VAT Act 2005	VAT	Joint Commission (Appeals), Commercial Tax Uttarakhand	3.07	0.92	FY 2011-12
The Uttarakhand CGST Act 2017	GST Penalty	Appellate Authority, (Uttarakhand)	0.34	0.34	-
Central Sales Act, 1956	CST	Assistant commissioner of Commercial Tax Officer, Jaipur-II, Special-II	5.70	-	FY 2013-14
Central Sales Act, 1956	CST	Maharashtra Sales Tax Tribunal, Pune	10.78	2.50	FY 2012-13
Local Area Act, 2012, (West Bengal Entry Tax)	Entry Tax	Stay of demand given by Hon'ble Calcutta High Court	88.40	-	FY 2013-14 - FY 2017-18

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the period in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. (a) The Company has not defaulted in repayment of loan or borrowing or in the payment of interest thereon to any lender during the period.

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

(c) The Company has not taken any term loan during the period and there are no outstanding term loans at the beginning of the period and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, funds raised on short- term basis have, prima facie, not been used during the period for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) The Company has not raised loans during the period on pledge of securities held in its Subsidiary, Joint Venture or Associate Company.

x.

(a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the period and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) During the period, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

xi.

(a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the period.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the period and upto the date of this report.

(c) There is no whistle blower complaints received by the Company during the period (and upto the date of this report), therefore reporting under clause 3(xi)(c) of the Companies (Auditor's Report) Order, 2020, is not applicable.

xii. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv.

(a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the period under audit, issued to the Company during the period and till date, in determining the nature, timing and extent of our audit procedures.

xv. In our opinion during the period the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi.

(a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

(d) In our opinion, there are two core investment companies within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016).

xvii. The Company has not incurred cash losses during the financial year covered by our audit.

xviii. There has been no resignation of the statutory auditors of the Company during the period.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. The provisions of section 135 of the Companies Act, 2013 in respect of Corporate Social Responsibility is not applicable to the company during the period, therefore reporting under clause 3(xx) of the Companies (Auditor's Report) Order, 2020 is not applicable.

xxi. The Company is not required to prepare consolidated financial statement and hence reporting under clause 3(xxi) of the Order is not applicable.

For K. Khanna & Co.
Chartered Accountants
Firm's Registration No. 008450N

Kamal Khanna
Proprietor
Membership No.086600
Place: Gurugram
Date: 20th May 2022
UDIN: 22086600AJIPTV8499

1. Corporate information

Jai Suspension Systems Pvt Ltd ("the Company") is engaged in manufacturing and selling of Tapered Leaf Springs, Parabolic Springs, Lift Axles and Trailer Suspension. During the year, the Company has its manufacturing facility at Rudrapur.

The Company is 99.99% subsidiary company of Jamna Auto Industries Limited and is incorporated under the provisions of the Companies Act applicable in India.

During the period under review the company has been formed by virtue of provision of section 366 to 371 of the Companies Act 2013 on 28th May 2021, on conversion of M/s Jai Suspension Systems LLP (LLP) into a Private Limited Company vide certificate of Incorporation dated 01st Jun 2021 issued by the Registrar of Companies NCT of Delhi & Haryana. All the Assets and Liabilities of the LLP have been taken over by the Company at book value as appearing on 27th May 2021 in the books of LLP. Resultantly, the LLP has ceased to exist after 27th May 2021.

Information on related party relationships of the Company is provided in note 30.

1.1 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 and with Companies (Indian Accounting Standards) (Amendment) Rules as amended from time to time to the extent applicable on the Company.

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.

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

1.2 Significant accounting policies

a) Use of estimates

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

b) Current versus non-current classification

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

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

c) 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.

Exchange differences arising on settlement or translation of monetary items are recognized in statement of 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 (i.e., translation differences on items whose fair value gain or loss is recognized in profit or loss) are also recognized in profit or loss.

d) 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 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, the 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.

- The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

- Machinery spares which are specific to a particular item of fixed asset and whose use is expected to be irregular are capitalized as fixed assets when they meet the definition of Property Plant &Equipment, i.e., when the Company intends to use these during more than a period of 12 months.

Depreciation on property, plant and equipment

Leasehold land is amortized over the period of lease on a straight line basis. Cost of leasehold building is 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 principle assets. The Company has used following estimated useful life to provide depreciation on its property, plant and equipment:

(All amounts are in Rupees lacs, unless otherwise stated)

Particulars	Estimated Useful Life
Factory building	30
Other building	60
Plant and machinery[1]	15-20
Furniture and fixtures[2]	4
Vehicles[2]	4 & 8
Office equipment[2]	3
Computers[2]	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. Certain assets under plant and machinery are depreciated over a period of 3 years as their useful lives are estimated to be not more than 3 years which is lower than the life indicated for respective block of assets in schedule II of the Companies Act 2013.

2. The management has estimated, based on 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 property, plant and equipment is considered at 5%.
Property, plant and equipment individually costing up to Rs. 5,000/- are depreciated at the rate of 100 percent.

e) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization. Internally generated intangible assets, 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 life of the intangible assets is 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 asset.

Software and copyrights are amortized on a straight-line basis over the period of five years.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

f) Leases

The Company's lease asset classes primarily consist of leases for land. 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: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets ("ROU") are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Company has land allotted by authorities for a lease term of ninety years. This land is acquired by paying the consideration, which reflected the prevalent market price and upfront payment of all future lease rentals. In view of aforesaid facts and circumstances, the Company has classified this land as Right to Use Assets.

Refer Note No. 30 (a) for information on leases.

g) 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 the Company incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing cost.

h) Impairment of non-financial asset.

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

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

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 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 labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on weighted average basis.

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.

j) Revenue recognition

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:

i) 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 goods. The normal credit term is 30 to 60 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:

- **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.

- **Significant financing components**

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

ii) 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 "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 "other income" in the statement of profit and loss.

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 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.

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 leaves 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

Current Income tax

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

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

Deferred tax

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

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

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

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

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

m) 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.

n) Provisions

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

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 is based on historical experience. The estimate of such warranty related costs are revised annually.

Contingent liabilities

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

o) Cash and cash equivalents

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

p) Fair value measurement

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

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

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

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

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

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

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

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

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

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

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

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

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

- Disclosures for valuation methods, significant estimates and assumptions (note 34 and note 35)
- Financial instruments (including those carried at amortized cost) (note 3, 4, 13, 14, 34 and 35)

q) Financial instrument:

The Company recognizes financial assets and financial liability when it becomes party to the contractual provision of the instrument.

Financial assets

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

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

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

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

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

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

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

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

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

Impairment of financial assets:

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

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

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

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

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

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

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

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

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

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

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

Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

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

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

Loans and borrowings

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

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss. This category generally applies to borrowings. For more information refer Note 13.

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.

De-recognition

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

Offsetting of financial instruments

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

Jai Suspension Systems Private Limited
(Converted from Jai Suspension Systems LLP w.e.f. 28th May 2021)
Balance Sheet as at March 31, 2022
(All amounts are in Rupees Lacs, unless otherwise stated)

	Particulars	Note	As at March 31, 2022
A	**Assets**		
1	**Non-Current Assets**		
	Property, Plant and Equipment	2	1,308.06
	Capital Work in Progress	2	-
	Other Intangible Assets	2	-
	Right-of-use Assets	2	64.63
	Financial Assets		
	Loans	3	-
	Other Financial Assets	4	6.22
	Other Non-Current Assets	5	4.97
	Deferred Tax Assets (net)	6	139.68
			1,523.56
2	**Current Assets**		
	Inventories	7	1,678.71
	Financial Assets		
	Trade Receivables	8	4,383.05
	Cash and Cash Equivalents	9	87.56
	Other Bank Balances	10	2.46
	Loans	3	106.76
	Other Financial Assets	4	2.18
	Other Current Assets	5	68.09
			6,328.81
	TOTAL		**7,852.37**
B	**Equity and Liabilities**		
1	**Equity**		
	Equity Share Capital	11	700.00
	Other Equity	12	1,383.11
2	**Non-Current Liabilities**		
	Financial Liabilities		
	Borrowings	13	-
	Other Financial Liabilities	14	5.43
	Long Term Provisions	15	93.73
			99.16
3	**Current Liabilities**		
	Financial Liabilities		
	Borrowings	13	1,122.52
	Trade Payables	16	
	-Total outstanding due under micro enterprises and small enterprises		415.48
	-Total outstanding due other than micro enterprises and small enterprises		3,307.52
	Government grants		
	Liabilities for Current Tax (net)	17	32.31
	Short Term Provisions	15	461.94
	Other Current Liabilities	18	330.33
			5,670.10
	TOTAL		**7,852.37**
	Summary of Significant Accounting Policies	1.2	

The Accompanying Notes are Integral Part of the Financial Statements
As Per Our Report Attached

For K Khanna & Co.
Chartered Accountants
Firm Registration No. 008450N

For and on Behalf of Board
Jai Suspension Systems Private Limited

Kamal Khanna
(Proprietor)
Membership No. 086600
Place: Gurugram
Date: 20th May 2022
UDIN: 22086600AJIPTV8499

Gagandeep Singh
Director

Bhupinder Singh
Director

Jai Suspension Systems Private Limited
(Converted from Jai Suspension Systems LLP w.e.f. 28th May 2021)
Statement of Profit and Loss for the period ended March 31, 2022
(All amounts are in Rupees Lacs, unless otherwise stated)

	Particulars	Note	For the period May 28, 2021 to March 31, 2022
	Income		
I	Revenue from Operations	19	22,298.62
II	Other Income	20	26.72
III	Finance Income	21	8.49
	Total Income		**22,333.83**
IV	**Expenses**		
	Cost of Raw Materials and Components Consumed	22	17,683.21
	Purchase of Traded Goods		1,272.91
	(Increase)/ Decrease in Inventories of Finished Goods and Work in Progress	23	681.11
	Employee Benefits Expenses	24	328.21
	Other Expenses	25	449.54
	Total Expenses		**20,414.98**
V	**Profit before Finance Costs, Depreciation/Amortisation Cost and Exceptional Items**		**1,918.85**
VI	Finance Costs	26	2.59
VII	Depreciation and Amortisation Expenses	27	58.36
VIII	**Profit Before Tax**		**1,857.90**
	Tax Expenses		
	Current Tax		548.10
	Deferred Tax Expenses/ (Credit)		(66.31)
	Total Tax Expenses		**481.79**
IX	**Profit After Tax**		**1,376.11**
	Other Comprehensive Income		
	Items that will not be reclassified to Statement of Profit and Loss	29	9.36
	Less: Income tax relating to items that will not be reclassified to Statement of Profit and Loss		(2.36)
	Other Comprehensive Income/ (Expenses) (Net of Tax)		7.00
X	**Total Income/(loss) for the period**		**1,383.11**
	Earnings per equity share (par value Rs. 10 (absolute amount) per share)	28	
	- Basic		1.98
	- Diluted		1.98
	[Earnings per equity share expressed in absolute amount in Indian Rupees]		

Summary of Significant Accounting Policies 1.2
The Accompanying Notes are Integral Part of the Financial Statements

As Per Our Report Attached

For K Khanna & Co.
Chartered Accountants
Firm Registration No. 008450N

For and on Behalf of Board
Jai Suspension Systems Private Limited

Kamal Khanna
(Proprietor)
Membership No. 086600
Place: Gurugram
Date: 20th May 2022
UDIN: 22086600AJIPTV8499

Gagandeep Singh
Director

Bhupinder Singh
Director

Jai Suspension Systems Private Limited
(Converted from Jai Suspension Systems LLP w.e.f. 28th May 2021)
Notes to the financial statements for the period ended March 31, 2022
(All amounts are in Rupees Lacs, unless otherwise stated)

Statement of changes in equity for the period ended March 31, 2022

(a) Equity share capital :

(1) Current reporting period

Particulars	No. of shares* (in Lacs)	Amount
Equity shares of Rs. 1 each issued, subscribed and paid (refer note no 11)		
Balance as at May 27, 2021	-	-
Add: Changes in Equity Share Capital due to prior period error	-	-
Add: Restated balance at the beginning of the current reporting period	-	-
Add: Changes in equity share capital during the current period	700.00	700.00
Closing balance as at March 31, 2022	**700.00**	**700.00**

(b) Other equity (refer note no. 12)

(1) Current reporting period

Particulars	Reserves and Surplus				Other items of other comprehensive Income (Specify nature)	Total
	Capital reserve	Securities premium	Other Reserves (Specify nature)	Retained Earnings		
Balance as at May 27, 2021	-	-	-	-	-	-
Add: Changes in Equity Share Capital due to prior period error	-	-	-	-	-	-
Add: Restated balance at the beginning of the current reporting period	-	-	-	-	-	-
Add: Profit/(loss) for the period	-	-	-	1,376.11	-	1,376.11
Less: Any other chanages (to be Specified)	-	-	-	-	-	-
Less: Minority interest for the period	-	-	-	-	-	-
Add/Less: Other comprehensive income/(loss)	-	-	-	7.00	-	7.00
Closing balance as at March 31, 2022	**-**	**-**	**-**	**1,383.11**	**-**	**1,383.11**

Summary of Significant Accounting Policies 1.2

The Accompanying Notes are Integral Part of the Financial Statements
As Per Our Report Attached

For K Khanna & Co.
Chartered Accountants
Firm Registration No. 008450N

For and on Behalf of Board
Jai Suspension Systems Private Limited

Kamal Khanna
(Proprietor)
Membership No. 086600
Place: Gurugram
Date: 20th May 2022
UDIN: 22086600AJIPTV8499

Gagandeep Singh
Director

Bhupinder Singh
Director

Jai Suspension Systems Private Limited
(Converted from Jai Suspension Systems LLP w.e.f. 28th May 2021)

Cash Flow Statement for the period ended March 31, 2022
(All amounts are in Rupees Lacs, unless otherwise stated)

Particulars	For the period May 28, 2021 to March 31, 2022
A. Cash flow from operating activities	
Profit before tax	1,857.89
Adjustments to reconcile profit before tax to net cash flows:	
Depreciation of property, plant and equipment	58.36
(Gain) / loss on sale of fixed assets	(14.41)
Finance cost (including fair value change in financial instruments)	2.59
Finance income (including fair value change in financial instruments)	(8.49)
Excess provision no longer required written back	(5.59)
Provision for doubtful advance	(2.30)
Other comprehensive income / (losses)	9.36
Operating profit before working capital changes	**1,897.41**
Changes in operating assets and liabilities:	
Increase/(Decrease) in Trade payable	(2,295.80)
Increase/(Decrease) in Long term provisions	0.40
Increase/(Decrease) in Short term provisions	264.53
Increase/(Decrease) in Other Current liabilities	311.28
(Increase)/Decrease in Trade receivables	(1,395.22)
(Increase)/Decrease in Inventories	707.44
(Increase)/Decrease in Other financial assets	90.87
(Increase)/Decrease in Other non-current assets	3.96
(Increase)/Decrease in Other current assets	106.91
Cash generated from operations	**(308.22)**
Direct taxes (paid)/ refund received (net)	(557.24)
Net cash generated from operations	**(865.46)**
B. Cash flow from investing activities	
Purchase of fixed assets	(20.36)
Proceeds from sale of fixed assets	17.49
Movement in Loans & Advances given	1,096.02
Interest received (finance income)	8.49
Net cash from / used in investing activities	**1,101.64**
C. Cash flow from financing activities	
Withdawal of capital by erstwhile Partner	(1,272.25)
Proceeds from/(repayment) of short term borrowings (net)	1,122.52
Interest paid	(2.59)
Net cash from / used in financing activities	**(152.32)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	83.86
Cash and cash equivalents at the beginning of the year	3.70
Cash and cash equivalents at the year end	**87.56**
Components of cash and cash equivalents:	
Cash in hand	0.23
Balances with scheduled banks	87.33
(Refer note 9)	**87.56**

Notes:
(a) The above cash flow statement has been prepared in accordance with the 'Indirect method' as set out in the Ind AS 7 – Statement of Cash Flow as specified in the Companies (Indian Accounting Standards) Rules, 2015.

The Accompanying Notes are Integral Part of the Financial Statements 1.2
As Per Our Report Attached

For K Khanna & Co.
Chartered Accountants
Firm Registration No. 008450N

For and on Behalf of Board
Jai Suspension Systems Private Limited

Kamal Khanna
(Proprietor)
Membership No. 086600
Place: Gurugram
Date: 20th May 2022
UDIN: 22086600AJIPTV8499

Gagandeep Singh
Director

Bhupinder Singh
Director

Jai Suspension Systems Private Limited
(Converted from Jai Suspension Systems LLP w.e.f. 28th May 2021)
Notes to the financial statements for the period ended March 31, 2022
(All amounts are in Rupees Lacs, unless otherwise stated)

Note No. 2 Property, Plant and Equipment

Particulars	Factory Building	Other Building	Plant & Machinery	Furniture & Fixtures	Vehicles	Office Equipment	Computer	Total Tangible Assets	Capital Work in Progress	Other Intangible Assets	Right-of-use Assets
Gross Block											
Cost (Deemed cost)											
As at 28 May 2021 (on Conversion)	**383.75**	**992.61**	**427.71**	**60.29**	**223.55**	**11.12**	**11.82**	**2,110.85**	**10.42**	**3.16**	**78.30**
Additions	-	2.09	29.12	1.06	-	0.61	1.33	34.21	9.51	-	-
Disposals	-	-	7.60	-	54.00	0.18	1.06	62.84	19.93	-	-
As at 31 March 2022	**383.75**	**994.70**	**449.23**	**61.35**	**169.55**	**11.55**	**12.09**	**2,082.22**	**-**	**3.16**	**78.30**
Depreciation											
As at 28 May 2021 (on Conversion)	**119.87**	**66.45**	**325.91**	**47.73**	**193.50**	**10.73**	**11.05**	**775.24**	**-**	**3.16**	**12.93**
Additions	-	-	1.05	-	-	-	-	1.05	-	-	-
Charge for the period	10.82	13.99	23.57	3.67	4.71	0.28	0.59	57.63	-	-	0.74
Disposals	-	-	7.22	-	51.30	0.18	1.06	59.76	-	-	-
As at 31 March 2022	**130.69**	**80.44**	**343.31**	**51.40**	**146.91**	**10.83**	**10.58**	**774.16**	**-**	**3.16**	**13.67**
Net block											
As at 31 March 2022	**253.06**	**914.26**	**105.92**	**9.95**	**22.64**	**0.72**	**1.51**	**1,308.06**	**-**	**-**	**64.63**
As at 28 May 2021 (on Conversion)	263.88	926.16	101.80	12.56	30.05	0.39	0.77	1,335.61	10.42	-	65.37

Net book value	**March 31, 2022**
Property, plant and equipment	1,308.06
Capital Work in progress	-
Other Intangible Assets	-
Right-of-use assets	64.63

Jai Suspension Systems Private Limited
(Converted from Jai Suspension Systems LLP w.e.f. 28th May 2021)
Notes to the financial statements for the period ended March 31, 2022
(All amounts are in Rupees Lacs, unless otherwise stated)

(i) Title deeds of Immovable Property not held in name of the Company

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of Promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Right-of-use Assets	Leasehold Land	78.30	Erstwhile Entity Jai Suspension Systems LLP	Company formed on coversion of Jai Suspension Systems LLP	28th May 2021	The Entity is converted into Company from the LLP for which necessary documentation with Authority is pending
Other Building	Flat	994.70	Erstwhile Entity Jai Suspension Systems LLP	Company formed on coversion of Jai Suspension Systems LLP	28th May 2021	The Entity is converted into Company from the LLP for which necessary documentation with Authority is pending

Jai Suspension Systems Private Limited
(Converted from Jai Suspension Systems LLP w.e.f. 28th May 2021)
Notes to the financial statements for the period ended March 31, 2022
(All amounts are in Rupees Lacs, unless otherwise stated)

Note No.	Particular	Non-Current Assets	Current Assets
		As at March 31, 2022	As at March 31, 2022
	Financial assets		
3	**Loans (Unsecured considered good unless otherwise stated)**		
	Loan	-	105.00
	Advance to employees-considered good	-	1.76
	Total	**-**	**106.76**
	Less: Provision for doubtful advances	**-**	**-**
	Total	**-**	**106.76**
4	**Other financial assets**		
	Security deposits - considered good	6.22	0.30
	Balance with sales tax authorities	-	1.96
	Interest accrued	-	1.88
	Less :- Provision for doubtful advances	-	(1.96)
	Total	**6.22**	**2.18**
5	**Other assets**		
	Capital advances		
	Unsecured considered good	-	-
	Total	**-**	**-**
	Advances recoverable in cash or in kind		
	Advance to suppliers - considered good	-	0.04
	Prepaid expenses	1.20	6.09
	Balance with GST authorities	-	61.44
	Duty paid under protest	3.77	-
	Other recoverable	-	1.05
		4.97	**68.62**
	Less :- Provision for doubtful advances	-	(0.53)
	Total	**4.97**	**68.09**
	Grand Total	**4.97**	**68.09**

Jai Suspension Systems Private Limited
(Converted from Jai Suspension Systems LLP w.e.f. 28th May 2021)
Notes to the financial statements for the period ended March 31, 2022
(All amounts are in Rupees Lacs, unless otherwise stated)

Note No.	Particular	Non Current Assets As at March 31, 2022	Current Assets As at March 31, 2022
6	**Deferred tax assets (net)**		
	Deferred tax assets		
	Provision for bad and doubtful debts	2.86	-
	Impact of expenditure chrarged to the statement of profit & loss in the current year but allowed for tax purpose on payment basis.	141.57	-
	Total deferred tax asset	144.43	-
	Less: deferred tax liability		
	Excess of depreciation/ amortisation on fixed assets under income tax law over depreciation/amortisation provided in accounts	4.75	-
	Total deferred tax liability	4.75	-
	Total deferred tax asset/(liabilities)	**139.68**	**-**
7	**Inventories**		
	Raw material and components (at cost) [includes goods in transit: Rs. 265.97 Lacs]	-	537.08
	Work-in-progress (at cost)	-	142.39
	Finished goods (at lower of cost or net realisable value) [includes goods in transit: Rs. 25.13 Lacs]	-	874.89
	Traded goods (at lower of cost or net realisable value) [includes goods in transit: Rs. 28.99 Lacs]	-	102.51
	Stores and spares (at cost)	-	21.84
	Total	**-**	**1,678.71**
8	**Trade receivables (considered good, unless otherwise stated)**		
	- outstanding over six months		
	Unsecured, considered good	-	-
	Unsecured, considered doubtful	-	11.36
	- other receivables	-	4,383.05
	Total	**-**	**4,394.41**
	Less: provision for doubtful debts	-	(11.36)
	Total	**-**	**4,383.05**

Trade receivables ageing schedule

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables Considered good	4,383.05	-	-	-	-	**4,383.05**
(ii) Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	**-**
(iii) Undisputed Trade receivables – credit impaired						**-**
(iv) Disputed Trade receivables Considered good	-	-	-	-	-	**-**
(v) Disputed Trade receivables – which have significant increase in credit risk						**-**
(vi) Disputed Trade receivables – credit impaired	-	-	-	-	11.36	**11.36**

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 60 days.
Trade receivable includes receivable amounting to Rs. 1122.52 lacs from a customer, which are subject to bill discounting arrangement under the tripartite agreement between the Company, Kotak Mahindra Bank Ltd and the customer, where the obligation to pay may arise due to unforeseen event of default by the Company's customer. The company therefore continues to recognise the transferred assets and liability in financial statement.

Note No.	Particular	Non Current Assets	Current Assets
9	**Cash and cash equivalents**		
	Balance with banks		
	on current account	-	87.33
	Cash on hand	-	0.23
	Total	**-**	**87.56**
10	**Other bank balances**		
	Deposits with bank with more than 3 months and less than 12 months	-	0.30
	Margin money deposits#	-	2.16
	Total	**-**	**2.46**

Includes fixed deposit kept as margin money Rs. 2.15 lacs

Jai Suspension Systems Private Limited
(Converted from Jai Suspension Systems LLP w.e.f. 28th May 2021)
Notes to the financial statements for the period ended March 31, 2022
(All amounts are in Rupees Lacs, unless otherwise stated)

Note No.	Particular	As at March 31, 2022
11	**Share capital**	
	Authorised share capital (amount per share in absolute rupees)	
	1000 Lacs equity shares of Rs. 1 each	1,000.00
	Total	**1,000.00**
	Issued, subscribed and paid up equity shares (amount per share in absolute rupees)	
	Subscribed and fully paid	
	700 Lacs equity shares of Rs 1 each	700.00
	Total	**700.00**

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

Equity Shares	As at March 31, 2022	
	No. of Shares (in Lacs)	Amount
Equity Shares Subscribed and fully paid up		
At the beginning of the period	-	-
Add : Allotment of Equity Shares (on conversion from LLP)	700.00	700.00
At the end of the period	**700.00**	**700.00**

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

Equity Shares	As at March 31, 2022	
	No. of Shares	% of holding
Equity Shares of Rs. 1 (absolute amount) each fully paid		
Jamna Auto Industries Limted	699.9895	100.00
Total	**699.9895**	**100.00**

c. Details of Share held by promoters at the end of the year

Sr. No.	Promoter Name	As at March 31, 2022				% Change during the period
		No. of shares at the beginning of the period (in Lacs)	Change during the period (in Lacs)	No. of shares at the end of the period (in Lacs)	% of total Shares	
1	Jamna Auto Industries Limted	-	699.98950	699.98950	99.99850	100%
2	Bhupinder Singh	-	0.00525	0.00525	0.00075	100%
3	Gagandeep Singh	-	0.00525	0.00525	0.00075	100%
Total		**-**	700.00	700.00	100.00	100%

Jai Suspension Systems Private Limited
(Converted from Jai Suspension Systems LLP w.e.f. 28th May 2021)

Notes to the financial statements for the period ended March 31, 2022

(All amounts are in Rupees Lacs, unless otherwise stated)

Note No.	Particulars	As at March 31, 2022
12	**Other Equity**	
	Other comprehensive income	
	Balance as per the last financial statements	-
	Add: Other comprehensive income for the period	7.00
	Net surplus/(deficit) in the other comprehensive income	**7.00**
	Deficit in the statement of profit and loss	
	Balance as per the last financial statements	-
	Add: Profit for the period	1,376.11
	Net surplus/(deficit) in the statement of profit and loss	1,376.11
	Total reserves and surplus	**1,383.11**

Jai Suspension Systems Private Limited
(Converted from Jai Suspension Systems LLP w.e.f. 28th May 2021)
Notes to the financial statements for the period ended March 31, 2022
(All amounts are in Rupees Lacs, unless otherwise stated)

Note No.	Particulars	Non-Current Portion	Current Portion
		As at March 31, 2022	As at March 31, 2022
13	**Long-term borrowings**		
	Secured loans		
	Term loans	-	-
	Total	**-**	**-**
	Short term borrowings		
	Cash Credit'*		
	Sales bills discounting from bank'^	-	1,122.52
	Total	**-**	**1,122.52**
	Total	**-**	**1,122.52**
	Total of above Includes		
	Secured borrowings	-	-
	Unsecured borrowings	-	1,122.52

***Cash credit/WCDL/PO funding limit with Kotak Mahindra Bank Limited Rs. Nil on interest rate 6 month MCLR + 0.65% is secured against:**

i) First pari passu hypothecation charge on all existing and future current assets and movable fixed asset of the borrower.
ii) Corporate guarantee of M/s Jamna Auto Industries Limited.

The Company has registered charge with ROC in favour of kotak mahindra bank limited beyond the statutory period by 70 days, due to delay in opening of the bank account in the name of the company.

^Bills Discounting from Kotak Mahindra Bank Limited (Unsecured) having no interest cost on the Company

Represents arrangement where the obligation of the Company may arise to the bank due to unforeseen event of occurrence of default by the Company's customer of repute having impeccable payment record. The Company does not foresee any liability arising on it. The company therefore continues to recognise the transferred assets and liability in financial statement.

Jai Suspension Systems Private Limited
(Converted from Jai Suspension Systems LLP w.e.f. 28th May 2021)
Notes to the financial statements for the period ended March 31, 2022
(All amounts are in Rupees Lacs, unless otherwise stated)

Note No.	Particular	Long Term	Short Term
		As at March 31, 2022	As at March 31, 2022
14	**Other financial liabilities**		
	Security deposit	5.43	-
	Total	**5.43**	**-**
15	**Provision**		
	Provision for employees benefits		
	Provision for leave encashment	14.01	0.44
	Provision for long service award	1.40	0.09
	Provision for benevolent fund	2.78	0.42
	Provision for gratuity (refer note no. 29)	75.54	1.02
	Total	**93.73**	**1.97**
	Other provisions		
	Provision for price reduction#	-	459.97
		-	**459.97**
	Total	**93.73**	**461.94**

 # Provision for price reduction

A provision is recognized for estimated price differences to be paid, which are based on various negotiations and best estimate of management.

Particular	As at March 31, 2022
At the beginning of the period (on conversion)	195.00
Arising during the period	264.97
Utilized	-
At the end of the period	459.97
Current portion	459.97
Non-current portion	-

Jai Suspension Systems Private Limited
(Converted from Jai Suspension Systems LLP w.e.f. 28th May 2021)
Notes to the financial statements for the period ended March 31, 2022
(All amounts are in Rupees Lacs, unless otherwise stated)

Note No.	Particular	As at March 31, 2022
16	**Trade payables**	
	- total outstanding due under micro enterprises and small enterprises	415.48
	- total outstanding due under related party {refer note 31}	2,569.16
	- total outstanding due other than micro enterprises and small enterprises and related party	738.36
	Total	**3,723.00**

Trade payables ageing schedule

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 year	2-3 year	More than 3 Years	
(i) MSME	415.48	-	-	-	415.48
(ii) Other	2,815.92	0.04	-	-	2,815.96
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues - other	-	-	-	-	-
(V) Unbilled Dues	491.56	-	-	-	491.56

Note No.	Particular	As at March 31, 2022
17	**Liabilities for current tax (net)**	
	Current tax payable (net)	32.31
	Total	**32.31**
18	**Other current liabilities**	
	Advances from customers	0.15
	Goods & service tax payable	309.07
	TDS payable	8.45
	PF and ESI payable	2.09
	Other payable	10.57
	Total	**330.33**

Note (a) : Based on the information presently available with the entity, the outstanding as at the end of the period or interest payable/paid on delays in payment to micro and small enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006 is disclosed under note no. 30(d).

Jai Suspension Systems Private Limited
(Converted from Jai Suspension Systems LLP w.e.f. 28th May 2021)
Notes to the financial statements for the period ended March 31, 2022
(All amounts are in Rupees Lacs, unless otherwise stated)

Note No.	Particulars	For the period May 28, 2021 to March 31, 2022
19	**Revenue from operations**	
	Sale of products - finished goods	20,876.36
	Traded goods	1,400.09
	Other operating revenue	
	- scrap sale	22.17
	Total	**22,298.62**
20	**Other income**	
	Other non operating scrap sales	4.50
	Profit on sale of fixed assets	14.41
	Excess provision written back	5.59
	Miscellaneous income	2.22
	Total	**26.72**
21	**Finance income**	
	Interest income	
	- from banks	0.10
	- from others	8.39
	Total	**8.49**

Jai Suspension Systems Private Limited
(Converted from Jai Suspension Systems LLP w.e.f. 28th May 2021)
Notes to the financial statements for the period ended March 31, 2022
(All amounts are in Rupees Lacs, unless otherwise stated)

Note No.	Particulars	For the period May 28, 2021 to March 31, 2022
22	**Cost of Raw materials consumed**	
	Inventory at the beginning of the period*	560.55
	Add : Purchases during the period	17,659.73
	Less : Inventory at the end of the period	537.07
	Cost of materials consumed	**17,683.21**
23	**Changes in inventory of finished goods and work in progress**	
	Inventories at the end of period	
	- Finished goods	874.89
	- Work in progress	142.39
	- Traded goods	102.51
	Total	**1,119.79**
	Inventories at the beginning of period*	
	- Finished goods	1,316.11
	- Work in progress	283.48
	- Traded goods	201.32
	Total	**1,800.91**
	Decrease/ (increase) during the year before adjustment	**681.12**
	*Inventory as taken over from erstwhile entity on conversion into the company.	
24	**Employee benefit expenses**	
	Salaries	85.56
	Wages	52.43
	Labour charges	155.84
	Gratuity expense (refer note no. 29)	8.80
	Contribution to provident and other funds	11.25
	Benevolent fund	0.54
	Staff welfare expenses	13.79
	Total	**328.21**

Jai Suspension Systems Private Limited
(Converted from Jai Suspension Systems LLP w.e.f. 28th May 2021)
Notes to the financial statements for the period ended March 31, 2022
(All amounts are in Rupees Lacs, unless otherwise stated)

Note No.	Particulars	For the period May 28, 2021 to March 31, 2022
25	**Other expenses**	
	Consumption of stores and spare parts	175.74
	Power and fuel	22.09
	Job charges	98.57
	Rent	1.77
	Fork lift hiring charges	7.15
	Repair and maintenance	
	- Repairs to buildings	0.90
	- Repairs to machinery	14.08
	- Repairs to others	3.61
	Rates and taxes, excluding taxes on income	17.85
	Travelling and conveyance	2.20
	Legal and professional expenses	10.14
	Payment made to auditors (Refer note 38)	7.59
	Sundry balance written off	1.78
	Provision for doubtful advance	(2.30)
	Freight, forwarding and packing	52.21
	Warranty claims	0.80
	Security charges	5.88
	Insurance	4.59
	Printing stationery and communication	0.99
	Bank charges	0.13
	Miscellaneous expenses	23.77
	Total	**449.54**
26	**Finance costs**	
	Interest to banks	0.00
	Interest to others	2.59
	Total	**2.59**
27	**Depreciation and amortisation expenses**	
	Depreciation on tangible assets	58.36
	Amortisation on intangible assets	-
	Total	**58.36**

Jai Suspension Systems Private Limited
(Converted from Jai Suspension Systems LLP w.e.f. 28th May 2021)
Notes to the financial statements for the period ended March 31, 2022

(All amounts are in Rupees Lacs, unless otherwise stated)

Note No.	Particulars	For the period May 28, 2021 to March 31, 2022
28	**Earning per share (EPS)**	
	Profit for the year	1,383.11
	Weight average number of equity shares during the period in calculating basic EPS (in Lacs)	700.00
	Effect of dilution:	
	Weight average number of equity shares during the period in calculating dilution EPS (in Lacs)	700.00
	Basic EPS (in Rs.)	1.98
	Diluted EPS (in Rs.)	1.98

29 Gratuity and other post-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 atleast five years of service gets Gratuity on departure @15 days of last drawn salary for each completed year of service, in terms of Payment of Gratuity Act, 1972. Under long term service award the employee is entitled to a fixed amount on completion of ten years and fifteen year 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 company's financial statements as at March 31, 2022

Particulars	As at March 31, 2022
Change in defined benefit obligation	
Opening defined Benefit obligation	77.12
Service cost	5.31
Interest expenses	3.48
Benefits paid	-
Remeasurements - Actuarial (Gains)/ loss	-9.36
Closing defined benefit obligation	**76.55**

Particulars	As at March 31, 2022
Change in plan assets	
Opening fair value of plan assets	-
Expected return on plan assets	-
Contributions by employer	-
Benefits paid	-
Remeasurements - Actuarial Gains/ (loss)	-
Closing fair value of plan assets	**-**

(b)

Major categories of plan assets	As at March 31, 2022
Funds Managed by Insurer	0%

(c) Amount for the year ended on March 31, 2022 recognized in the statement of profit and loss under employee benfit expenses:

Particulars	As at March 31, 2022
Service cost	5.31
Net interest on the net defined benefit liability/ asset	3.48
Net gratuity cost	**8.80**

(d) Amount for the year ended on March 31, 2022 recognized in the statement of other comprehensive income:

Particulars	As at March 31, 2022
Remeasurements of the net defined benefit liability/ (assets)	
Actuarial (gains)/ losses	(9.36)
(Return)/ Loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/ (assets)	-
Total	**(9.36)**

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

Particulars	As at March 31, 2022
Actuarial (gain)/loss on arising from change in demographic assumption	-
Actuarial loss/(gain) on arising from change in financial assumption	-
Actuarial loss on arising from experience adjustment	(9.36)
Actuarial loss on asset for the year	-
Total	**(9.36)**

(f) The principal assumptions used to determine benefit obligations as at March 31, 2022 are as follows:

Particulars	As at March 31, 2022
Discount rate	7.36%
Average rate of increase in compensations level	10.00%
Retirement Age (years)	58
Mortality Rate inclusive of provision for disability	100% of IALM (2012 - 14)
Employees turnover (Age)	**Withdrawl rate in (%)**
Upto 30 years	6.50%
From 31 to 44 years	2.00%
Above 44 years	0.90%

One of the principal assumptions is the discount rate, which should be based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities.

(g) The company expects to contribute Rs. 12.25 Lacs towards gratuity during the year 2022-23.

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

Particulars	March 31, 2022
Within the next 12 months (next annual reporting period)	1.02
Between 2 and 5 years	6.62
Between 5 and 10 years	68.92
Total	**76.55**

(h) Quantitative sensitivity analysis for significant assumption as at 31 Mar 2022 is as shown below:

Gratuity Plan

Particulars	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022
Assumptions	**Discount rate**		**Future salary increases**	
Sensitivity level	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Impact on defined benefit obligation	(4.67)	5.10	4.95	(4.58)

30 Commitments and Contingencies

(a) Lease Disclosures

The Company recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate and has measured right of use asset an amount equal to lease liability.

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

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

Particulars	March 31, 2022
Gross Carrying Value	
Balance at the beginning*	**78.30**
Additions	-
Deletions	-
Balance at the end	**78.30**
Accumulated Depreciation	
Balance at the beginning*	**12.93**
Depreciation charged for the period	0.74
Deletions	-
Balance at the end	**13.67**

* On conversion into the company

(b) Capital commitments and Other commitments

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

Particulars	March 31, 2022
Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (Net of Advances)	-
Total	**-**

(c) Contingent Liabilities

Particulars	March 31, 2022
Income tax	556.47
Sales tax*	19.56
Goods & service tax	0.34
Entry tax	88.40
Total	**664.77**

* Against the above demand, bank guarantees of Rs. 2.15 Lacs have been given

In relation to above tax and other demands which relates to the erstwhile entity M/s Jai Suspension Systems LLP converted into the company are as under:

1) The LLP received sales tax assessment orders under Uttrakhand VAT Act/CST Act for the financial years 2011-12 wherein assessing officer raised demand of Rs.3.07 Lacs. The LLP preferred appeals against such orders and based on legal advice and internal assessment company is confident that no liability is probable in the matter.

2) Under Central Sales Act, 1956, LLP received orders for financial years 2013-14 wherein demand of Rs. 5.70 had been raised. The LLP preferred rectification against such orders and is confident that no liability is probable in the matter.

3) Under CST Act 1956 demand for Rs 10.78 Lacs has been raised by CST department against LLP, after giving effect to the appeal order passed by JCIT. The LLP preferred appeals before ITAT against the order passed by JCIT and based on legal advice and internal assessment company is confident that no liability is probable in the matter.

4) Under The Uttrakhand CGST Act, demand of Rs. 0.34 Lacs has been raised by CGST department by imposing penalty. The LLP preferred appeals against such orders and based on legal advice and internal assessment company is confident that no liability is probable in the matter.

5) 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 Rs. 88.40 Lacs.

6) An order dated 21/12/2016 had been received from the Income Tax for the AY 2013-14, wherein disallowance of deduction u/s 80-IC had been made for Rs. 1800.89 Lacs 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 Rs. 556.47 Lacs (Previous year 556.47 lacs). The LLP preferred an appeal before CIT (A) and based on internal assessment and discussion with its legal counsel, company is confident of a favorable outcome.

d) Based on the information available with the company, the overdue amounts outstanding in respect of Micro, Small, and Medium enterprises at the balance sheet date are as under along-with interest during the year has been paid or payable in respect thereof. The above disclosures have been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the auditors.

Particulars	March 31, 2022
i) Principal amount remaining unpaid to Micro, Small & Medium Enterprise	415.48
ii) Interest accrued on principal amount on remaining unpaid as (i) above	0.06
iii) Amount of interest paid during the period along with the payment of principal amount made beyond 15 days or agreed time from the date of delivery/rendering of services.	-
iv) Interest due but yet to be paid on principal amount paid during the period.	0.55
v) Amount of further interest remaining due and payable even in succeeding periods, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance as deductible expenditure.	-

e) The Jai Suspesnion Systems Private Limtied has been converted from Jai Suspension Systems LLP into a Private Limited Company w.e.f. 28th May 2021, vide certificate of incorporation dated 1st June 2021 issued by Registrar of Companies, NCT of Delhi & Haryana, as per the provisions of Section 366 & 367 of the Companies Act, 2013 read with Companies (Authorised to Registered) Rules, 2014. Following is the capital structure of the company:

Partners	Capital Structure of LLP		Shareholding of company	
	%age of Partner Capital	Total Capital (Rs.)	%age Shareholding	No. of Shares (in Lacs) (Re. 1 each)
Jamna Auto Industries Limited	99.99850%	699.990	99.99850%	699.990
Mr. Bhupinder Singh	0.00075%	0.005	0.00075%	0.005
Mr. Gagandeep Singh	0.00075%	0.005	0.00075%	0.005
Total	**100.00%**	**700.00**	**100.00%**	**700.00**

f) During the period, the Company has signed a Business Transfer Agreement with M/s Kalka Steels, a partnership firm, to acquire their tractor parts business i.e. manufacturing of tractor seats on going concern basis subject to fulfillment of conditions stated therein. The company has agreed to pay a lump sum consideration of Rs. 50 Lacs (subject to certain adjustment as on BTA closing date) and shall takeover the manufacturing business of Tractor Seats along-with Employees, Plant and Machinery, Current Assets & Liabilities etc except Land & Building.

31 Related party transactions

As required by Ind AS- 24 " Related Party Disclosures" issued by the Institute of Chartered Accountants of India, following are the names and nature of related parties with whom transaction have taken place during the year. (As identified by the management)

A) Names of related parties and relationship

I. Holding company

Jamna Auto Industries Limited

II. Directors

Mr Gagandeep Singh	Director
Mr. Bhupinder Singh	Director

III. Key managerial personnel and their relatives

Mrs. Sonia Jauhar	Relative of key management personnel of Holding Company

B) Transactions with related parties

Nature of Transaction	Holding company	Key management personnel and their relatives	Total
Transactions during the period	**For the period ended March 31, 2022**	**For the period ended March 31, 2022**	**For the period ended March 31, 2022**
Expenses			
Purchase of goods'^	19,093.45	-	**19,093.45**
Rent	-	1.77	**1.77**
Interest on loan	0.31		**0.31**
Payment for sharing of common expenses	16.05		**16.05**
Income			
Sale of goods'^	113.09	-	**113.09**
Sales of capital goods'^	17.45	-	**17.45**
Issuance share capital	699.99	0.01	**700.00**
Repayment of other payables	1,272.11	0.13	**1,272.25**
Loan			
Loan accepted	214.00	-	**214.00**
Loan repaid	214.00	-	**214.00**
Guarantee and collaterals			
Guarantee given on our behalf*	7,500.00	-	**7,500.00**
Balances as at the end of the period	**As at March 31, 2022**	**As at March 31, 2022**	**As at March 31, 2022**
Trade payable	2,569.16	-	**2,569.16**
Provision for supplimentary under expenses payable	437.21	-	**437.21**
Corporate guarantee'*	7,500.00	-	**7,500.00**

^ Include the figure of Supplimentary Provision made at the end of the period/year. The figure of purchase is inclusive of Goods & Service Tax, for whichinput credit has been taken and also is inclusive of TCS

*Against the working capital limit and letter of credit sanctioned of Rs. 7,500 Lacs

. Note: Above figures don't include the re-imbursement of expneses incurred on behalf of the company

32 Segment Reporting

Ind AS 108 establishes standards for the way that the company report information about operating segments and related disclosures about products and services, geographic areas, and major customers. The company's operations comprises of only one segment i.e. manufacturing and selling of auto suspension parts i.e tapered leaf springs/parabolic spring/lift axle.. 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 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 minimum presence in international markets . 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	Period ended March 31, 2022
Within India	22,298.62
Outside India	-
Total	**22,298.62**

Sales to Customers generating more than 10% of total revenue aggregates to INR 22,181.00 lacs

Trade receivable as per geographical locations

Particulars	Period ended March 31, 2022
Within India	4,394.41
Outside India	-
Total	**4,394.41**

The trade receivable information above is based on the location of the customers.
Trade receivables from customers generating more than 10% of total revenue aggregates to INR 3260.53 lacs.

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.

33 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:

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

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 29.

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 doesn't have 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 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 34 for such measurement.

(All amounts are in Lacs, unless otherwise stated)

34 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:

		Carrying value	Fair value
Particulars	**Method of Fair Value**	**As at March 31, 2022**	**As at March 31, 2022**
Financial assets			
Security deposits paid	Amortised Cost	6.52	6.52
Loans	Amortised Cost	106.76	106.76
Other Financial assets	Amortised Cost	4.34	4.34
Total		**117.62**	**117.62**
Financial liabilities			
Borrowings	Amortised Cost	1,122.52	1,122.52
Other financial liabilities			
Security Deposits received	Amortised Cost	5.43	5.43
Total		**1,127.95**	**1,127.95**

The management assessed that cash and cash equivalents, short-term borrowings, Interest accrued but not due, trade receivables, trade payables and payable for capital goods 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.

(All amounts are in Lacs, unless otherwise stated)

35 Fair 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 31 March 2022 :

			Fair value measurement using		
Particulars	**Date of valuation**	**Total**	**Quoted prices in active markets**	**Significant observable inputs**	**Significant unobservable inputs**
			(Level 1)	**(Level 2)**	**(Level 3)**
Financial assets					
Security deposits paid	March 31, 2022	6.52	-	-	6.52
Loans	March 31, 2022	106.76	-	-	106.76
Other Financial assets					
Other financial assets	March 31, 2022	4.34	-	-	4.34

There have been no transfers between Level 1 and Level 2 during the period taking into consideration the financials of erstwhile LLP

(All amounts are in Lacs, unless otherwise stated)

36 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, 2022
Loan Term Borrowings (refer Note no. 13)	-
Payable for purchase of fixed assets	-
Net debts	**-**
Capital components	
Equity share capital	700.00
Other equity	1,383.11
Total capital	**2,083.11**
Capital and net debt	**2,083.11**
Gearing ratio (%)	**-**

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 period ended March 31, 2022

37 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 and other receivables, and cash and cash equivalents that derive directly from its operations.

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

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as 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 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 manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

(ii) Currency risk

Currency risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of the change in foreign currency exchange rates.
The Majority of the company’s revenue and expenses are in Indian Rupees, with the remainder denominated in US Dollars. Management considers currency risk to be low and does not hedge its currency risk as variations in foreign currency exchange rates are not expected to have a significant impact on the results of operations, a sensitivity analysis is not presented.

(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 Loans, 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 hence the company evaluates the concentration of risk with respect to trade receivables as low. At 31 March 2022, the company had 2 OEM customers that owed the company Rs. 4383.05 lacs and accounted for approximately 99.74% of all the receivables outstanding.

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 8. The company does not hold collateral as security.

Financial instruments and cash deposits

Credit risk from Loans given, 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, 2022 is the carrying amounts as illustrated in Note 3, 9 and 10.

(d) Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting obligations associated with its financial liabilities. The company monitors its risk of a shortage of funds using a liquidity planning tool.
The company’s objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, cash credits and advance payment terms.

(All amounts are in Lacs, unless otherwise stated)

Maturity profile of financial Liabilities :

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

Particulars	on demand	Less than 3 months	3 to 12 months	1 to 5 Years	More than 5 years	Total
March 31, 2022						
Borrowings including bank cash credits excluding transaction cost	-	1,122.52	-	-	-	1,122.52
Trade payables	-	3,723.00	-	-	-	3,723.00
Other financial liabilities	-	-	-	5.43	-	5.43
Total	**-**	**4,845.52**	**-**	**5.43**	**-**	**4,850.95**

(e) Commodity risk

The company is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchases of steel which are volatile products and are 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.

38

Payment to auditors (excluding GST)	For the period ended March 31, 2022
As auditor	
- Audit fee	2.50
- Limited review fee	3.65
As other capacity	
- Other services	1.34
Reimbursement of expenses	0.10
	7.59

(All amounts are in Lacs, unless otherwise stated)

39 Deferred tax assets (net)

Particulars	March 31, 2022
Deferred tax assets/(liabilities)	139.68
Less: AMT Credit	-
Total	**139.68**

Income tax expenses reported in the statement of profit and loss comprises:	March 31, 2022
Current income tax expenses:	
Income tax	541.78
Adjustment in respect of current income tax of previous year	6.32
Deferred tax	
Relating to origination and reversal of temporary differences	(66.31)
Income tax expenses reported in statement of profit and loss	**481.79**

Statement of other comprehensive income	March 31, 2022
Net loss/ (gain) on remeasurements of defined benefit plan	(9.36)
Income tax charged to OCI	**2.36**

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

Particulars	March 31, 2022
Accounting profit before tax	1,857.90
Statutory income tax rate	25.17%
Computed tax expenses	467.60
Adjustments in respect of current income tax of previous years	6.32
Tax on Non-deductible expenses	7.87
Income tax charged to statement of profit and loss	**481.79**

Deferred tax asset comprises

Deferred tax assets/ (liabilities)	Balance Sheet		During the period
	March 31, 2022	May 28, 2021	For the period May 28, 2021 to March 31, 2022
Fixed Assets - Impact of difference between tax depreciation and depreciation charged to financial statements	(4.75)	(2.26)	(2.49)
Allowance for doubtful debts	2.86	2.86	-
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	141.57	75.13	66.44
Total	**139.68**	**75.73**	**63.95**
Income tax effect on Re-measurement (gains)/ losses on defined benefit plans transferred to Other comprehensive income			2.36
Total amount charged through Profit & Loss Account			**66.31**

Reconciliation of deferred tax assets (net)	March 31, 2022
Opening balance as per last balance sheet	75.73
Tax expenses recognised in statement of profit and loss	63.95
Income Tax effect on Re-measurement of defined benefit plans transferred to OCI	-
Closing balance	**139.68**

40 CSR expenditure

Particulars	For the period ended March 31, 2022
(a) Gross amount required to be spent by the entity during the year	-
(b) Amount spent during the year on other than construction of assets paid in cash	-
(i) Construction of asset	-
(ii) On purposes other than (i) above	
Total	-

41 Ratio Analysis and its elements

Sr.	Ratio	Numerator	Denominator	For the period ended March 31, 2022	% change	Reason for variance
1	Current Ratio	Current Assets	Current Liabilities	1.12	-	-
2	Debt- Equity Ratio	Total Debt	Shareholder's Equity	0.54	-	-
3	Debt Service Coverage Ratio	Earnings for Debt Service = Net Profit after Taxes + Non-Cash Operating Expenses	Debt Service = Interest & Lease Payments + Principal Repayments	-	-	-
4	Return on Equity Ratio	Net Profits after Taxes – Preference Dividend	Average Shareholder's Equity	0.66	-	-
5	Inventory Turnover Ratio	Cost of Goods Sold	Average Inventory	9.77	-	-
6	Trade Receivable Turnover Ratio	Net Credit Sales = Gross Credit Sales - Sales Return	Average Trade Receivable	5.05	-	-
7	Trade Payable Turnover Ratio	Net Credit Purchases = Gross Credit Purchases - Purchase Return	Average Trade Payables	5.09	-	-
8	Net Capital Turnover Ratio	Net Sales = Total Sales - Sales Return	Working Capital = Current Assets – Current Liabilities	33.85	-	-
9	Net Profit Ratio	Net Profit	Net Sales = Total sales - Sales Return	0.06	-	-
10	Return on Capital Employed	Earnings before Interest and Taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	0.58	-	-
11	Return on Investment	Net Profits after Taxes – Preference Dividend	Shareholder's Equity	0.66	-	-

42 Other Statutory Information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any transactions with struck off companies.

(iii) The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

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

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

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

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

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

(vii) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

(viii) The Company has sancationed limit for borrowings from banks on the basis of security of current assets. During the period, the company has filed statements of current assets & current liabilities with banks which are not in agreement with the books of accounts. Summary of reconciliation and reasons of material discrepancies are as under:-

Particulars	Quarter -I			Quarter -II		
	As submitted with bank	As per Financials	Variance* Excess/(Short)	As submitted with bank	As per Financials	Variance* Excess/(Short)
Inventories	2,008.00	2,369.96	361.96	1,395.00	1,478.07	83.07
Trade Receivables	2,773.00	2,774.25	1.25	683.00	683.03	0.03

Particulars	Quarter -III			Quarter -IV		
	As submitted with bank	As per Financials	Variance* Excess/(Short)	As submitted with bank	As per Financials	Variance* Excess/(Short)
Inventories	2,361.00	2,677.90	316.90	1,672.00	1,678.70	6.70
Trade Receivables	3,124.00	3,399.51	275.51	3,260.00	3,260.53	0.53

*The Company had filed quarterly statements with the bank were on provisional numbers and difference in inventory is mainly on account of valuation rate and w.r.t. debtors quarterly statements filed with the bank were on provisional numbers.

43 The Company has opted to round off its financial information to the nearest lacs in accordance with Ind AS compliant Schedule III.

44 Fractional difference may be appearing in totaling due to rounding off norm adopted by the Company.

45 Amounts appearing as zero "0" in finacials are below the rounding off norm adopted by the Company.

For K Khanna & Co.
Chartered Accountants
Firm Registration No. 008450N

For and on behalf of the Board
Jai Suspension Systems Private Limited

Kamal Khanna
(Proprietor)
Membership No. 086600
Place: Gurugram
Date: 20th May 2022
UDIN: 22086600AJIPTV8499

Gagandeep Singh
Director

Bhupinder Singh
Director