JAI SUSPENSIONS LIMITED

FINANCIAL STATEMENTS

FOR F.Y. 2017-18

Registered Office: Jai Springs Road, Industrial Area, Yamuna Nagar-135001, Haryana
Phone No. & Fax: 01732-251810/11/14 CIN No.: U35990HR2016PLC065589

INDEPENDENT AUDITOR'S REPORT

To

The Members of M/s JAI SUSPENSIONS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **JAI Suspensions Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and with Companies (India Accounting Standards) (Amendment) Rules, 2016, 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing issued by Institute of Chartered Accountant of India, as specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at

March 31, 2018, its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

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, Cash Flows Statement and statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) in our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules 2015, as amended.

   e) on the basis of the written representations received from the directors of the Company as on March 31, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.

   f) with respect to the adequacy of the internal financial controls over financial reporting of the company with reference to these Ind AS Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" to this report. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.

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

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

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

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

2. As required by the Companies (Auditor's Report) Order, 2016 ("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 & COMPANY
Chartered Accountants
FRN: 008450N

Kamal Khanna
Proprietor
M.No. 086600

Place: New Delhi
Dated: 19th May 2018

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 Suspensions Limited of even date)

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

We have audited the internal financial controls over financial reporting of **JAI Suspensions Limited** ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For K.KHANNA & COMPANY
Chartered Accountants
FRN: 008450N

Kamal Khanna
Proprietor
M.No. 086600

Place: New Delhi
Dated: 19th May 2018

ANNEXURE-B TO INDEPENDENT AUDITOR'S REPORT

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

(i) The Company does not have any Fixed Assets, therefore paragraph 3(i) of the order is not applicable on the company.

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

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

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

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

(vi) In our opinion and as per information given to us, maintenance of cost records under section 148(1) of the Companies Act, 2013 has not been prescribed by the Central Government for the Company.

(vii) In respect of statutory dues:

a) According to information and explanation given to us and as per records of the Company, the Company is generally regular in depositing the undisputed statutory dues like Income Tax, Cess, Service tax, Goods and Service tax etc. with the appropriate authorities and there were no arrears of such dues at the year ended 31st March, 2018 which have remained outstanding for a period of more than six months from the date they became payable.

b) According to information and explanation given to us and as per records of the Company, there are no disputed statutory dues like Income Tax, Cess, Service Tax, Goods and Service tax etc. outstanding as at 31st March, 2018.

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

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

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

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

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

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

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period under review.

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

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

For K.KHANNA & COMPANY
Chartered Accountants
F. R. No. 008450N

Kamal Khanna
Proprietor
M. No. 086600

Place: New Delhi
Dated: 19th May, 2018

BALANCE SHEET AS AT MARCH 31, 2018

(All amount in Rupees, unless otherwise stated)

Particulars		Note No.	As at March 31, 2018	As at March 31, 2017
I	**Assets**			
A	**Non-current assets**			
	Property, plant and equipment		-	-
	Capital work in progress	2	-	49,425
	Intangible assets		-	-
	Financial assets			
	Investments		-	-
	Loans		-	-
	Other financial assets		-	-
	Other non-current assets	3	103,408,350	50,546
	Deferred tax assets (net)	4	-	123,600
	Sub-total-Non-Current Assets (A)		**103,408,350**	**223,571**
B	**Current Assets**			
	Financial assets			
	Loans		-	-
	Trade receivables		-	-
	Cash and cash equivalents	5	528,976	10,126,142
	Other bank balances		-	-
	Other financial assets		-	-
	Other current assets	3	65,365	1,608
	Sub-total-Current Assets (B)		**594,340**	**10,127,750**
	Total-Assets		**104,002,690**	**10,351,321**
II	**Equity and Liabilities**			
A	**Equity**			
	Equity share capital	6	10,000,000	10,000,000
	Other equity	7	(7,269,853)	(276,515)
	Total Equity (A)		**2,730,147**	**9,723,485**
B	**Liabilities**			
	Non-current liabilities			
	Financial liabilities			
	Borrowings		-	-
	Other financial liabilities		-	-
	Long term provisions		-	-
	Other non current liabilities			
	Current liabilities			
	Financial liabilities			
	Borrowings	8	93,335,380	-
	Trade payables	9	57,575	65,440
	Other financial liabilities		-	-
	Other current liabilities	10	7,879,588	562,396
	Total Liabilities (B)		**101,272,543**	**627,836**
	Total Equity & Liabilities		**104,002,690**	**10,351,321**

Summary of significant accounting policies 1

The accompanying notes form an integral part of the financial statements

As per our report of even date

For K. Khanna & Company
Firm Registration Number: 008450N
Chartered Accountants

Kamal Khanna
Proprietor
Membership Number : 86600

Place : New Delhi
Date : 19th May, 2018

For & on behalf of the Board of Directors of
Jai Suspensions Limited

Hardeep Singh Gujral
DIN : 00518705

Shakti Goyal
DIN: 01616174

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(All amount in Rupees, unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Income			
Revenue from Operations	11	-	-
Other Income	12	3,500	-
Finance Income	13	528,105	140,158
Total Revenue		**531,605**	**140,158**
Expenses			
Excie duty on sales of goods		-	-
Other Expenses	14	124,680	527,865
Total Expenses		**124,680**	**527,865**
Profit before finance costs, depreciation/amortisation expense, and tax		406,925	(387,707)
Finance Costs	15	7,271,842	-
Profit Before Tax		**(6,864,917)**	**(387,707)**
Tax Expense			
Current Tax		4,821	12,408
Deferred Tax charge/ (credit)		123,600	(123,600)
Total Tax Expense		**128,421**	**(111,192)**
Profit for the year		**(6,993,338)**	**(276,515)**
Other Comprehensive Income			
Other comprehensive income not be reclassified to profit or loss in subsequent periods :			
- Re-measurement gains / (losses) on defined benefit plans		-	-
- Income tax effect		-	-
Other comprehensive income for the year, net of tax		**-**	**-**
Total Comprehensive income for the year		**(6,993,338)**	**(276,515)**

Earnings per equity share (par value Rs. 10 (absolute amount) per share)			
- Basic		**(6.99)**	**(0.28)**
- Diluted		**(6.99)**	**(0.28)**
[Earnings per equity share expressed in absolute amount in Indian Rupees]			
Significant accounting policies	1		
The accompanying notes form an integral part of the financial statements			

As per our report of even date

For K. Khanna & Company
Firm Registration Number: 008450N
Chartered Accountants

Kamal Khanna
Proprietor
Membership Number : 86600

Place : New Delhi
Date : 19th May, 2018

For & on behalf of the Board of Directors of
Jai Suspensions Limited

Hardeep Singh Gujral
DIN : 00518705

Shakti Goyal
DIN: 01616174

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

(All amount in Rupees, unless otherwise stated)

	Particulars	Year ended March 31, 2018	Year ended March, 2017
A.	**Cash flow from operating activities**		
	Profit before tax	(6,864,917)	(387,707)
	Adjustments to reconcile profit before tax to net cash flows:		
	Finance cost (including fair value change in financial instruments)	7,271,842	-
	Finance income (including fair value change in financial instruments)	(528,105)	(140,158)
	Excess provision no longer required written back	49,425	-
	Operating profit before working capital changes	**(71,755)**	**(527,865)**
	Changes in operating assets and liabilities:		
	Increase/(decrease) in Trade payable and other current liabilites	7,317,192	562,396
	Decrease/ (Increase) in Loans (Non Current & Current)	-	(49,425)
	Decrease/ (Increase) in Other non-current assets & Other financial assets	(63,757)	
	Cash generated from operations	**7,181,681**	**(14,894)**
	Direct taxes (paid) refund received (net)	(4,821)	(14,016)
	Net cash generated from operations	**7,176,860**	**(28,910)**
B.	**Cash flow from investing activities**		
	Advance given for Purchase of property	(103,357,804)	(50,546)
	Interest received (finance income)	528,105	140,158
	Net cash from / used in investing activities	**(102,829,699)**	**89,612**
C.	**Cash flow from financing activities**		
	Proceeds from long term borrowings	93,335,380	-
	Interest paid	(7,271,842)	-
	Net cash from / used in financing activities	86,063,538	10,000,000
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	(9,589,302)	10,060,702
	Cash and cash equivalents at the beginning of the year	10,126,142	
	Cash and cash equivalents at the year end	**536,841**	**10,060,702**
	Components of cash and cash equivalents:		
	Cash in hand	-	-
	Balances with scheduled banks		
	- On current account	528,976	10,126,142
	- Unpaid dividend account*	-	
	(Refer note 4)	**528,976**	**10,126,142**

* The company can utilize these balances only toward settlement of the respective unpaid dividend

As per our report of even date

For K. Khanna & Company
Firm Registration Number: 008450N
Chartered Accountants

For & on behalf of the Board of Directors of
Jai Suspensions Limited

Kamal Khanna
Proprietor
Membership Number : 86600

Hardeep Singh Gujral
DIN : 00518705

Shakti Goyal
DIN: 01616174

Place : New Delhi
Date : 19th May, 2018

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

(All amount in Rupees, unless otherwise stated)

(a) Equity share capital

Particulars	No. of Equity Shares	Amount (Rs.in lacs)
Balance as at April 1, 2016		
Issued during the year	1,000,000	10,000,000
Closing balance as at March 31, 2017	**1,000,000**	**10,000,000**
Issued during the year		-
Closing balance as at March 31, 2018	**1,000,000**	**10,000,000**

Other equity

Particulars	Retained Earnings	Capital reserve	Amalgamation reserve	General reserve	Minority Interest	Other comprehensive income	Total
As at 1 April 2016	-	-	-	-	-	-	-
Add: Profit for the year	(276,515)	-	-	-	-	-	-
Add: Security premium for the year	-	-	-	-	-	-	-
Less: Dividend Paid	-	-	-	-	-	-	-
Less: Tax on dividend	-	-	-	-	-	-	-
Less: Shares alloted during the year	-	-	-	-	-	-	-
Less: Other comprehensive income	-	-	-	-	-	-	-
As at 31 March 2017	(276,515)	-	-	-	-	-	-
Add: Profit for the year	(6,993,338)	-	-	-	-	-	(6,993,338)
Less: Dividend Paid	-	-	-	-	-	-	-
Less: Tax on dividend	-	-	-	-	-	-	-
Less: Other comprehensive income	-	-	-	-	-	-	-
As at 31 March 2018	**(7,269,853)**	**-**	**-**	**-**	**-**	**-**	**(6,993,338)**
Total other equity	**(7,269,853)**	**-**	**-**	**-**	**-**	**-**	**(6,993,338)**

The accompanying notes form an integral part of the financial statements

As per our report of even date

For K. Khanna & Company
Firm Registration Number: 008450N
Chartered Accountants

Kamal Khanna
Proprietor
Membership Number : 86600

Place : New Delhi
Date : 19th May, 2018

For & on behalf of the Board of Directors of
Jai Suspensions Limited

Hardeep Singh Gujral
DIN : 00518705

Shakti Goyal
DIN: 01616174

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Rupees, unless otherwise stated)

1. Corporate information

Jai Suspensions Limited (“the Company”) is not started its operation.

The Company is 100% subsidiary entity 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 27.

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, 2016.

For all periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 (Indian GAAP). These financial statements for the year ended March 31, 2018 are the first financial statements, the company has prepared in accordance with Ind AS. refer to note 17 & 19 for information on how the company adopted Ind AS.

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

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

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

1.2 Significant accounting policies

a) Use of estimates

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

b) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

c) Property, plant and equipment (PPE)

There is no property, plant and equipment (PPE) acquired till the date of these financial statements. However, advance for purchase of land has been given during the year. Policy shall be formulated once property, plant and equipment are acquired by the company.

Depreciation on property, plant and equipment

As there is no property, plant and equipment (PPE) acquired till the date of these financial statements, no depreciation policy has be formulized till the date of these financial statements.

d) Intangible assets

There are no intangible assets acquired till the date of these financial statements. Policy shall be formulated once intangible assets are acquired by the company.

e) Borrowing cost

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

f) 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.

g) **Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

However, sales tax/ value added tax (VAT), Goods and service tax is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

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

Interest income

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

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

h) **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.

i) **Segment reporting**

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

j) **Provisions**

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

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

k) 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.

l) Fair value measurement

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

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

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

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

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

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

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

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

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

- Disclosures for valuation methods, significant estimates and assumptions (note 20 and note 21)
- Financial instruments (including those carried at amortized cost) (note 20 and 21)

m) Financial instrument:

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

Debt instruments at amortised cost

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

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

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

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

De-recognition

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

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

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

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

Impairment of financial assets:

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

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

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

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

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

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

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

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

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

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

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

Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

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

Loans and borrowings

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

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss. This category generally applies to borrowings. For more information refer Note 8.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amount in Rupees, unless otherwise stated)

2

Non Current assets	Non Current Assets	
	As at March 31, 2018	As at March 31, 2017
Property, plant and equipment	-	-
Capital work in progress	-	49,425
	-	**49,425**

3

Other assets	Non-current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Capital advances				
Unsecured considered good	103,408,350	50,546	-	-
Unsecured considered doubtful	-	-	-	-
	103,408,350	**50,546**	**-**	**-**
Less: Provision for doubtful advances	-	-	-	-
Total (A)	**103,408,350**	**50,546**	**-**	**-**
Advance income tax (net)	-	-	65,365	1,608
Minimum alternate tax credit entitlement	-	-	-	-
	-	-	65,365	1,608
Less :- Provision for doubtful advances	-	-	-	-
Total (B)	**-**	**-**	**65,365**	**1,608**
Grand Total (A+B)	**103,408,350**	**50,546**	**65,365**	**1,608**

4

Deferred tax liability / (assets) (net)	As at March 31, 2018	As at March 31, 2017
Deferred tax liability		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	-	123,600
Deferred tax liability / (assets) (net)	**-**	**123,600**

5

Cash and bank balances	As at March 31, 2018	As at March 31, 2017
Cash and cash equivalents		
Balance with banks		
On current account	528,976	10,126,142
	528,976	**10,126,142**
Total	**528,976**	**10,126,142**

(All amount in Rupees, unless otherwise stated)

6

Share capital	As at March 31, 2018	As at March 31, 2017
Authorised shares		
5,000,000 equity shares of Rs. 10 each	50,000,000	50,000,000
Total	**50,000,000**	**50,000,000**
Issued, subscribed and paid up equity shares		
Subscribed and fully paid (1,000,000 Equity Shares of Rs 10/- each	10,000,000	10,000,000
	10,000,000	**10,000,000**

a. Reconciliation of the number of shares outstanding

Equity Shares	March 31, 2018		March 31, 2017	
	No. of shares	Amount	No. of shares	Amount
Equity Share - Subscribed and fully paid up				
At the beginning of the year	1,000,000	10,000,000	-	-
Add : Equity shares issued during the Year			1,000,000	10,000,000
At the end of the year	**1,000,000**	**10,000,000**	**1,000,000**	**10,000,000**

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

Name of Shareholders	March 31, 2018		March 31, 2017	
	No of shares	% holding in the class	No of shares	% holding in the class
Equity Shares with Voting Rights				
Jamna Auto Industries Limited- Alongwith Nominees	**1,000,000**	**100%**	**1,000,000**	**100%**

7

Other equity	As at March 31, 2018	As at March 31, 2017
Surplus/(deficit) in the Statement of profit and loss		
Balance as per the last financial statements	(276,515)	-
Add: Profit/(loss) for the year	(6,993,338)	(276,515)
Net surplus/(deficit) in the Statement of Profit and Loss	**(7,269,853)**	**(276,515)**
Total reserves and surplus	**(7,269,853)**	**(276,515)**

(All amount in Rupees, unless otherwise stated)

8

Financial liabilities - Borrowings	Non current		Current maturities	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Long term borrowing				
Unsecured loans				
- Term loan from other than bank	-	-	-	-
- Loan from related party	-	-	93,335,380	-
Total Long term borrowing	**-**	**-**	**93,335,380**	**-**
Less: Amount disclosed under the head "other current liabilities"	-	-	-	-
Net amount	**-**	**-**	**93,335,380**	**-**

9

Financial liabilities -Trade payables	As at March 31, 2018	As at March 31, 2017
Trade payables	34,485	36,065
Expenses payable	23,090	29,375
	57,575	**65,440**

10

Other current liabilities	As at March 31, 2018	As at March 31, 2017
TDS payable	518,185	-
Other payable	7,361,403	562,396
	7,879,588	**562,396**

11

Revenue from operations	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue from operations	-	-
Less : Excise duty*	-	-
Revenue from operations (net)	**-**	**-**

12

Other income	For the year ended March 31, 2018	For the year ended March 31, 2017
Other non-operating income		
Excess provision written back	3,500	-
	3,500	-

13

Finance income	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest income		
- From banks	528,105	140,158
	528,105	140,158

(All amount in Rupees, unless otherwise stated)

14

Other expenses	For the year ended March 31, 2018	For the year ended March 31, 2017
Rates and taxes	1,200	-
Legal and professional	15,930	-
Payment made to auditors (Refer note 24)	52,225	-
Bank charges	5,900	-
Miscellaneous expenses	49,425	527,865
Total	**124,680**	527,865

15

Finance costs	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest on borowing - banks	-	-
Interest - others	7,271,842	-
Total	**7,271,842**	-

16 Earnings Per Share (EPS)

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

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

Particulars		**March 31, 2018**	**March 31, 2017**
a)	Calculation of weighted average number of equity shares of Rs. 10 each		
	Net profit after tax	(6,993,338)	(276,515)
	Net profit for the period attributable to equity shares	-	-
	Weighted average number of equity shares during the period in calculating basic EPS	1,000,000	1,000,000
	Weighted average number of equity shares during the period in calculating diluted EPS	1,000,000	1,000,000
	Basic EPS	-	-
	Diluted EPS	-	-

17 First Time Adoption of Ind AS

These financial statements, for the year ended March 31, 2018, are the first financial statement prepared in accordance with Ind AS as the company being subsidiary company of Jamna Auto Industries Limited, a listed company. For periods up to and including the year ended March 31, 2017, the company prepared its financial statements in accordance with accounting standards notified under section 133 of the companies act 2013, read together with paragraph 7 of the companies (accounts) rules, 2014 (Indian GAAP), to the extent applicable to that company.

Accordingly, the company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2018, together with the comparative period data as at and for the year ended 31 March 2017, as described in the summary of significant accounting policies. Since the company was incorporated in financial year 2016-17 , therefore the requirement of opening balance sheet as at 1st April 2016 is not applicable to the company.

18 Reconciliation

The following reconciliation provides the effect of transition to Ind AS from IGAAP in accordance with Ind AS 101

1. Equity as at March 31, 2017
2. Net profit/ loss for the year ended on March 31, 2017

(All amount in Rupees, unless otherwise stated)

18.1 Reconciliation of equity as previously reported under IGAAP to Ind AS

Particulars	Balance Sheet as at March 31, 2017		
	IGAAP	Effect of transition to Ind AS	Ind AS
Assets			
Non-Current assets			
Property, plant and equipment	-		-
Capital work-in-progress	49,425	-	49,425
Intangible assets	-		-
Financial assets:			-
Loans	-		-
Investments	-		-
Other financial assets	-		-
Other non-current assets	52,154	(1,608)	50,546
Deferred tax assets (net)	123,600		123,600
Total non-current assets	**225,179**	**(1,608)**	**223,571**
Current assets			
Inventories	-		-
Financial assets:			-
Loans			-
Trade receivables	-		-
Cash and cash equivalents	10,126,142		10,126,142
Other bank balances	-		-
Other financial assets	-		-
Other current assets	-	1,608	1,608
Total current assets	**10,126,142**	**1,608**	**10,127,750**
Total assets	**10,351,321**	**-**	**10,351,321**
Equities and liabilities			
Equity			
Equity share capital	10,000,000		10,000,000
Other equity	(276,515)	-	(276,515)
Total equity	**9,723,485**	**-**	**9,723,485**
Non-current liabilities			
Financial liabilities			
Borrowings	-		-
Others financial liabilities	-		-
Long term provisions			-
Other non-current liabilities	-		-
Total non-current liabilities	**-**	**-**	**-**
Current liabilities			
Financial liabilities			
Borrowings	-		-
Trade payables	65,440		65,440
Other financial liabilities	-		-
Other current liabilities	562,396		562,396
Total current liabilities	**627,836**	**-**	**627,836**
Total equity and liabilities	**10,351,321**	**-**	**10,351,321**

(All amount in Rupees, unless otherwise stated)

18.2 Reconciliation of Statement of profit and loss as previously reported under IGAAP to Ind AS

Particulars	Year ended March 31, 2017		
	IGAAP	Effect of transition to Ind AS	Ind AS
INCOME			
Revenue from operations			-
Other income	140,158		140,158
Finance income			-
Total income	**140,158**	**-**	**140,158**
EXPENSES			
Cost of raw material and components consumed	-		-
(Increase) / decrease in inventories of finished goods and work in progress	-		-
Excie duty on sales of goods			
Employee benefit expenses	-		-
Other expenses	527,865		527,865
Total expenses	**527,865**	**-**	**527,865**
Profit before finance costs, depreciation/amortisation expense, and tax	(387,707)	-	(387,707)
Depreciation and amortisation expenses	-		-
Finance costs	-		-
Profit before tax	(387,707)	-	(387,707)
Tax expenses :			
- Current tax	12,408		12,408
- Deferred tax charge/ (credit)	(123,600)	-	(123,600)
Profit after tax	**(276,515)**	**-**	**(276,515)**
Other comprehensive income			
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods :			
- Re-measurement gains / (losses) on defined benefit plans	-		-
- Income tax effect	-		-
Other comprehensive income for the year, net of tax	**-**	**-**	**-**
Total Comprehensive income for the year	**(276,515)**	**-**	**(276,515)**

18.3 Cash flow statement

There were no significant reconciliation items between cash flow prepared under IGAAP and those prepared under Ind AS.

Explanation for reconciliation of Balance Sheet as per previously reported under IGAAP to Ind AS

Retained Earnings

Since the company was incorportaed in the financial year 2016-17, therefore adjustment to retained earnings as at April 01, 2016 consequent to Ind AS transition adjustments is not applicable to the company.

19 Significant accounting judgements, estimates and assumptions

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

Judgements

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

Estimates and assumptions

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

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 does not have significant capital commitments in relation to the capital project likely to be underatken in the company on the balance sheet date

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.

(All amount in Rupees, unless otherwise stated)

20 Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the entity'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, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Financial assets					
Other Financial assets	Amortised Cost	-	-		
Total		**-**	**-**	**-**	**-**
Financial liabilities					
Borrowings	Amortised Cost	93,335,380	-	93,335,380	
Total		**93,335,380**	**-**	**93,335,380**	**-**

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:

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

21 Fair hierarchy

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

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2018 :

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Financial assets					
Other Financial assets					
Non Current Bank Balance	March 31, 2018	-	-	-	-
Non Current Bank Balance	March 31, 2017	-	-	-	-

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

(All amount in Rupees, unless otherwise stated)

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2018 :

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Financial liabilities					
Borrowings	March 31, 2018	93,335,380	-	93,335,380	-
Borrowings	March 31, 2017	-	-	-	-

22 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, 2018	March 31, 2017
Borrowings including current maturities of long term borrowing (refer Note no. 8)	93,335,380	-
Net debts	**93,335,380**	**-**
Capital components		
Share capital	10,000,000	10,000,000
Reserves & surplus	(7,269,853)	(276,515)
Total capital	**2,730,147**	**9,723,485**
Capital and net debt	**96,065,527**	**9,723,485**
Gearing ratio (%)	**0.97**	**-**

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.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018 and March 31, 2017.

(All amount in Rupees, unless otherwise stated)

23 Financial risk management objectives and policies

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

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

(a) Market risk

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

(i) Interest rate risk

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

The company manages its interest rate risk by having loan/borrowings from holding company at fixed rate

Interest Rate sensitivity:

Particulars	Increase / decrease in basis points	March 31, 2018	March 31, 2017
Fixed rate borrowing :			
Working capital demand/ Short term loan		-	-
Total Borrowing		**-**	**-**

(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, there is no such risk associated under this.

(c) Credit risk

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

Trade receivables

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

(All amount in Rupees, unless otherwise stated)

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 undiscounted payments.

Particulars	on demand	Less than 3 months	3 to 12 months	1 to 5 Years	More than 5 years	Total
March 31, 2018						
Borrowings including bank cash credits excluding transaction cost	93,335,380					-
Trade payables						-
Other financial liabilities						-
Total	**93,335,380**	**-**	**-**	**-**	**-**	**-**
March 31, 2017						
Borrowings including bank cash credits excluding transaction cost	-					-
Trade payables						-
Other financial liabilities						-
Total	**-**	**-**	**-**	**-**	**-**	**-**

24

Payment to auditors	For the year ended March 31, 2018	For the year ended March 31, 2017
As auditor		
- Audit fee	25,000	17,250
- Limited review fee	27,255	12,075
As other capacity		-
- Other services	-	-
Reimbursement of expenses	-	-
	52,255	29,325

25 Segment Reporting

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

(All amount in Rupees, unless otherwise stated)

26 Commitments and Contingencies

(a) Capital commitments and Other commitments

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

Particulars	As at March 31st 2018	As at March 31st 2017
Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (Net of Advances)	-	-
Other Commitments		
Total	**-**	**-**

(b) Contingent Liabilities

Particulars	As at March 31st 2018	As at March 31st 2017
Income tax	-	-
Claims against company not acknowledged as debts (civil cases)	-	-
Custom and excise duty / service tax	-	-
Sales tax and entry tax	-	-
Guarantee given by the company	-	-
Bills of exchange given by the company	-	-
Bank guarantees	-	-
Total	**-**	**-**

27 Related party transactions

A) Names of related parties and relationship

I. Related parties where control exists

Holding Company

Jamna Auto Industries Limited

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

a. Key managerial personnel and their relatives

Mr. Shakti Goyal (Director)

Mr. H.S. Gujral (Director)

Mr. A.K.Goyal (Director)

(All amount in Rupees, unless otherwise stated)

B) Transactions with related parties

	Holding							
Nature of Transaction	**Jamna Auto Industries**		**Enterprises owned or significantly influenced by KMP or relatives**		**Key management personnel and their relatives**		**Total**	
Transactions during the year	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**
Expense incurred on behalf of related party	254,350	562,396	-	-	-	-	254,350	562,396
Interest paid on Loan accepted	7,271,842	-					7,271,842	-
Initial Share capital	-	10,000,000					-	10,000,000
Loan received	103,335,380						103,335,380	-
Loan Repaid	10,000,000						10,000,000	-
	As at March 31, 2018	**As at March 31, 2017**	**As at March 31, 2018**	**As at March 31, 2017**	**As at March 31, 2018**	**As at March 31, 2017**	**As at March 31, 2018**	**As at March 31, 2017**
Balances as at the year end								
Other Payable	816,746	562,396	-	-	-	-	816,746	562,396
Interest Payable	6,544,657	-	-	-	-	-	6,544,657	-
Loan Payable	93,335,380	-	-	-	-	-	93,335,380	-

(All amount in Rupees, unless otherwise stated)

28 Deferred tax assets (net)

Particulars	March 31, 2018	March 31, 2017
Deferred tax assets	-	123,600
Total	**-**	123,600

Income tax expenses reported in the statement of profit and loss comprises:	March 31, 2018	March 31, 2017
Current Income tax expenses:		
Income Tax	-	12,408
Adjustment in respect of current income tax of previous year	4,821	-
Deferred tax		
Relating to origination and reversal of temporary differences	123,600	(123,600)
Income tax expenses reported in statement of profit and loss	**128,421**	**(111,192)**

Statement of other comprehensive income	March 31, 2018	March 31, 2017
Net loss/ (gain) on remeasurements of defined benefit plan		
Income tax charged to OCI	**-**	-

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

Particulars	March 31, 2018	March 31, 2017
Accounting profit before tax	(6,864,917)	(387,707)
Statutory income tax rate	25.75%	29.87%
Computed tax expenses	-	-
Adjustments in respect of current income tax of previous years	4,821	-
Non-deductible expenses for tax purposes :	-	-
Deductible expenses for tax purposes	-	12,408
Income not considered for tax purpose	-	-
Others	-	-
Income tax charged to statement of profit and loss	**4,821**	**12,408**

(All amount in Rupees, unless otherwise stated)

Deferred tax asset comprises

	Balance Sheet		During the year
Deferred tax assets/ (liabilities)	**March 31, 2018**	**March 31, 2017**	**For the year ended March 31, 2018**
Fixed Assets - Impact of difference between tax depreciation and depreciation charged to financial statements			
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis			
Allowance for doubtful debts			
Provision for contigencies			
Impact of Government grant deferred			
Post-employment medical benefits			
Gratuity			
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	-	123,600	(123,600)
Total	**-**	**123,600**	**(123,600)**
Income tax effect on Re-measurement (gains)/ losses on defined benefit plans transferred to Other comprehensive income			
			(123,600)

Reconciliation of deferred tax assets (net)	March 31, 2018	March 31, 2017
Opening balance as per last balance sheet	-	-
Tax expenses recognised in statement of profit and loss	-	-
Income Tax effect on Re-measurement of defined benefit plans transferred to OCI	-	-
Closing balance	**-**	**-**

29

	CSR expenditure	For the year ended March 31, 2018	For the year ended March 31, 2017
(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		

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

As per our report of even date

For K. Khanna & Company
Firm Registration Number: 008450N
Chartered Accountants

Kamal Khanna
Proprietor
Membership Number : 86600

Place : New Delhi
Date : 19th May, 2018

For & on behalf of the Board of Directors of
Jai Suspensions Limited

Hardeep Singh Gujral
DIN : 00518705

Shakti Goyal
DIN: 01616174