

**INDEPENDENT AUDITOR'S REPORT****To The Members of JBM Ogihara Automotive India Limited****Report on The Financial Statements****OPINION**

We have audited the accompanying standalone financial statements of **JBM Ogihara Automotive India Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2023, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and the Statement of Cash Flow for the year ended, and the notes to financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements gives 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 accounting principles generally accepted in India including Indian Accounting standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS"), of the state of affairs of the Company (financial position) as at 31<sup>st</sup> March, 2023, and its profit / (loss) (financial performance including other comprehensive income), the changes in equity and its cash flows for the year ended on that date.

**BASIS FOR OPINION**

We conducted our audit of the standalone financial statements in accordance with standard on auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibility for the audit of the standalone 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 Accountant of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our 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 standalone financial statements.

**INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON**

The company's management and board of directors are responsible for the other information. The other information comprises the information included in Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon. The Board's Report including Annexures to Board's Report are expected to be made available to us after the date of this auditor's report.

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

In connection with our audit report of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other



information is materially inconsistent with the standalone financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Board's Report Including Annexures to Board's Report, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and if required issue a revised Audit report on financial statement.

#### **RESPONSIBILITY OF MANAGEMENT FOR FINANCIAL STATEMENTS**

The Company's Board of Directors is responsible for the matters stated in sub-section 5 of Section 134 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder.

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 standalone 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 intend to liquidate the company or to cease operation, or has no realistic alternative but to do so.

The board of directors are also responsible for overseeing the Company's financial reporting process.

#### **AUDITORS' RESPONSIBILITY FOR THE AUDIT OF STANDALONE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the standalone 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 Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

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



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for explaining our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone 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 and
- Evaluate the overall presentation, structure and content of the Standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone 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.

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by the Companies (Auditor's Report) Order, 2020 ('the Order'), issued by the Central Government of India in exercise of powers conferred by sub-section 11 of section 143 of the Act, we enclose in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by sub-section 3 of Section 143 of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, The Statement of Profit and Loss (including other comprehensive income), The 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 standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, as applicable, read with relevant rules issued thereunder.
- e) On the basis of the written representation received from the Directors as on 31<sup>st</sup> March, 2023, taken on record by the Board of Directors, none of the Directors is disqualified as on 31<sup>st</sup> March, 2023 from being appointed as a Directors 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 B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial control over financial reporting.
- g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company has no pending litigations as on 31<sup>st</sup> March, 2023 as also mentioned in its standalone financial statements. Refer Note 35 of the standalone financial statements.
- ii) The Company did not have any long- term contracts including derivative contracts, other than those which have already been provided for which there were no 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.
- iv) (a) The management has represented in Note 46(8) that, to the best of it's 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(s) or entity(ies), including foreign entities ("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 in Note 46(9), that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been received by the company from any person(s) or entity(ies), including foreign entities ("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; and
- c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused them 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."

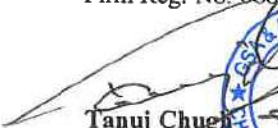


- v) Since, the Company has neither paid or declared any dividend during the year nor proposed any dividend for the year, hence, reporting requirement of clause (f) of rule 11 of the Companies (Audit and Auditors) Rules, 2014 are not applicable on the Company.
- vi) As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the company only w.e.f. April 1, 2023, reporting under this clause is not applicable.
- h) As required by section 197(16) of the Act, we report that the company has paid remuneration to its directors during the year in accordance with the provisions and limits laid down under section 197 read with schedule V to the act.

**For GSA & Associates LLP**

Chartered Accountants

Firm Reg. No: 000357N/N500339

  
Tanuj Chugh

(Partner)

M. No.: - 529619



Place: New Delhi

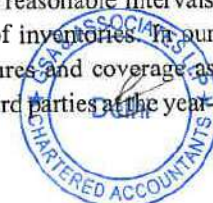
Date: 31<sup>st</sup> July, 2023

## ANNEXURE - A To The Independent Auditor's Report

(Referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

**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 the Annexure as follows: -**

- i) In respect of 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, 'capital work-in-progress', 'investment property', 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-of-assets", so to reasonable cover all the assets once every three year 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 information explanation given to us, no material discrepancies were noticed on such verification.
  - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
  - d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its property, plant and equipment (including Right-of-use assets) or Intangible assets or both during the year.
  - e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii) With respect to clause ii), we state that: -
  - a) As per explanation given to us, the inventories, other than materials lying with third parties and inventory in transit were physical verified by the Management at reasonable intervals and no material discrepancies were noticed on physical verification of inventories. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. For stocks lying with the third parties at the year



end, written confirmation has been obtained by the management. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.

- b) During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks and financial institutions on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks and financial institutions, which are in agreement with the unaudited books of accounts except the insignificant differences as represented by the management. (Also refer Note 46(3) to the financial statements)
- iii) With respect to the clause iii, we report as follows,
- a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year.
- b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made are, prima facie, not prejudicial to the interest of the Company.
- c) The company has not given any loans and advances in the nature of loans. Accordingly, the provisions of clause 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order are not applicable to the Company.
- iv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 and the Company has not provided any guarantee or security as specified under Section 186 of the Companies Act, 2013. Further, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in relation to loans given and investments made.
- v) According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder. Accordingly, the Provisions of clause 3(v) of the Order are not applicable to the company.
- vi) In our opinion and according to the information and explanation given to us, the maintenance of the cost records has not been specified by the Central Government of India under Section 148(1) of the Companies Act 2013 for the business activities carried out by the company. According to the Provisions of clause 3(vi) of the order are not applicable to the company.
- vii) According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion:
- a) The Company has been generally regular in depositing undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, Cess and other material statutory dues as applicable with the appropriate authorities.





According to the information and explanations given to us, no undisputed amounts, payable in respect of Provident Fund, Income-tax, Goods and Services Tax, employee state insurance and other material statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable except in case of Provident Fund for one employee, amounting Rs. 0.44 lakhs. The said amount has been paid since date, along with applicable interest.

- b) As at 31st March, 2023, the Company does not have any dues on account of Income-tax, Service Tax, Goods and Services Tax and Excise duty that have not been deposited on account of any dispute.
- viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- ix) With respect to the loans and borrowing obtained by the Company, we report that: -
- a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or financial institution or government or government authority.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has applied term loans for the purpose for which they were obtained.
- d) According to the information and explanations given to us and on the basis of our overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.
- e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that the company has not taken funds on account of or to meet the obligations of its subsidiaries.
- f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Further, the company has not defaulted in repayment of such loans raised.
- x) With respect to Clause 3(x), we state that: -
- a) In our opinion and according to the information and explanations given to us and on the basis of examination of records of the company, the company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provision of clause 3(x)(a) of the Order are not applicable to the company.
- b) In our opinion and according to the information and explanations given to us and on the basis of examination of records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) during the year. Accordingly, the provision of clause 3(x)(b) of the Order are not applicable to the company.





- xi) In respect of reporting under clause 3(xi), we state that: -
- a) In our opinion and according to the information and explanations given to us, no fraud by the company or no fraud on the company has been noticed or reported during the year. Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality as outlined in the Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
  - b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
  - c) As represented to us by the management, we have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.
- xii) In our opinion and according to the information and explanations given to us, according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order are not applicable to the Company.
- xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards. The provisions of Section 177 are not applicable on the Company.
- xiv) With respect to reporting under clause 3(xiv),
- a) In our opinion and based on the our explanations, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Companies Act, 2013.
  - b) The company did not have an internal audit system for the period under audit .Accordingly, the provisions of clause 3(xiv)(b) of the Order are not applicable to the Company.
- xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi) With respect to reporting under clause 3(xvi), we state that: -
- a) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provision of clause 3(xvi)(a) of the Order are not applicable to the Company.



- b) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provision of clause 3(xvi)(b) of the Order are not applicable to the Company.
- c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the provision of, clause 3(xvi)(c) of the Order are not applicable to the company.
- d) In our opinion and according to the information and explanations given to us, the Group does not have any CIC. Accordingly, the provision of clause 3(xvi)(d) are not applicable to the company.
- xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- xviii) There has been resignation of the statutory auditors during the year. Accordingly, the provision of clause 3(xviii) of the Order is applicable to the company.
- xix) According to the information and explanation given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, Company's consistency in generating sufficient cash flows from operations to meet its financial obligations as and when they fall due, 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) In our opinion and according to the information and explanations given to us, in respect of other than ongoing projects, there are no unspent amount that are required to be transferred to a fund specified in Schedule VII of the company Act 2013, in compliance with second proviso to sub-section (5) of Section 135 of the Companies Act, 2013.

In our opinion and according to the information and explanations given to us, there are no unspent amount sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any ongoing projects, those are required to be transferred to a special account in in compliance with second proviso to sub-section (6) of Section 135 of the Companies Act, 2013.

**For GSA & Associates LLP**

Chartered Accountants

Firm Reg. No. 000257N/N500339

  
Tanuj Chugh

(Partner)

M. No.: - 529619

Place: New Delhi

Date: 31<sup>st</sup> July, 2023

Date: 31<sup>st</sup> JULY, 2023



**ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in clause (f) of paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of JBM Ogihara Automotive India Limited as of 31<sup>st</sup> March, 2023 in conjunction with our audit of the standalone 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 ("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 Companies Act, 2013.

**AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting 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, both 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 standalone 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 with reference to financial statements.

**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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone 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 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 GSA & Associates LLP**

Chartered Accountants

Firm Reg. No: 006757/IN/500339

  
**Tanuj Chugh**

(Partner)

M. No.: - 529619

Place: New Delhi

Date: 31<sup>st</sup> July, 2023

Place: New Delhi

**JBM Ogihara Automotive India Limited**  
**CIN : U27100DL2009PLC187584**  
**Balance Sheet as at 31st March , 2023**



₹ in Lakhs

Particular	Note No.	As at	
		March 31 2023	March 31 2022
<b>ASSETS</b>			
<b>I Non-current assets</b>			
(a) Property, plant and equipment	3	13,192.62	4,981.24
(b) Capital work-in-progress	4	918.13	5,172.89
(c) Intangible assets	5	27.26	43.40
(d) Financial assets			
(i) Other non-current financial assets	6	264.79	56.92
(e) Deferred Tax Assets (net)	18	-	57.26
(f) Other non-current assets	7	59.21	49.12
<b>Sub-total</b>		<b>14,462.01</b>	<b>10,360.83</b>
<b>II Current Assets</b>			
(a) Inventories	8	6,370.59	13,057.78
(b) Financial assets			
(i) Trade receivables	9	7,314.42	1,646.89
(ii) Cash and cash equivalents	10	0.46	0.22
(iii) Other current financial assets	11	18.02	16.34
(c) Current tax assets (net)	12	80.81	25.24
(e) Other current assets	13	631.20	3,091.15
<b>Sub-total</b>		<b>14,415.50</b>	<b>17,837.63</b>
<b>Total Assets</b>		<b>28,877.51</b>	<b>28,198.46</b>
<b>EQUITY AND LIABILITIES</b>			
<b>I Equity</b>			
(a) Equity share capital	14	2,200.00	2,200.00
(b) Other equity	15	937.33	912.86
<b>Sub-total</b>		<b>3,137.33</b>	<b>3,112.86</b>
<b>Liabilities</b>			
<b>II Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	16(a)	4,883.33	5,608.14
(ii) Lease liabilities	16(b)	3,063.47	1,462.90
(b) Provisions	17	60.08	39.96
(c) Deferred Tax liabilities (net)	18	196.84	-
<b>Sub-total</b>		<b>8,203.72</b>	<b>7,111.00</b>
<b>III Current Liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	19	6,111.65	374.95
(ii) Lease liabilities	16(b)	463.36	245.94
(iii) Trade payables	20		
Total outstanding dues of micro and small enterprises		344.64	63.71
Total outstanding dues of creditors		9,857.01	9,455.52
(iv) Other current financial liabilities	21	334.28	69.38
(b) Other Current Liabilities	22	416.29	7,749.81
(c) Provisions	23	9.24	15.29
<b>Sub-total</b>		<b>17,536.46</b>	<b>17,974.60</b>
<b>Total Equity and Liabilities</b>		<b>28,877.51</b>	<b>28,198.46</b>

**Significant Accounting Policies**

2

The accompanying Notes are forming part of these financial statements  
As per our report of even date attached

For GSA & Associates  
Firm Registration No.: 000254/N/100339  
Chartered Accountants

Tarun Chugh  
Partner  
Membership No.: 329019  
Place: New Delhi  
Date: 31/07/2023

For and on behalf of Board of Directors  
JBM Ogihara Automotive India Limited

Anand Swaroop  
Director  
(DIN:00004816)  
Gurugram

Hiroshi Morita  
Director  
(DIN:02653966)  
Bengaluru

Prakash Sridhar  
Chief financial officer  
Bengaluru



**JBM Ogihara Automotive India Limited**  
**CIN:U27100DL2009PLC187584**

**Statement of Profit and Loss for the year ended 31st March , 2023**



₹ in Lakhs

Particulars	Note No.	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>I Revenue from operations</b>	24	38,873.98	6,720.03
<b>II Other Income</b>	25	38.95	12.08
<b>III Total Income (I + II)</b>		<b>38,912.93</b>	<b>6,732.11</b>
<b>IV Expenses</b>			
Cost of materials consumed	26	32,106.93	4,476.29
Changes in inventories of finished goods and work in progress	27	(1,474.11)	(99.83)
Employee benefits expense	28	4,376.97	1,208.99
Finance costs	29	525.25	59.78
Depreciation and amortization expense	30	796.75	361.73
Other expenses	31	2,277.66	887.01
<b>Total Expenses (IV)</b>		<b>38,609.45</b>	<b>6,893.98</b>
<b>V Profit/(Loss) Before Tax (III -IV)</b>		<b>303.47</b>	<b>(161.87)</b>
<b>VI Tax expense:</b>	32		
(1) Current tax		12.72	-
(2) Deferred tax charge / (credit)		270.21	(44.25)
(3) MAT credit entitlement		(12.72)	-
<b>Total Tax</b>		<b>270.21</b>	<b>(44.25)</b>
<b>VII Profit/(Loss) After Tax (V-VI)</b>		<b>33.26</b>	<b>(117.62)</b>
<b>VIII Other Comprehensive Income</b>	33		
Items that will not be reclassified to profit or Loss			
- Remeasurement gains and (losses) on defined benefit plans		(12.19)	5.28
- Income Tax effect		3.39	(1.47)
<b>Total other comprehensive Income</b>		<b>(8.80)</b>	<b>3.81</b>
<b>IX Total comprehensive Income ( VII+VIII)</b>		<b>24.47</b>	<b>(113.81)</b>
<b>X Earnings per equity share (Face Value of Rs 10 each)</b>	34		
(1) Basic		0.15	(0.53)
(2) Diluted		0.15	(0.53)

**Significant Accounting Policies** 2

The accompanying Notes are forming part of these financial statements  
As per our report of even date attached

For GSA & Associates LLP  
Firm Registration No. 000257/N/N500339  
Chartered Accountants  
Tanuj Chugh  
Partner  
Membership No. 327610  
Place: New Delhi  
Date: 31/07/2023

For and on behalf of Board of Directors  
JBM Ogihara Automotive India Limited

Anand Swaroop  
Director  
(DIN:00004816)  
Gurugram

Hiroshi Morita  
Director  
(DIN:02653966)  
Bengaluru

Prakash Sridhar  
Chief financial officer  
Bengaluru

Particulars	₹ in Lakhs	
	For the year ending March 31 2023	For the year ending March 31 2022
<b>A. Cash flows from operating activities</b>		
Profit/(Loss) before tax	303.47	(161.87)
<b>Adjustments for:</b>		
Depreciation and amortisation expense	796.75	361.73
Finance costs	525.25	59.78
(Profit)/loss on sale of fixed assets (net)	-	-
Interest income on income tax	(3.87)	-
Balance written back	(38.95)	(0.13)
Balance written off	-	-
Unrealised foreign exchange (gain)/loss	-	(25.97)
<b>Operating Profit before working capital changes</b>	<b>1,582.65</b>	<b>233.53</b>
<b>Movements in working capital:</b>		
Trade & other receivables	(3,446.46)	(2,055.72)
Inventories	6,687.20	(12,131.00)
Trade & other Payables	(6,435.14)	13,711.78
<b>Cash generated from operations</b>	<b>(1,611.75)</b>	<b>(241.42)</b>
Income tax paid / (refund received)	(55.17)	(6.82)
<b>Net cash from operating activities (A)</b>	<b>(1,666.92)</b>	<b>(248.24)</b>
<b>B. Cash Flow From Investing Activities</b>		
Purchase of property, plant and equipment & intangible assets	(2,604.65)	(5,094.43)
Proceeds for sale of property, plant and equipment	-	-
<b>Net cash used in investing activities (B)</b>	<b>(2,604.65)</b>	<b>(5,094.43)</b>
<b>C. Cash Flow From Financing Activities</b>		
Payment for lease liabilities	(520.53)	-
Proceeds of non-current borrowings	689.77	5,626.82
Repayment of non-current borrowings	(53.91)	(98.59)
Proceeds / (repayment) from current borrowings	4,673.96	(47.93)
Interest paid	(517.48)	(138.42)
<b>Net cash used in financing activities (C)</b>	<b>4,271.81</b>	<b>5,341.87</b>
<b>Net Increase / (decrease) in cash and cash equivalents</b>	<b>0.24</b>	<b>(0.80)</b>
Cash and cash equivalents at the beginning of the year (Refer Note-10)	0.22	1.02
<b>Cash and cash equivalents as at the end of the year (Refer Note-10)</b>	<b>0.46</b>	<b>0.22</b>

1. The above Statement of Cash Flow has been prepared under the indirect method as set out in the Indian Accounting Standard (Ind AS) - 7 on "Statement of Cash Flows"

2. Ind AS 7 "Statement of Cash Flows" requires entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the requirement following disclosure is made:

Particulars	Balance As at 01 April 2022	Finance lease obligations recognised during the year	Cash Inflow / (Outflow)	Non-Cash Movement	Balance As at March 31 2023
Non-current borrowings (other than Finance Lease obligations)	5,608.15	-	635.86	-	4,883.33
Finance Lease obligations*	1,462.90	2,047.57	-	16.35	3,526.83
Current Borrowings	374.95	-	5,736.70	-	6,111.65
<b>Total</b>	<b>7,446.00</b>	<b>2,047.57</b>	<b>6,372.56</b>	<b>16.35</b>	<b>14,521.81</b>

3. Figures in bracket represents cash outflow

#### Significant Accounting Policies

2

The accompanying Notes are forming part of these financial statements  
As per our report of even date attached

For GSA & Associates LLP  
Firm Registration No. 000267N/500039  
Chartered Accountants

Tanuj Chugh  
Partner  
Membership No. 39254  
Place: New Delhi  
Date: 31/07/2023

For and on behalf of Board of Directors  
JBM Ogihara Automotive India Limited

Anand Swaroop  
Director  
(DIN:00004816)  
Gurugram

Hiroshi Morita  
Director  
(DIN:02653966)  
Bengaluru

Prakash Sridhar  
Chief financial officer  
Bengaluru

A Equity share capital					
1.Current year					
Particulars	₹ in Lakhs				
	Balance as at 01st April 2022	Changes in Equity Share Capital due to prior period errors	Restated balance as 01st April 2022	Changes in equity share capital during the year	Balance at the end 31st March 2023
Equity share capital	2,200.00	-	2,200.00	-	2,200.00
2.Previous Year					
Particulars	₹ in Lakhs				
	Balance as at 01st April 2022	Changes in Equity Share Capital due to prior period errors	Restated balance as 01st April 2022	Changes in equity share capital during the year	Balance at the end 31st March 2022
Equity share capital	2,200.00	-	2,200.00	-	2,200.00

Note: Remeasurement of defined benefit plans and fair value changes relating to own credit risk of financial liabilities designated at fair value through profit or loss shall be recognised as a part of retained earnings with separate disclosure of such items along with the relevant amounts in the Notes or shall be shown as a separate column under Reserves and Surplus;

B Other equity		
(1) Current reporting period		
Particulars	₹ in Lakhs	
	Retained Earnings	Total
Balance as at 01st April 2022	912.86	912.86
Changes in accounting policy or prior period errors	-	-
Restated balance as at 01st April 2022	912.86	912.86
Profit/(Loss) for the year	33.26	33.26
Other comprehensive income/(loss) for the year	(8.80)	(8.80)
<b>Balance as at 31st March 2023</b>	<b>937.32</b>	<b>937.32</b>
(2) Previous reporting period		
Particulars	₹ in Lakhs	
	Retained Earnings	Total
Balance as at 01st April 2021	1,026.67	1,026.67
Changes in accounting policy or prior period errors	-	-
Restated balance as at 01st April 2022	1,026.67	1,026.67
Profit/(Loss) for the year	(117.62)	(117.62)
Other comprehensive income/(loss) for the year	3.81	3.81
<b>Balance as at 31st March 2022</b>	<b>912.86</b>	<b>912.86</b>

**Significant Accounting Policies** 2

The accompanying Notes are forming part of these financial statements  
 As per our report of even date attached

For GSA & Associates LLP  
 Firm Registration No.: 000255/N500339  
 Chartered Accountants

Tanuj Chugh  
 Partner  
 Membership No.: 529619  
 Place: New Delhi  
 Date: 31/07/2023

For and on behalf of Board of Directors  
 JBM Ogihara Automotive India Limited

Anand Swaroop  
 Director  
 (DIN:00004816)  
 Gurugram

Hiroshi Morita  
 Director  
 (DIN:02653966)  
 Bengaluru

Prakash Sridhar  
 Chief financial officer  
 Bengaluru



Note-3 Property, Plant And Equipment

₹ in Lakhs

Particulars	Right of Use Asset (Lease hold land)	Buildings	Plant & Equipment	Furniture & Fixtures	Office Equipment	Computers & Computer System	Vehicles	Total
<b>Gross Block</b>								
As at April 01,2021	234.04	1,189.95	4,181.37	9.14	35.89	17.38	77.01	5,744.79
Additions	1,489.21	-	6.66	-	1.59	24.10	-	1,521.56
Disposals	-	-	-	-	-	-	-	-
As at April 01,2022	1,723.25	1,189.95	4,188.03	9.14	37.49	41.48	77.01	7,266.34
Additions	2,047.57	27.00	6,610.11	82.45	60.06	90.69	7.95	8,925.83
Disposals	-	-	-	-	-	-	-	-
As at 31st March 2023	3,770.82	1,216.95	10,798.14	91.58	97.55	132.17	84.96	16,192.17
<b>Accumulated depreciation</b>								
As at April 01,2021	49.70	188.00	1,624.31	6.89	24.54	9.45	23.83	1,926.73
Charge for the year	24.85	42.40	272.33	0.25	4.86	3.76	9.92	358.37
Adjustments on disposal	-	-	-	-	-	-	-	-
As at April 01,2022	74.55	230.40	1,896.64	7.14	29.40	13.22	33.75	2,285.10
Charge for the year	218.72	64.10	458.06	3.40	10.21	16.20	9.92	780.61
Adjustments	-	-	66.17	-	-	-	-	66.17
As at 31st March 2023	293.27	294.50	2,388.53	10.55	39.61	29.42	43.67	2,999.55
<b>Net Block</b>								
As at 31st March 2022	1,648.70	959.55	2,291.39	2.00	8.08	28.26	43.26	4,981.24
As at 31st March 2023	3,477.54	922.46	8,509.60	81.04	57.94	102.75	41.29	13,192.62

Certain borrowings of the Company have been secured against Property, Plant and Equipment. (Refer Note No 16(a) & 19)

Note-4 Capital Work-in-Progress

₹ in Lakhs

Particular	₹ in Lakhs	
	As at March 31 2023	As at March 31 2022
Capital Work in Progress	918.13	4,762.52
Pre-Operative expenses	-	-
Salary & Wages	-	77.12
Staff welfare expenses	-	18.70
Interest on Lease Liabilities	-	100.27
Interest on Term Loan	-	141.99
Amortisation of Right of Use Assets	-	37.86
Stores Consumed	-	9.71
Rates & Taxes	-	1.69
Power & Fuel	-	35.50
Exchange gain	-	(25.97)
Other administrative expenses	-	13.50
<b>Total</b>	<b>918.13</b>	<b>5,172.89</b>

Ageing for capital work-in-progress as at March 31,2023 is as follows :

Project Name	Amount of Capital Work in progress for a period of				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
Projects in Progress	918.13	-	-	-	918.13

Ageing for capital work-in-progress as at March 31,2022 is as follows :

Project Name	Amount of Capital Work in progress for a period of				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
Projects in Progress	5,172.89	-	-	-	5,172.89



**Note-5 Intangible Assets**

₹ in Lakhs

<b>Particulars</b>	<b>Computer Software</b>	<b>Total</b>
<b>Gross Block</b>		
<b>Balance as at 01st April 2021</b>	10.07	10.07
Additions	41.21	41.21
Disposals	-	-
<b>Balance as at 01st April 2022</b>	51.28	51.28
Additions	-	-
Disposals	-	-
Balance As at 31st March 2023	<b>51.28</b>	<b>51.28</b>
<b>Accumulated depreciation</b>		
<b>Balance as at 01st April 2021</b>	4.52	4.52
Charge for the year	3.36	3.36
Adjustments on disposal	-	-
<b>Balance as at 01st April 2022</b>	7.88	7.88
Charge for the year	16.13	16.13
Adjustments on disposal	-	-
Balance As at 31st March 2023	<b>24.02</b>	<b>24.02</b>
<b>Net Block</b>		
As at 31 March 2022	<b>43.40</b>	<b>43.40</b>
As at 31 March 2023	<b>27.26</b>	<b>27.26</b>



**Note-6 Other Non-Current Financial Assets**  
(Carried at Amortised Cost, unless stated otherwise )

Particulars	₹ in Lakhs	
	As at March 31 2023	As at March 31 2022
Security deposits	264.79	56.92
<b>Total</b>	<b>264.79</b>	<b>56.92</b>

**Note-7 Other Non-Current Assets**  
(Unsecured, considered good)

Particulars	₹ in Lakhs	
	As at March 31 2023	As at March 31 2022
Capital advances	-	18.85
Advance to employees	12.30	-
Prepaid expenses	46.91	29.87
<b>Total</b>	<b>59.21</b>	<b>48.72</b>

**Note-8 Inventories**

Particulars	₹ in Lakhs	
	As at March 31 2023	As at March 31 2022
Raw materials	2,721.78	155.19
Work in progress	1,248.96	157.12
Finished goods	444.85	62.58
Scrap	344.57	2.01
Stores & spares	458.68	24.01
Inventory-Dies	1,151.75	12,656.86
<b>Total</b>	<b>6,376.59</b>	<b>13,057.78</b>

- The mode of valuation of inventory has been stated in Note No. 2.12  
- Inventories have been secured against certain bank borrowings of the Company (Refer Note-16 & Note-19)  
- The cost of inventories recognised as an expense during the period is ₹ 30,758.42 lakhs ( 31st March 2022 ₹ 4,428.97 lakhs)

**Note-9 Trade receivables**  
(Unsecured, considered good)

Particulars	₹ in Lakhs	
	As at March 31 2023	As at March 31 2022
(a) Trade Receivables considered good - Secured,	7,343.66	1,646.89
Less: impairment allowance for trade receivable	(29.24)	-
<b>Total</b>	<b>7,314.42</b>	<b>1,646.89</b>

- Trade Receivables have been secured against certain bank borrowings of the Company (Refer Note 16 & Note-19)  
- Debts due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member is Nil (PY Nil).

**Trade receivables ageing as at 31st March, 2023 is as follows:**

Particulars	Unbilled Dues	Outstanding for following periods from due date of payment					Grand Total
		Less than 6 months	6 month-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	2,239.22	4,991.61	84.49	28.33	-	-	7,343.66
(ii) Undisputed Trade Receivables – which have	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>2,239.22</b>	<b>4,991.61</b>	<b>0.35</b>	<b>28.33</b>	<b>-</b>	<b>-</b>	<b>7,343.66</b>

**Trade receivables ageing as at 31st March, 2022 is as follows:**

Particulars	Unbilled Dues	Outstanding for following periods from due date of payment					Grand Total
		Less than 6 months	6 month-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	138.22	1,489.02	0.35	-	-	19.30	1,646.89
(ii) Undisputed Trade Receivables – which have	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>138.22</b>	<b>1,489.02</b>	<b>0.35</b>	<b>-</b>	<b>-</b>	<b>19.30</b>	<b>1,646.89</b>





**JBM Ogihara Automotive India Limited**  
**CIN:U27100DL2009PLC187584**  
**Notes forming part of Financial Statements**



**Note-10 Cash and Cash Equivalets**

₹ in Lakhs

Particulars	As at	As at
	March 31 2023	March 31 2022
(a) Balances with Banks		
- On Current Account	0.38	0.05
(b) Cash in hand	0.08	0.17
<b>Total</b>	<b>0.46</b>	<b>0.22</b>

**Note-11 Other Current Financial Assets**

(Carried at Amortised Cost, Unless stated otherwise )

₹ in Lakhs

Particulars	As at	As at
	March 31 2023	March 31 2022
Advances to employees	18.02	16.34
<b>Total</b>	<b>18.02</b>	<b>16.34</b>

**Note-12 Current Tax Assets**

₹ in Lakhs

Particulars	As at	As at
	March 31 2023	March 31 2022
Income tax Recoverd ( TDS)	80.81	11.06
<b>Total</b>	<b>80.81</b>	<b>11.06</b>

**Note-13 Other Current Assets**

(Unsecured, considered good)

₹ in Lakhs

Particulars	As at	As at
	March 31 2023	March 31 2022
Prepaid expenses	13.82	5.82
Advance to suppliers	501.11	763.92
Balance with statutory/government authorities	98.15	2,321.41
Surplus under Gratuity fund	18.13	-
<b>Total</b>	<b>631.20</b>	<b>3,091.15</b>



**Note-14 Equity Share Capital**

Particulars	₹ in Lakhs			
	As at March 31 2023		As at March 31 2022	
	No. of Shares	Amount	No. of Shares	Amount
<b>(a) Authorised</b>				
Equity Shares of Rs 10/- (P.Y Rs 10/-) each	22,000,000	2,200	22,000,000	2,200
<b>(b) Issued, Subscribed and Fully Paid Up</b>				
Equity Shares of Rs 10/- (P.Y Rs 10/-) each	22,000,000	2,200	22,000,000	2,200

**(c) Reconciliation of the number of Equity Shares outstanding**

Particulars	As at March 31 2023		As at March 31 2022	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	22,000,000	2,200	22,000,000	2,200
Add/(Less): issued/(cancelled) during the year	-	-	-	-
Balance at the end of the year	22,000,000	2,200	22,000,000	2,200

**(d) Rights, preferences and restrictions attached to shares**

The Company has one class of equity shares having par value of Rs. 10/- per share. Each shareholder is entitled for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in the case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**(e) Details of shareholders holding more than 5% equity shares in the Company**

Particulars	As at March 31 2023		As at March 31 2022	
	No. of shares	% holding	No. of shares	% holding
Equity shares of Rs 10 each fully paid up				
M/s JBM Auto Limited	11,220,000	51.00%	11,220,000	51.00%
M/s Ogihara (Thailand) Co. Limited	10,780,000	49.00%	10,780,000	49.00%
	<u>22,000,000</u>		<u>22,000,000</u>	

**(f) Disclosure of Promoter's Holding as at 31st March 2023**

Particulars	As at March 31 2023		As at March 31 2022	
	No. of shares	% holding	No. of shares	% holding
Name of the Promoters				
M/s JBM Auto Limited	11,220,000	51.00%	11,220,000	51.00%
M/s Ogihara (Thailand) Co. Limited	10,780,000	49.00%	10,780,000	49.00%
	<u>22,000,000</u>		<u>22,000,000</u>	

**(f) Disclosure of Promoter's Holding as at 31st March 2022**

Particulars	As at 31st March 2022		As at 31st March 2021	
	No. of shares	% holding	No. of shares	% holding
Name of the Promoters				
M/s JBM Auto Limited	11,220,000	51.00%	11,220,000	51.00%
M/s Ogihara (Thailand) Co. Limited	10,780,000	49.00%	10,780,000	49.00%
	<u>22,000,000</u>		<u>22,000,000</u>	

**(g) Number of equity shares held by the Joint Venture Company in aggregate**

Particulars	As at March 31 2023		As at March 31 2022	
	No. of shares	% holding	No. of shares	% holding
M/s JBM Auto Limited	11,220,000	51%	11,220,000	51%
M/s Ogihara (Thailand) Co. Limited	10,780,000	49%	10,780,000	49%
	<u>22,000,000</u>		<u>22,000,000</u>	

**Note-15 Other Equity**

**(1) Current Reporting period**

Particulars	Retained Earning
Balance as at 1st April 2022	912.86
Changes in the accounting policy or prior period errors	-
Restated balance as at 1st April 2022	912.86
Profit / (Loss) for the year	33.26
Other comprehensive income/(loss) for the year	(8.80)
Balance as at 31st March 2023	<u>937.33</u>

**(2) Previous reporting period**

Particulars	Retained Earning
Balance as at 1st April 2021	1,026.67
Changes in the accounting policy or prior period errors	-
Restated balance as at 1st April 2022	1,026.67
Profit / (Loss) for the year	(117.62)
Other comprehensive income/(loss) for the year	3.81
Balance as at 31st March 2022	<u>912.86</u>



**Non Current Liabilities Financial Liabilities**  
(Carried at Amortised Cost, Unless stated otherwise)

Particular	₹ in Lakhs	
	As at March 31 2023	As at March 31 2022
<b>Note-16 (a) Borrowings</b>		
Buyers Credit		
Buyers Credit (Secured)*	-	354.71
<b>Term loan from Others (In Rupee)</b>		
Term Loans (Secured)*	6,000.00	5,304.47
Vehicle Loans (Secured)**	-	2.88
<b>Sub-total</b>	<b>6,000.00</b>	<b>5,662.06</b>
Less: Current Maturities of Term Loans	1,116.67	51.04
Less: Current Maturities of Vehicle loans	-	2.88
<b>Sub-total</b>	<b>1,116.67</b>	<b>53.91</b>
<b>Total</b>	<b>4,883.33</b>	<b>5,608.15</b>

\* Primary Security: First Paripassu charge on movable fixed assets of the Company both present and future. Second Paripassu charge on entire current assets of the Company, both present & future.  
Collateral Security: First Paripassu charge by way of equitable mortgage over leasehold rights of land and buildings situated at Plot No. 1, Bidadi Industrial area, Ramnagar, Bengaluru, Karnataka FACR of 1.5X to be maintained at all times.

\*\* Hypothecation of Car by way of first charge on Car including its body engine and all the accessories and equipments attached, annexed or fixed and/or to be attached replaced from time to time to the asset and all spares, tools pertaining to the assets, whether lying loose or fixed to the asset wherever the same are now lying or stored whether in the declared premises of the company or wherever stipulated and whether the same is held by way of or on behalf of or disposition of the company or in the course of transit or otherwise which shall also include the present asset as well assets by way of substitution, addition, replacement, conversion or

**Terms of Repayment of Term Loans:**

Particular	₹ in Lakhs				Rate of Interest
	Balance as at 01 April 2022	Movement	Balance as at 31 March 2023	Instalment as on 31- March-23	
Vehicle Loan from others	2.88	(2.88)	-	-	Fixed Rate(9%)
Axis Bank	354.71	(354.71)	-	-	Fixed Rate(1.612%)
Tata Capital Financial Services Ltd	58.34	(58.34)	-	-	11% PA LTLR Linked Rate
IDFC First Bank	2,746.62	753.38	3,500.00	18	8.25% PA Linked EBR
Bajaj Finance Limited	2,499.51	0.49	2,500.00	18	Effective Rate 8.6% PA
<b>Total</b>	<b>5,662.06</b>	<b>753.87</b>	<b>6,000.00</b>		

There have been no breach of covenants mentioned in the loan agreements during the reporting period.

**Note-16 (b) Lease Liabilities**

Particular	₹ in Lakhs	
	As at March 31 2023	As at March 31 2022
Finance Lease Obligations (Unsecured)	3,526.83	1,708.84
Less: Finance Lease Obligations current liabilities	463.36	245.94
<b>Finance Lease Obligations -Non-current liabilities</b>	<b>3,063.47</b>	<b>1,462.90</b>
		1,600.57

**Note-17 Non-Current Provisions**

Particular	₹ in Lakhs	
	As at March 31 2023	As at March 31 2022
(a) Provision for gratuity	-	1.97
(b) Provision for leave encashment and compensated absences	60.08	37.99
<b>Total</b>	<b>60.08</b>	<b>39.96</b>



**Note-18 Deferred Tax liabilities (Net)**

**₹ in Lakhs**

Particulars	As at	As at
	March 31 2023	March 31 2022
Major components of deferred tax arising on account of timing differences:		
<b>(i) Deferred Tax Liabilities</b>		
- Due to Depreciation on Fixed Assets under Income Tax Act,1961	741.50	471.08
-Due to Right of Use Assets	967.45	-
<b>Total (i)</b>	<b>1,708.95</b>	<b>471.08</b>
<b>(ii) Deferred Tax Assets</b>		
- Disallowance under Income Tax Act, 1961	29.94	22.67
- Loss under Income Tax Act, 1961	162.40	177.76
- MAT Credit Entitlement	338.60	327.91
- Lease liabilities	981.16	-
<b>Total (ii)</b>	<b>1,512.10</b>	<b>528.34</b>
<b>Net Deferred Tax (Assets) / Liabilities* (i-ii)</b>	<b>196.84</b>	<b>(57.27)</b>

\* Deferred Tax Liabilities and Deferred tax Assets have been offset as they relate to same governing taxation laws.

**Reconciliation of Deferred Tax Liabilities (Net)**

**₹ in Lakhs**

	As at 01st April	Movement	As at
	2022	during the year	March 31 2023
<b>Deferred Tax Liabilities:</b>			
- Due to Depreciation on Fixed Assets	471.08	270.42	741.50
-Due to Right of Use Assets	-	967.45	967.45
<b>Total Deferred Tax Liabilities (A)</b>	<b>471.08</b>	<b>1,237.87</b>	<b>1,708.95</b>
<b>Deferred Tax Assets:</b>			
- Disallowance under Income Tax Act, 1961	22.67	7.27	29.94
- Loss under Income Tax Act, 1961	177.76	(15.36)	162.40
- MAT Credit Entitlement	327.91	10.69	338.60
- Lease liabilities	-	981.16	981.16
<b>Total Deferred Tax Assets (B)</b>	<b>528.34</b>	<b>983.76</b>	<b>1,512.10</b>
<b>Deferred Tax Liabilities (Net) (B-A)</b>	<b>57.26</b>	<b>(254.10)</b>	<b>(196.84)</b>





Note-19 Current Borrowings  
(Carried at Amortised Cost)

Particular	₹ in Lakhs	
	As at March 31 2023	As at March 31 2022
<b>Secured*</b>		
-WCDL	2,000.00	-
- Cash Credit	840.23	321.03
<b>Un Secured</b>		
- Bills Discounting	2,154.75	-
-Current maturities of non-current borrowings	1,116.67	53.92
<b>Total</b>	<b>6,111.65</b>	<b>374.95</b>

\* Secured by first charge on entire current assets of the Company both present and future and are further secured by second charge on current assets is ceded in favour of Axis Bank Ltd & IDFC First Bank

Collateral Secured: First Pari-Passu charge with Axis Bank Ltd by hypothecation over entire movable fixed assets (except assets already charged to other lenders) of the company, both present and future, excluding vehicles. Registered Equitable Mortgage over lease hold rights over land & building situated at Plot No. 1, Bidadi Industrial Area, Ramnagar, Karnataka and any additions thereto.

There have been no breach of covenants mentioned in the loan agreements during the reporting period.

Note-20 Trade Payables  
(Carried at Amortised Cost)

Particulars	₹ in Lakhs	
	As at March 31 2023	As at March 31 2022
Dues of small and micro enterprises*	344.64	63.71
Dues of creditors other than small and micro enterprises	9,857.01	9,455.52
<b>Total</b>	<b>10,201.65</b>	<b>9,519.23</b>

\* Refer Note-38

Trade payables ageing as at 31st March, 2023 is as follow:

Particulars	Outstanding for following periods from due date of payment				Grand Total
	Less than 1 years	1-2 years	2-3 years	More than 3 years	
(i)MSME	344.64	-	-	-	344.64
(ii)Others	9,743.65	113.36	-	-	9,857.01
(iii) Disputed dues -MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>10,088.29</b>	<b>113.36</b>	<b>-</b>	<b>-</b>	<b>10,201.65</b>

Trade payables ageing as at 31st March, 2022 is as follow:

Particulars	Outstanding for following periods from due date of payment				Grand Total
	Less than 1 years	1-2 years	2-3 years	More than 3 years	
(i)MSME	63.71	-	-	-	63.71
(ii)Others	9,296.33	42.48	103.79	12.92	9,455.52
(iii) Disputed dues -MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>9,360.04</b>	<b>42.48</b>	<b>103.79</b>	<b>12.92</b>	<b>9,519.23</b>

Note-21 Other Current Financial Liabilities  
(Carried at Amortised Cost)

Particulars	₹ in Lakhs	
	As at March 31 2023	As at March 31 2022
Interest accrued	11.15	3.39
Employees related liabilities	192.26	37.74
Others expenses payable	105.28	28.26
Security deposit	12.87	-
Income tax payable	12.72	-
<b>Total</b>	<b>334.28</b>	<b>69.38</b>

Note-22 Other Current Liabilities

Particulars	₹ in Lakhs	
	As at March 31 2023	As at March 31 2022
Statutory dues payable	401.46	4,265.20
Advance from Customers	5.70	7,669.06
Others	9.13	9.16
<b>Total</b>	<b>416.29</b>	<b>11,943.42</b>

Note-23 Current Provisions

Particulars	₹ in Lakhs	
	As at March 31 2023	As at March 31 2022
(a) Provision for gratuity	-	9.67
(b) Provision for leave encashment and compensated absences	9.24	5.62
<b>Total</b>	<b>9.24</b>	<b>15.29</b>



Particulars	₹ in Lakhs	
	For the year ended 31st March 2023	For the year ended 31st March 2022
Sale of products	37,001.05	6,308.86
Sale of services	-	40.27
Other operating revenue	1,872.93	370.90
<b>Total</b>	<b>38,873.98</b>	<b>6,720.03</b>

Disaggregation of Revenue: The Company is primarily engaged in the business of "manufacturing of components" for There is no significant financing component in any transaction with the customers.

Particulars	₹ in Lakhs	
	For the year ended 31st March 2023	For the year ended 31st March 2022
Interest on Income tax Refund	3.87	-
Exchange Fluctuation-Income	33.46	11.95
Balances written back	1.62	0.13
<b>Total</b>	<b>38.95</b>	<b>12.08</b>

Interest In relation to financial assets classified at amortised cost

Particulars	₹ in Lakhs	
	For the year ended 31st March 2023	For the year ended 31st March 2022
Cost of materials consumed*	32,106.93	4,394.48
	<b>32,106.93</b>	<b>4,394.48</b>

\* Consumption of materials consumed has been computed by adding purchase to the opening stock and deducting closing stock.

Particulars	₹ in Lakhs	
	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>Opening Inventories</b>		
Work in progress	157.12	85.71
Finished goods	62.58	34.16
<b>Total</b>	<b>219.70</b>	<b>119.87</b>
<b>Closing Inventories</b>		
Work in progress	1,248.96	157.12
Finished goods	444.85	62.58
<b>Total</b>	<b>1,693.81</b>	<b>219.70</b>
<b>(Increase)/Decrease in stocks</b>	<b>(1,474.11)</b>	<b>(99.83)</b>



**Note-28 Employee Benefits Expense**

₹ in Lakhs

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Salaries and wages	3,633.70	931.28
Contribution to provident and other funds	115.63	52.62
Staff welfare expenses	627.64	225.08
<b>Total</b>	<b>4,376.97</b>	<b>1,208.99</b>

**Note-29 Finance Cost**

₹ in Lakhs

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Interest on borrowings*	374.01	35.06
Interest on finance lease obligations*	151.24	22.93
Interest-Others	-	1.79
<b>Total</b>	<b>525.25</b>	<b>59.78</b>

\*Interest in relation to financial liabilities classified at amortised cost

**Note-30 Depreciation And Amortization Expense**

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Depreciation and amortisation on property, plant and equipment	780.61	362.60
Amortisation on intangible assets	16.13	3.25
<b>Total</b>	<b>796.74</b>	<b>365.86</b>

**Note-31 Other Expenses**

₹ in Lakhs

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Stores consumed	177.73	52.50
Job work charges	800.65	360.21
Power and Fuel	302.41	104.19
Royalty	196.20	125.95
Technical services	75.39	64.78
Repair & maintenance:		
- Machinery	204.68	67.71
- Building	13.68	4.14
- Others	112.75	3.29
Rent	12.53	-
Travelling expenses	69.34	-
Rates & Taxes	4.42	3.63
Insurance	12.06	7.97
Packing charges	44.38	1.36
Legal & professional charges	25.91	12.81
Impairment allowance for trade receivable	29.24	-
Other miscellaneous expenses	196.29	78.48
<b>Total</b>	<b>2,277.66</b>	<b>887.03</b>



**Note-32 Tax Expense**

Particulars	₹ in Lakhs	
	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>(a) Income tax expense recognised in Statement of Profit and Loss</b>		
Current tax	12.72	-
Deferred tax	270.21	(44.25)
Mat credit entitlement	(12.72)	-
<b>Total (a)</b>	<b>270.21</b>	<b>(44.25)</b>
<b>(b) Income Tax Expense recognised in Other Comprehensive Income</b>		
Income tax expense/(income) on Remeasurement of Defined Benefit Obligations	3.39	1.47
<b>Total (b)</b>	<b>3.39</b>	<b>1.47</b>
<b>Total (a+b)</b>	<b>273.59</b>	<b>(42.78)</b>

The major components of income tax expense and the reconciliation of expense based on the domestic effective tax rate and the reported

Particulars	₹ in Lakhs	
	For the year ended 31st March 2023	For the year ended 31st March 2022
Profit before tax	303.47	(161.87)
Rate of tax (At country's statutory income tax rate)	27.82%	27.82%
Computed Tax expense	84.43	(45.03)
Tax Effect of:		
Allowances / Disallowances	198.35	0.78
Mat credit entitlement deferred	(12.72)	-
<b>Total</b>	<b>270.05</b>	<b>(44.25)</b>

**Note-33 Other Comprehensive Income**

Items that will not be reclassified to profit or loss	₹ in Lakhs	
	For the year ended 31st March 2023	For the year ended 31st March 2022
Remeasurement gains and (losses) on defined benefit plans	(12.19)	5.28
Income tax effect	3.39	(1.47)
<b>Total</b>	<b>(8.80)</b>	<b>3.81</b>

**Note-34 Earning Per Share**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted  
Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number

Particulars	₹ in Lakhs	
	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>Profit after tax attributable to owners of the company (₹ in Lakhs)</b>	<b>33.26</b>	<b>(117.61)</b>
	33.26	(117.61)
Weighted Average Number of Equity During the Year	22,000,000	22,000,000
Face Value of share (In Rs.)	10.00	10.00
Basic Earning per share (In Rs.)	0.15	(0.53)
Diluted Earning per share (In Rs.)	0.15	(0.53)





**Note-35 Contingent Liabilities And Commitments**

<b>Particulars</b>	<b>₹ in Lakhs</b>	
	<b>For the year ended 31st March 2023</b>	<b>For the year ended 31st March 2022</b>
Property, Plant and Equipment	155.73	659.65

<b>Particulars</b>	<b>₹ in Lakhs</b>	
	<b>For the year ended 31st March 2023</b>	<b>For the year ended 31st March 2022</b>
A) Statutory Audit Fees	7.23	4.85
B) Tax Audit Fees	0.75	0.75
C) Other Services	0.10	0.10
<b>Total</b>	<b>8.08</b>	<b>5.70</b>

**Note-37 Segment Information**

The Company primarily operates in single segment i.e. manufacturing of components for Automobiles. Hence, no separate segment disclosures as per Ind AS 108 "Operating Segments" have been presented. The said treatment is in accordance with guidance principles enunciated in Ind AS 108 "Segment Reporting" as referred to in Companies (Indian Accounting Standards) Rules, 2015.

Revenue from transactions with a single external customer amounting to 10 percent or more of the Company's revenue is as follows:

<b>Particulars</b>	<b>₹ in Lakhs</b>	
	<b>For the year ended 31st March 2023</b>	<b>For the year ended 31st March 2022</b>
Customer-1	14,326.54	6,302.67
Customer-2	22,447.54	-
<b>Total</b>	<b>36,774.08</b>	<b>6,302.67</b>



Note-38 Disclosure Under The Micro, Small And Medium Enterprises Development Act, 2006 ("MSMED ACT, 2006") is As Under:

Particulars	₹ in Lakhs	
	As at 31st March 2023	As at 31st March 2022
(i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	344.64	63.71
(ii) the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	-	-
(iii) the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(iv) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
(v) the amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(vi) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23	-	-

The above disclosure has been determined to the extent such parties have been identified on the basis of information available with the Company.

Note-39 Leases

The Company as Lessee

The Company's lease primarily consists of lease for land. Generally, the contract is made for fixed period and does not have a purchase option at the end

(i) Amounts recognised in the Balance Sheet

The balance sheet shows the following amounts relating to the leases:

Right-of-use assets:	As at 31st March 2023	As at 31st March 2022
Land	3,477.54	1,648.70
<b>Total</b>	<b>3,477.54</b>	<b>1,648.70</b>

Additions to the Right-of-use of asset during the year were Rs. 1,489.21 Lakhs (P.Y. Nil)

(ii) Maturity analysis of lease liabilities:

Lease liabilities (Discounted Cash Flows)

Particulars	As at 31st March 2023	As at 31st March 2022
Current	463.36	245.94
Non-Current	3,063.47	1,462.90
<b>Total</b>	<b>3,526.83</b>	<b>1,708.84</b>

Maturity analysis-Contractual Undiscounted Cash Flows

Particulars	As at 31st March 2023	As at 31st March 2022
Within one year	520.82	252.52
Later than one year but less than five years	2,840.10	1,075.47
Later than five years	864.00	1,148.78
<b>Total</b>	<b>4,224.93</b>	<b>2,476.72</b>

(iii) Amounts recognised in the statement of profit and loss

The statement of profit and loss shows the following amounts relating to leases:

Particulars	As at 31st March 2023	As at 31st March 2022
Depreciation charge of right-of use assets (land)	218.72	24.85
Interest expense on lease liabilities (included in finance cost)	151.24	22.93
Interest expense on lease liabilities (Capitalise as preoperative Expense)	65.52	-
Expense relating to short term and low value leases (included in other expense)	12.53	-
	<b>448.01</b>	<b>47.77</b>

(iv) The total cash outflow for leases for the year ended 31 March, 2023 were Rs. XXXX Lakhs (PY Rs. 103.56 lakhs)

(iv) Extension and termination option

Extension and termination option is included in lease contracts executed by the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. Generally, these options are exercisable mutually by both the lessor and the lessee.

(v) There are no restrictions imposed by the lease agreements and there are no sub leases. There are no contingent rents. Some of the lease agreements have price escalation clause.

(vi) Incremental borrowing rate of 9.00%-11.75% p.a. has been applied for measuring the lease liability at the date of initial application.



Note-40 Gratuity And Other Post-Employment Benefits

A. Defined Benefit Plans as per Ind AS 19 Employee Benefits:

Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. These benefits are funded.

The following tables summaries the components of net benefit expense recognized in the Statement of Profit and Loss and the funded status and amounts recognized in the balance sheet.

These Plans typically expose the Company to actuarial risks such as : Investment risk, Interest rate risk, Longevity risk and Salary risk.

**Investment Risk:** The Probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

**Interest Risk:** The Plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

**Longevity risk:** The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants during employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Salary risk:** The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Disclosure of Gratuity

(i) Amount recognised in the Statement of Profit and Loss is as under:

Description	₹ in Lakhs	
	31-Mar-23	31-Mar-22
Current service cost	15.21	9.42
Net interest cost	1.08	1.54
Past service cost	-	-
<b>Amount recognised in the Statement of Profit and Loss</b>	<b>16.29</b>	<b>10.96</b>

(ii) Amount recognised in Other Comprehensive Income is as under:

Description	₹ in Lakhs	
	31-Mar-23	31-Mar-22
<b>Amount recognised in OCI, Beginning of Period</b>	<b>3.72</b>	<b>9.01</b>
Actuarial (gain)/loss on arising from change in demographic assumption	-	-
Actuarial (gain)/loss on arising from change in financial assumption	1.34	(2.93)
Actuarial (gain)/loss on arising from experience adjustment	11.46	(0.99)
Benefits Paid	-	-
Return on plan assets (excluding interest)	(0.62)	(1.36)
<b>Total remeasurements recognized in OCI</b>	<b>12.19</b>	<b>(5.28)</b>
<b>Amount recognised in OCI, End of Period</b>	<b>15.91</b>	<b>3.72</b>

(iii) Movement in the Present value of Defined Benefit Obligation recognised in the Balance Sheet is as under:

Description	₹ in Lakhs	
	31-Mar-23	31-Mar-22
<b>Present value of defined benefit obligation as at the start of the year</b>	<b>72.89</b>	<b>64.22</b>
Current service cost	15.21	9.42
Interest cost	5.66	4.58
Actuarial loss/(gain) recognised during the year	12.80	(3.92)
Benefits paid	-	-
Past Service Cost	-	(1.41)
<b>Present value of defined benefit obligation as at the end of the year</b>	<b>106.56</b>	<b>72.89</b>

(iv) Movement in the plan assets recognised in the Balance Sheet is as under:

Description	₹ in Lakhs	
	31-Mar-23	31-Mar-22
<b>Fair Value of plan assets at beginning of year</b>	<b>61.26</b>	<b>42.91</b>
Difference in Opening Balance of Fair Value of Plan Assets	-	-
Interest Income Plan Assets	4.58	3.04
Actual Company Contributions	58.33	15.00
Benefit Paid	-	-
Actuarial gain/(loss) on plan assets	0.62	1.36
Benefits Paid	-	(1.06)
<b>Fair Value of plan Assets at the end of the year</b>	<b>124.79</b>	<b>61.26</b>

The Scheme is funded through an 'Approved Trust'. The Trust has taken a Policy from the Life Insurance Corporation of India (LIC) and the management of the Fund is undertaken by the LIC.



(v) Major categories of plan assets:

Asset Category	31-Mar-23	31-Mar-22
Insurer Managed Funds & T-Bills	100.00%	100.00%

(vi) Analysis of Amounts Recognised on Other Comprehensive (Income)/Loss at Period End:

Description	31-Mar-23	31-Mar-22	₹ in Lakhs
Amount recognized in OCI, Beginning of Period	3.72		9.01
Actuarial (gain)/loss on arising from change in demographic assumption	-		-
Actuarial (gain)/loss on arising from change in financial assumption	1.34		(2.93)
Actuarial (gain)/loss on arising from experience adjustment	11.46		(0.99)
Benefits Paid			
Return on plan assets (excluding interest)	(0.62)		(1.36)
<b>Total remeasurements recognized in OCI</b>	<b>12.19</b>		<b>(5.28)</b>
Amount recognized in OCI, End of Period	15.91		3.72

(vii) Reconciliation of Balance Sheet Amount

Description	31-Mar-23	31-Mar-22	₹ in Lakhs
Present value of obligation	106.56		72.89
Fair value of plan assets	124.79		61.26
Surplus/(deficit)	(18.24)		11.63
Effect of assets ceiling, if any	-		-
<b>Net Assets/(Liability)</b>	<b>(18.24)</b>		<b>11.63</b>

(viii) Current / Non-Current Bifurcation

Description	31-Mar-23	31-Mar-22	₹ in Lakhs
Current Benefit Obligation	13.48		9.67
Non-Current Benefit Obligation	93.09		63.23
<b>(Asset)/Liability Recognised in the Balance Sheet</b>	<b>106.57</b>		<b>72.89</b>

(ix) Actuarial assumptions

Description	31-Mar-23	31-Mar-22	₹ in Lakhs
Discount rate	7.35%		7.48%
Future Basic salary increase	5.00%		For First Year : 0% Thereafter : 5%
Expected rate of return on plan assets	7.35%		7.48%
Mortality Rate	As per IALM 2012-14 Ultimate		As per IALM 2012-14 Ultimate
Employee Turnover/Withdrawal rate	5.00%		5.00%
Retirement Age	58 years		58 years

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other

(x) Maturity profile of defined benefit obligation

Description	31-Mar-23	31-Mar-22	₹ in Lakhs
Within next 12 months	13.97		10.02
Between 1-5 years	24.97		17.66
Between 5-10 years	39.16		28.42

(xi) Sensitivity analysis for gratuity liability

Description	31-Mar-23	31-Mar-22	₹ in Lakhs
Defined Benefit Obligation (Base)	106.56		72.89
<b>Defined Benefit Obligation - change in discount rate</b>			
- Discount rate increase by 1.00 %	96.91		66.36
- Discount rate decrease by 1.00 %	117.93		80.60
<b>Defined Benefit Obligation - change in salary rate</b>			
- Salary rate increase by 1.00 %	117.71		80.77
- Salary rate decrease by 1.00 %	96.56		66.01

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is

The Company is expected to contribute Rs. 4.23 lakhs to Defined Benefit Plan Obligation Funds in next year.





**B. Other Long Term Benefits as per Ind AS 19 Employee Benefits:****Leave Encashment & Compensated absences (Unfunded)**

The leave obligations cover the Company's liability for sick and earned leaves.

Description	₹ in Lakhs	
	31-Mar-23	31-Mar-22
Current service cost	8.29	6.35
Net Interest cost	3.36	2.43
Remeasurements (Gain)/Loss	14.05	13.24
<b>Amount recognised in the Statement of Profit and Loss</b>	<b>25.70</b>	<b>22.02</b>

Description	₹ in Lakhs	
	31-Mar-23	31-Mar-22
Present value of defined benefit obligation as at the start of the year	43.62	33.40
Current service cost	8.29	6.35
Interest cost	3.36	2.43
Actuarial loss/(gain) recognised during the year	14.05	13.24
Benefits paid	-	(11.81)
<b>Present value of defined benefit obligation as at the end of the year</b>	<b>69.32</b>	<b>43.62</b>

Description	₹ in Lakhs	
	31-Mar-23	31-Mar-22
Current Benefit Obligation	9.24	5.62
Non-Current Benefit Obligation	60.08	37.99
<b>(Asset)/Liability Recognised in the Balance Sheet</b>	<b>69.32</b>	<b>43.61</b>

Description	₹ in Lakhs	
	31-Mar-23	31-Mar-22
Defined Benefit Obligation (Base)	69.32	43.62
<b>Defined Benefit Obligation - change in discount rate</b>		
- Discount rate increase by 1.00 %	64.36	40.39
- Discount rate decrease by 1.00 %	75.06	47.35
<b>Defined Benefit Obligation - change in salary rate</b>		
- Salary rate increase by 1.00 %	75.57	47.46
- Salary rate decrease by 1.00 %	63.84	40.63

Description	₹ in Lakhs	
	31-Mar-23	31-Mar-22
Discount rate	7.35%	7.48%
Future Basic salary increase	5.00%	5.00%
Normal retirement age	58 years	58 years
Mortality	As per IALM 2012-14 Ultimate	As per IALM 2012-14 Ultimate
Employee Turnover/Withdrawal rate	5.00%	5.00%
Leave Availment Ratio	2.00%	2.00%
Retirement Age	58 years	58 years

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other

**C. Defined Contribution & Other Plans**

Contributions are made to the Provident Fund, Super Annuation Fund & Other Plans. The contributions are normally based upon a The Company has recognized the following amounts in the Statement of Profit and Loss:

Particulars	₹ in Lakhs	
	31-Mar-23	31-Mar-22
Employer contribution to Provident & Pension fund *	57.20	39.89
Employers contribution to Employee State insurance *	8.41	1.72
Karnataka Labour Welfare Fund *	0.17	0.06
<b>Total</b>	<b>65.78</b>	<b>41.66</b>

\* Included in contribution to provident & other funds under employee benefit expenses (Refer Note-28)



**Note-41 Related Party Disclosures**

The list of related parties as identified by the management is as under:

Joint Venture Companies

- JBM Auto Limited
- Ogihara (Thailand) Company Limited

Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence

Key Managerial Personnel:

- JBM Auto Limited
- Mr.Tribhuvan Kumar Rasyara,Chief Executive Officer
- Mr.Manmohan Singh Rawat,Chief Executive Officer
- Mr. Prakash Sridhar, Chief Financial Officer

Post Employment Benefit Plan of the Company:

- JBM Ogihara Automotive India Limited Employees Group Gratuity Scheme

Particulars	₹ in Lakhs					
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
	Joint Ventures Companies		Gratuity Trust		Key Management Personnel and their	
<b>Purchase of Goods/Services</b>						
JBM Auto Limited	8,847.62	847.26	-	-	-	-
Ogihara (Thailand) Company Limited	190.49	-	-	-	-	-
<b>Total</b>	<b>9,038.11</b>	<b>847.26</b>	-	-	-	-
<b>Sale of Goods/Services</b>						
JBM Auto Limited	271.39	117.34	-	-	-	-
Ogihara (Thailand) Company Limited	-	-	-	-	-	-
<b>Total</b>	<b>271.39</b>	<b>117.34</b>	-	-	-	-
<b>Corporate Guarantee</b>						
JBM Auto Limited	6,000.00	-	-	-	-	-
<b>Total</b>	<b>6,000.00</b>	-	-	-	-	-
<b>Interest Income on Inter Corporate Loan</b>						
JBM Auto Limited	-	1.98	-	-	-	-
<b>Total</b>	-	<b>1.98</b>	-	-	-	-
<b>Inter Corporate Loan Taken</b>						
JBM Auto Limited	-	500.00	-	-	-	-
<b>Total</b>	-	<b>500.00</b>	-	-	-	-
<b>Royalty &amp; Other expenses</b>						
JBM Auto Limited	98.10	63.00	-	-	-	-
Ogihara (Thailand) Company Limited	155.70	61.37	-	-	-	-
<b>Total</b>	<b>253.80</b>	<b>124.37</b>	-	-	-	-
<b>Inter Corporate Loan Pay Back</b>						
JBM Auto Limited	-	500.00	-	-	-	-
<b>Total</b>	-	<b>500.00</b>	-	-	-	-
<b>Remuneration paid to KMP's and their relatives*</b>						
Mr. Tribhuvan Kumar Rasyara,	-	-	-	-	23.13	-
Mr.Manmohan Singh Rawat	-	-	-	-	27.26	43.69
Mr. Prakash Sridhar	-	-	-	-	20.43	21.23
<b>Total</b>	-	-	-	-	<b>70.82</b>	<b>64.91</b>
<b>Contribution to Gratuity Trust</b>						
JBM Ogihara Automotive India Limited Employees Group Gratuity Scheme	-	-	58.33	15.00	-	-
<b>Total</b>	-	-	<b>58.33</b>	<b>15.00</b>	-	-
<b>Receivable</b>						
JBM Auto Limited	-	138.46	-	-	-	-
<b>Total</b>	-	<b>138.46</b>	-	-	-	-
<b>Payable</b>						
JBM Auto Limited	(4,287.89)	(1,103.14)	-	-	-	-
Ogihara (Thailand) Company Limited	(223.46)	(334.64)	-	-	-	-
Mr.Manmohan Singh Rawat	-	-	-	-	-	(1.05)
Mr. Tribhuvan Kumar Rasyara,	-	-	-	-	(2.71)	-
Mr. Prakash Sridhar	-	-	-	-	(1.14)	(1.64)
<b>Total</b>	<b>(4,511.34)</b>	<b>(1,437.78)</b>	-	-	<b>(3.85)</b>	<b>(2.69)</b>

\*Remuneration paid to KMP's does not include the provision made to gratuity and leave benefits, as they are determined on the actuarial basis for all employee together

**Terms and conditions of transactions with related parties**

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2021: INR Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.



**JBM Ogihara Automotive India Limited**  
**CIN:U27100DL2009PLC187584**  
**Notes forming part of Financial Statements**

**Note-42 Significant Accounting Judgements, Estimates And Assumptions**

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. These include recognition and measurement of financial instruments, estimates of useful lives and residual value of property, plant and equipment and intangible assets, valuation of inventories, measurement of recoverable amounts of cash-generating units, measurement of employee benefits, actuarial assumptions, provisions etc.

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. The Company continually evaluates these estimates and assumptions based on the most recently available information. Revisions to accounting estimates are recognized prospectively in the Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.

**Judgments**

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

**Leases**

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

**Estimates and assumptions**

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

**(i) Gratuity benefits**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexity of the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the interest rates of government bonds, and extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables. Future salary increases and pension increases are based on expected future inflation rates. Further details about the assumptions used, including a sensitivity analysis, are given in Note-40.



**(ii) 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 including the discounted cash flow (DCF) model based on level-2 and level-3 inputs. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as price estimates, volume estimates, rate estimates etc. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**(iii) Impairment of financial assets**

The impairment provisions for trade receivables are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on the Company's past history and other factors at the end of each reporting period.

**(iv) Estimates related to useful life of Property Plant and Equipment and Intangible Assets :**

Depreciation on property plant and equipment is calculated on a straight-line basis over the useful lives estimated by the management. These rates are in line with the lives prescribed under Schedule II of the Companies Act, 2013.

The management has re-estimated useful lives and residual values of its assets. The management based upon the nature of asset, the operating condition of the asset, the estimated usage of the asset, past history of replacement and anticipated technological changes, believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of property, plant and equipment & intangible assets.

**(v) Impairment of Assets**

An impairment exists when the carrying value of an asset exceeds its recoverable amount. Recoverable amount is the higher of its fair value less costs to sell and its value in use. The value in use calculation is based on a discounted cash flow model. In calculating the value in use, certain assumptions are required to be made in respect of highly uncertain matters, including management's expectations of growth in EBITDA, long term growth rates; and the selection of discount rates to reflect the risks involved.

**(vi) Contingent liabilities**

The 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. The Company evaluates the obligation through Probable, Possible or Remote model ('PPR'). In making the evaluation for PPR, the Company take into consideration the Industry perspective, legal and technical view, availability of documentation/agreements, interpretation of the matter, independent opinion from professionals (specific matters) etc. which can vary based on subsequent events. The Company provides the liability in the books for probable cases, while possible cases are shown as contingent liability. The remotes cases are not disclosed in the

**(vii) Taxes**

Provision for tax liabilities require judgments on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax





**Note-43 Financial Instruments**

**A. Capital management**

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to The management of the Company reviews the capital structure of the Company on regular basis. As part of this review, the Board considers The Company monitors its capital using gearing ratio, which is net debt divided to total equity. Net debt includes, loans and borrowings less

Particulars	₹ in Lakhs	
	31-Mar-23	31-Mar-22
Net debt	14,521.34	5,982.86
Total equity	3,137.33	3,112.86
<b>Net debt to equity ratio</b>	<b>4.63</b>	<b>1.92</b>

**B. Fair value measurements**

The Company uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques:

The following is the basis of categorising the financial instruments measured at fair value into Level 1 to Level 3:

**Level 1:** This level includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets

**Level 2:** This level includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are

**Level 3:** This level includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable)

The fair value of the financial assets are determined at the amount that would be received to sell an asset in an orderly transaction between

**C. Categories of financial instruments**

Financial assets	₹ in Lakhs			
	As at 31 March 2023		As at 31 March 2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Measured at amortised cost</b>				
Other non-current financial assets	264.79	264.79	56.92	56.92
Trade Receivables	7,314.42	7,314.42	1,646.89	1,646.89
Cash and cash equivalents	0.46	0.46	0.22	0.22
Bank balances other than cash and cash equivalents	-	-	-	-
Other current financial assets	18.02	18.02	16.34	16.34
<b>Total financial assets at amortised cost</b>	<b>7,597.69</b>	<b>7,597.69</b>	<b>1,720.37</b>	<b>1,720.37</b>
<b>Total financial assets</b>	<b>7,597.69</b>	<b>7,597.69</b>	<b>1,720.37</b>	<b>1,720.37</b>

**Financial liabilities**

**Measured at amortised cost**

Financial liabilities	₹ in Lakhs			
	Carrying Value	Fair Value	Carrying Value	Fair Value
Non-current borrowings*	4,883.33	4,883.33	5,608.14	5,608.14
Lease Liabilities *	3,526.83	3,526.83	1,708.84	1,708.84
Current borrowings	6,111.65	6,111.65	374.95	374.95
Trade payables	10,201.65	10,201.65	9,519.23	9,519.23
Other financial liabilities	334.28	334.28	69.38	69.38
Provisions	-	-	-	-
Other Current Liabilities	-	-	-	-
<b>Total financial liabilities at amortised cost</b>	<b>25,057.73</b>	<b>25,057.73</b>	<b>17,280.54</b>	<b>17,280.54</b>

\* including current maturities of non-current borrowings & Lease Liabilities

Carrying value of loan, other financial assets, trade receivables, cash and cash equivalents, other bank balances, borrowings, other financial  
There have been no transfer among levels during the year



#### D. Financial risk management

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables, security deposits and employee. The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management has assigned the responsibility to The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

- Market risk
- Credit risk; and
- Liquidity risk

#### D.1 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 the market prices. The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial

#### (a) Foreign currency risk management

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange

Foreign Currency Exposure that have not been hedged by derivative Instrument are given below:

Liabilities/Assets	₹ in Lakhs			
	Foreign Currency		INR Equivalent	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
<b>Liabilities</b>				
USD	-	-	-	-
JPY	-	570.00	-	354.71
THB	23.69	28.67	63.39	65.42

#### Foreign currency sensitivity analysis

The following tables demonstrate the sensitivity to a reasonably possible change in USD and THB exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives. The Company's exposure to foreign currency changes for all other currencies is not material.

Impact on Profit / (loss) for the year for a 5% change:

Particulars	₹ in Lakhs			
	Depreciation in INR		Appreciation in INR	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
<b>Payables</b>				
USD/INR	-	-	-	-
JPY/INR	-	(17.74)	-	17.74
THB/INR	(3.17)	(3.27)	3.17	3.27

#### b) Interest rate risk management

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

#### Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of the reporting period. For floating rate

Impact on Profit / (loss) for the year for a 50 basis point change:

Particulars	Increase/decrease in basis points	₹ in Lakhs
		Effect on profit before tax
<b>31-Mar-23</b>		
INR loans	+50	(65.69)
INR loans	-50	65.69
<b>31-Mar-22</b>		
INR loans	+50	(15.90)
INR loans	-50	15.90



## D.2 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Company's exposure and wherever appropriate, the credit ratings of its counterparties are continuously monitored and spread amongst various counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management of the Company.

Financial instruments that are subject to concentrations of credit risk, principally consist of balance with banks, trade receivables, loans (security deposits) and advances. None of the financial instruments of the Company result in material concentrations of credit risks.

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risk and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2023 and 31 March 2022 is the carrying amounts of balances with banks.

## D.3 Liquidity risk management

Liquidity risk refers to the risk that the Company can not meet its financial obligations. The objective of liquidity risk management is to maintain a balance between continuity of funding and flexibility through the use of long term borrowings, short term borrowings and cash. The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Particulars	₹ in Lakhs			Total
	Less than 1 year	1 to 5 years	> 5 years	
<b>As at 31 March 2023</b>				
Non-current borrowings (excluding finance lease obligations)*	1,116.67	5,608.14	-	6,724.81
Finance lease obligations (undiscounted value)	520.82	2,840.10	864.00	4,224.92
Current borrowings	4,994.98	-	-	4,994.98
Trade payables	10,201.65	-	-	10,201.65
Other financial liabilities	334.28	-	-	334.28
<b>Total</b>	<b>17,168.40</b>	<b>8,448.24</b>	<b>864.00</b>	<b>26,480.63</b>

Particulars	₹ in Lakhs			Total
	Less than 1 year	1 to 5 years	> 5 years	
<b>As at 31 March 2022</b>				
Non-current borrowings (excluding finance lease obligations)*	53.92	8,354.75	-	8,408.68
Finance lease obligations (undiscounted value)	520.82	164.80	99.56	785.18
Current borrowings	321.03	-	-	321.03
Trade payables	9,519.23	-	-	9,519.23
Other financial liabilities	69.38	-	-	69.38
<b>Total</b>	<b>10,484.38</b>	<b>8,519.55</b>	<b>99.56</b>	<b>19,103.49</b>

\* including current maturities of non-current borrowings



Note 44 - Ratios

S.No.	Ratio	Numerator	Denominator	Unit of Measurement	As at March 31 2023	As at March 31 2022	Variance	Reason for Variance
1	Current Ratio	Current Assets	Current Liabilities	Times	0.82	0.99	-17.17%	Due to increase in current borrowing as compare to last year
2	Debt Equity Ratio	Total Debt (Non-current borrowings + Current Borrowings + Total Lease)	Total Equity	Times	4.63	2.47	87.32%	Availed term loan from Bajaj finance & IDFC First bank Rs 60 crores and lease liabilities increased by Rs 1690.57 lakhs
3	Debt Service Coverage Ratio	Earnings available for Debt Service Net Profit after Taxes + Non-cash operating expenses + Interest + Other Non-cash Adjustments	Debt Service Interest & Lease Payments + Principal Repayments	Times	(0.25)	(0.05)	363.86%	Due to increased in Loan (Bajaj finance 25 Crore & IDFC 35 Crores) as Compare to FY 2021-22
4	Return on Equity	Net Profit after Taxes	Average Total Equity	Percentage	1.06%	-3.71%	-128.68%	The business operation increase from Oct 2022 due to which revenue also increase that'swhy Net profit was more as compare to FY 2021-22
5	Inventory Turnover Ratio	Revenue from Operations	Average Inventory	Times	4.60	0.96	316.39%	Business operation increase from Oct 2022 .That'swhy Inventory was more as compare to FY 2021-22
6	Trade Receivables Turnover Ratio	Revenue from Operations	Average Trade Receivables	Times	8.68	0.96	802.75%	Business operation increase from Oct 2022 .That'swhy Trade Receivables more as compare to FY 2021-22
7	Trade Payables Turnover Ratio	Purchase of Raw Materials , Packing Materials and Stores and spares	Average Trade Payables	Times	3.11	0.77	339.58%	Business operation increase from Oct 2022 .That'swhy Trade Payables was more as compare to FY 2021-22
8	Net Capital Turnover Ratio	Revenue from Operations	Average Working Capital (Current Assets - Current Liabilities)	Times	(12.46)	(49.06)	-74.61%	Due short-term assets and liabilities for supporting sales Compare to FY 2021-22.
9	Net Profit Ratio	Net Profit (After Tax)	Revenue from Operations	Percentage	0.09%	-1.75%	-104.89%	Due to reducing production costs and business expenses or increasing the sales revenue Compare to FY 2021-22.
10	Return on Capital Employed	Earnings before Interest and Taxes	Capital Employed Net Worth + Total Debt (including lease liabilities) +	Percentage	4.69%	-0.94%	-596.66%	Business operation increase from Oct 2022 .That'swhy Capital Employed was more as compare to FY 2021-22
11	Return on Investments				NIL	NIL		
12	Investment in subsidiaries /	Income generated from investments	Average value of investments	Percentage	NIL	NIL		
13	Quoted equity instruments	Income generated from investments	Average market value of investments	Percentage	NIL	NIL		
14	Unquoted equity instruments	Income generated from investments	Average fair market value of investments	Percentage	NIL	NIL		
15	Unquoted Preference instruments	Income generated from investments	Average fair market value of investments	Percentage	NIL	NIL		





**JBM Ogihara Automotive India Limited**  
**CIN:U27100DL2009PLC187584**  
**Notes forming part of Financial Statements**

**Note 45 - Transfer Pricing**

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the international transactions entered into with the associated enterprises during the financial year and expects such records to be in existence before the due date of filing of income tax return. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation, if any.

**Note 46 - Other Regulatory Informations**

S.No.	Particulars
1	The Company has not granted Loans or Advances in the nature of loans are granted to promoters, Directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are repayable on demand or without specifying any terms or period of repayment.
2	The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
3	The quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books or accounts.
4	The Company is not declared as a willful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.
5	The Company does not have any transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year.
6	The Company does not have any charges or satisfaction which is yet to be registered with The Registrar of Companies (ROC) beyond the statutory period.
7	The Company has complied with the requirements of the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.
8	The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) 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.
9	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.
10	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).
11	The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.



**Note-47 Events After The Reporting Period**

There are no reportable events that occurred after the end of the reporting period.

**Note-48 Amendments To Standards That Are Not Yet Effective And Have Not Been Adopted by the Company**

Ministry of Corporate Affairs ("MCA") notifies new amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

**Ind AS 1 - Presentation of Financial Statements** - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

**Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors** - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

**Ind AS 12 - Income Taxes** - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statement.

There is no such notification which would have been applicable from April 1, 2023.


As per our report of even date attached

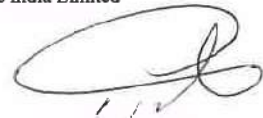
For GSA & Associates LLP  
Firm Registration No.: 004257/N/N500339  
Chartered Accountants

  
Tamej Chugh  
Partner  
Membership No.: 529619  
Place: New Delhi  
Date: 31/07/2023

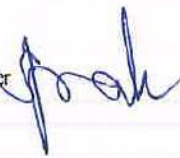


For and on behalf of Board of Directors  
JBM Ogihara Automotive India Limited

  
Anand Swaroop  
Director  
(DIN:00004816)  
Gurugram

  
Hiroshi Morita  
Director  
(DIN:02653966)  
Bengaluru

Prakash Sridhar  
Chief financial officer  
Bengaluru



## 1. General Information

JBM Ogihara Automotive India Limited (the "Company") is a public limited company incorporated under the Companies Act 1956 having its registered office at 601, Hemkunt chambers, 89, Nehru place, New Delhi. The principal activities of the Company are manufacturing of sheet metal components, fuel filler and tools & dies for motor vehicles, components and spare parts.

The financial statements for the year ended March 31, 2023 were approved by the Board of Directors and authorize for issue on July 31, 2023

## 2. Significant Accounting Policies

### 2.1 Statement of Compliance

The Financial Statements have been prepared on a going concern basis in accordance with Indian Accounting Standards (Ind AS) notified under the section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

### 2.2 Basis of Preparation and Presentation

The financial statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies mentioned below. Historical cost is generally based on the fair value of the consideration given in exchange of goods or services.

All assets and liabilities have been classified as current or non-current according to the Company's operating cycle and other criteria set out in the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

The principal accounting policies are set out below.

### 2.3 Use of Estimates and Judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods affected.

### 2.4 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are and net of returns, cash discount, trade allowances, sales incentives and value added taxes. The Company recognizes revenue when the amount of revenue and its related cost can be reliably measured and it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below.





### **Sale of Products**

Revenue from contracts with customers is recognized on transfer of control of promised goods to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services.

### **Sale of Services**

Revenue from services are recognized as related services are performed.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs;
2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Company's performance does not create an asset with an alternative use to the Company and an entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

### **Dividend and interest income**

Dividend income from investments is recognized when the shareholders' right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. For all Financial instruments measured either at amortized or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). Interest income is included in other income in the Statement of Profit and Loss. Interest income in respect of financial instruments measured at fair value through profit or loss is included in other income.

## **2.5 Leases**

Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases" and applied to all lease contracts existing on the date of initial application, using the modified retrospective method along with transition option to recognise right-of-use assets (RoU) at an amount equal to the lease liability.

### **The Company as lessee**

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





Right-of-use asset are measured at cost comprising the following:

- the amount of initial measurement of liability
- any lease payments made at or before the commencement date less the incentives received
- any initial direct costs, and
- restoration costs

They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use asset are depreciated over the shorter of asset's useful life and the lease term on straight-line basis. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

Lease liabilities measured at amortised cost include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Company under residual value guarantees
- the exercise price of purchase option if the Company is reasonably certain to exercise that option,
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the rate of interest implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in the similar economic environment with similar terms, security and conditions.

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract in accordance with Ind AS 116 and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in the Statement of Profit and Loss, unless they are directly attributable to qualifying assets. Variable lease payments are recognised in the Statement of Profit and Loss in the period in which the condition that triggers those payments that occur.

#### **Lease liabilities**

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



## **2.6 Foreign Currencies**

### **Functional and presentation currency**

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

### **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rate at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in Statement of Profit and Loss.

Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to the translation difference (translation differences on items whose gain or loss is recognised in Other Comprehensive Income or the Statement of Profit and Loss is also recognised in Other Comprehensive Income or the Statement of Profit and Loss respectively).

## **2.7 Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Where the funds used to finance a qualifying asset form part of general borrowings, the amount capitalised is calculated using a weighted average of rates applicable to relevant general borrowings of the Company during the year.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

Borrowing costs consist of interest, which is computed as per effective interest method, and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

## **2.8 Employee Benefits**

### **Short-term obligations**

Liabilities for wages and salaries including non-monetary benefits that are expected to be settled within the operating cycle after the end of the period in which the employees render the related



services are recognised in the period in which the related services are rendered and are measured at the undiscounted amount expected to be paid.

**Other long-term employee benefit obligations**

Liabilities for leave encashment and compensated absences which are not expected to be settled wholly within the operating cycle after the end of the period in which the employees render the related service are measured at the present value of the estimated future cash outflows which is expected to be paid using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

**Post-employment obligations**

**Defined benefit plans**

The Company has defined benefit plans namely gratuity fund for employees. The Gratuity Fund is recognised by the Income Tax Authorities and is administered through Trust set up by the Company. Any shortfall in the size of the fund maintained by the Trust is additionally provided for in profit or loss.

The liability or asset recognised in the Balance Sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by Actuary using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in profit or loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

**Defined contribution plans**

The Company has defined contribution plans for post retirements benefits, namely, Employee Provident Fund Scheme administered through Provident Fund Commissioner. The Company's contribution is charged to revenue every year. The Company has no further payment obligations once the contributions have been paid. The Company's contribution to State Plans namely Employees' State Insurance Fund and Labour welfare fund, Labour Welfare Fund are charged to the Statement of Profit and Loss every year.

**Termination Benefits**





A liability for the termination benefit is recognised when the Company can no longer withdraw the offer of the termination benefit.

## 2.9 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

### Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

### Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and incurred tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

### Current and deferred tax for the year

Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the income taxes are also recognised in other comprehensive income or directly in equity respectively.

## 2.10 Property, Plant and Equipment (PPE)

Property, Plant and Equipment (PPE) are stated at cost of acquisition, net of accumulated depreciation and accumulated impairment losses, if any. The cost of tangible asset includes purchase cost (net of rebates and discounts) including any import duties and non-refundable taxes, and any directly attributable costs on making the asset ready for its intended use. Freehold land is measured at cost and is not depreciated.

Interest cost incurred on qualifying asset is capitalized up to the date the asset is ready for its intended use, based on borrowings incurred specifically for financing the asset or the weighted





average rate of all other borrowings if no specific borrowings have been incurred for the asset where the funds used to finance a qualifying asset form part of general borrowings.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. The other repairs and maintenance of revenue nature are charged to the Statement of Profit and Loss during the reporting period in which they have incurred.

#### Transition to IND AS

On transition to Ind AS, the Company had elected to continue with the carrying value of its property, plant and equipment recognised as at April 01, 2016, measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

#### Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method on a pro-rata basis from the month in which each asset is ready to use to allocate their cost, net of their residual values, over their estimated useful lives of the assets as prescribed in Schedule II of the companies Act, 2013 except in respect of the following assets where estimated useful life is determined as per management's estimate based on technical advice which considered the nature of assets, the usage of asset, expected physical wear & tear:

Property, plant and equipment	Useful lives based on technical evaluation
Plant & equipment and Electric Installation	20 & 13 years
Finance Leasehold land (Right of Use Asset)	Over the period of lease

The assets' residual values, estimated useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis

Gains and losses on disposal are determined by comparing proceeds with carrying amount and are credited / debited to profit or loss.

#### 2.11 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost of acquisition and are stated net of accumulated amortization and accumulated impairment losses, if any.

The cost of an intangible asset includes purchase cost (net of rebates and discounts), including any import duties and non-refundable taxes, and any directly attributable costs on making the asset ready for its intended use.

#### Transition to IND AS

On transition to Ind AS, the Company had elected to continue with the carrying value of its intangible asset recognised as at April 01, 2016, measured as per the previous GAAP and use that carrying value as the deemed cost of the intangible assets.



**Amortisation methods and useful lives**

The Cost of Intangible assets are amortized on a straight line basis over their estimated useful life. Technical know-how/license fee/product development relating to process design/plants/facilities are capitalized at the time of capitalization of the said plants/facilities and amortised as follows:

Residual Value is considered as Nil for intangible assets.

Nature of Assets	Estimated Useful lives
Computer software	3 years

The amortisation period and method are reviewed atleast at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

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.

**Impairment of tangible and intangible assets**

At the end of each reporting period, the Company reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 for which the estimates of future cash flows have not been adjusted.

**2.12 Inventories**

Inventories are valued at the lower of cost or net realizable value.

Cost is determined on the following basis:

**Raw Material** is recorded at cost on a weighted average cost formula

**Stores & spares** are recorded at cost on a weighted average cost formula

**Finished goods and work-in-process** are valued at raw material cost plus cost of conversion and attributable proportion of manufacturing overhead incurred in bringing inventories to its present location and condition.

**By products and scrap** are valued at net realizable value.

Machinery spares (other than those qualified to be capitalized as PPE and depreciated accordingly) are charged to profit and loss on consumption.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.



### 2.13 Provisions and contingencies

#### Provisions

Provisions are recognized when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation.

Provisions are determined based on best management estimate required to settle the obligation at balance sheet date. 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 recognised as a finance cost.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate

#### Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

#### Contingent Assets

Contingent asset being a possible asset that arises from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, is not recognized but disclosed in the financial statements.

### 2.14 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial instruments (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss. Subsequently, financial instruments are measured according to the category in which they are classified.

#### (i) Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost using the effective interest method or fair value, depending on the classification of the financial assets.





**(ii) Classification of financial assets**

Classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

A financial asset that meets the following two conditions is measured at amortised cost unless the asset is designated at fair value through profit or loss under the fair value option:

- Business model test: The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows.
- Cash flow characteristic test: The contractual term of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option:

- Business model test: The financial asset is held within a business model whose objective is achieved by both collecting cash flows and selling financial assets.
- Cash flow characteristic test: The contractual term of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are measured at fair value through profit or loss.

**(iii) Financial assets at fair value through profit or loss (FVTPL)**

Financial assets that do not meet the amortised cost criteria or fair value through other comprehensive income criteria are measured at fair value through profit or loss. A financial asset that meets the amortised cost criteria or fair value through other comprehensive income criteria may be designated as at fair value through profit or loss upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets and liabilities or recognising the gains or losses on them on different bases.

Financial assets which are fair valued through profit or loss are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss.





**(iv) Trade receivables**

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost less provision for impairment.

**(v) Cash and cash equivalents**

In the Statement of Cash Flows, cash and cash equivalents includes cash in hand, cheques and balances with bank and short term highly liquid investments with original maturities of three months or less that are readily convertible to known amount of cash. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet and forms part of financing activities in the Statement of Cash Flows. Book overdraft is shown within other financial liabilities in the Balance Sheet and forms part of operating activities in the Statement of Cash Flows.

**(vi) Impairment of financial assets:**

The Company assesses impairment based on expected credit losses (ECL) model to the following:

- financial assets measured at amortised cost
- financial assets measured at fair value through other comprehensive income

Expected credit loss are measured through a loss allowance at an amount equal to :

- the twelve month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within twelve months after the reporting date); or
- full life time expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

**(vii) Derecognition of financial assets**

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients
- The right to receive cash flows from the asset has expired.

**(viii) Foreign Exchange gains and losses**

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the exchange rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortised cost or fair value through profit or loss the exchange differences are recognised in profit or loss except for those which are designated as hedge instrument in a hedging relationship. Further change in the carrying amount of investments in equity instruments at fair value through other comprehensive income relating to changes in foreign currency rates are recognised in other comprehensive income.



**Financial liabilities and equity instruments**

**(ix) Classification of debt or equity**

Debt or equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**(x) Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

**(xi) Financial liabilities**

All financial liabilities are subsequently measured at amortized cost using the effective interest rate method or at fair value through Statement of Profit and Loss.

**(xii) Trade and other payables**

Trade and other payables represent liabilities for goods or services provided to the Company prior to the end of financial year which are unpaid.

**(xiii) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in Statement of Profit and Loss over the period of the borrowings using the effective interest rate method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of Profit and Loss.

**(xiv) Foreign exchange gains or losses**

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in profit or loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the exchange rate at the end of the reporting period. For financial liabilities that are measured as at fair value through profit or loss, the foreign exchange component forms part of the fair value gains or losses and is recognised in Statement of Profit and Loss.

**(xv) Derecognition of financial liabilities**



The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

**(xvi) Derivative Financial Instruments**

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate and cross currency swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in Statement of Profit and Loss depends on nature of the hedging relationship and the nature of the hedged item.

**(xvii) Offsetting Financial Instruments**

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

**2.15 Fair Value Measurement**

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 is 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 recognised in the Balance Sheet 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

#### **2.16 Earnings Per Share**

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit 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, except where the result is anti-dilutive.

#### **2.17 Dividends**

Final dividends on shares are recorded on the date of approval by the shareholders of the Company.

#### **2.18 Royalty**

The Company pays/accrues for royalty in accordance with the relevant license agreements. The lump-sum royalty incurred towards obtaining technical assistance/technical know-how and engineering support to manufacture a new model is recognized as an intangible asset. Royalty payable on sale of products i.e. running royalty is charged to Statement of Profit and loss as and when incurred.

#### **2.19 Rounding of amounts**

All amounts disclosed in the financial statements and the accompanying notes have been rounded off to the nearest lakhs as per the requirement of Schedule III (Division II) of the Companies Act 2013, unless otherwise stated.

