

# **JAI AUTOMOTIVE COMPONENTS LIMITED**

CIN: U34102MP2019PLC050243

Registered Office: 28/E/S-3 Scheme No. 78 Indore, Madhya Pradesh-482002

**FY 2022-23**



## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF JAI AUTOMOTIVE COMPONENTS LIMITED

#### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of **JAI AUTOMOTIVE COMPONENTS LIMITED** (the "Company"), which comprise the Balance Sheet as at March 31, 2023, 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, 2023 and its loss, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### 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.

#### 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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, the managerial remuneration for the year ended March 31, 2023 has been paid/provided by the Company to

its directors in accordance with the provisions of section 197 read with Schedule V of the Act.

- 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 year.
  - 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  
FRN: 008450N

**Kamal Khanna**  
(Proprietor)  
M.No. 086600  
Place: Gurugram  
Dated: 27<sup>th</sup> May 2023  
UDIN: 23086600BGUBKN4043

## **ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

**(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of JAI AUTOMOTIVE COMPONENTS LIMITED of even date)**

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of 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 AUTOMOTIVE COMPONENTS LIMITED** (the “Company”) as of March 31, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year 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, 2023, 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

FRN: 008450N

**Kamal Khanna**

(Proprietor)

M.No. 086600

Place: Gurugram

Dated: 27<sup>th</sup> May 2023

UDIN: 23086600BGUBKN4043

## **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 AUTOMOTIVE COMPONENTS 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 year and were physically verified by the Management during the year. 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 agreements for land & building, we report that, the company is the lessee and the lease agreements are duly executed in favour of the company as disclosed in the financial statements included under Right to Use Assets are held in the name of the Company as at the balance sheet date.
  - (d) The Company has not revalued any of its Property, Plant and Equipment (including right to use assets) and intangible assets during the year.
  - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 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 year. 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 year, from banks or financial institutions on the basis of security of current assets; however, the company has not utilized such limits during the year.
- iii. The Company has not made investments in, companies, firms, Limited Liability Partnerships, or granted unsecured loans to other parties, during the year, and hence reporting is not applicable.  
  
The Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships, or any other parties covered under section 189 of The Companies Act, 2013.
- 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 is not applicable under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting



under clause 3(vi) of the Order is not applicable to the Company.

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, 2023 for a period of more than six months from the date they became payable.

- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are NIL.

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Hence, reporting under clause 3(viii) of the Order is not applicable to the Company.

ix.

- (a) The Company has not defaulted in repayment of loans or other borrowings or in payment of interest thereon to any lender during the year.

- (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 year and there are no outstanding term loans at the beginning of the year 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, no funds raised on short-term basis have been used 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 any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associates companies and hence reporting on clause (ix)(f) of the Order is not applicable.

x.

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

- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 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 year.

- (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 year and upto the date of this report.
  - (c) There were no whistle blower complaints received by the Company during the year (and upto the date of this report), therefore, reporting under clause 3(xi)(c) of the order 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.
  - (d) There are no internal audit reports for the year under audit, issued to the Company during the year and till date, as the Company has not started its operation during the year.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. Hence the provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi.
  - (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause 3(xvi)(a) of the Order is not applicable to the Company.
  - (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
  - (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
  - (d) In our opinion, there is one core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016).
- xvii. The Company has incurred cash losses amounting to Rs. 434.36 Lacs during the financial year covered by our audit and has also incurred cash loss of Rs. 235.22 Lacs in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- 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 year, 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 a consolidated financial statement and hence reporting under clause 3(xxi) of the Order is not applicable.

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

**Kamal Khanna**  
(Proprietor)  
M. No. 086600  
Place: Gurugram  
Dated: 27<sup>th</sup> May 2023  
UDIN: 23086600BGUBKN4043

## **Jai Automotive Components Limited**

Notes to the financial statements for the year ended March 31, 2023

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

---

### **1. Corporate Information**

Jai Automotive Components Limited (“the Company”) was incorporated on 03<sup>rd</sup> Dec 2019 and having three plants located at Indore, Madhya Pradesh; at Derabassi, Punjab and at Rudrapur, Uttarakhand. The Company has started the commercial operations at its Derabassi & Rudrapur plants.

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

Information on related party relationships of the Company is provided in Note No. 36.

#### **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.

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

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

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

#### **1.2 Significant accounting policies**

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

##### **a) Use of estimates**

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

##### **b) Current versus non-current classification**

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

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

## **Jai Automotive Components Limited**

Notes to the financial statements for the year ended March 31, 2023

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

---

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

### **c) Property, plant and equipment (PPE)**

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

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

### **Depreciation on property, plant and equipment**

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

Depreciation on other property, plant and equipment is calculated on a straight-line basis using rates arrived at based on the useful lives estimated by the management. The Company identifies and determines cost of each component/part of the asset separately, if the Component/part has a cost which

## Jai Automotive Components Limited

Notes to the financial statements for the year ended March 31, 2023

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

is significant to the total cost of the asset and has useful life that is materially different from that of the remaining components of the asset. These components are depreciated separately over their useful lives and the remaining components are depreciated over the useful life of the principal assets. The Company has used following estimated useful life to provide depreciation on its property, plant and equipment:

Particulars	Estimated useful life
Plant & machinery	15
Tools & dies (Plant & machinery)	3
Furniture and fixtures <sup>1</sup>	4
Vehicles <sup>1</sup>	4 & 8
Office equipment <sup>1</sup>	3
Computers	3

<sup>1</sup>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.

### d) Leases

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

#### Company as a lessee

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

#### (i) Right-of-use assets

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

## **Jai Automotive Components Limited**

Notes to the financial statements for the year ended March 31, 2023

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

---

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

### **(ii) Lease Liabilities**

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

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

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

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

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

## **e) Intangible assets**

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

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

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

## **Jai Automotive Components Limited**

Notes to the financial statements for the year ended March 31, 2023

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

---

### **f) Borrowing cost**

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

### **g) Impairment of non-financial asset.**

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

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

### **h) Revenue from Contract with customers**

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

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

#### **Interest income**

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



## **Jai Automotive Components Limited**

Notes to the financial statements for the year ended March 31, 2023

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

---

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

### **i) Retirement and other employee benefits**

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

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

## **Jai Automotive Components Limited**

Notes to the financial statements for the year ended March 31, 2023

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

---

### **j) Taxes**

#### **Current income tax**

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

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

#### **Deferred tax**

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

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

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

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

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

### **k) 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.

## **Jai Automotive Components Limited**

Notes to the financial statements for the year ended March 31, 2023

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

---

### **l) Earnings per share**

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

### **m) Provisions**

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

### **n) Contingent liabilities**

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

### **o) Cash and cash equivalents**

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

### **p) Fair value measurement**

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

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

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

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

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

## **Jai Automotive Components Limited**

Notes to the financial statements for the year ended March 31, 2023

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

---

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 28)
- Financial instruments (including those carried at amortized cost) (Note 29 and Note 30)

### **q) Financial instrument**

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

#### **Financial assets**

##### **Initial recognition and measurement**

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

## **Jai Automotive Components Limited**

Notes to the financial statements for the year ended March 31, 2023

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

---

### **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:

## **Jai Automotive Components Limited**

Notes to the financial statements for the year ended March 31, 2023

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

---

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

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

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

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

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

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

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

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

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

### **Financial liabilities**

#### **Initial recognition and measurement**

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

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

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

### **Subsequent measurement**

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

#### **Financial liabilities at fair value through profit or loss**

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

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

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

#### **Loans and borrowings**

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

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

#### **Trade and other payables**

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

#### **Derecognition**

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

**Jai Automotive Components Limited**

Notes to the financial statements for the year ended March 31, 2023

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

---

**Offsetting of financial instruments**

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



**Jai Automotive Components Limited**  
**Balance Sheet as at March 31,2023**  
*(All amounts are in Rupees Lacs, unless otherwise stated)*

	Particulars	Note	As at March 31, 2023	As at March 31, 2022
A	<b>Assets</b>			
1	<b>Non-Current Assets</b>			
	Property, Plant and Equipment	2	1,907.53	52.74
	Capital Work in Progress	2	900.85	1,038.39
	Other Intangible Assets	2	4.51	5.71
	Right-of-use Assets	2	3,242.70	3,345.59
	<b>Financial Assets</b>			
	Loans	3	-	-
	Other Financial Assets	4	22.36	25.23
	Other Non-Current Assets	5	648.63	595.84
			<b>6,726.58</b>	<b>5,063.50</b>
2	<b>Current Assets</b>			
	Inventories	6	145.29	-
	<b>Financial Assets</b>			
	Trade Receivables	7 (i)	12.09	-
	Cash and Cash Equivalents	7 (ii)	42.98	122.44
	Loans	3	2.43	4.40
	Other Financial Assets	4	4.96	0.49
	Current Tax Assets (Net)	8	0.99	0.75
	Other Current Assets	5	416.14	195.99
			<b>624.88</b>	<b>324.07</b>
	<b>TOTAL</b>		<b>7,351.46</b>	<b>5,387.57</b>
B	<b>Equity and Liabilities</b>			
1	<b>Equity</b>			
	Equity Share Capital	9	4,632.00	4,632.00
	Other Equity	9	(1,091.74)	(513.51)
	<b>Total Equity</b>		<b>3,540.26</b>	<b>4,118.49</b>
3	<b>Liabilities</b>			
2	<b>Non-Current Liabilities</b>			
	<b>Financial Liabilities</b>			
	Borrowings	10	2,983.98	-
	Lease Liabilities	11	418.84	500.26
	Other Financial Liabilities	12	10.37	4.87
	Long Term Provisions	13	48.81	39.22
			<b>3,462.00</b>	<b>544.35</b>
3	<b>Current Liabilities</b>			
	<b>Financial Liabilities</b>			
	Borrowings	10	-	550.00
	Lease Liabilities	11	81.40	55.29
	Trade Payables	14		
	- Total outstanding due of Micro and Small Enterprises		1.43	-
	- Total outstanding due other than Micro and Small Enterprises		30.67	9.23
	Other Financial Liabilities	15	55.81	77.43
	Short Term Provisions	13	1.57	0.81
	Other Current Liabilities	16	178.32	31.97
			<b>349.20</b>	<b>724.73</b>
	<b>TOTAL</b>		<b>7,351.46</b>	<b>5,387.57</b>

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 the Board  
**Jai Automotive Components Limited**

**Kamal Khanna**  
(Proprietor)  
Membership No. 086600  
Place: Gurugram  
Date: 27th May 2023  
UDIN: 23086600BGUBKN4043

**Hardeep Singh Gujral**  
DIN:00518705

**Shashi Bansal Bhushan**  
DIN:01118864

**Abhishek Gupta**  
Chief Financer Officer

**Jai Automotive Components Limited**  
Notes to the financial statements for the period ended March 31, 2023  
(All amounts are in Rupees Lacs, unless otherwise stated)

Statement of changes in equity for the year ended March 31, 2023

(a) Equity share capital

(1) Current reporting period

Particulars	Nos. (in Lacs)	Amount (Rs.)
Opening Balance as at April 1, 2022	463.20	4,632.00
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 year	-	-
Closing balance as at March 31, 2023	463.20	4,632.00

(2) Previous reporting period

Particulars	Nos. (in Lacs)	Amount (Rs.)
Opening Balance as at April 1, 2021	293.20	2,932.00
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 year	170.00	1,700.00
Closing balance as at March 31, 2022	463.20	4,632.00

(b) Other Equity

(1) Current reporting period

Particulars	Reserves and Surplus				Effective portion of Cash Flow Hedges	Other items of other comprehensive Income (Specify nature)	Total
	Capital reserve	Securities premium	Other Reserves (Specify nature)	Retained Earnings			
As at 1 April 2022	-	-	-	(513.51)	-	-	(513.51)
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 year	-	-	-	(585.71)	-	-	(585.71)
Add: Transfer to retained earnings	-	-	-	-	-	-	-
Less: Dividend paid	-	-	-	-	-	-	-
Less: Tax on dividend	-	-	-	-	-	-	-
Less: Any other changes (to be Specified)	-	-	-	-	-	-	-
Less: Other comprehensive gain/(loss)	-	-	-	7.48	-	-	7.48
As at 31 March 2023	-	-	-	(1,091.74)	-	-	(1,091.74)

(2) Previous reporting period

Particulars	Reserves and Surplus				Effective portion of Cash Flow Hedges	Other items of other comprehensive Income (Specify nature)	Total
	Capital reserve	Securities premium	Other Reserves (Specify nature)	Retained Earnings			
As at 1 April 2021	-	-	-	(216.25)	-	-	(216.25)
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 year	-	-	-	(292.95)	-	-	(292.95)
Add: Transfer to retained earnings	-	-	-	-	-	-	-
Less: Dividend paid	-	-	-	-	-	-	-
Less: Tax on dividend	-	-	-	-	-	-	-
Less: Any other changes (to be Specified)	-	-	-	-	-	-	-
Less: Other comprehensive gain/(loss)	-	-	-	(4.31)	-	-	(4.31)
As at 31 March 2022	-	-	-	(513.51)	-	-	(513.51)

Summary of significant accounting policies

The accompanying notes form an integral part of the financial statements  
As per our report of even date

1.2

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

For and on behalf of the Board  
Jai Automotive Components Limited

Kamal Khanna  
(Proprietor)  
Membership No. 086600  
Place: Gurugram  
Date: 27th May 2023  
UDIN: 23086600BGUBKN4043

Hardeep Singh Gujral  
DIN:00518705

Shashi Bansal Bhushan  
DIN:01118864

Abhishek Gupta  
Chief Financer Officer

**Jai Automotive Components Limited**  
**Statement of Profit and Loss for the period ended March 31,2023**  
*(All amounts are in Rupees Lacs, unless otherwise stated)*

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
	<b>Income</b>		
I	Revenue from Operations	13.60	-
II	Other Income	-	0.05
III	Finance Income	1.85	0.78
	<b>Total Income</b>	<b>15.45</b>	<b>0.83</b>
IV	<b>Expenses</b>		
	Cost of Raw Materials and Components Consumed	6.63	-
	(Increase)/ Decrease in Inventories of Finished Goods and Work in Progress	(7.73)	-
	Employee Benefits Expenses	168.26	138.05
	Other Expenses	116.86	52.42
	<b>Total Expenses</b>	<b>284.02</b>	<b>190.47</b>
V	<b>Profit before Finance Costs, Depreciation/Amortisation Cost and Exceptional Items</b>	<b>(268.57)</b>	<b>(189.64)</b>
VI	Finance Costs	165.79	45.58
VII	Depreciation and Amortisation Expenses	151.35	57.73
VIII	<b>Profit Before Tax</b>	<b>(585.71)</b>	<b>(292.95)</b>
	<b>Tax Expenses</b>		
	Current Tax	-	-
	Deferred Tax Expenses/ (Credit)	-	-
	<b>Total Tax Expenses</b>	<b>-</b>	<b>-</b>
IX	<b>Profit After Tax</b>	<b>(585.71)</b>	<b>(292.95)</b>
	<b>Other Comprehensive Income</b>		
	Items that will not be reclassified to Statement of Profit and Loss		
	-Re-measurement gains / (Loss) on defined benefit plans	7.48	(4.31)
	Less: Income tax relating to items that will not be reclassified to Statement of Profit and Loss	-	-
	<b>Other Comprehensive Income/ (Expenses) (Net of Tax)</b>	<b>7.48</b>	<b>(4.31)</b>
	<b>Balance Profit Transferred to Other Equity Account</b>	<b>(578.23)</b>	<b>(297.26)</b>

**Earnings per equity share (par value Rs. 10 (absolute amount) per share)**

- Basic (in Rs.)	(1.26)	(0.80)
- Diluted (in Rs.)	(1.26)	(0.80)

Summary of Significant Accounting Policies  
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 the Board  
**Jai Automotive Components Limited**

**Kamal Khanna**  
(Proprietor)  
Membership No. 086600  
Place: Gurugram  
Date: 27th May 2023  
UDIN: 23086600BGUBKN4043

**Hardeep Singh Gujral**  
DIN:00518705

**Shashi Bansal Bhushan**  
DIN:01118864

**Abhishek Gupta**  
Chief Financer Officer

**Jai Automotive Components Limited**  
**Cash Flow Statement for the period ended March 31 ,2023**  
*(All amounts are in Rupees Lacs, unless otherwise stated)*

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>A. Cash flow from operating activities</b>		
<b>Profit before tax</b>	(585.71)	(292.95)
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Depreciation and Amortisation Expenses	151.35	57.73
Finance Cost (including Fair Value change in Financial Instruments)	165.69	45.58
Finance Income (including Fair Value change in Financial Instruments)	(1.85)	(0.78)
Loss on Sale of Fixed Assets	11.72	-
Excess Provision No Longer Required Written Back	-	(0.05)
Provision for Gratuity Expenses (Net of Payment)	1.78	(1.22)
Provision for Leave Encashment Expenses (Net of Payment)	9.07	7.60
Provision for Long Term Service Awards (Net of Payment)	0.04	0.13
Provision for Benevolent Fund (Net of Payment)	(0.54)	1.50
Other Comprehensive Income/(Losses)	7.48	(4.31)
<b>Operating Profit before Working Capital Changes</b>	<b>(240.97)</b>	<b>(186.77)</b>
<i>Changes in Operating Assets and Liabilities:</i>		
Increase/(Decrease) in Trade Payable	22.87	2.29
Increase/(Decrease) in Provisions	0.00	20.74
Increase/(Decrease) in Other Current Liabilities	(6.52)	27.26
Proceeds from Security Deposit	5.50	4.87
Increase/(Decrease) In Other Non Current Financial Liabilities	(21.78)	-
(Increase)/Decrease In Inventories	(145.29)	-
(Increase)/Decrease In Trade Receivables	(12.09)	-
(Increase)/Decrease in Loans (Current & Non-Current)	1.97	(4.40)
(Increase)/Decrease In Other Non-Current Assets	(4.77)	-
(Increase)/Decrease in Other Current Assets	(220.15)	(179.17)
<b>Cash Generated From Operations</b>	<b>(621.23)</b>	<b>(315.18)</b>
Direct Taxes (Paid)/ Refund Received (Net)	(0.24)	(0.75)
<b>Net Cash Generated From Operations</b>	<b>(621.47)</b>	<b>(315.93)</b>
<b>B. Cash Flow From Investing Activities</b>		
Payment for Purchase of Property, Plant and Equipment/CWIP	(1,712.41)	(521.63)
Payment for Capital Advance	(48.02)	(248.15)
Payment for Addition in Right to Use Assets	-	(1,003.72)
Payment for Security Deposit	(0.28)	(19.13)
Interest Received (Finance Income)	0.53	-
<b>Net Cash From / (Used in) Investing Activities</b>	<b>(1,760.18)</b>	<b>(1,792.63)</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from Issue of Share (Including Share Premium)	-	1,700.00
Proceeds from/(Repayment) of Short Term Borrowings (Net)	(550.00)	550.00
Proceeds From/(Repayment) Of Long Term Borrowings (Net)	2,983.98	-
Proceeds from/(Repayment) of Lease Liability (Net)	(120.34)	(64.99)
Interest paid	(11.45)	(8.78)
<b>Net Cash From / (Used in) Financing Activities</b>	<b>2,302.19</b>	<b>2,176.23</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(79.46)</b>	<b>67.67</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>122.44</b>	<b>54.77</b>
<b>Cash and Cash Equivalents at the year end</b>	<b>42.98</b>	<b>122.44</b>
<b>Components of Cash and Cash Equivalents:</b>		
Cash in Hand	-	-
Balances with Scheduled Banks	42.98	122.44
- Unpaid Dividend Account*	-	-
<b>(Refer Note 6 )</b>	<b>42.98</b>	<b>122.44</b>

**Notes:**

(a) The above 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.

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 the Board  
**Jai Automotive Components Limited**

**Kamal Khanna**  
(Proprietor)  
Membership No. 086600  
Place: Gurugram  
Date: 27th May 2023  
UDIN: 23086600BGUBKN4043

**Hardeep Singh Gujral**  
DIN:00518705

**Shashi Bansal Bhushan**  
DIN:01118864

**Abhishek Gupta**  
Chief Financer Officer

**Jai Automotive Components Limited**  
**Notes to the financial statements for the period ended March 31,2023**  
*(All amounts are in Rupees Lacs, unless otherwise stated)*

**Note No. 2 Property, Plant and Equipment & Right-of-use Assets**

Particulars	Leasehold Improvement	Plant & Machinery	Furniture & Fixtures	Vehicles	Office Equipment	Computer	Total Tangible Assets	Capital work in Progress	Software	Total Intangible Assets	Right-of-use Assets
<b>Gross Block</b>											
As at April 1, 2021	-	-	-	-	-	1.67	1.67	88.84	0.52	0.52	2,154.85
Additions	8.56	-	2.83	34.48	2.34	5.79	54.01	949.54	5.50	5.50	1,274.11
Disposals	-	-	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2022</b>	<b>8.56</b>	<b>-</b>	<b>2.83</b>	<b>34.48</b>	<b>2.34</b>	<b>7.46</b>	<b>55.68</b>	<b>1,038.39</b>	<b>6.01</b>	<b>6.01</b>	<b>3,428.96</b>
Additions*	10.22	1,842.11	8.31	21.16	6.89	11.72	1,900.41	1,704.57	-	-	18.04
Disposals	-	-	-	15.85	-	-	15.85	1,842.11	-	-	3.67
<b>As at March 31, 2023</b>	<b>18.78</b>	<b>1,842.11</b>	<b>11.14</b>	<b>39.79</b>	<b>9.24</b>	<b>19.19</b>	<b>1,940.24</b>	<b>900.85</b>	<b>6.01</b>	<b>6.01</b>	<b>3,443.32</b>
<b>Depreciation</b>											
As at April 1, 2021	-	-	-	-	-	0.47	0.47	-	0.12	0.12	28.24
Charge for the year	0.21	-	0.16	1.20	0.10	0.81	2.48	-	0.18	0.18	55.07
Disposals	-	-	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2022</b>	<b>0.21</b>	<b>-</b>	<b>0.16</b>	<b>1.20</b>	<b>0.10</b>	<b>1.28</b>	<b>2.95</b>	<b>-</b>	<b>0.30</b>	<b>0.30</b>	<b>83.37</b>
Additions	-	-	-	-	-	-	-	-	-	-	-
Charge for the year	7.31	9.98	2.14	6.80	2.14	4.53	32.90	-	1.20	1.20	117.25
Disposals	-	-	-	3.13	-	-	3.13	-	-	-	-
<b>As at March 31, 2023</b>	<b>7.53</b>	<b>9.98</b>	<b>2.29</b>	<b>4.86</b>	<b>2.24</b>	<b>5.81</b>	<b>32.71</b>	<b>-</b>	<b>1.50</b>	<b>1.50</b>	<b>200.62</b>
<b>Net Block</b>											
<b>As at March 31, 2023</b>	<b>11.25</b>	<b>1,832.12</b>	<b>8.85</b>	<b>34.93</b>	<b>7.00</b>	<b>13.38</b>	<b>1,907.53</b>	<b>900.85</b>	<b>4.51</b>	<b>4.51</b>	<b>3,242.70</b>
As at March 31, 2022	8.34	-	2.68	33.29	2.24	6.18	52.74	1,038.39	5.71	5.71	3,345.59

Net Book Value	As at 31 March, 2023	As at 31 March, 2022
Property, Plant and Equipment	1,907.53	52.74
Capital Work in Progress	900.85	1,038.39
Intangible Assets	4.51	5.71
Right-of-Use Assets	3,242.70	3,345.59

\*Under addition to plant & machinery interest capitalised of Rs. 44.01 lacs (previous year of Rs. Nil)

**Jai Automotive Components Limited**  
**Notes to the financial statements for the period ended March 31,2023**  
(All amounts are in Rupees Lacs, unless otherwise stated)

**Capital Work-in-Progress (CWIP)**

a) For Capital-Work-in Progress, ageing as at March 31, 2023

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress*	762.58	49.83	88.44	-	900.85
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>762.58</b>	<b>49.83</b>	<b>88.44</b>	<b>-</b>	<b>900.85</b>

b) For CWIP, whose completion is overdue or has exceeded its cost compared to its original plan, CWIP completion schedule as at March 31, 2023

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects 1	-	-	-	-	-
Projects 2	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

a) For Capital-work-in progress, ageing as at March 31, 2022

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	949.94	88.44	-	-	1,038.39
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>949.94</b>	<b>88.44</b>	<b>-</b>	<b>-</b>	<b>1,038.39</b>

b) For CWIP, whose completion is overdue or has exceeded its cost compared to its original plan, CWIP completion schedule as at March 31, 2022

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects 1	-	-	-	-	-
Projects 2	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\*Interest capitalised of Rs. 11.44 lacs (previous year of Rs. Nil)



**Jai Automotive Components Limited**  
**Notes to the financial statements for the period ended March 31,2023**  
*(All amounts are in Rupees Lacs, unless otherwise stated)*

Note No.	Particular	Non Current Assets	Current Assets	Non Current Assets	Current Assets		
		As at March 31, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2022		
6	<b>Inventories</b>						
	Raw material and Components (at cost)	-	111.57	-	-		
	Work-in-progress (at cost)	-	-	-	-		
	Finished goods (at lower of cost or net realisable value)	-	7.73	-	-		
	Stores and spares (at cost)	-	10.24	-	-		
	Scrap	-	15.74	-	-		
	<b>Total</b>	-	<b>145.28</b>	-	-		
7 (i)	<b>Trade receivables (considered good, unless otherwise stated)</b>						
	- outstanding over six months						
	Unsecured, considered good	-	-	-	-		
	Unsecured, considered doubtful	-	-	-	-		
	- other receivables	-	12.09	-	-		
	<b>Total</b>	-	<b>12.09</b>	-	-		
	Less: provision for doubtful debts	-	-	-	-		
	<b>Total</b>	-	<b>12.09</b>	-	-		
<b>Trade Receivables Ageing Schedule As at March 31, 2023</b>							
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		12.09					12.09
(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							-
<b>Trade Receivables Ageing Schedule As at March 31, 2022</b>							
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							-
(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							-
<p>No trade receivable are due from partners or other officers of the firm 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 partner is a partner, a director or a member.  Trade receivable are non-interest bearing and are generally on terms of 30 to 60 days.</p>							
7 (ii)	<b>Cash and Cash Equivalents</b>						
	Balance with banks						
	on current account	-	42.98	-	-	-	122.12
	cheques/drafts in hand	-	-	-	-	-	0.32
	Cash on hand	-	-	-	-	-	-
	<b>Total</b>	-	<b>42.98</b>	-	-	-	<b>122.44</b>
8	<b>Current Tax Assets (Net)</b>						
	Advance income tax (net)	-	0.99	-	-	-	0.75
	<b>Total</b>	-	<b>0.99</b>	-	-	-	<b>0.75</b>



**Jai Automotive Components Limited**  
**Notes to the financial statements for the period ended March 31,2023**  
*(All amounts are in Rupees Lacs, unless otherwise stated)*

8 Share Capital	As at March 31, 2023	As at March 31, 2022
<b>Authorised share capital</b> 520 Lacs equity shares of Rs. 10/- each (Previous year 500 Lacs equity shares of Rs. 10/- each)	5,200.00	5,000.00
<b>Total</b>	<b>5,200.00</b>	<b>5,000.00</b>
<b>Issued, subscribed and paid up equity share capital</b> Subscribed and fully paid 463.32 Lacs equity shares of Rs 10/- each (Previous Year: 463.32 Lacs equity shares of Rs 10/- each)	4,632.00	4,632.00
	<b>4,632.00</b>	<b>4,632.00</b>

**a. Reconciliation of the number of shares outstanding**

Equity shares	March 31, 2023		March 31, 2022	
Equity share - Subscribed and fully paid up	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	463.20	4,632.00	293.20	2,932.00
Add : equity shares issued during the Year	-	-	170.00	1,700.00
At the end of the year	<b>463.20</b>	<b>4,632.00</b>	<b>463.20</b>	<b>4,632.00</b>

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

Name of shareholders	31-Mar-23		31-Mar-22	
	No. of shares (in Lacs)	% holding	No. of shares (in Lacs)	% holding
<b>Equity shares with voting rights</b> Jamna Auto Industries Limited- Alongwith nominees	463.20	100.00%	463.20	100.00%

**c. Details of shareholders holding of Promoters**

Shares held by promoters at the end of the year March 31, 2023					
Name of Promoters	No. of shares at the beginning of the year (in Lacs)	Change during the year (in Lacs)	No. of shares at the end of the year (in Lacs)	% holding	% Change during the year
Jamna Auto Industries Limited- Alongwith nominees	463.20	-	463.20	100.00%	0%

Shares held by promoters at the end of the year March 31, 2022					
Name of Promoters	No. of shares at the beginning of the year (in Lacs)	Change during the year (in Lacs)	No. of shares at the end of the year (in Lacs)	% holding	% Change during the year
Jamna Auto Industries Limited- Alongwith nominees	293.20	170.00	463.20	100.00%	0%

**Jai Automotive Components Limited**  
**Notes to the financial statements for the period ended March 31,2023**

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

Note No.	Particulars	As at March 31, 2023	As at March 31, 2022
9	<b>Other Equity</b>		
	<b>A. Other Comprehensive Income/(Loss)</b>		
	Balance as per the last financial statements	(9.47)	(5.16)
	Add: Re-measurement gains/(losses) on defined benefit plans (net of tax) Refer note no 27	7.48	(4.31)
	<b>Closing Balance</b>	<b>(1.99)</b>	<b>(9.47)</b>
	<b>B. Surplus/(deficit) in the Statement of Profit and Loss</b>		
	Balance as per the last financial statements	(504.04)	(211.09)
	Add: Profit/(Loss) for the year	(585.71)	(292.95)
	<b>Net Surplus/(deficit) in the Statement of Profit and Loss</b>	<b>(1,089.75)</b>	<b>(504.04)</b>
	<b>Total</b>	<b>(1,091.74)</b>	<b>(513.51)</b>

**Jai Automotive Components Limited**  
**Notes to the financial statements for the period ended March 31,2023**  
*(All amounts are in Rupees Lacs, unless otherwise stated)*

Note No.	Particulars	Non-Current Portion	Current Portion	Non-Current Portion	Current Portion
		As at March 31, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2022
10	<b>Long-Term Borrowings</b>				
	Secured loans				
	Term loans	-	-	-	-
	Unsecured:				
	Loan from holding company {Refer note no. 34(b)}**	2,983.98	-	-	-
	<b>Total</b>	<b>2,983.98</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Short Term Borrowings</b>				
	Secured loans				
	Cash Credit*	-	-	-	-
	Unsecured loans				
Loan from holding company {Refer note no. 34(b)}**	-	-	-	550.00	
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>550.00</b>	
<b>Total</b>	<b>2,983.98</b>	<b>-</b>	<b>-</b>	<b>550.00</b>	
<b>Total of above Includes</b>					
Secured borrowings	-	-	-	-	
Unsecured borrowings	<b>2,983.98</b>	<b>-</b>	<b>-</b>	<b>550.00</b>	
<p><b>*Cash Credit/WCDL/PO funding limit with Kotak Mahindra Bank Limited Rs. Nil (previous year : Rs. Nil) on interest rate 6 months MCLR+0.65% is secured against:</b></p> <p>i) First pari passu hypothecation charge on all existing and future current assets and movable fixed asset of the borrower.</p> <p>ii) Corporate guarantee given by M/s Janna Auto Industries Limited, withdrawn at the end of the year.</p> <p>iii) The working capital loan sanctioned of Rs. 2500 Lacs has not been utilized during the year &amp; withdrawn at the end of the year.</p> <p><b>** The Loan from holding company amounting to Rs. 2983.98 (March 31, 2022 Rs. 550.00) has been taken at rate of interest @ 9% or 1 year MCLR Plus 0.65%, whichever is higher and will be repayable on demand, 2 years after the commencement of the commercial production.</b></p> <p>The company has accepted the borrowings to meet its general requirements and used it for purpose for which it was taken at the balance sheet date.</p>					
11	<b>Lease Liabilities</b>				
	Lease liabilities	418.84	81.40	500.26	55.29
	<b>Total</b>	<b>418.84</b>	<b>81.40</b>	<b>500.26</b>	<b>55.29</b>

Note No.	Particular	Non-Current Liabilities	Current Liabilities	Non-Current Liabilities	Current Liabilities
		As at March 31, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2022
12	<b>Other Financial Liabilities</b>				
	Security deposit	10.37	-	4.87	-
	<b>Total</b>	<b>10.37</b>	<b>-</b>	<b>4.87</b>	<b>-</b>
13	<b>Provision</b>				
	<b>Provision for employees benefits</b>				
	Provision for leave encashment	18.93	1.05	10.52	0.39
	Provision for long service award	0.17	-	0.08	0.05
	Provision for benevolent fund	1.47	0.19	2.09	0.11
Provision for gratuity (refer note no. 27)	28.24	0.33	26.53	0.26	
	<b>Total</b>	<b>48.81</b>	<b>1.57</b>	<b>39.22</b>	<b>0.81</b>

**Jai Automotive Components Limited**  
**Notes to the financial statements for the period ended March 31,2023**  
*(All amounts are in Rupees Lacs, unless otherwise stated)*

Note No.	Particular	As at March 31, 2023	As at March 31, 2022			
14	<b>Trade Payables</b> - total outstanding due under micro and small enterprises - total outstanding due under related party {(refer note 36(b)) - total outstanding due other than micro and small enterprises and related party	1.43 8.64 22.03	- 0.31 8.92			
	<b>Total</b>	<b>32.10</b>	<b>9.23</b>			
	<b>Trade payables due for payment as on 31.03.2023</b>					
	<b>Particulars</b>	<b>Outstanding for following periods from due date of payment</b>			<b>Total</b>	
		<b>&lt;1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>More than 3 years</b>	
	(i) MSME	1.43	-	-	-	1.43
	(ii) Others	10.51	0.34	-	-	10.85
	(iii) Disputed dues – MSME	-	-	-	-	-
	(iv) Disputed dues - Others	-	-	-	-	-
	(v) Unbilled dues	19.82	-	-	-	19.82
	<b>Trade payables due for payment as on 31.03.2022</b>					
	<b>Particulars</b>	<b>Outstanding for following periods from due date of payment</b>			<b>Total</b>	
		<b>&lt;1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>More than 3 years</b>	
	(i) MSME	-	-	-	-	-
	(ii) Others	2.37	-	-	-	2.37
	(iii) Disputed dues – MSME	-	-	-	-	-
	(iv) Disputed dues - Others	-	-	-	-	-
	(v) Unbilled dues	6.86	-	-	-	6.86
15	<b>Other Financial Liabilities</b>  Other payables Creditors towards fixed assets*					55.81 77.43
	<b>Total</b>					<b>55.81</b> <b>77.43</b>
	<i>*Includes Rs. 7.70 (Previous Year : Rs. 2.45) outstanding towards dues of MSME as per MSMED Act 2006</i>					
16	<b>Other Current Liabilities</b> Advances from customers <b>Statutory dues payable</b> Goods & service tax payable TDS payable PF and ESI payable Other payables					0.04 0.12 11.88 0.49 19.45
	<b>Total</b>					<b>178.32</b> <b>31.96</b>

**Jai Automotive Components Limited**  
**Notes to the financial statements for the period ended March 31,2023**  
*(All amounts are in Rupees Lacs, unless otherwise stated)*

Note No.	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
17	<b>Revenue from Operations</b>		
	Sale of services	10.79	-
	Other operating revenue - scrap sale	2.81	-
	<b>Revenue from operations</b>	<b>13.60</b>	<b>-</b>
18	<b>Other Income</b>		
	Excess provision written back	-	0.05
		-	<b>0.05</b>
19	<b>Finance Income</b>		
	<b>Interest income</b> - from others	1.85	0.78
		<b>1.85</b>	<b>0.78</b>

**Jai Automotive Components Limited**  
**Notes to the financial statements for the period ended March 31,2023**  
*(All amounts are in Rupees Lacs, unless otherwise stated)*

Note No.	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
20	<b>Cost of Raw Materials Consumed</b>		
	Inventory at the beginning of the year	-	-
	Add : Purchases during the year	118.20	-
	Less : Inventory at the end of the year	111.57	-
	<b>Cost of materials consumed</b>	6.63	-
	<b>Cost of materials consumed</b>	<b>6.63</b>	<b>-</b>
21	<b>Changes in Inventory of Finished Goods and Work In Progress</b>		
	<b>Inventories at the end of year</b>		
	- Finished goods	7.73	-
	- Work in progress	-	-
	- Scrap	-	-
	<b>Total</b>	7.73	-
	<b>Inventories at the beginning of year</b>		
	- Finished goods	-	-
	- Work in progress	-	-
	- Scrap	-	-
	<b>Total</b>	-	-
	<b>Decrease/ (increase) during the year before adjustment</b>	<b>(7.73)</b>	<b>-</b>
22	<b>Employee Benefit Expenses</b>		
	Salaries	149.86	134.04
	Labour charges	2.49	-
	Gratuity expense (refer note no. 27)	4.60	(1.22)
	Contribution to provident and other funds	7.32	3.48
	Benevolent fund	2.18	1.50
	Staff welfare expenses	1.81	0.25
	<b>Total</b>	<b>168.26</b>	<b>138.05</b>
23	<b>Other Expenses</b>		
	Consumption of stores and spare parts	2.27	0.26
	Power and fuel	4.67	-
	Rent	0.21	1.86
	Repair and maintenance		
	- Repairs to buildings	0.28	2.23
	- Repairs to machinery	0.49	-
	- Repairs to others	1.95	0.24
	Rates and taxes, excluding taxes on income	2.06	0.95
	Travelling and conveyance	8.32	9.64
	Legal and professional expenses	14.06	7.76
	Payment made to auditors (Refer note 33)	6.31	2.38
	Loss on sale of fixed assets (net)	11.72	-
	Freight, forwarding and packing	0.35	-
	Sales promotion and advertisement	1.26	-
	Security charges	21.66	0.68
	Printing, stationery and communication	0.86	0.38
	Business support services	27.91	21.87
	Bank charges	0.09	0.32
	Miscellaneous expenses	12.39	3.85
	<b>Total</b>	<b>116.86</b>	<b>52.42</b>
24	<b>Finance Costs</b>		
	Interest to banks	-	-
	Interest to others* {Including related party - refer note no. 36(b)}	165.79	45.58
		<b>165.79</b>	<b>45.58</b>
	<i>*net of interest capitalised of Rs. 55.45 lacs (previous year of Rs. Nil)</i>		
25	<b>Depreciation and Amortisation Expenses</b>		
	Depreciation on property, plant and equipment (refer note no. 2)	32.90	2.48
	Depreciation on right-of-use assets (refer note no. 2)	117.25	55.07
	Amortisation on intangible assets (refer note no. 2)	1.20	0.18
	<b>Total</b>	<b>151.35</b>	<b>57.73</b>

**Jai Automotive Components Limited**  
**Notes to the financial statements for the period ended March 31,2023**  
*(All amounts are in Rupees Lacs, unless otherwise stated)*

**26 Earnings Per Share (EPS)**

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

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

<b>Particulars</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
a) Calculation of weighted average number of equity shares of Rs. 10 each		
Net profit after tax	(585.71)	(292.95)
Net profit for the period attributable to equity shares	(585.71)	(292.95)
Weighted average number of equity shares during the period in calculating basic EPS (in Lacs)	463.20	366.49
Weighted average number of equity shares during the period in calculating diluted EPS (in Lacs)	463.20	366.49
Basic EPS (In Rs.)	(1.26)	(0.80)
Diluted EPS (In Rs.)	(1.26)	(0.80)



**Jai Automotive Components Limited**  
**Notes to the financial statements for the period ended March 31, 2023**  
*(All amounts are in Rupees Lacs, unless otherwise stated)*

**27 Gratuity and other post-employment benefit plans**

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

(a) The following table summarize the funded status of the gratuity plans and the amount recognized in the company's financial statements as at March 31, 2023 and March 31, 2022:

Particulars	As at	
	March 31, 2023	March 31, 2022
<b>Change in benefit obligation</b>		
Opening defined benefit obligation	26.79	16.49
Service cost	7.29	4.84
Interest expenses	1.98	1.15
Benefits paid	-	-
Remeasurements - Actuarial (Gains)/ loss	(7.48)	4.31
<b>Closing defined benefit obligation</b>	<b>28.58</b>	<b>26.79</b>

Particulars	As at	
	March 31, 2023	March 31, 2022
<b>Change in plan assets</b>		
Opening fair value of plan assets	-	-
Expected return on plan assets	-	-
Contributions by employer	-	-
Benefits paid	-	-
Remeasurements - Actuarial Gains/ (loss)	-	-
<b>Closing fair value of plan assets</b>	<b>-</b>	<b>-</b>

Major categories of plan assets	As at	
	March 31, 2023	March 31, 2022
Funds Managed by Insurer	0%	0%

(c) Amount for the year ended on March 31, 2023 and March 31, 2022 recognized in the statement of profit and loss under employee benefit expenses:

Particulars	As at	
	March 31, 2023	March 31, 2022
Service cost	7.29	4.84
Net interest on the net defined benefit liability/ asset	1.98	1.15
<b>Net gratuity cost*</b>	<b>9.27</b>	<b>5.99</b>

\* Out of the above amount, Rs. 4.66 (previous year Rs. 7.21) has been capitalized.

(d) Amount for the year ended on March 31, 2023 and March 31, 2022 recognized in the statement of other comprehensive income:

Particulars	As at	
	March 31, 2023	March 31, 2022
<b>Remeasurements of the net defined benefit liability/ (assets)</b>		
Actuarial (gains)/ losses	(7.48)	4.31
(Return)/ Loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/ (assets)	-	-
<b>Total</b>	<b>(7.48)</b>	<b>4.31</b>

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

Particulars	As at	
	March 31, 2023	March 31, 2022
Actuarial (gain)/loss on arising from change in demographic assumption	-	-
Actuarial loss/(gain) on arising from change in financial assumption	(0.05)	(0.99)
Actuarial loss on arising from experience adjustment	(7.43)	5.31
Actuarial loss on asset for the year	-	-
<b>Total</b>	<b>(7.48)</b>	<b>4.31</b>

(f) The principal assumptions used to determine benefit obligations as at March 31, 2023 and March 31, 2022 are as follows:

Particulars	As at	
	March 31, 2023	March 31, 2022
Discount rate	7.38%	7.36%
Average rate of increase in compensations level	10.00%	10.00%
Retirement Age (years)	58	58
Mortality Rate inclusive of provision for disability	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)
<b>Employees turnover (Age)</b>	<b>Withdrawal rate in (%)</b>	<b>Withdrawal rate in (%)</b>
Upto 30 years	6.50%	6.50%
From 31 to 44 years	2.00%	2.00%
Above 44 years	0.90%	0.90%

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

The assumptions for salary escalation rate and withdrawal rate have been discussed with the company.

(g) The company expects to contribute Rs. 0.33 Lacs (March 31, 2022: 0.26 Lacs ) towards gratuity for the next annual reporting period.

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

Particulars	Gratuity	
	March 31, 2023	March 31, 2022
Within the next 12 months (next annual reporting period)	0.33	0.26
Between 2 and 5 years	1.76	1.63
Beyond 5 years	26.48	24.91
<b>Total</b>	<b>28.58</b>	<b>26.79</b>

(h) Quantitative sensitivity analysis for significant assumption as at March 31, 2023 and March 31, 2022 is as shown below:

Particulars	Gratuity Plan			
	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023
<b>Assumptions</b>	<b>Discount rate</b>		<b>Future salary increases</b>	
Sensitivity level	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Impact on defined benefit obligation	(1.45)	1.56	1.09	(1.01)
<b>Particulars</b>	<b>March 31, 2022</b>	<b>March 31, 2022</b>	<b>March 31, 2022</b>	<b>March 31, 2022</b>
<b>Assumptions</b>	<b>Discount rate</b>		<b>Future salary increases</b>	
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(2.53)	2.90	2.80	(2.50)

**Jai Automotive Components Limited**  
**Notes to the financial statements for the period ended March 31,2023**  
*(All amounts are in Rupees Lacs, unless otherwise stated)*

**28 Significant accounting judgements, estimates and assumptions**

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

**Judgements**

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

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

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

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

**Estimates and assumptions**

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

**Taxation**

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

**Provisions and contingencies**

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

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

The company has capital commitment in relation to various capital projects which are not recognized in the balance sheet but shown under capital commitment (Refer Note 35(a)). In the normal course of business, contingent liabilities may arise from obligation or other claim against the company which are very difficult to quantify reliably and such obligation 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.

**Jai Automotive Components Limited**  
**Notes to the financial statements for the period ended March 31,2023**  
*(All amounts are in Rupees Lacs, unless otherwise stated)*

**29 Fair Values**

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

Particulars	Method of fair value	Carrying value		Fair value	
		As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>Financial assets</b>					
Loans	Amortised cost	2.43	4.40	2.43	4.40
Security deposit	Amortised cost	27.32	25.53	27.32	25.53
Other financial assets	Amortised cost	-	-	-	-
<b>Total</b>		<b>29.75</b>	<b>29.93</b>	<b>29.75</b>	<b>29.93</b>
<b>Financial liabilities</b>					
Lease obligation	Amortised cost	500.24	555.55	500.24	555.55
<b>Total</b>		<b>500.24</b>	<b>555.55</b>	<b>500.24</b>	<b>555.55</b>

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

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

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

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

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

**30 Fair Hierarchy**

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

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2023:

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
<b>Financial assets</b>					
Loans	March 31, 2023	2.43	-	-	2.43
Loans	March 31, 2022	4.40	-	-	4.40
Security deposit	March 31, 2023	27.32	-	-	27.32
Security deposit	March 31, 2022	25.53	-	-	25.53
Other financial assets	March 31, 2023	-	-	-	-
Other financial assets	March 31, 2022	-	-	-	-

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

Quantitative disclosures fair value measurement hierarchy for liabilities as at March 31, 2023:

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
<b>Financial liabilities</b>					
Lease liabilities	March 31, 2023	500.24	-	-	500.24
Lease liabilities	March 31, 2022	555.55	-	-	555.55

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

**Jai Automotive Components Limited**  
**Notes to the financial statements for the period ended March 31,2023**  
*(All amounts are in Rupees Lacs, unless otherwise stated)*

**31 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, 2023	March 31, 2022
<b>Debts</b>		
Borrowings (Refer Note No. 10)	2,983.98	550.00
Lease liability (Refer Note No. 11)	500.24	555.55
Payable for purchase of fixed assets (Refer Note No. 15)	55.81	77.43
<b>Net debts (A)</b>	<b>3,540.03</b>	<b>1,182.98</b>
<b>Capital components</b>		
Share capital	4,632.00	4,632.00
Other equity	(1,091.74)	(513.51)
<b>Total capital (B)</b>	<b>3,540.26</b>	<b>4,118.49</b>
<b>Capital and Net debt (C=A+B)</b>	<b>7,080.29</b>	<b>5,301.47</b>
<b>Gearing ratio (%) (A/C)</b>	<b>50.00%</b>	<b>22.31%</b>

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

**Jai Automotive Components Limited**  
**Notes to the financial statements for the period ended March 31,2023**  
*(All amounts are in Rupees Lacs, unless otherwise stated)*

**32 Financial risk management objectives and policies**

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

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

**(a) Market risk**

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

**(i) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company's exposure to the risk of changes in market interest rates relates primarily to the company's debt obligations with floating interest rates.

**(ii) Currency risk**

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

**(b) Legal, taxation and accounting risk:**

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

**(c) Credit risk**

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables & deposits with banks).

**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 March 31, 2023, the company had 1 OEM customer that owed the company Rs. 12.09 lacs (March 31, 2022: Rs. Nil) and accounted for 100.00% (March 31, 2022: Nil) 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 7 (i). The company does not hold collateral as security.

**Financial instruments and cash deposits**

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

**(d) Liquidity risk**

Liquidity risk is the risk that the company will encounter difficulty in meeting obligations associated with its financial liabilities. The company monitors its risk of a shortage of funds using a liquidity planning tool.

The company's objective is met by taking funding from its holding company.

**Maturity profile of financial Liabilities :**

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

Particulars	on demand	Less than 3 months	3 to 12 months	1 to 5 Years	More than 5 years	Total
<b>March 31, 2023</b>						
Borrowings including bank, cash credits excluding transaction cost	-	-	-	2,983.98	-	2,983.98
Lease liability	-	20.09	61.31	50.21	368.63	500.24
Trade payables	-	32.10	-	-	-	32.10
Other financial liabilities	-	-	55.81	-	-	55.81
<b>Total</b>	<b>-</b>	<b>52.19</b>	<b>117.12</b>	<b>3,034.19</b>	<b>368.63</b>	<b>3,572.13</b>
<b>March 31, 2022</b>						
Borrowings including bank, cash credits excluding transaction cost	550.00	-	-	-	-	550.00
Lease liability	-	15.01	49.37	122.53	368.64	555.55
Trade payables	-	9.23	-	-	-	9.23
Other financial liabilities	-	-	77.43	-	-	77.43
<b>Total</b>	<b>550.00</b>	<b>24.24</b>	<b>126.80</b>	<b>122.53</b>	<b>368.64</b>	<b>1,192.21</b>

**33 Payment to Auditors**

	For the year ended March 31, 2023	For the year ended March 31, 2022
As auditor		
- Audit fee	2.50	1.25
- Limited review fee	3.00	1.05
As other capacity		
- Other services	0.81	0.08
	<b>6.31</b>	<b>2.38</b>

**Jai Automotive Components Limited**  
**Notes to the financial statements for the period ended March 31,2023**  
*(All amounts are in Rupees Lacs, unless otherwise stated)*

**34 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 of agri products & job work related to automobile component. 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 no presence in international markets . In view of the same, separate geographical segment information is not required to be given as per the requirements of Ind AS 108 on "geographical segments".

**35 Commitments and Contingencies**

**(a) Capital Commitments and Other Commitments**

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

Particulars	As at March 31st 2023	As at March 31st 2022
Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of Advances)	1,494.77	1,052.40
Other Commitments	-	-
<b>Total</b>	<b>1,494.77</b>	<b>1,052.40</b>

**(b) Contingent Liabilities**

Particulars	As at March 31st 2023	As at March 31st 2022
Income tax	-	-
Claims against company not acknowledged as debts (civil cases)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**36 Related party transactions**

**A) Names of related parties and relationship**

**I. Related parties where control exists**

**Holding Company**

Jamna Auto Industries Limited

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

Jai Suspension Systems Private Limited (Previously known as Jai Suspension Systems LLP) - Associate Enterprise

**III. Key managerial personnel and their relatives**

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

**Jai Automotive Components Limited**  
**Notes to the financial statements for the period ended March 31,2023**  
*(All amounts are in Rupees Lacs, unless otherwise stated)*

**B) Transactions with related parties**

Nature of Transaction	Holding Company		Associate Enterprise		Key management personnel and their relatives		Total	
	Jamna Auto Industries Limited		Jai Suspension Systems Private Limited					
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest expense on loan accepted	170.03	8.78	-	-	-	-	170.03	8.78
Purchase of goods*	-	-	0.07	0.69	-	-	0.07	0.69
Purchase of capital assets*	0.83	-	-	-	-	-	0.83	-
Sharing of common expenses*	31.27	21.87	-	-	-	-	31.27	21.87
Remuneration paid	-	-	-	-	1.48	-	1.48	-
Loan received	2,433.98	550.00	-	-	-	-	2,433.98	550.00
Issuance of share capital	-	1,700.00	-	-	-	-	-	1,700.00
Corporate guarantee accepted	-	2,500.00	-	-	-	-	-	2,500.00
Corporate guarantee withdrawal	2,500.00	-	-	-	-	-	2,500.00	-
<b>Balances as at the year end</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Other payable	-	10.60	-	-	-	-	-	10.60
Expenses payable	8.64	0.31	-	-	-	-	8.64	0.31
Interest payable	160.92	7.90	-	-	-	-	160.92	7.90
Corporate guarantee	-	2,500.00	-	-	-	-	-	2,500.00
Loan payable	2,983.98	550.00	-	-	-	-	2,983.98	550.00

Note:- Reimbursement made on behalf of company not taken

\* The above figure including Goods & Service Tax for which input tax credit has been taken and TCS.

**Jai Automotive Components Limited**  
**Notes to the financial statements for the period ended March 31,2023**  
*(All amounts are in Rupees Lacs, unless otherwise stated)*

**37 Deferred tax assets (net)**

Particulars	March 31, 2023	March 31, 2022
Deferred tax assets*	-	-
<b>Total</b>	-	-

\*The company has not recognized deferred tax assets for all deductible temporary differences due to the fact that there is no certainty as of now that the company will earn sufficient taxable profit in future periods to benefit from a reduction in tax payments. The Company will evaluate the same at the end of each reporting period and will recognize deferred tax assets as & when there will be probability of earning sufficient taxable profit in future.

Income tax expenses reported in the statement of profit and loss comprises:	March 31, 2023	March 31, 2022
<b>Current Income tax expenses:</b>		
Income Tax	-	-
Adjustment in respect of current income tax of previous year	-	-
<b>Deferred tax</b>		
Relating to origination and reversal of temporary differences	-	-
<b>Income tax expenses reported in statement of profit and loss</b>	-	-

Statement of other comprehensive income	March 31, 2023	March 31, 2022
Net loss/ (gain) on remeasurements of defined benefit plan	(7.48)	4.31
Income tax charged to OCI	-	-

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

Particulars	March 31, 2023	March 31, 2022
Accounting profit before tax	(585.71)	(292.95)
Statutory income tax rate	25.17%	25.17%
Computed tax expenses	-	-
Adjustments in respect of current income tax of previous years	-	-
Non-deductible expenses for tax purposes :	-	-
Deductible expenses for tax purposes	-	-
Income not considered for tax purpose	-	-
Others	-	-
Income tax charged to statement of profit and loss	-	-

**Deferred tax asset comprises**

Deferred tax assets/ (liabilities)	As at		During the year
	March 31, 2023	March 31, 2022	For the year ended March 31, 2023
Fixed Assets - Impact of difference between tax depreciation and depreciation charged to financial statements	-	-	-
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	-	-	-
Allowance for doubtful debts	-	-	-
Provision for contingencies	-	-	-
Impact of Government grant deferred	-	-	-
Post-employment medical benefits	-	-	-
Gratuity	-	-	-
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	-	-	-
<b>Total</b>	-	-	-

Income tax effect on Re-measurement (gains)/ losses on defined benefit plans transferred to Other comprehensive income

Total -

Reconciliation of deferred tax assets (net)	March 31, 2023	March 31, 2022
Opening balance as per last balance sheet	-	-
Tax expenses recognised in statement of profit and loss	-	-
Income Tax effect on Re-measurement of defined benefit plans transferred to OCI	-	-
<b>Closing balance</b>	-	-



**Jai Automotive Components Limited**  
**Notes to the financial statements for the period ended March 31,2023**  
*(All amounts are in Rupees Lacs, unless otherwise stated)*

**38 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 adjusted for any related prepaid and accrued lease payments.

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

Particulars	March 31, 2023	March 31, 2022
<b>Gross Carrying Value</b>		
Balance at the beginning	3,428.96	2,154.85
Additions	18.04	1,274.11
Deletions	3.67	-
<b>Balance at the end</b>	<b>3,443.32</b>	<b>3,428.96</b>
<b>Accumulated Depreciation</b>		
Balance at the beginning	83.37	28.24
Additions	-	0.05
Depreciation charged for the year	117.25	55.07
Deletions	-	-
<b>Balance at the end</b>	<b>200.62</b>	<b>83.37</b>
<b>Net Balance</b>	<b>3,242.70</b>	<b>3,345.59</b>

The movement in lease liabilities during the period ended March 31, 2023 is as follows:

Particulars	March 31, 2023	March 31, 2022
Balance at the beginning	555.55	313.32
Additions	17.60	270.39
Finance cost accrued during the period	51.11	36.84
Deletions	3.67	-
Payment of lease liabilities	120.35	64.99
<b>Balance at the end</b>	<b>500.24</b>	<b>555.55</b>

The break-up of current and non-current lease liabilities as at March 31, 2023 is as follows:

Particulars	March 31, 2023	March 31, 2022
Non-current lease liability	418.84	500.26
Current lease liability	81.40	55.29
<b>Total</b>	<b>500.24</b>	<b>555.55</b>

The following are the amounts recognised in profit or loss:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation expense of right-of-use assets	117.25	55.07
Interest expense on lease liabilities	51.11	36.84
<b>Total amount recognised in (profit) or loss</b>	<b>168.36</b>	<b>91.91</b>

The details of the contractual maturities of lease liabilities as at March 31, 2023 on an undiscounted basis are as follows:

Particulars	March 31, 2023	March 31, 2022
Less than one year	123.62	112.55
One to five years	186.56	267.14
More than five years	3,060.30	3,093.82
<b>Total</b>	<b>3,370.48</b>	<b>3,473.51</b>

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

Rental expense recorded for short-term leases was Rs. 2.92 Lacs (Previous Year : Rs. 6.66 Lacs) for the year ended March 31, 2023. Out of which an amount of Rs. 2.71 Lacs (Previous year Rs. 4.80 Lacs) has been capitalized

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

**Jai Automotive Components Limited**  
**Notes to the financial statements for the period ended March 31, 2023**  
*(All amounts are in Rupees Lacs, unless otherwise stated)*

**39 CSR expenditure**

Particulars	For the year ended March 31, 2023	For the year 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	-	-
<b>Total</b>	-	-

**40 Ratio Analysis and its elements**

Sr.	Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	% change	Reason for variance
1	Current Ratio	Current Assets	Current Liabilities	1.79	0.45	297.78%	The Company is in the process of setting up manufacturing facility and is not fully operational. Hence figures are not comparable
2	Debt- Equity Ratio	Total Debt	Shareholder's Equity	0.98	0.27	262.96%	
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	-	-	-	The Company has started its Rudrapur & Derabassi's manufacturing facility at the end of year, hence ratio's are not given.
5	Inventory Turnover Ratio	Cost of Goods Sold	Average Inventory	-	-	-	
6	Trade Receivable Turnover Ratio	Net Credit Sales = Gross Credit Sales - Sales Return	Average Trade Receivable	-	-	-	
7	Trade Payable Turnover Ratio	Net Credit Purchases = Gross Credit Purchases - Purchase Return	Average Trade Payables	-	-	-	
8	Net Capital Turnover Ratio	Net Sales = Total Sales - Sales Return	Working Capital = Current Assets – Current Liabilities	-	-	-	
9	Net Profit Ratio	Net Profit	Net Sales = Total Sales - Sales Return	-	-	-	
10	Return on Capital Employed	Earnings before Interest and Taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	-	-	-	
11	Return on Investment	Net Profits after Taxes – Preference Dividend	Shareholder's Equity	-	-	-	

**41 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 does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.
- (v) 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
- (vi) 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.
- (vii) 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)

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

42 Previous year figures have been regrouped/reclassified, where necessary, to conform to this year's classification.

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

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

As per our report of even date

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

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

**Kamal Khanna**  
(Proprietor)  
Membership No. 086600  
Place: Gurugram  
Date: 27th May 2023  
UDIN: 23086600BGUBKN4043

**Hardeep Singh Gujral**  
DIN:00518705

**Shashi Bansal Bhushan**  
DIN:01118864

**Abhishek Gupta**  
Chief Financer Officer