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**JTEKT INDIA LIMITED**

18<sup>th</sup> July, 2024

**The BSE Limited**

Department of Corporate Services  
Floor 1, New Trading Ring  
Rotunda Building. P.J. Towers  
Dalal Street, Fort, Mumbai 400 001.

**Scrip Code - 520057**

**Listing Compliance**

**National Stock Exchange of India Ltd.**

Exchange Plaza, 5th Floor,  
Plot No. C/1, G Block, Bandra – Kurla Complex  
Bandra (E), Mumbai 400 051.

**Symbol – JTEKTINDIA; Series – EQ**

**Sub: Notice of the 40<sup>th</sup> Annual General Meeting and Annual Report for the Financial Year 2023-24.**

Dear Sir/Madam,

Pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (the 'Listing Regulations'), we wish to inform the following:

1. The 40<sup>th</sup> Annual General Meeting ('AGM') of the Members of Company will be held on **Tuesday, 13<sup>th</sup> August, 2024 at 11.30 a.m.** through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') in accordance with Circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India, from time to time.
2. Pursuant to the said Circulars, AGM Notice and Annual Report for the Financial Year 2023-24 have been sent to all the members of the Company whose email addresses are registered with the Company / Depository Participant(s).
3. The Company has provided the facility to vote by electronic means (remote e-voting as well as e-voting at the AGM) on all the resolutions set out in the AGM notice to the members, who will be holding shares as on Cut-off date i.e. **Tuesday, the 6<sup>th</sup> August, 2024**. The remote e-voting will commence at 9:00 a.m. (IST) on **Saturday, August 10, 2024 and end at 5:00 p.m. (IST) on Monday, August 12, 2024**. Detailed instructions for registering email addresses(s) and voting/attendance at the AGM are given in the AGM Notice.
4. We also enclose herewith the Annual Report of the Company for the Financial Year 2023-24 including Notice convening the 40<sup>th</sup> AGM of the Company for your record.

The same will also be available on the website of the Company at <http://www.jtekt.co.in/>

This is for your information and record.

Thanking you,

Yours faithfully,

For **JTEKT India Limited**

**Saurabh Agrawal**  
**Company Secretary**

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**Regd. Office :** UGF-6, Indra Prakash, 21, Barakhamba Road, New Delhi – 110 001, India.

**Tel :** +91 11 23311924 / 2332 7205

**CIN :** L29113DL1984PLC018415, Website : [www.jtekt.co.in](http://www.jtekt.co.in)

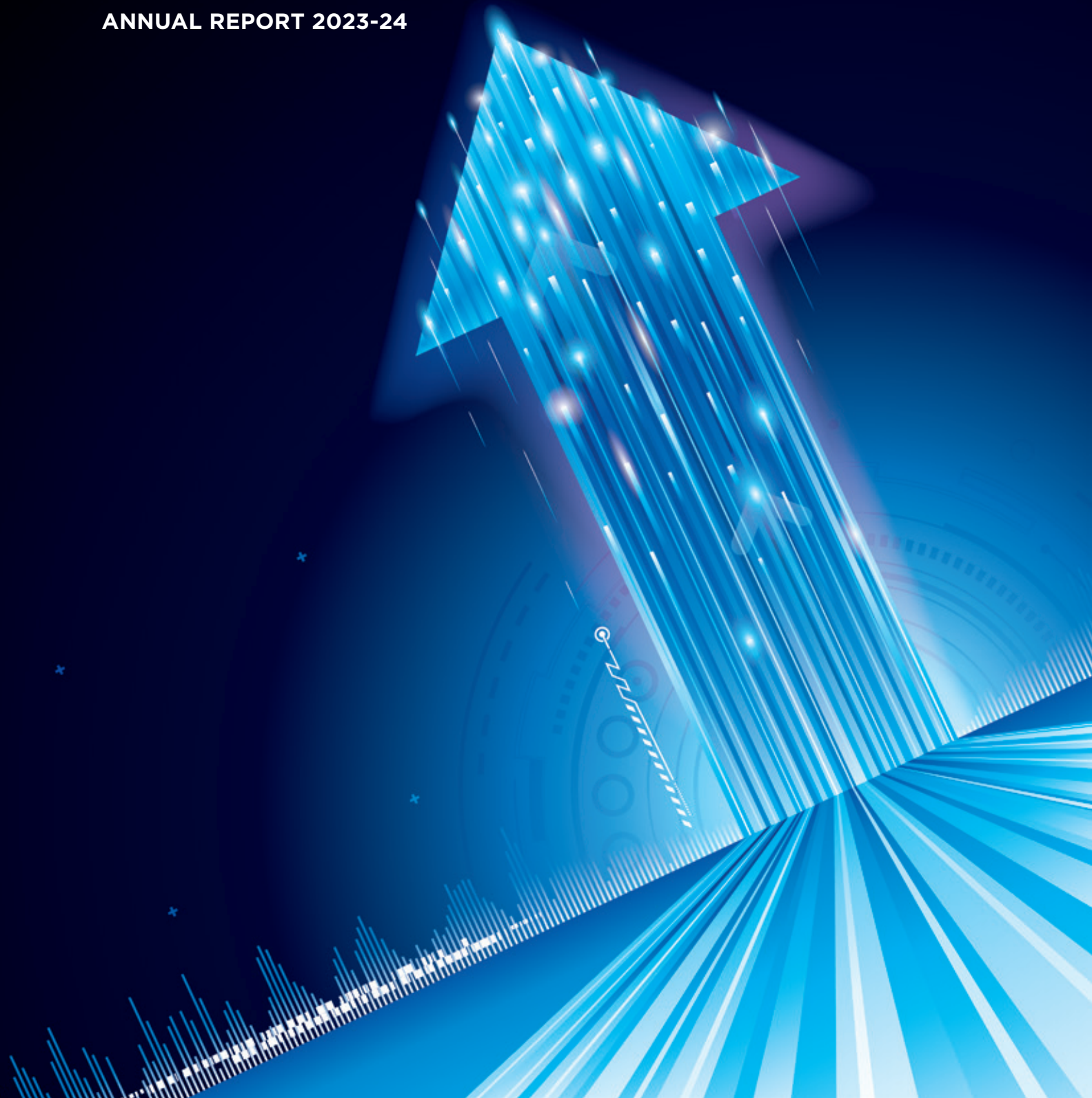
**Email :** [investorgrievance@jtekt.co.in](mailto:investorgrievance@jtekt.co.in)

**Works :** 38/6, Delhi-Jaipur Road, NH-48. Gurugram – 122 001, Haryana, India.

**Tel :** +91 124 468 5000

# OPTIMIZING POTENTIAL

JTEKT INDIA LIMITED  
ANNUAL REPORT 2023-24





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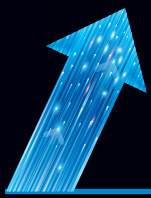
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*The graphic represents our unwavering resolve to forge ahead with steadfast actions, albeit roadblocks. Management's resolve to expand its rationalization efforts through business restructuring, digitization, skill development and benchmarking has served in Optimizing Potential.*





# Optimizing Potential

When it comes to increasing efficiency, productivity, business viability and strengthening the core competencies, we, at JTEKT India, are well-equipped and have anchored ourselves on a firm footing in the automotive domain. We have been consistently optimizing our potential by Building on value, Building on excellence, Building on precision & Building on creating products par excellence. This optimisation of capability & potential has aided JTEKT India in providing value to our customers and delivering them excellent products, which entails working on accomplishing precision and master craftsmanship. We have consistently worked on increasing and optimizing our potential in terms of innovation and technology by way of achieving precision and brilliance in product manufacturing, improving our supply chain, and winning customers' trust. Our passion for creating a sustainable business ecosystem where professionalism and cutting-edge technology take centre-stage has helped us reach new milestones year after year. Whilst, on the one hand, we are committed to providing our patrons with best-in-class service, on the other hand, we are also mindful of our mission of continuously contributing to the Earth and Society by developing high-quality steering and driveline products. Our priorities also include improving testing capabilities, producing better products the first time, and increasing capacity.

At JTEKT India, we live by our devotion to our Group's Vision of "Shaping a Better Future" through the spirit of "No 1 & Only One" and our guiding principles have

always encouraged us to strive to attain brilliance in terms of manufacturing and operations. Along the journey, we have optimised our potential not only through enhancing our product quality by means of innovation and application of cutting-edge technology but also by working on our R&D and enhancing our technical capacity and making them world-class.

Technology - being one of the backbones, we have designed an array of products with leading-edge technologies and have simultaneously invested in marketing, skill upgradation, training and much more.

Our passion and commitment to serving our customers, employees, suppliers and shareholders better are simply guided by our virtues of trust, honesty and integrity.

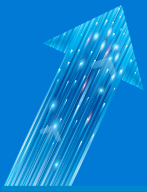
We also believe in establishing a sense of mission and shared values that help us build credibility and promote a long-lasting relationship with our stakeholders.

With our focus on cost optimisation, building operational excellence, product innovation, improving supplier relations, self-reliance and manufacturing rationalization, we have been able to steer the wheels of growth toward success and achieve a better future. We have also succeeded in optimising our potential by expanding our capacity in line with the expansion plan; a crucial element of that approach is production rationalization.

Moreover, the effective implementation of manufacturing rationalization through collaborative efforts has yielded benefits, including increased capacity, cost optimization, and operational efficiency. Our long-term perspective-based rationalization roadmap has been developed, and we have been progressively putting it into practice. The most recent fiscal year saw the completion of the integration of JTEKT Fuji Kiko Automotive India with JTEKT India, which was covered under the enlarged purview of our rationalization plan.

By optimising our potential and our zeal for achieving excellence through creating a brand that symbolizes resilience, longevity and trust and distinction, we have made a mark in the Indian automotive industry. And, we are committed to carrying this rich legacy forward!





# JTEKT Group of Companies in India

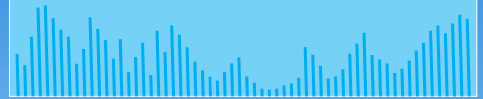
## JTEKT India Limited

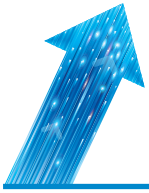
### JTEKT Bearings India Pvt. Ltd.

Hub Units, Tapered Roller Bearings and  
Single Ball Bearings.

### JTEKT Micromatic Machinery India Pvt. Ltd.

Machines, Machine Tools Sales and After  
Sales Support & Service





# WE ARE JTEKT INDIA

An established name and a leader in the field of automotive components in India, we, at JTEKT India Limited, a subsidiary of the JTEKT Corporation, Japan, have put innovation in manufacturing automotive components at the center of our manufacturing journey and are dedicated to fusing accuracy and technology in the manufacturing of automotive components.

Our core competencies include innovation and production of state-of-the-art automotive components, such as hydraulic power steering systems, rack and pinion steering systems, and driveline products, manufacturing next-generation, technology for automobiles like Column type Electric Power Steering systems. We believe and are committed to displaying precision and inventiveness through our products and the way we cater to the requirements of our stakeholders and our customers. We have been producing product lines of the highest standard and selling them to the USA, Europe, and Japan using cutting-edge and extremely precise technology. Our product line is purchased by OEMs in India, such as Maruti Suzuki, Toyota, Tata Motors, Mahindra & Mahindra, General Motors, Fiat India, Isuzu Motors, Renault India, Honda, and Nissan.

Moreover, with the needs of our customers and our technological advancements at the forefront, we developed a cutting-edge product in the driveline segment last year called Constant Velocity Joint (CVJ), and we



began commercial manufacturing of it. Our client for this cutting-edge product is Maruti Suzuki. Thanks to this exceptional product, JTEKT India has been able to build on its reputation as an innovator and the driving force behind cutting-edge technology in the automotive sector.

As far as manufacturing is concerned, we serve significant auto clusters and important customers in India from our seven strategically located plants, which are dispersed throughout Gurgaon, Bawal, Dharuhera, Sanand, and Sriperumbudur. Our team is experienced in managing overall rationalization projects and closely works with our customers for faster approval and ensures efficient project execution through the structured Obeya methodology.

One of the salient features that make us stand out as an automotive parts player in India is our philosophy and commitment to - Shaping a better future through the spirit of "No. 1 & Only One", which is based on Building Value, Building Excellent Products and Building Professionals.

Whilst 'Building Value' revolves around providing value to the customers via assuring the delivery of the products par excellence, 'Building

Excellent Products' entails promising the consumers products that exhibit precision and master craftsmanship. 'Building Professionals', is yet another pivotal point that distinguishes us as an entity passionate about excellence and a company that always works to exceed expectations. We work towards building a team of professionals who are skilled, confident, and ardent members of JTEKT. We have continuously innovated with the sole aim of establishing a connection with clients and fulfilling their demands.

In order to remain competitive and provide excellent customer service, we are increasing our capacity in accordance with the business plan, and production rationalization is a key component of that strategy. We have created a long-term perspective-based rationalization roadmap and have been gradually implementing it. The integration of JTEKT Fuji Kiko Automotive India with JTEKT India was completed in the most recent fiscal year and was included in the expanded scope of our rationalization plan.

JTEKT Group, established in Japan, includes JTEKT India as a member. The Group leads the world in the automotive and other industries, with 1,891 billion yen in revenue, mostly due to its best-in-class product selection. We provide the automotive industry with a wide range of products, such as drive line and steering system components, to guarantee comfort, safety, and assurance. Our other product categories are machine tools and bearings.



# Letter from the Chairman



**Amidst all the ups and downs, Indian economy has emerged as a knight in shining armour. It has shown incredible growth and leapfrogged to take its GDP growth to 8.2% in FY 2023-24 as compared to the growth rate of 7.0% in FY 2022-23.**

## Dear Shareholders,

Resilience is one word that can aptly define the state of economic affairs across the world! Four years after the unprecedentedly turbulent events of the pandemic, wars, inflation, and monetary tightening, the economy has found a steady ground where it has firmed up. Inflation that seemed to engulf the entire world doused off as quickly as it flared up. With developed economies expected to return to their inflation targets earlier than emerging markets and developing economies, global inflation is predicted to decrease gradually from 6.8% in 2023 to 5.9% in 2024 and 4.5% in 2025. The general consensus is that core inflation will decrease more gradually.

Furthermore, the rate of global growth, which was predicted to be 3.2% in 2023, is expected to stay constant in 2024 and 2025. The COVID-19 pandemic, Russia's invasion of Ukraine, weak productivity growth, and growing geoeconomic fragmentation are all contributing factors to the low pace of expansion by historical standards. Near-term factors include still-high borrowing costs and the withdrawal of fiscal support.

Amidst all the ups and downs, Indian economy has emerged as a knight in shining armour. It has shown incredible growth and leapfrogged to take its GDP growth to 8.2% in FY 2023-24 as compared to the growth rate of 7.0% in FY 2022-23. Such kind of growth further fortifies India's position as the world's fastest-growing major, which is currently fifth in the line. Seeing this impressive and steady growth despite the volatile economic scenario, the Monetary Policy Committee (MPC) has forecasted the real GDP from an earlier estimate of 7 per cent to 7.2 per cent for FY2024-25. The reason for India clocking such growth has been cited as improving rural and urban demand buoyed by favorable monsoon forecasts. The Indian economy is in a strong position and is expected to continue rising at the quickest rate of any major economy in the world thanks to its strong growth and falling inflation. In addition, the investment growth has largely been driven by the Government of India (GoI) capital expenditure growth. Moreover, the continuous government stimulus programmes, faster consumption growth compared to China, the US, and Germany, focus on increasing industry output and emphasis on self-sufficiency have also aided in growth.





The Indian automobile has posted a satisfactory performance with sales growing by 12.5% this fiscal backed by robust economic growth and strong and conducive government at the centre. Category wise, passenger vehicle sales rose to 8.4% with overall sales touching almost 5 million units including 4.2 million domestic and 0.7 million exports, three-wheelers 41.5% two-wheelers 13.3%, commercial vehicles marginally by 0.6%.

As our most trusted partner, you would be pleased to know that at JTEKT India, we have steadfastly fortified our position in the automotive sector through the means of rationalisation and amalgamation with the right ethos and values. This has not only helped us optimize our potential but also achieve excellence in operations, manufacturing and functioning. To improve overall operational efficiency, we have implemented a number of initiatives throughout the years to rationalize our manufacturing operations. Keeping innovation and pragmatism at the forefront, we have concentrated on improving our designing, prototyping, and testing capabilities and made an attempt to align with the current market and consumer demand. Our affiliation with technology has gone back to the time of our foundational years and we have succeeded in being upbeat with trends and provide our patrons high-tech, high-quality, reliable products experience.

We have also placed a strong emphasis on upskilling and upscaling our people resources through training, development, and skill enhancement because quality, innovation, growth, and development are our primary values.

In addition, customer satisfaction is our first goal, and we're constantly working to improve our capacity to become self-sufficient by sending staff members to our headquarters for extended training, standardizing the development process, developing locally, and simultaneous engineering.

On the financial turf, we have succeeded in optimising our potential by improving

our net profit margin from 4.2% to 4.7%. Furthermore, Return on Capital Employed has improved from 14.9% to 16.2%.

During the fiscal, we received acclamations from our Customers. Tata Motors recognised the Company for outstanding performance in the area of "Quality Forever". Trenton Pressing, USA recognized the Company as "Best Overall Supplier 2023". ISUZU, recognised the efforts of the Company in achieving "Best Delivery Performance".

In order to remain competitive and provide excellent customer service, we are growing our capabilities in accordance with the business plan, and manufacturing rationalization is a key component of that strategy. Our roadmap for rationalization rests on a long-term perspective and we have been implementing it in a phased manner, and the amalgamation of JTEKT Fuji Kiko Automotive India with JTEKT India, last year, has also been included in the extended scope of rationalization plan.

Your Company serves numerous clients with a variety of products through operations dispersed throughout seven plant locations. We have established a dedicated staff to oversee all rationalization projects, adhering to the structured Obeya approach for effective implementation. This necessitates tight collaboration with customers for expedited approval as well as quick and dependable project execution. We have succeeded in realizing manufacturing rationalization and reap benefits in the areas of capacity creation, cost optimization and operational efficiency enhancement.

Our commitment to excellence has helped us forge an alliance with precision and master craftsmanship and reach new heights of success and growth with the help of our stakeholders and partners. I express my gratitude to patrons like Maruti Suzuki, Mahindra & Mahindra, Tata Motors, Honda Cars India, Stellantis (Fiat + PCA), Toyota Kirloskar, Club Car, E-z-go, Renault-Nissan, Isuzu and SML-Isuzu. I want to take this opportunity to thank our bankers: State Bank of India, Standard Chartered Bank,



**As our most trusted partner, you would be pleased to know that at JTEKT India, we have steadfastly fortified our position in the automotive sector through the means of rationalisation and amalgamation with the right ethos and values. This has not only helped us optimize potential but also achieve excellence in operations, manufacturing and functioning.**

Sumitomo Mitsui Banking Corporation, MUFG Bank Limited and Mizuho Bank Limited.

I am glad to express my sincere gratitude to all the employees who have led JTEKT India to newer heights with their hard and smart work and helped us forge an alliance of faith and trust with our patrons. They have relentlessly provided the customers, clients, and community their support and best-in-class products, services and experiences.

In the end, I am pleased to extend my profound appreciation to our shareholders who have been our strong support both during tough and good times. It is indeed your trust and unfailing faith in us that has kept us afloat!

Yours sincerely,

**Hitoshi Mogi**  
Chairman and Managing Director





# Board and Leadership



↑ **Mr. Hitoshi Mogi**  
Chairman & Managing  
Director



↑ **Mr. Rajiv Chanana**  
Director & CFO



↑ **Mr. Minoru Sugisawa**  
Wholetime Director



↑ **Mr. Takumi Matsumoto**  
Director



↑ **Mr. Taku Sumino**  
Nominee of Maruti Suzuki  
India Limited



↑ **Mrs. Hiroko Nose**  
Independent Director



↑ **Mr. Inder Mohan Singh**  
Independent Director



↑ **Lt. Gen. Praveen Bakshi (Retd.)**  
Independent Director



↑ **Mr. Hiroshi Daikoku**  
Independent Director



↑ **Mr. Masahiko Morimoto**  
Independent Director



# Corporate Information

## Board of Directors

**Mr. Hitoshi Mogi**  
Chairman & Managing Director

**Mr. Rajiv Chanana**  
Director & CFO

**Mr. Minoru Sugisawa**  
Wholetime Director

**Mr. Takumi Matsumoto**  
Director

**Mr. Taku Sumino**  
Nominee of Maruti Suzuki India Limited

**Mrs. Hiroko Nose**  
Independent Director

**Mr. Inder Mohan Singh**  
Independent Director

**Lt. Gen. Praveen Bakshi (Retd.)**  
Independent Director

**Mr. Hiroshi Daikoku**  
Independent Director

**Mr. Masahiko Morimoto**  
Independent Director

## Company Secretary

**Mr. Saurabh Agrawal**

## Operating Management

Mr. Hitoshi Mogi  
Mr. Rajiv Chanana  
Mr. Minoru Sugisawa  
Mr. Terumitsu Kuwana  
Mr. Yasushi Shidahara  
Mr. Tomohira Sakuma  
Mr. S. Senthil Kumar  
Mr. Ashish Singh  
Mr. Jaydeep Kumar  
Mr. Vinod Kumar Kalra  
Mr. Praveen Bansal  
Mr. Jayabasker Govindaraj  
Mr. Mukul Kalra  
Mr. Pravat Samal

## Technical Partner

JTEKT Corporation, Japan

## Auditors

**M/s B S R & Co. LLP**  
Chartered Accountants  
Building No. 10, 12th Floor,  
Tower-C DLF Cyber City, Phase - II  
Gurugram 122002 (Haryana).

## Bankers

State Bank of India  
Standard Chartered Bank  
Sumitomo Mitsui Banking Corporation  
MUFG Bank Limited  
Mizuho Bank Limited

## Registrar and Transfer Agent

**KFin Technologies Limited**  
Selenium Building, Tower-B  
Plot No. 31 & 32  
Financial District, Nanakramguda,  
Serilingampally, Hyderabad  
Rangareddi, Telangana 500032.

## Works

38/6, NH-8, Delhi-Jaipur Road  
Gurugram 122001 (Haryana).

32, HUDA Industrial Area Phase II  
Dharuhera, Distt, Rewari  
122106 (Haryana).

19, HUDA Industrial Area Phase II  
Dharuhera, Distt, Rewari  
122106 (Haryana).

39/2/2, 3/2 4/2, 7, 8 Village Malpura  
Tehsil Dharuhera, Distt. Rewari  
123401 (Haryana).

26, Sector-5, Phase – II,  
Growth Centre  
Bawal, Distt. Rewari  
123501 (Haryana).

25, Sector-5, Phase – II,  
Growth Centre  
Bawal, Distt. Rewari  
123501 (Haryana).

P.O. Box 14,  
Chennai-Bangalore Highway  
Sriperumbudur  
Distt, Chinglepet  
Chennai 602105 (Tamil Nadu).

## Registered Office

UGF-6, Indraprakash  
21, Barakhamba Road  
New Delhi 110001.

The Corporate Information given above is as on 31st March 2024.



# Management Discussion and Analysis



and 2025. The pace of expansion is low by historical standards, owing to both near-term factors, such as still-high borrowing costs and withdrawal of fiscal support, and longer-term effects from the COVID-19 pandemic and Russia's invasion of Ukraine; weak growth in productivity; and increasing geo-economic fragmentation. Global headline inflation is expected to fall from an annual average of 6.8 percent in 2023 to 5.9 percent in 2024 and 4.5 percent in 2025, with advanced economies returning to their inflation targets sooner than emerging market and developing economies. The latest forecast for global growth five year from now-at 3.1 percent-is at its lowest in decades. (Source: International Monetary Fund : World Economic Outlook April 2024)

## ECONOMIC SCENARIO

### Global economic scenario

The global economy has exhibited remarkable resilience despite gloomy forecasts! Four years after the pandemic, wars, inflation, and monetary tightening that wrought havoc, it appears like the rate of growth in the world economy is levelling out. The steady growth doused the fire of inflation as quickly as it rose. The years have been marked by a number of historic occurrences, including supply-chain disruptions, a food and energy crisis brought on by Russia's invasion of Ukraine, a significant spike in inflation, and a worldwide coordinated tightening of monetary policy.

Global growth, estimated at 3.2 percent in 2023, is projected to continue at the same pace in 2024

The impact of tight monetary conditions continues being felt, particularly in housing and credit markets, but global activity is proving relatively resilient, the decline in inflation continues, and private sector confidence is improving. However, significant uncertainty remains. Growth could disappoint in China, due to the persistent weakness in property markets or smaller-than-anticipated fiscal support over the next two years. High geopolitical tensions remain a significant near-term risk to activity and inflation, particularly if the evolving conflict in the Middle East and attacks in the Red Sea were to widen or escalate. (Source: OECD Economic Outlook May 2024)

### Indian economic scenario

India is one of the countries worldwide to look out for as far as the economy is concerned. It has taken a big leap and real GDP has been estimated to grow



by 8.2% in FY 2023-24 as compared to the growth rate of 7.0% in FY 2022-23. Real GVA has grown by 7.2% in 2023-24 over 6.7% in 2022-23. This GVA growth has been mainly due to significant growth of 9.9% in the manufacturing sector in 2023-24 over (-)2.2% in 2022-23. (Source: Press Release dated 31st May 2024 by Ministry of Statistics, Govt of India).

This growth reiterates India's position as the world's fastest-growing major economy which currently holds the tag of being the world's fifth largest economy. The Monetary Policy Committee (MPC) raised the real GDP forecast for FY 2024-25 to 7.2 per cent from an earlier estimate of 7 per cent, citing improving rural and urban demand buoyed by favorable monsoon forecasts. With robust growth and declining inflation, the Indian economy is in an enviable position, poised to remain the fastest-growing major economy in the world.

The investment growth has largely been driven by Government of India

(GoI) capital expenditure growth. The full year number released by Controller General of Accounts shows a capital expenditure growth of 28.8 per cent. For four successive years, the GoI has shown a capital expenditure growth averaging 29.7 per cent. This large investment push by the GoI is the main growth driver resulting in India doing well in spite of continuing global tailwinds.

The growth momentum is expected to continue and strengthen in the coming times. Despite deepening geopolitical distress and global macroeconomic headwinds, India remains resilient.

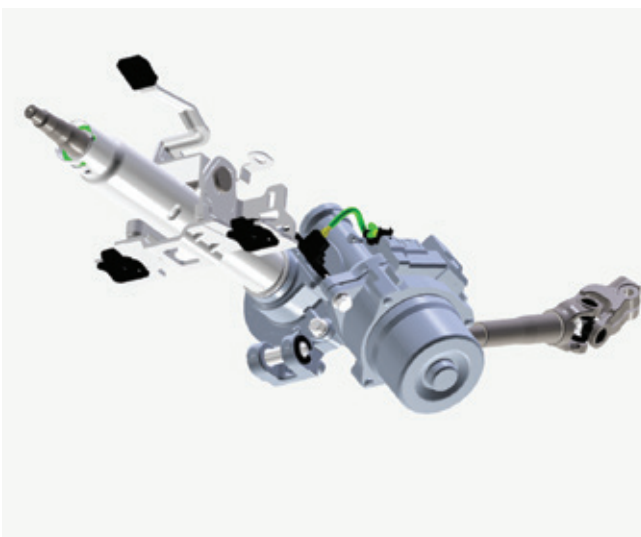
## INDUSTRY

### Global Auto Scenario

Global auto sales posted a volume of 75 million units in 2023; from the sales volume of 67.3 million units posted in 2022. Sales activity had started the year on an upward trend with the seasonally adjusted annualized rate at 75 million. Throughout 2020 and 2021, the sector

experienced a downward trend on the back of a slowing global economy, while COVID-19 and the Russian war on Ukraine contributed to shortages in the automotive semiconductor industry and further supply chain disruptions in 2022. Despite these challenges, sales in 2023 surpassed pre-pandemic levels and are forecast to keep rising through 2024.

It was estimated before pandemic that international car sales would reach 80 million. While 2023 sales are still far away from that goal, this was the first year when car sales exceeded pre-pandemic values. The automotive market faced various challenges in 2023, including supply shortages, automotive layoffs, and strikes in North America. However, despite these hurdles, the North American market was among the fastest-growing regions that year, along with Eastern Europe and Asia, as auto sales in these regions increased year-on-year. (Source: <https://www.statista.com/statistics/200002/international-car-sales-since-1990/>)



### Indian Scenario

Backed by robust economy growth and conducive policies of Government of India, the Indian Automobile Industry has posted a satisfactory performance with domestic industry growing by 12.5% during the last Financial Year. Passenger Vehicle segment led the growth with overall sales touching almost 5-million units including 4.2 million domestic (growth of 8.4%) and 0.7 million exports. Two-wheeler segment continued the recovery path with a handsome growth of over 13% in domestic sales to almost 18 million units, even though still lower than the earlier peak of 21 million units in FY19. Domestic Commercial Vehicle industry had a marginal growth to reach 0.97 million units and within that, some drop was experienced in LCVs and SCVs due to de-growth in CNG segment. The growth in Commercial vehicles was also impacted due to migration to higher tonnage trucks which created higher payload capacity that is not reflected in the number of units. Three-Wheeler industry is almost close to the earlier peak of 0.7 million units reached in FY 19. Overall exports remained under stress during the last financial year with sizeable drop in Commercial Vehicles, Two-Wheelers and Three-Wheelers, though Passenger vehicles grew marginally. India's passenger vehicle sales grew as chip shortages eased and demand for sport utility vehicles (SUVs) surged, as per data released by auto industry body SIAM. However, good recovery was seen in the last quarter, especially for two-wheelers, indicating better potential for the current year. All in all, it has been a satisfactory performance for the Indian Automobile Industry.

### Production

The industry produced a total of 2,84,34,742 vehicles including Passenger Vehicles, Commercial Vehicles, Three Wheelers, Two Wheelers, and Quadricycles in April 2023 to March 2024, as against 2,59,31,867 units in April 2022 to March 2023.

### Domestic Sales

Total Passenger Vehicle Sales increased from 38,90,114 to 42,18,746 units. The overall Commercial Vehicles sales increased from 9,62,468 to 9,67,878 units in FY 2023-24 compared to the previous year.

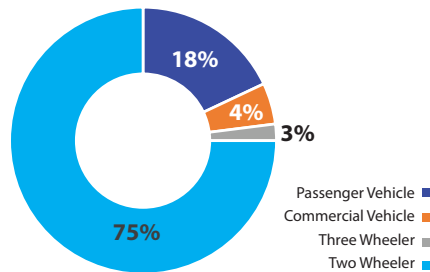
Sales of Three Wheelers increased from 4,88,768 to 6,91,749 units, in FY 2023-24, compared to the previous year.

Two Wheelers sales increased from 1,58,62,087 to 1,79,74,365 units, in FY-2023-24, compared to the previous year. (Source: <https://www.siam.in/statistics>)

### Exports

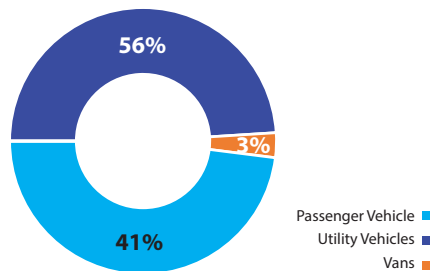
In April 2023 to March 2024, Passenger Vehicle Exports increased from 6,62,891 to 6,72,105 units while Commercial Vehicle Exports decreased from 78,645 to 65,816, Three-Wheeler Exports decreased from 3,65,549 to 2,99,977 and Two Wheelers Exports decreased from 36,52,122 to 34,58,416 units over the same period last year. Source: <https://www.siam.in/statistics.aspx?mpgid=8&pgidtrail=15>

### Domestic Market Share for 2023-24



Source: SIAM

### Segment wise demand change in Passenger Vehicles



Source: SIAM

### OUTLOOK

Despite weathering a volatile environment in the past few years, the auto industry has found a good turf in 2024 & entered a favourable trend. Although supply chain disruptions and rising borrowing rates continue to pose hurdles, sales are expected to grow, and the industry is ready to adjust to shifting customer tastes in the years to come.

Moreover, the worst of the fallout seems to have settled, and auto industry has found a new normal. Despite this there were fresh hurdles. The simmering tensions in the Red Sea region, aggravated by the Iran-Israel conflicts, have spread across global trade networks, causing supply chain disruptions, and rising inflationary pressure.

The Indian Government's industry-friendly policies and initiatives are expected to play a significant role in enhancing connectivity and fueling the industry's prospects. For example in the interim budget, there is a substantial increase in the allocation for the automotive industries under Production-Linked Incentive (PLI) scheme for 2024-25 with outlay reaching to INR 3,500 crore. The PLI scheme for advanced chemistry cell and battery storage has seen a notable hike from INR 12 crore to INR 250 crore. Government has increased the budget allocation of FAME II by 78% and allocated INR 800 Crore for 7,432 public fast charging stations. This funding aims to boost EV adoption, address range anxiety, reduce charging time, and create employment opportunities in the automotive sector.

## OPERATIONAL PERFORMANCE AND FINANCIAL REVIEW

### Financial Review

INR/Mn.

	2023-24	2022-23
Net Income from Operation	22,281	20,251
Other Operating Income	174	188
<b>Total Revenue</b>	<b>22,455</b>	<b>20,439</b>
Raw Material	15,965	14,461
Staff Cost	2,260	2,162
Other Expenditure	2,079	1,948
<b>EBIDTA</b>	<b>2,151</b>	<b>1,868</b>
Other Income	115	86
Depreciation and Amortisation	814	732
<b>EBIT</b>	<b>1,452</b>	<b>1,222</b>
Finance Charges	61	47
<b>PBT before Exceptional Items</b>	<b>1,391</b>	<b>1,174</b>
Exceptional Items	-74	33
Share of profit of associates	-	-
<b>PBT</b>	<b>1,465</b>	<b>1,142</b>
Tax	396	271
<b>PAT</b>	<b>1,069</b>	<b>871</b>
Other Comprehensive Income	-10	-6.7
<b>Total Comprehensive Income</b>	<b>1,059</b>	<b>864</b>
<b>Profit attributable to Owner</b>	<b>1,059</b>	<b>864</b>
Capital Expenditure	1,707	873
EPS	4.20	3.43
<b>D/E Ratio</b>	<b>0.14</b>	<b>0.09</b>

### Ratio Analysis

Details of significant changes (i.e., change of 25% or more as compared to the immediately previous financial year) in the key financial ratios are as under: -

#### Net Profit Margin

Net Profit margin improved from 4.2% to 4.7%, mainly due to higher sales in the current financial year. Further, Debt. Equity Ratio has increased from 0.09% to 0.14% during the year owing to the new term loan taken by the Company for the ongoing capital projects.

There has been no significant change in other financial ratios, including current ratio, debtor turnover, inventory turnover, and fixed assets turnover ratios.

### TECHNICAL CAPABILITY/ RESEARCH & DEVELOPMENT

The Company follows a mission of continuously contributing to the Earth and Society by developing high-quality Steering and driveline products. The Company focuses on following safety, quality, and environmental compliance. The Company is determined to provide safe/reliable products and services to Customers, creating a safe/friendly workplace and society for all employees and surrounding people.

Other than safety, considering customer satisfaction as another priority, the Company is in a continual process of capability enhancement to achieve self-reliance by sending members to headquarters for long-

term training, standardization of the development process, localized development, and simultaneous engineering.

The company is focusing on virtual simulation to mature to create better first-time right products and reduce development lead time minimizing physical bench testing. Further, understanding the importance of development locally, the company is in the process of expanding protocell and enhancing testing capabilities.

The company believes in a proactive approach rather than a reactive approach and in this regard. The technical center in India has been adding value by developing new products, providing cost-effective solutions, and developing products specific to the Indian market. Many advanced developments have been considered to increase competitiveness and meet customer expectations.

We will keep on progressing with our focus on self-reliance, cost-effectiveness, and service to the customer.

### MANUFACTURING RATIONALIZATIONS

Indian automotive industry has been continuously growing at high rate and the growth is expected to be further steeper based on the customer and industry forecast. This requires us to be ready with capacities in much lesser time as compared to the past.

Company is expanding the capacities across in line with business roadmap and manufacturing rationalization is at the core of the decision making to be competitive and serving its customers efficiently.

Company has established a roadmap for rationalization based on long term perspective and has been executing the same in a phased manner.



## RECOGNITION

During the fiscal, the Company received acclamations from its Customers. Tata Motors recognised the Company for outstanding performance in the area of "Quality Forever". Company also received certificate of appreciation from Tata Motors for participation in Quality Kaizen Competition. Trenton Pressing, USA recognized the Company as "Best Overall Supplier 2023". ISUZU, recognised the efforts of the Company in achieving "Best Delivery Performance".



In the last fiscal year, the amalgamation of JTEKT Fuji kiko Automotive India with JTEKT India was completed and this was also covered in the extended scope of rationalization plan.

Company has operations spread across 7 plant locations catering to multiple customers with different products. This requires close working with customers for faster approval as well as efficient and reliable project execution. Company has formed a focused team to manage overall rationalization projects which follows structured Obeya methodology for efficient execution.

As a result of part efforts, overall 9 rationalization projects have been

completed in last fiscal year 2023-24 and 18 projects are proceeding at different stages, out of that 5 projects are scheduled to be completed within current fiscal year 2024-25.

The collective efforts in successfully realizing manufacturing rationalization have helped company realizing numerous benefits in the areas of capacity creation, cost optimization and operational efficiency enhancement.

Our planned actions are aligned to make JTEKT India, the best in class automotive parts manufacturing company and continuously strive towards excellence while contributing to the society.

## HUMAN RESOURCES

At JTEKT India Limited, Human Resources Department plays an essential role in aligning the workforce with the company's objectives by focusing on manpower planning, talent acquisition, talent development and retention strategies. Recognizing human capital as one of our most valuable resources, we are dedicated to nurturing more than 3400 family members with care and commitment.

Employees are offered performance-linked appraisals and benefits and the Company conducts employee engagement programs from time to time.

### Engagement of fresh talent

To bring the best talent in the organization & to drive growth, we emphasis on engagement of fresh & qualified Diploma & Graduate Engineers. To filter the talent pool according to the company's culture and technical requirements, we are conducting AMCAT test for GETs and written test for DETs which helps us in hiring bright candidates for our organization. During FY 2024, company hired 13 fresh GETs and 97 DETs.

### Career Path to bright talent

The Company also focuses on the development and providing career path to all category of workforce with the fair and transparent criteria. In FY 2024 Company has closed its 54 vacancies internally.

### Employee Development & Training

We focus on development of employees based on individual needs or competency gap. Our strategy is to improve and fulfil the need of employee's job role. During FY 2024, we have covered 85% of employees around 90 Nos. of trainings with respect to their development needs. The Company also provides DOJO training to our shop floor employees.



Managerial Development Program

For the new incumbents (at all levels), following process is being adopted: -

- Induction & DOJO for three to nine days.
- Specific DOJO Training (Practical training) to Production Employees on Safety, Production, Maintenance etc.
- Performance exam after DOJO training (Those who pass the criteria, are only allowed to work on shop floor of the plants).

We have also conducted external sessions for our management on Managerial Development Program.

Employees are also making the optimum utilization of E-Learning platform to enhance their competencies, where more than 45 modules visited 7200+ times by the employees for their learning purpose.

### Employee Engagement & Motivation

Employee activities like new joiner meet, sports activities, birthday meet, volunteer events and leadership programs are conducted regularly.

### PURCHASING

At JTEKT, Purchasing Philosophy is to establish and maintain the world class function of purchasing, securing timely procurement of the best products at the lowest costs and thus strengthening competitiveness of the Company in Monozukuri.



Annual Partners' Meet

In current competitive and emerging Indian Automotive market, new projects are being launched frequently by OEMs with advanced technologies and features. To respond to such business scenario, an agile and responsive supply chain is required. We, as JTEKT India Purchasing are continuously working on improvement activities in response to changing market conditions. Here are some key activities which JTEKT India has taken to stay competitive in market and meeting customers' expectation:

1. Front Loading activities to improve the cost and capability enhancement. At initial parts development stage, JTEKT India Purchasing is involved and closely work with its supply partners to develop the parts. It helps to improve the cost and design optimization.
2. Parts' Development lead-time reduction activity – Parts development stages

are clearly defined with its development time to have timely development of parts. To reduce the development lead time, SPTT (Supplier Parts Tracking Team) system is introduced and implemented. Under SPTT system, development steps are reviewed to reduce the lead-time. During SPTT-1, Agreement is made with supply partners by deciding Quality, Delivery and Cost targets and fix the team to review the development progress at each stage.

3. JTEKT India Purchasing believes in long term and fair partnership with supply partners and for building robust partnership and growing together, JTEKT India Management is meeting with its supply partners frequently to know each other, share the new projects and businesses in pipeline and understand their challenges and issues to resolve the same mutually.



JTEKT India Region has been organizing Partners' Meet on regular basis to share their future growth plan, new businesses and initiatives taken to improve the supply chain, cost, delivery and quality.

## SAFETY, SECURITY & SUSTAINABILITY

Safety, security, and sustainability is at the forefront of our operational philosophy. These principles not only guide our business practices but also shape our vision for the future.

### Employee Safety

The safety of our employees is our highest priority. We have implemented comprehensive safety protocols across all our facilities to ensure a hazard-free working environment. Regular safety audits, risk assessments, and training programs are integral to our approach. Our safety initiatives include:

**Training and Education:** Regular safety drills and workshops are conducted to keep our workforce informed about the latest safety practices and emergency response procedures.

**Advanced Safety Equipment:** We invest in state-of-the-art safety gear and equipment to protect our employees from potential hazards.

**Ergonomic Workstations:** To reduce the risk of workplace injuries, we have redesigned workstations to be more ergonomic, minimizing strain and improving comfort.

### Process Safety

In addition to employee safety, we focus on process safety to prevent accidents and ensure operational continuity. Our process safety measures include:

**Hazard Identification and Risk Assessment (HIRA):** A systematic approach to identifying potential hazards and implementing measures to mitigate risks.

**Safety Management Systems:** Implementation of robust safety management systems such as ISO 45001:2018 to standardize safety practices across all our operations.

**Regular Inspections and Maintenance:** Routine inspections and maintenance of machinery and equipment to prevent malfunctions and accidents.

### Physical Security

We have established stringent physical security measures to protect our assets, including:

**Access Control Systems:** Advanced access control systems are in place to restrict unauthorized entry into our facilities.

**Incident Management:** A well-defined incident management protocol to quickly address and resolve security breaches.

### Sustainability: Building a Better Future

#### Environmental Stewardship

Sustainability is embedded in our business operations, reflecting our commitment to environmental stewardship. Our environmental initiatives include:

**Energy Efficiency:** Investing in energy-efficient technologies and practices to reduce our carbon footprint. This includes the use of LED lighting, energy-efficient machinery, and optimizing production processes to minimize energy consumption.

**Renewable Energy:** Transitioning to renewable energy sources such as solar to meet our energy needs.

**Waste Management:** Implementing comprehensive waste management strategies to reduce, reuse, and recycle waste generated from our operations.

**Environment Management Systems:** Implementation of robust environment management systems such as ISO 14001:2015 to standardize best practices across all our operations..

## INFORMATION TECHNOLOGY

The Major focus during the financial year has been to improve the manufacturing process efficiency and strengthening the Cyber Security mechanism to elevate the cyber defence capability against the known and unknown threats. Following major initiatives were taken during the financial year.

- Software developed for the supplier capacity mapping on the bases of long term sales plan forecast data.
- 3-Point check system implemented to ensure 100% correct material and quantity delivery to customers.
- Traceability system has been deployed as per the customer requirements of product traceability at part level to meet the material traceability norms and to limit the financial losses due to product recall and defects.







- Indirect purchasing process has been automated by using RPA technology to reduce the chances of human errors.
- Centralization of sales invoice creation by using RPA technology at various manufacturing facilities to improve the invoice process.
- User level Cyber Security Drill (Phishing Simulation) software has been implemented to identify the weakness within the user community and organize training as per the phishing (Cyber Drill) results.
- Cyber Security has been improved by deploying EDR and XDR system that can quickly identify the cyber threats and can respond immediately to minimize the chances of virus and malware infection.
- Third Party Risk Intelligence platform has been implemented to monitor the Cyber Security Posture and risk rating. Cyber risk monitoring helps to identify the weakness in the publicly exposed systems that can be exploited by cyber attackers.

- Assessment of Cyber Security preparedness of strategic suppliers has been done to improve the supply chain resilience.

JTEKT India has been awarded for “Best in RPA implantation” in the Automotive Manufacturing segment

## RISKS AND CONCERNS

The Company understands that effective risk management is critical in meeting its objectives and achieving sustainable growth. Risk management policies have been designed in a manner that the Company can respond swiftly and implement the necessary mitigation actions. In compliance with the prudential norms, we have constituted a Risk Management Committee and developed a risk management framework. The objective was to ensure sustainable business growth and promote a proactive approach in reporting, evaluating and mitigating risks associated with the business.

The Committee reviews the framework periodically in view of the dynamic business environment. This risk management policy has helped enhance process robustness, ensuring that strategic & operational risks are addressed effectively.

The Company’s strategic & operational risks are broadly classified into the following four major categories:

**Economic risk:** Refers to risks resulting from the economic and political scenario in the country.

**Operational risk:** Refers to the risks that are inherent to the business and include manufacturing and distribution operations.

**Financial risk:** Refers to the risk that result from fluctuations in the currency market.

**Human resource risk:** Refers to the risk of losing out on skilled workforce due to competition in the market as lot of growth opportunities opened in market after COVID-19.

The Committee recognizes that risk management is an integral part of good management practices. Thus, it has made risk management an essential element in achieving business goals and deriving benefits from market opportunities. While the Company cannot completely rule out the possibility of a negative impact owing to risks, we continue to take cautious steps to mitigate risks.

## INTERNAL CONTROL AND ADEQUACY

The Company has in place a robust internal control system commensurate with its size and operations. The internal controls are aligned with global standards and processes while adhering to local statutory requirements. The internal controls systems are supported through management reviews, verification by internal and statutory auditors. The internal audit plans are also aligned to the business objectives of the Company, which are reviewed and approved by the Audit Committee. Further, the Audit Committee monitors the adequacy and effectiveness of the Company’s internal control framework. Management, in consultation with Audit Committee, is in the process of implementing additional controls in the area of Accounts Receivables, in view of certain weaknesses identified during the year.

## **CORPORATE SOCIAL RESPONSIBILITY**

The Company considers social responsibility as an integral part of its business activities. The Company's CSR initiatives are in the areas approved by the CSR Committee of the Company and include healthcare, education and rural development programs. By remaining dedicated to these areas, the Company aims to create a lasting impact and contribute to the betterment of society.

During FY24, the Company has further extended these activities and has significantly increased its financial commitment to these projects. The Company focusses on directly implementing these projects in local areas after a detailed assessment of

the requirements of the community with the objective to derive maximum benefit from these activities and to ensure that these CSR projects achieve the norm of sustainability. With the CSR programme, the Company continues to make positive impact on the lives of the people and encourages employees of the Company to participate in the CSR initiatives of the Company in huge numbers.

One of the major CSR initiative taken by the Company was to set up a Library at Govt. Sr. Secondary School, Bithwana, Rewari. This is a state of the art facility with 1280 Sqft. of civil construction. The facility is air-conditioned for the comfort of students and teachers and is equipped with necessary infrastructure like Tables, Chairs, Almira's and other

essential amenities. The Company had also contributed more than 1500 books in the library which not only includes text books but books in the nature of recreational, historical, motivational, general knowledge and many more. The total expense on this project was INR 4.51 Million. Apart from this, employees of the Company had also participated in the initiative by donating books from their home for the benefit of students. The library was constructed with the objective of developing self-reading habits among students, to provide students' separate place for peaceful and enjoyable learning and to create impactful long-term infrastructure under the CSR programme. The management expects that this project will add value to the lives of the students and aims to improve this facility in subsequent years.

The top management of Company also visited the major CSR projects implemented by the Company during the Financial Year to directly interact with the community.



*Construction of Library*



*Providing of Ultrasound Machine*





Development of Park



During the year, the Company provided colour doppler ultrasound machine along with colour printer for extension of facilities of Day Care Centre for Cancer patients at Vivekanand Arogya Kendra, Gurugram.

On the successful implementation of previous similar project and feedback of community at Malpura Village, the Company developed another community park at Village Malpura, Dharuhera during the year. Majority of nearby residents belongs to Below Poverty Line category and are the beneficiaries of such facility. The objective of this project was to contribute in saving the endangered environment and improve environmental outcomes. Also, during the year, a plantation drive was planned in this park where not only management but employees of the Company participated with great enthusiasm. The local community gathered there and directly interacted with the Company.

Other CSR projects carried out during the year included providing of infrastructural and/or educational facilities at various schools such as S.D. Modern Sr. Secondary School, Gurugram, Captain Chandan Lal

Special School for Blinds, Gurugram, Melmathura Mangalam Panchayat Union Primary School and Molachur Panchayat Union Primary School at Chennai; Replacement of solar batteries of Solar Panel setup at Govt. Sr. Sec. School, Banipur, Rewari; Salary of Computer Teacher at Govt. Sr. Sec. School Banipur Village; Air Conditioners for maternity ward at Community Healthcare Centre, Bawal, Rewari; construction of store room at Anganwadi Centre, Village Malpura, Dharuhera and renovation of community park at Village Malpura, Dharuhera and providing of benches thereof.

### ADOPTION OF GREEN TECHNOLOGY

The Company made further efforts towards harnessing solar energy for generating electricity for our manufacturing units. Currently, our six manufacturing locations have solar power generating facilities, and the total solar power generating capacity stands at 5403 KWp. The Company has plans to further increase the capacity in the coming years. In addition to this, all other energy-saving efforts such as the adoption of energy-efficient fixtures and equipment, zero water discharge through water recycling,

etc. continue to receive the focus of the management. The Company is committed to environmental sustainability and it has invested INR 17 crore in PNG (Piped Natural Gas) gensets, replacing all diesel-based gensets in our facilities. This transition to cleaner and more efficient energy will significantly reduce our carbon footprint and improve air quality. Our dedication to sustainable practices and green technologies reflects our long-term vision for a more sustainable future.

### CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates, and expectations may be forward-looking statements within the meaning of applicable laws and regulations. Actual results might differ substantially from those expressed or implied. Important developments that could affect the Company's operations include a downtrend in the automobile sector, significant changes in the political and economic environment in India, exchange rate fluctuations, tax laws, litigation, labour relations, and interest cost.



# CORPORATE GOVERNANCE REPORT

## COMPANY'S PHILOSOPHY

JTEKT India Limited ('the Company') seeks to contribute to the happiness of people and the abundance of society through product manufacturing, and engages in business activities with high standards of ethics in harmony with the economy; society and environment.

The ambit of our Corporate Governance philosophy extends beyond adherence to established regulatory framework and is realized through firm commitment by upholding trust and confidence of all stakeholders. This is achieved through compliance, transparency, professionalism, honest communication, continuous improvement, discipline, ownership and vision of Shaping a better future through the spirit of "No. 1 & Only One" in all that we do. As a good corporate citizen, we work with our Customers, Investors and Suppliers in order to continue contributing to the sustainable development of business, society and the world.

### Responsibility to our customers and business partners

- Adopt business practices, which are fair, transparent and compliant with laws and regulations and promote free competition.
- Provide the best in quality products to achieve satisfaction and trust of customers.

### Responsibility to our shareholders

- Maintain close communication with shareholders and disclose corporate information properly, while at the same time working to improve our corporate value on a continuous basis.

### Responsibility to our employees

- We recognize our profound responsibility to our employees, deeply valuing their individuality and contributions. Our commitment is to cultivate environment that inspire and empower our employees to reach their fullest potential. We prioritize the well-being and growth of each individual, striving to provide the necessary support and resources to enable them to thrive both within our organization and in their personal lives.

### Contributing to regional societies and to global society

- As a good corporate citizen, we pursue activities that contribute to society.
- Follow rules, observe the laws, cultures and customs of society and regions where we have operations, and seek to contribute to their growth.
- Carry out global environmental improvement activities proactively with deep awareness of their being an important corporate mission.

## BOARD OF DIRECTORS

### 1. Composition of the Board

In adherence to the compliances stipulated under the applicable statutory regulations, the Board of Directors of your Company is

having an optimum combination of executive and non-executive directors, as mentioned below. As on 31 March 2024 there were three Executive Directors and seven Non-Executive Directors. Out of the said seven Non-Executive Directors, five directors were Independent Directors including one Independent Woman Director (see Table 1):

**Table 1 : Composition of the Board of Directors as on 31 March 2024**

Name of Directors	Category
Mr. Hitoshi Mogi	Chairman & Managing Director (Executive Director)
Mr. Rajiv Chanana	Director & CFO (Executive Director)
Mr. Minoru Sugisawa	Wholetime Director (Executive Director)
Mr. Takumi Matsumoto	Non-Executive Director
Mr. Taku Sumino	Director-Nominee Director of Maruti Suzuki India Limited (MSIL) (Non-Executive Director)
Mrs. Hiroko Nose	Independent Woman Director
Mr. Inder Mohan Singh	Independent Director
Lt. Gen. Praveen Bakshi (Retd.)	Independent Director
Mr. Masahiko Morimoto	Independent Director
Mr. Hiroshi Daikoku	Independent Director

None of the Directors had any relationships inter-se. The Board of Directors are of the opinion that Independent Directors of the Company fulfill the conditions specified under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and are independent of the Management.

During the year :

- Mr. Satoshi Komeda, rescinded from the position of Director (Operations) of the Company effective from 1 April 2023; and
- Mr. Hidehito Araki ceased to be an Independent Director of the Company due to completion of his tenure effective from the close of business hours of 10 August 2023.

Further, during the year :

- Mr. Minoru Sugisawa was appointed as an Additional Director, in the capacity of Wholetime Director, with remuneration, effective from 1 June 2023, whose appointment was confirmed by the shareholders of the Company at 39 Annual General Meeting held on 11 August 2023; and
- Mr. Hiroshi Daikoku, was appointed as an Additional Director in the capacity of an Independent Director,

effective from 11 August 2023, whose appointment was confirmed by the shareholders of the Company at 39 Annual General Meeting held on 11 August 2023.

## 2. Number of Board Meetings

In the financial year ended on 31 March 2024, the Company held four Board Meetings on 22 May 2023, 10 August 2023, 2 November 2023 and 14 February 2024. The maximum time gap between any two Board Meetings during the year was less than 120 days.

## 3. Directors' attendance record and directorships held

The attendance of each Director of the Company in Board Meetings held during the financial year ended on 31 March 2024, last Annual General Meeting of the Company held on 11 August 2023 and number of directorships and/or memberships / chairmanship of committees of other companies [see Table 2(A)] and the Directorships in other Listed Companies and category of directorship, as on 31 March 2024 [see Table 2(B)].

**Table 2 (A) : Directors' attendance record and directorships held in other companies**

Name of Directors	Board Meetings held during FY 2023-24		Whether attended last AGM	Directorships held in other companies incorporated in India		Membership of Committees of other Companies <sup>①</sup>	
	Eligibility	Attended		Public	Private	Member	Chairperson
Mr. Hitoshi Mogi	4	4	Yes	-	2	-	-
Mr. Rajiv Chanana	4	4	Yes	-	-	-	-
Mr. Satoshi Komeda <sup>②</sup>	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Mr. Minoru Sugisawa <sup>③</sup>	3	3	Yes	-	-	-	-
Mr. Takumi Matsumoto	4	4	Yes	-	-	-	-
Mr. Taku Sumino	4	3	Yes	1	-	-	-
Mrs. Hiroko Nose	4	4	Yes	-	1	-	-
Mr. Inder Mohan Singh	4	4	Yes	2	-	3	-
Lt.Gen.Praveen Bakshi (Retd.)	4	4	Yes	1	-	-	-
Mr. Hidehito Araki <sup>④</sup>	2	2	N.A.	N.A.	N.A.	N.A.	N.A.
Mr. Masahiko Morimoto	4	4	Yes	-	2	-	-
Mr. Hiroshi Daikoku <sup>⑤</sup>	2	2	Yes	-	-	-	-

**Table 2 (B) : Directorships and category in other Listed Companies.**

Name of Directors	Name of other Listed Companies	Category of Directorship
Mr. Hitoshi Mogi	-	-
Mr. Rajiv Chanana	-	-
Mr. Satoshi Komeda <sup>②</sup>	N.A.	N.A.
Mr. Minoru Sugisawa <sup>③</sup>	-	-
Mr. Takumi Matsumoto	-	-
Mr. Taku Sumino	-	-
Mrs. Hiroko Nose	-	-
Mr. Inder Mohan Singh	Eicher Motors Limited	Independent Director
Lt.Gen.Praveen Bakshi (Retd.)	G N A Axles Limited	Independent Director
Mr. Hidehito Araki <sup>④</sup>	N.A.	N.A.
Mr. Masahiko Morimoto	-	-
Mr. Hiroshi Daikoku <sup>⑤</sup>	-	-

### Notes:

- ① Only covers Membership / Chairmanship of Audit Committee and Stakeholders Relationship Committee of public limited companies.
- ② Rescinded from the position of Director (Operations) of the Company effective from 1 April 2023.
- ③ Appointed as an Additional Director, in the capacity of Wholetime Director, with remuneration, effective from 1 June 2023, whose appointment was confirmed by the shareholders of the Company at 39 Annual General Meeting held on 11 August 2023.
- ④ Completed his tenure as Independent Director of the Company effective from the close of business hours of 10 August 2023.
- ⑤ Appointed as an Additional Director in the capacity of an Independent Director, effective from 11 August 2023, whose appointment was confirmed by the shareholders

of the Company at 39 Annual General Meeting held on 11 August 2023.

None of the Directors is a member of more than 10 Board-level Committees or a Chairman of more than 5 such Committees, as required under Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## 4. Key Board qualifications, expertise and attributes

The Company's Board comprises qualified members who bring in the required skills, competence and expertise that allow them to make effective contribution to the Board and its committees. The Board members are committed to ensure that the Company's Board is in compliance with the highest standards of corporate governance.

The table below summarizes the key qualifications, skills, and attributes which are taken into consideration while nominating candidates to serve on the Board.

<b>Leadership (L)</b>	Extended leadership experience for a significant enterprise, resulting in a practical understanding of organizations, processes, strategic planning, and risk management. Demonstrated strengths in developing talent, planning succession and driving change and long-term growth.
<b>Communication (C)</b>	Facilitate group discussions strategically (including focusing on the agenda and working for practical consensus). Promote transparency, communicating developments to members, affiliates, etc. and invite input.
<b>Experience (E)</b>	Have various leadership experiences within the profession. Have thorough knowledge of organization's policies / procedures / vision / mission.
<b>Global Business (GB)</b>	Experience in driving business success in markets around the world, with an understanding of diverse business environments, economic conditions, cultures, and regulatory frameworks, and a broad perspective on global market opportunities.
<b>Financial (F)</b>	Leadership of a financial firm or management of the finance function of an enterprise, resulting in proficiency in complex financial management, capital allocation, and financial reporting processes, or experience in actively supervising a principal financial officer, principal accounting officer, controller, public accountant, auditor or person performing similar functions
<b>Technology (T)</b>	A significant background in technology, resulting in knowledge of how to anticipate technological trends, generate disruptive innovation, and extend or create new business models
<b>Enterprise Risk Management (ERM)</b>	Ability to think critically about operational and governance issues to ensure the effective management of potential opportunities and adverse effects.
<b>Human Resources Strategy (HRS)</b>	Ability for planning and implementing human resource strategies.
<b>Sales and Marketing (SM)</b>	Experience in developing strategies to grow sales and market share, build brand awareness and equity, and enhance enterprise reputation.
<b>Governance (G)</b>	Experience of governance principles and practices.

In the table below the specific areas of focus or expertise of individual Board Member have been highlighted.

Name of Directors	Areas of skills / expertise									
	L	C	E	GB	F	T	ERM	HRS	SM	G
Mr. Hitoshi Mogi	✓	✓	✓	✓		✓	✓	✓	✓	✓
Mr. Rajiv Chanana	✓	✓	✓		✓		✓	✓		✓
Mr. Minoru Sugisawa	✓	✓	✓	✓		✓	✓		✓	✓
Mr. Takumi Matsumoto		✓	✓	✓		✓	✓		✓	✓
Mr. Taku Sumino		✓	✓	✓		✓			✓	✓
Mrs. Hiroko Nose		✓	✓		✓		✓			✓
Mr. Inder Mohan Singh	✓	✓	✓		✓			✓		✓
Lt. Gen. Praveen Bakshi (Retd.)		✓	✓	✓			✓	✓		✓
Mr. Masahiko Morimoto		✓	✓	✓			✓			✓
Mr. Hiroshi Daikoku		✓	✓		✓		✓	✓		✓

**5. Details of the shares and convertible instruments and Stock Option Shares held by the Non-Executive Directors**

Following (see Table 3) states the number of Equity Shares, convertible instruments and Stock Option Shares held by the Non-Executive Directors as on 31 March 2024.

**Table 3 : Details of Equity Shares, Convertible Instruments and Stock Option Shares held by Non-Executive directors.**

Name of Directors	Number of Equity Shares held	Number of convertible instruments <sup>①</sup> / Stock Option Shares <sup>②</sup> held
Mr. Takumi Matsumoto	-	N.A.
Mr. Taku Sumino	-	N.A.
Mrs. Hiroko Nose	-	N.A.
Mr. Inder Mohan Singh	-	N.A.
Lt. Gen. Praveen Bakshi (Retd.)	25	N.A.
Mr. Masahiko Morimoto	-	N.A.
Mr. Hiroshi Daikoku	-	N.A.

**Notes:**

- ① As on date the Company has not issued any Convertible Instruments.
- ② As on date the Company has not issued any Stock Option Shares.

**6. Familiarization Programme of Independent Directors**

The Independent Directors of the Company are eminent personalities having wide experience in the field of business, finance, education, industry and commerce. Their presence on the Board has been advantageous and fruitful in taking business decisions.

Independent Directors are appointed as per the governance guidelines of the Company, with management expertise and wide range of experience. The Directors appointed by the Board are given induction and orientation with respect to the Company's vision, strategic direction, core values, including ethics, corporate governance practices, financial matters and business operations.

Periodic presentations are made at the Board/Committee meetings on business and performance updates of the Company, business environment, business risks and its mitigation strategy, impact of regulatory changes on strategy etc. Updates on relevant statutory changes encompassing important laws are regularly intimated to the Independent directors. For the purpose, the



Company has prepared a policy on familiarization programme for Independent Directors which is displayed on the website of the Company (web link: <https://www.jtekt.co.in/investors/PolicyOnFamiliarisationProgrammeForIndependentDirectors.html>)

## 7. Information supplied to the Board

Among others, this includes:

1. Annual operating plans and budgets and any updates.
2. Capital budgets and any updates.
3. Quarterly results of the Company and its operating divisions or business segments.
4. Minutes of meetings of Audit Committee and other Committees of the Board.
5. The information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
6. Show cause, demand, prosecution notices and penalty notices, which are materially important.
7. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
8. Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company.
9. Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
10. Details of any joint venture or collaboration agreement.
11. Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
12. Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.

13. Sale, of material nature, of investments, subsidiaries, assets, which is not in normal course of business.
14. Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
15. Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

The Board periodically reviews compliance reports of all laws applicable to the Company, prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances.

## 8. Materially significant related party transactions

The Company supplies auto components to Maruti Suzuki India Limited (MSIL), the co-promoter of the Company. The Company import components and equipments, pays royalty, technical know-how fees and other charges to JTEKT Corporation, Japan, Promoter of the Company. All transactions are executed on an arm's length, in ordinary course of business, and at prevailing market prices. None of these transactions involves a conflict with the financial interests of the Company. The details of related party transactions are given in Note No. 40 to the Financial Statement of the Company.

As required under Listing Regulations, the Company has formulated a policy on dealing with Related Party Transactions. The Policy is available on the website of the Company (web link: <https://www.jtekt.co.in/Policies.aspx>).

However, in terms of Listing Regulations, all transactions with related parties, which are of material in nature, are subject to the approval of the Members of the Company. To comply with the aforesaid requirements of Listing Regulations, the approval of the shareholders was obtained by the Company at the 39 Annual General Meeting held on 11 August 2023.

## 9. Remuneration paid or payable to Directors (In INR) : Sitting Fees, Salary, Perquisites and Commission

The Remuneration to Directors is given as per the provision of Companies Act, 2013, Listing Regulations, subject to approval of shareholders or any other authority as may be required. The details of the remuneration of Directors and their relationships with each other is mentioned hereunder (See Table 4)

**Table 4 : Details of Remuneration paid or payable to Directors for the year ended 31 March 2024**

Name of Directors	Relationship with other Director	Sitting Fee <sup>①</sup>	Commission on profits	Salary	Perquisites	(Amount in INR)	
						Provident Fund & National Pension Scheme	Total
Mr. Hitoshi Mogi	None	N.A.	N.A.	66,00,000	23,95,070	-	89,95,070
Mr. Rajiv Chanana	None	N.A.	9,00,000	87,23,400	32,400	11,66,880	1,08,22,680
Mr. Minoru Sugisawa <sup>②</sup>	None	N.A.	N.A.	40,00,000	21,13,100	-	61,13,100
Mr. Takumi Matsumoto	None	2,00,000	N.A.	N.A.	N.A.	N.A.	2,00,000
Mr. Taku Sumino	None	1,50,000	N.A.	N.A.	N.A.	N.A.	1,50,000
Mrs. Hiroko Nose	None	3,25,000	29,64,706	N.A.	N.A.	N.A.	32,89,706
Mr. Inder Mohan Singh	None	4,00,000	34,58,824	N.A.	N.A.	N.A.	38,58,824
Lt. Gen. Praveen Bakshi (Retd.)	None	4,50,000	37,88,235	N.A.	N.A.	N.A.	42,38,235

(Amount in INR)

Name of Directors	Relationship with other Director	Sitting Fee <sup>①</sup>	Commission on profits	Salary	Perquisites	Provident Fund & National Pension Scheme	Total
Mr. Hidehito Araki <sup>③</sup>	None	1,50,000	9,88,235	N.A.	N.A.	N.A.	11,38,235
Mr. Masahiko Morimoto	None	2,00,000	13,17,647	N.A.	N.A.	N.A.	15,17,647
Mr. Hiroshi Daikoku <sup>④</sup>	None	2,50,000	14,82,353	N.A.	N.A.	N.A.	17,32,353

**Notes:**

- ① Sitting Fee includes the fee paid for attending the Committee Meetings.
- ② Appointed as an Additional Director, in the capacity of Wholetime Director, with remuneration, effective from 1 June 2023, whose appointment was confirmed by the shareholders of the Company at 39 Annual General Meeting held on 11 August 2023.
- ③ Completed his tenure as Independent Director of the Company effective from the close of business hours of 10 August 2023.
- ④ Appointed as an Additional Director in the capacity of an Independent Director, effective from 11 August 2023, whose appointment was confirmed by the shareholders of the Company at 39 Annual General Meeting held on 11 August 2023.

Apart from the above, there were no pecuniary transactions between the Company and its directors. The Company has not issued any Stock Option Shares. None of the employees are related to any of the Directors.

**10. Service contract of the Managing Director/Wholetime Director**

As approved by the shareholders in 39 Annual General Meeting of the Company –

- an Agreement dated 2 November 2023 was executed between the Company and Mr. Minoru Sugisawa for his appointment as Wholetime Director with effect from 1 June 2023 to 31 May 2026, with remuneration.

As approved by the shareholders in 38 Annual General Meeting of the Company –

- an Agreement dated 14 November 2022 was executed between the Company and Mr. Rajiv Chanana for his appointment as Director & CFO with effect from 1 June 2022 to 31 May 2025, with remuneration.

As the shareholders of the Company approved the resolution through postal ballot on 07 June, 2022 –

- an Agreement dated 30 August 2022 was executed between the Company and Mr. Hitoshi Mogi for his reappointment as Chairman & Managing Director with effect from 1 April 2022 to 31 March 2025, with remuneration.

upon the terms and conditions as approved by the shareholders of the Company. The severance fee, if any, shall be as per the provisions of the Companies Act, 2013.

**11. Basis for compensation payment to the Independent Directors**

As permitted under the Companies Act, 2013, the Board of Directors of the Company in its meeting held on 15 May 2024 have approved the distribution of commission to the Independent Directors up to a sum not exceeding 1% of the net profits of the Company for the Financial Year ended 31 March 2024. The details of payment of commission are given in Table 4 above.

The shareholders of the Company at 39 Annual General Meeting have also approved the payment of commission up to a sum not exceeding 1% of the net profits of the Company to the Independent Directors of the Company effective from 1 April 2023. In order to make the payment of Commission to Independent Directors, in line with the market standards, the Nomination and Remuneration Committee and the Board of Directors at their meetings held on 14 May 2024 and 15 May 2024 respectively, recommended to impose a cap on the maximum commission payable. Accordingly, a fresh resolution for payment of commission to the Independent Directors is mentioned at Sl. No. 5 of the Notice of the 40 Annual General Meeting.

**COMMITTEES OF THE BOARD OF DIRECTORS**
**I) AUDIT COMMITTEE**

The Audit Committee of the Company is entrusted with all the powers, role and terms of reference as contemplated under Section 177 of the Companies Act, 2013 and Regulation 18 of Listing Regulations, as applicable, besides terms as referred by the Board of Directors, the Audit Committee also assists the Board in effectively discharging its responsibilities.

Terms of reference to the Audit Committee is to:

- (1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) Recommend for appointment, remuneration and terms of appointment of auditors;
- (3) Approve the payment to Statutory Auditors for any other services rendered by the statutory auditors;
- (4) Review with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - (a) matters required to be included in the director's responsibility statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;

- (b) changes, if any, in accounting policies and practices and reasons for the same;
  - (c) major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) significant adjustments made in the financial statements arising out of audit findings;
  - (e) compliance with listing and other legal requirements relating to financial statements;
  - (f) disclosure of any related party transactions;
  - (g) modified opinion(s) in the draft audit report;
- (5) Review, with the management, the quarterly financial statements before submission to the Board for approval;
  - (6) Review, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
  - (7) Review and monitoring the auditor's independence and performance, and effectiveness of audit process;
  - (8) Approve or any subsequent modification of transactions of the listed entity with related parties;
  - (9) Do scrutiny of inter-corporate loans and investments;
  - (10) Do valuation of undertakings or assets of the listed entity, wherever it is necessary;
  - (11) Do evaluation of internal financial controls and risk management systems;
  - (12) Review, with the management, performance of statutory and internal auditors and adequacy of the internal control systems;
  - (13) Review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  - (14) Discuss with internal auditors of any significant findings and follow up there on;
  - (15) Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
  - (16) Discuss with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (17) Look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  - (18) Review the functioning of the whistle blower mechanism;
  - (19) Approve appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
  - (20) Review the utilization of loans and / or advances from / investment by the holding company in the subsidiary exceeding INR 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments
  - (21) Consider and comment on rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation, etc. on the listed entity and its shareholders.
  - (22) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- The Audit Committee of the Company reviews the following information:
- (1) management discussion and analysis of financial condition and results of operations;
  - (2) management letters / letters of internal control weaknesses issued by the Statutory Auditors;
  - (3) internal audit reports relating to internal control weaknesses; and
  - (4) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee; and
  - (5) statement of deviations:
    - i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s).
    - ii) annual statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice.
- The Audit Committee is also empowered with the following powers to:
- (1) investigate any activity within its terms of reference.
  - (2) seek information from any employee.
  - (3) obtain outside legal or other professional advice.
  - (4) secure attendance of outsiders with relevant expertise, if it considers necessary.
- The Audit Committee is also apprised on information with regard to related party transactions, by being presented:
- (1) a statement in summary form of transactions with related parties in the ordinary course of business;
  - (2) details of material individual transactions, if any, with related parties which are not in the normal course of business;



- (3) details of material individual transactions, if any, with related parties or others, which are not on an arm's length basis together with management's justification for the same.

The Chairperson of the Audit Committee was present at the last Annual General Meeting to answer shareholders' queries. The Audit Committee is regularly apprised of the various follow-up actions taken on the direction of the Audit Committee. Mr. Saurabh Agrawal, Company Secretary of the Company, is the Secretary to the Committee. The Audit Committee regularly invites such executives as it considers appropriate, including the head of the finance function, the head of internal audit and the representative of the Statutory Auditors, to be present at the meetings of the Committee.

**Composition of Audit Committee, its meetings and attendance record for the year ended 31 March 2024.**

As on 31 March 2024, the Audit Committee comprises of Mrs. Hiroko Nose, Mr. Inder Mohan Singh, Lt. Gen. Praveen Bakshi (Retd.) and Mr. Minoru Sugisawa. Except Mr. Minoru Sugisawa, who is Wholetime Director of the Company, all other members of the Committee are Independent Directors. Further, members of the Audit Committee are competent and financially literate and Mrs. Hiroko Nose, the Chairperson of the Audit Committee has accounting and related financial management expertise.

During the year, the Audit Committee met five times i.e. on 22 May 2023, 10 August 2023, 2 November 2023, 14 February 2024 and 21 March 2024 (see Table 5). The time gap between any two Audit Committee meetings during the year was less than 120 days and at least two Independent Directors were present in each meeting. Further the Minutes of the Audit Committee meetings were placed before and deliberated by the Board.

**Table 5: Attendance of members in Audit Committee Meetings held during FY 2023-24**

Name & Category of Directors	Position	Audit Committee meetings held during FY 2023-24	
		Eligibility	Attended
Mrs. Hiroko Nose (Independent Woman Director)	Chairperson	5	5
Mr. Inder Mohan Singh (Independent Director)	Member	5	5
Lt. Gen. Praveen Bakshi (Retd.) (Independent Director)	Member	5	5
Mr. Satoshi Komeda <sup>①</sup> (Director (Operations))	Member	0	0
Mr. Minoru Sugisawa <sup>②</sup> (Wholetime Director)	Member	4	4

**Notes :**

- ① Ceased to be a member of the Committee effective from 1 April 2023.
- ② Appointed as one of the members of the Committee effective from 1 June 2023.

**II) STAKEHOLDERS RELATIONSHIP COMMITTEE**

A Stakeholders Relationship Committee of Directors of the Company looks into various aspects of interest of shareholders of the Company and is entrusted with all the powers, role and terms of reference as contemplated under Section 178 of the Companies Act, 2013, Regulation 20 of Listing Regulations, as applicable, and empowered by the Board of Directors of the Company to:

- resolve the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- review measures taken for effective exercise of voting rights by shareholders.
- review adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/statutory notices by the shareholders of the company.
- issue duplicate Share Certificate(s) in lieu of the lost / torn / defaced / mutilated Share Certificate(s) of the Company and to authorize affixation of the Common Seal of the Company on the said duplicate Share Certificate(s) of the Company.

As on 31 March 2024, Mr. Saurabh Agrawal, Company Secretary is the Compliance Officer of the Company.

**Composition of Stakeholders Relationship Committee, its meetings and attendance record for the year ended 31 March 2024.**

As on 31 March 2024, the Stakeholders Relationship Committee comprises of Mr. Hiroshi Daikoku, Mr. Rajiv Chanana and Mr. Minoru Sugisawa.

The Committee met once during the year i.e., on 14 February 2024 (see Table 6). Minutes of the Stakeholders Relationship Committee meeting were placed before and deliberated by the Board.

**Table 6: Attendance of members in Stakeholders Relationship Committee Meetings held during FY 2023-24**

Name & Category of Directors	Position	Stakeholders Relationship Committee Meetings held during FY 2023-24	
		Eligibility	Attended
Mr. Hidehito Araki <sup>①</sup> (Independent Director)	Chairman	0	0
Mr. Hiroshi Daikoku <sup>②</sup> (Independent Director)	Chairman	1	1
Mr. Satoshi Komeda <sup>③</sup> (Director - Operations)	Member	0	0

Name & Category of Directors	Position	Stakeholders Relationship Committee Meetings held during FY 2023-24	
		Eligibility	Attended
		Mr. Rajiv Chanana (Director & CFO)	Member
Mr. Minoru Sugisawa <sup>④</sup> (Wholetime Director)	Member	1	1

**Notes:**

- ① Ceased to be a member of the Committee with effect from close of working hours of 10 August 2023.
- ② Appointed as one of the members of the Committee effective from 11 August 2023.
- ③ Ceased to be a member of the Committee effective from 1 April, 2023.
- ④ Appointed as one of the members of the Committee effective from 1 June 2023.

**III) NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee of the Company is entrusted with all the powers, role and terms of reference as contemplated under Section 178 of the Companies Act, 2013 and Regulation 19 of Listing Regulations, the Board of Directors has empowered the Nomination and Remuneration Committee to:

- (1) formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- (2) for every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a) use the services of an external agencies, if required;
  - b) consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c) consider the time commitments of the candidates.
- (3) formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors;
- (4) devise a policy on diversity of Board of Directors;
- (5) identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.

- (6) extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- (7) recommend to the Board, all remuneration, in whatever form, payable to senior management.
- (8) nominate suitable candidates on the Boards of subsidiary and associate companies in terms of Joint Venture / Shareholder or other Agreements.

In accordance with the requirements under Section 178 of the Companies Act, 2013 and Regulation 19 of Listing Regulations the Company has formulated a Nomination and Remuneration Policy to govern the terms of nomination / appointment and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP). The primary objective of the Policy is to provide a framework and set standards for nomination, remuneration and evaluation of Directors, KMP and SMP. The policy is displayed on the website of the Company (web link: <https://www.jtekt.co.in/Policies.aspx>).

The performance evaluation of Directors including Independent Directors of the Company is done as per the Board Performance Evaluation Policy the objective of which is to provide a framework for evaluation of Directors, Chairman, Board of Directors collectively and its' Committees, the policy is displayed on the website of the Company (web link: <https://www.jtekt.co.in/Policies.aspx>).

**Composition of Nomination and Remuneration Committee, its meetings and attendance record for the year ended 31 March 2024.**

As on 31 March 2024, the Nomination and Remuneration Committee comprises of Mr. Inder Mohan Singh, Lt. Gen. Praveen Bakshi (Retd.) and Mr. Hiroshi Daikoku. All the members of the Committee are Independent Directors.

During the year ended on 31 March 2024, the Committee met three times i.e., on 18 May 2023, 27 October 2023 and 28 March 2024 (see Table 7). Minutes of the Nomination and Remuneration Committee meetings were placed before and deliberated by the Board.

**Table 7: Attendance of members in Nomination and Remuneration Committee Meetings held during FY 2023-24**

Name & Category of Directors	Position	Nomination and Remuneration Committee Meetings held during FY 2023-24	
		Eligibility	Attended
		Mr. Inder Mohan Singh (Independent Director)	Chairman
Lt. Gen. Praveen Bakshi (Retd.) (Independent Director)	Member	3	3
Mr. Hidehito Araki <sup>①</sup> (Independent Director)	Member	1	1
Mr. Hiroshi Daikoku <sup>②</sup> (Independent Director)	Member	2	2

**Notes:**

- ① Ceased to be a member of the Committee with effect from close of working hours of 10 August 2023.
- ② Appointed as one of the members of the Committee effective from 11 August 2023.

**IV) RISK MANAGEMENT COMMITTEE**

The Risk Management Committee of the Company is constituted in line with provisions of Regulation 21 of Listing Regulations. The Board of the Company has formed a Risk Management Committee with regard to the identification, evaluation and mitigation of strategic, operational and cyber security risks and to frame, implement and monitor the risk management plan for the Company. The Committee is also responsible for reviewing risk management plan and ensuring its effectiveness. Major risks identified are systematically addressed through mitigating actions on a continuing basis.

The Risk Management Committee of the Company is entrusted with all the powers, role and terms of reference as contemplated under Regulation 21 of Listing Regulations. The Board of Directors has empowered the Risk Management Committee to:

- 1) formulate a detailed risk management policy which shall include:
  - a) a framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - b) measures for risk mitigation including systems and processes for internal control of identified risks.
  - c) business continuity plan.
- 2) ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- 3) monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- 4) periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- 5) keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- 6) appoint, remove and terms of remuneration of the Chief Risk Officer (if any), subject to review by the Risk Management Committee.

**Composition of Risk Management Committee, its meetings and attendance record for the year ended 31 March 2024.**

As on 31 March 2024, the Risk Management Committee comprises of Mr. Hiroshi Daikoku, Mr. Rajiv Chanana and Mr. Minoru Sugisawa.

During the year, the Committee met twice i.e. on 13 September 2023 and 13 February 2024 (see Table 8). Minutes of the Risk Management Committee meetings were placed before and deliberated by the Board.

**Table 8: Attendance of members in Risk Management Committee Meetings held during FY 2023-24.**

Name & Category of Directors	Position	Risk Management Committee Meetings held during FY 2023-24	
		Eligibility	Attended
Mr. Hidehito Araki <sup>①</sup> (Independent Director)	Chairman	0	0
Mr. Hiroshi Daikoku <sup>②</sup> (Independent Director)	Chairman	2	2
Mr. Satoshi Komeda <sup>③</sup> (Director - Operations)	Member	0	0
Mr. Rajiv Chanana (Director & CFO)	Member	2	2
Mr. Minoru Sugisawa <sup>④</sup> (Wholetime Director)	Member	2	2

**Notes:**

- ① Ceased to be a member of the Committee effective from close of working hours of 10 August 2023.
- ② Appointed as one of the members of the Committee effective from 11 August 2023.
- ③ Ceased to be a member of the Committee effective from 1 April, 2023.
- ④ Appointed as one of the members of the Committee effective from 1 June 2023.

The details of foreign exchange risk and hedging activities are disclosed in Note No. 48 to the Annual Financial Statement.

**V) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The Corporate Social Responsibility Committee of Directors has been constituted by the Board of Directors in accordance with the provisions of Section 135 of the Companies Act, 2013, which discharges the following roles and responsibilities to:

- (1) formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy which shall indicate the activities to be undertaken by the Committee as specified in Schedule VII to the Companies Act, 2013;
- (2) recommend the amount of expenditure to be incurred on the activities referred in CSR Policy; and
- (3) monitor the CSR Policy of the Company from time to time.

**Composition of Corporate Social Responsibility Committee, its meetings and attendance record for the year ended 31 March 2024.**

As on 31 March 2024, the Corporate Social Responsibility (CSR) Committee comprises of Lt. Gen. Praveen Bakshi (Retd.), Mr. Hiroshi Daikoku and Mr. Minoru Sugisawa.

During the year, the Committee met twice i.e., on 18 May 2023 and 28 March 2024 (see Table 9). Minutes of the Corporate Social



Responsibility Committee meetings were placed before and deliberated by the Board.

**Table 9: Attendance of members in Corporate Social Responsibility Committee Meetings held during FY 2023-24.**

Name & Category of Directors	Position	CSR Committee Meetings held during FY 2023-24	
		Eligibility	Attended
Lt. Gen. Praveen Bakshi (Retd.) (Independent Director)	Chairman	2	2
Mr. Hidehito Araki <sup>①</sup> (Independent Director)	Member	1	1
Mr. Hiroshi Daikoku <sup>②</sup> (Independent Director)	Member	1	1
Mr. Satoshi Komeda <sup>③</sup> (Director - Operations)	Member	0	0
Mr. Hitoshi Mogi <sup>④</sup> (Chairman & Managing Director)	Member	1	1
Mr. Minoru Sugisawa <sup>⑤</sup> (Wholetime Director)	Member	1	1

**Notes:**

- ① Ceased to be a member of the Committee effective from close of working hours of 10 August 2023.
- ② Appointed as one of the members of the Committee effective from 11 August 2023.
- ③ Ceased to be a member of the Committee with effect from 1 April 2023.
- ④ Appointed as one of the members of the Committee effective from 1 April 2023 and ceased to be the member of the Committee on 1 June 2023.
- ⑤ Appointed as one of the members of the Committee effective from 1 June 2023.

## MANAGEMENT

### 1) Management discussion and analysis

This Annual Report has a detailed section on management discussion and analysis.

### 2) Disclosures by Management to the Board

All details relating to financial and commercial transactions where Directors may have a potential interest are provided to the Board and the interested Directors neither participate in the discussion nor do they vote on such matters.

In compliance with SEBI regulations on prevention of insider trading, the Company has implemented a comprehensive policy namely, 'Code of Practice and Procedures for Fair Disclosure of Unpublished Price Sensitive Information', for its management personnel and relevant business associates. The policy lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of the Company and cautioning them on consequences of violations.

### 3) Code of Conduct

The Board of Directors of the Company in their meeting held on 28 October, 2005 has adopted the 'Code of Conduct' for all Board Members and designated members of Senior Management of the Company. Designated 'Senior Management' comprises officers and personnel of the Company who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the Company Secretary and the Chief Financial Officer. With a view to cover more management personnel of the Company, the said Code of Conduct was amended by the Board of Directors in their meetings held on 15 May, 2013 and 30 May, 2014. The code of conduct is available on the website of the Company (web link: <https://www.jtekt.co.in/Policies.aspx>). All Board members and designated management personnel have affirmed compliance with the Code of Conduct. A declaration signed by the Chairman & Managing Director to this effect is enclosed at the end of this report.

As a step towards good corporate governance, your Company has also implemented the 'Anti-Corruption & Anti-Bribery Policy' and 'Anti-Trust Policy' in line with the global practices and accordingly the scope of the previous Code of Conduct is further enlarged.

### 4) Whistle Blower Policy

As required under Section 177 (9) of the Companies Act, 2013 read with the Listing Regulations, the Company has formulated a Whistle Blower Policy. The policy comprehensively provides an opportunity for employee(s), director(s) and other stakeholders of the Company to raise any issue concerning breaches of law, accounting policies or any act resulting in financial or reputation loss and misuse of office or suspected or actual fraud. The policy provides for a mechanism to report such concerns to the Audit Committee through specified channels. The policy has been communicated to the employees of the Company. The details of establishment of the Whistle Blower Policy/Vigil mechanism have been disclosed on the website of the Company.

Following is the status of complaints received under whistle blower system during the Financial Year 2023-24:

Number of complaints pending as on 31 March 2023	0
Number of complaints received by the Company	0
Number of complaints disposed	0
Number of complaints pending as on 31 March 2024	0

### 5) Subsidiary Company

Pursuant to the Scheme of Amalgamation approved by Hon'ble National Company Law Tribunal, New Delhi vide its Order dated 12 December 2023, JTEKT Fuji Kiko Automotive India Limited, subsidiary company, amalgamated with the Company effective 1 January 2024. The Appointed Date of the said amalgamation was 1 April 2022.

In accordance with the requirement of Regulation 16 read with Regulation 24 of the Listing Regulations, the Company has formulated a policy for determining ‘material’ subsidiaries. The same is displayed on the website of the Company (web link: <https://www.jtekt.co.in/Policies.aspx>).

**6) Disclosure of accounting treatment in preparation of financial statements**

The Company has followed the guidelines of Indian Accounting Standards issued by the Ministry of Corporate Affairs (MCA) in preparation of its financial statements.

**7) Certifications**

The CEO and CFO certification on the financial statements for the year is enclosed along with this report.

Pursuant to Regulation 34(3) and Schedule V Para C Clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, a Certificate of non dis-qualification of directors by the Company Secretary in Practice is enclosed along with this report.

**8) Disclosure under the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013**

As per requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH), the Company has placed adequate mechanism to provide safe and congenial working environment to all female employees, by regularly arranging trainings and awareness programs to sensitize all employees on the matter.

The Company has constituted location wise Internal Complaints Committees (ICC) to redress the complaints of female workers. The ICC’s are composed of internal members and an external member who has extensive experience in the field. The Company has formulated a policy for the prohibition of sexual harassment at work place. The same is displayed on the website of the Company (web link: <https://www.jtekt.co.in/Policies.aspx>).

Following is the status of complaints received under POSH during the Financial Year 2023-24:

Number of complaints filed	: 0
Number of complaints disposed	: 0
Number of complaints pending as on 31 March 2024	: 0

**9) Other Disclosures:**

a) The Financial Statements of the Company are unqualified.

The management has identified certain unusual adjustments posted by an employee to the trade receivables account amounting to INR 771.20 lakh, which pertain to prior years. These amounts have been charged to Statement of Profit and Loss as “Other expenses” in the financial statements for the year ended 31 March 2024. Management has performed an independent investigation through an external consultant and does not expect any further impact on the financial statement for the year ended 31 March 2024. The above has been mentioned as ‘Emphasis of Matter’ in Auditor’s Report.

The Management, in consultation with Audit Committee, has taken necessary actions and is in the process of strengthening controls in the areas of appropriate knocking of the receipts based on the remittance advices received from customers and reconciliations of trade receivables to prevent the re-occurrence of such events. Auditor’s Report on Internal Financial Controls is qualified in respect of the said Internal Controls.

- b) The Internal Auditors of the Company make presentations to the Audit Committee on their reports.
- c) The Company has detailed Risk Management Policy and the Board periodically reviews the procedures for its effective management.
- d) The details of fees paid by the Company to the Statutory Auditors of the Company for the financial year 2023-24 are as follows:

Services	(Amount in INR/Lakh)
Statutory Audit Fee	60.00
Tax Audit Fee	3.00
Limited Review	27.00
Group Reporting	8.00
Tax Audit of Merged Financials	4.50
Reimbursement of Expenses	8.92
Fees paid to Network firm/network entity of Statutory Auditors	0.00

- e) Loans and advances in the nature of loans to firms/companies in which Directors are interested by name and amount: During the financial year 2023-24, the Company has not given any loans and advances in the nature of loans to firms/companies in which Directors are interested.
- f) Disclosure of agreements finding on listed entity: There is no agreement entered in by the parties as specified in clause 5A to Para A of Part A of Schedule III to SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.
- g) Particulars of Senior Management including changes: Senior Management includes Head-Sales & Marketing, Head- Design & Development, Head-Human Resource, Head-Information Technology, Head-Purchase, Head-Production Management (New Product Development/ Production Administration), Head-Production Engineering, Head-Production, Head-Quality, Chief Financial Officer, Company Secretary and such other officer of the Company as decided by NRC / Board of the Company, from time to time. There have been no changes in senior management during the financial year 2023-24, except for the appointment of Mr. Saurabh Agrawal as the Company Secretary and Compliance Officer effective from May 22, 2023 and cessation of Mr. Ashish Srivastava, Company Secretary and Key Managerial Person of the Company effective from the close of working hours on April 5, 2023.

## SHAREHOLDERS

### 1) Disclosures regarding appointment or re-appointment of Directors

In accordance with the provisions of Section 152 of the Companies Act, 2013 and in terms of the Articles of Association of the Company, Mr. Rajiv Chanana, retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment.

The Board of Directors of the Company in its meeting held on 15 May 2024, on the recommendation of the Nomination and Remuneration Committee, appointed Mrs. Deepika Gera as an Additional Director in the capacity of an Independent Director of the Company for a period of five years effective from 15 May 2024.

The appointment of the aforesaid director shall be placed before the shareholders for their approval at the ensuing Annual General Meeting of the Company scheduled to be held on 13 August 2024.

As required, the brief profiles and other particulars of the Directors seeking appointment/re-appointment are given in the Notice of the 40 Annual General Meeting.

### 2) Credit Ratings

The Company had obtained the following Credit Ratings from ICRA, which has been reaffirmed by ICRA

Particulars	Rating	Remarks
Long term borrowings	AA	Reaffirmed
Short term borrowings	A1+	Reaffirmed

### 3) Communication to Shareholders

The financial results (quarterly, half-yearly and annual) of the Company were published in Business Standard (Hindi) and Business Standard (English) and also displayed at the Company's website www.jtekt.co.in. All official press releases, presentations made to analysts and institutional investors, if any, and other general information about the Company are also available on the Company's website.

### 4) Investor Grievances

As mentioned earlier in this section, the Company has constituted a Stakeholders Relationship Committee to look into various aspects of interest of shareholders including considering the investors' complaints. The status of complaints is reported to the Board of Directors in their meetings. Mr. Saurabh Agrawal, Company Secretary is the Compliance Officer of the Company.

### 5) Share Transfer

M/s. KFIN Technologies Limited (Formerly known as KFIN Technologies Private Limited) (hereinafter referred to as 'KFIN'), the Registrar and Transfer Agent of the Company. KFIN is registered with the SEBI as a Category-1 Registrar.

### 6) Details of Non-Compliance

During the last three years there has been no instance of non-compliance by the Company on any matter related to capital

markets. However, the criteria of half of the Board being Independent, as stipulated under Regulation 17(1)(b) of Listing Regulations, was not fulfilled from 1 July 2021 till 10 November 2021 and hence National Stock Exchange of India Ltd. and BSE Ltd. had imposed penalties amounting to INR 7,84,700/- (including GST) each. The demanded amount has been paid by the Company to the Stock Exchanges within due time (during FY 2022-23). The criteria was fulfilled on 11 November 2021 after the appointment of an Independent Director on the Board.

### 7) Other Disclosures

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations including other applicable mandatory requirements. The Corporate Governance Report of the Company for the Financial Year ended on 31 March 2024 is in compliance with the applicable requirements of SEBI as per Listing Regulations.

During the year ended on 31 March 2024, the Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

During the year 2023-24, the Company has not made or given any loans and advances in the nature of loan to Firm(s) / Company(ies) in which Directors are interested.

### 8) General Body Meeting

Details of the last three Annual General Meetings of the Company held in accordance with the applicable provisions of the Companies Act, 2013 and Listing Agreement (see Table 10).

**Table 10: Date, time and venue of the last three Annual General Meetings**

Financial Year (Ended)	Date	Time	Venue
31 March 2021	16 September 2021	11:00 A.M. (IST)	Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")
31 March 2022	26 August 2022	10:00 A.M. (IST)	Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")
31 March 2023	11 August 2023	10:00 A.M. (IST)	Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")

### 9) Special Resolutions

In the ensuing 40 Annual General Meeting of the Company to be held on 13 August 2024, the shareholders' consent is being sought by way of Special Resolution for:

- Appointment of Mrs. Deepika Gera as an Independent Director, for a period of five years effective from 15 May 2024.



- Remuneration / Commission to Independent Directors for a period of five years commencing from 1 April 2024.

The details of Special Resolutions passed in the previous three Annual General Meetings of the Company are as under:

39 Annual General Meeting held on 11 August 2023

- Appointment of Mr. Minoru Sugisawa as Wholetime Director of the Company, for a period of three years effective from 1 June 2023, whose office is liable to retire by rotation.
- Payment of remuneration to Mr. Minoru Sugisawa, Wholetime Director of the Company.
- Re-appointment of Mrs. Hiroko Nose as Independent Woman Director, for the second term of five years effective from 11 August 2023.
- Appointment of Mr. Hiroshi Daikoku as an Independent Director, for a period of five years effective from 11 August 2023.
- Remuneration / Commission to Independent Directors period of five years commencing from 1 April 2023.

38 Annual General Meeting held on 26 August 2022

- Appointment of Mr. Satoshi Komeda as Director (Operations) of the Company, whose office is liable to retire by rotation.
- Payment of remuneration to Mr. Satoshi Komeda as Director (Operations) of the Company.
- Appointment of Mr. Rajiv Chanana as Director & CFO of the Company, whose office is liable to retire by rotation.
- Payment of remuneration to Mr. Rajiv Chanana as Director & CFO of the Company.

- Appointment of Mr. Masahiko Morimoto as Independent Director of the Company.

37 Annual General Meeting held on 16 September 2021

- Appointment of Mr. Hitoshi Mogi as Chairman & Managing Director, with remuneration, of the Company.
- Re-appointment of Mr. Akihiko Kawano as Dy. Managing Director, with remuneration, of the Company.
- Appointment of Mr. Takumi Matsumoto as Director of the Company, whose office is liable to retire by rotation.

## 10) Postal Ballots

At the ensuing, Annual General Meeting to be held on 13 August 2024 there is no matter proposed to be passed by the Company, which requires Postal Ballot. Also, there was no matter passed through Postal Ballot at the 39 Annual General Meeting of the Company.

## 11) Recommendations of Committees

During the Financial Year ended on 31 March 2024, the Board of Directors had accepted all the recommendations of Committees of Directors of the Company.

## 12) Business Responsibility & Sustainability Report

Pursuant to Regulation 34(2)(f) of the Listing Regulations, the Business Responsibility & Sustainability Report describing the initiatives taken by the Company from an environmental, social and governance perspective, is available on the Company's website and can be accessed at the Company's website (web link: <https://www.jtekt.co.in/Policies.aspx>).

For and on behalf of the Board

**Hitoshi Mogi**

Chairman & Managing Director  
[DIN 08741355]

Place : Gurugram  
Date : 30 May 2024

## ADDITIONAL SHAREHOLDER INFORMATION

### ANNUAL GENERAL MEETING

<b>Date</b>	13 August 2024 (Tuesday)
<b>Venue</b>	Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")
<b>Time</b>	11.30 A.M.

### FINANCIAL CALENDAR

<b>Financial year</b>	: 1 April 2024 to 31 March 2025
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For the year ending 31 March, 2025, results will be announced:

• First Quarter Financial Results	:	Tentatively in First Week of August 2024
• Second Quarter and Half Yearly Financial Results	:	Tentatively in Second Week of November 2024
• Third Quarter Financial Results	:	Tentatively in Fourth Week of January 2025
• Fourth Quarter and Annual Financial Results	:	Tentatively in Third Week of May 2025

### BOOK CLOSURE

The dates of book closure are from Saturday, 27 July 2024 to Tuesday, the 13 August 2024 (both days inclusive).

### DIVIDEND RATE

The Board of Directors of the Company, in their meeting held on 30 May 2024, has recommended the dividend of INR 0.60 per Equity Share of INR 1/- each for the year ended 31 March 2024. The dividend if approved by the Shareholders at the ensuing Annual General Meeting will be dispatched/credited within 30 days from the date of declaration. The dividend recommendation is in accordance with the Dividend Distribution Policy of the Company, which is available on the website of the Company at <https://www.jtekt.co.in/Policies.aspx>

### LISTING AND STOCK CODE

The Company's Equity Shares are listed on BSE Limited and National Stock Exchange of India Limited.

Name and Address of the Stock Exchanges	Stock Code	Date of payment of listing fees
<b>BSE Limited</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001	520057	29 April 2024
<b>National Stock Exchange of India Limited</b> Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex Bandra (E) Mumbai - 400 051.	JTEKTINDIA	17 April 2024

The ISIN Number of the Company (or demat number) on both NSDL and CDSL is INE643A01035

**STOCK DATA**

Table 1 gives the monthly high and low prices and volumes of Equity Shares of the Company at BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) for the year ended 31 March 2024.

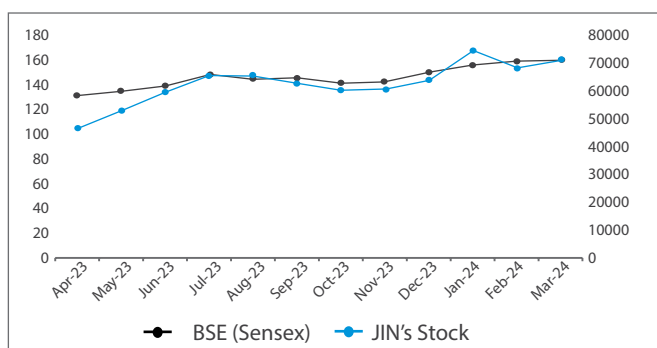
**Table 1: Monthly shares price\* (In INR) data and volumes on BSE and NSE**

Month and year	BSE			NSE		
	High	Low	Volumes	High	Low	Volumes
April 2023	110.95	100.05	442850	110.95	100.00	4295254
May 2023	132.55	107.25	9499258	132.50	107.05	21383638
June 2023	147.15	122.70	3673342	146.95	124.10	14699512
July 2023	160.00	137.25	524346	159.45	137.10	6780616
August 2023	167.90	131.00	877288	167.80	130.55	8613472
September 2023	153.45	133.05	678006	153.50	134.20	7774399
October 2023	148.55	126.85	228762	148.60	126.05	2951959
November 2023	142.65	133.55	234399	142.95	133.10	4547614
December 2023	159.60	131.60	920960	159.70	131.90	13043451
January 2024	182.15	156.30	1743888	182.30	156.30	17783849
February 2024	166.95	142.95	514717	166.95	142.80	8580363
March 2024	185.00	138.50	756746	188.00	137.55	9966624

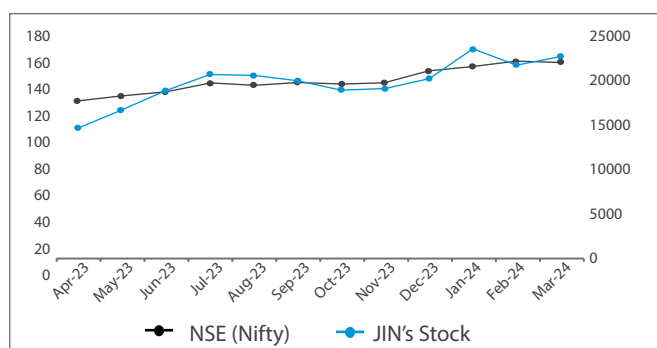
Note: High and Low are in rupees per traded share. These are simple (un-weighted) average. Volume is the total monthly volume of trade (in number) in the Company's shares on the BSE & NSE.

\* Face Value of the Company's Share is INR 1/- each.

**Chart A: The movement of the Company's share price on BSE vis-à-vis BSE Sensex for the year 2023-24.**



**Chart B: The movement of Company's share price on NSE vis-à-vis NSE Indices for the year 2023-24.**



**DISTRIBUTION OF SHAREHOLDING**

For the distribution of shareholding and shareholding pattern of the Company as on 31 March 2024 see Table 2A and 2B respectively.

**Table 2A : Distribution of Shareholding by size class as on 31 March 2024**

Amount	Number of holders	Number of shares held	Shareholding (%)
Upto 5000	52,758	1,66,39,407	6.54
5001-10000	590	42,79,013	1.68
10001-20000	243	35,41,967	1.39
20001-30000	92	23,01,633	0.91
30001-40000	25	8,91,032	0.35
40001-50000	12	5,56,535	0.22
50001-100000	23	17,23,168	0.68
100001 & above	36	22,43,47,728	88.23
<b>Total</b>	<b>53,779</b>	<b>25,42,80,483</b>	<b>100</b>

**Table 2B : Distribution of Shareholding by ownership as on 31 March 2024**

Category	Number of shareholders	Number of shares held	Shareholding (%)
Foreign Body Corporate	2	17,68,59,997	69.55
Indian Company	1	1,38,00,000	5.43
<b>Promoter &amp; Promoter Group (A)</b>	<b>3</b>	<b>19,06,59,997</b>	<b>74.98</b>
Bodies Corporate	308	25,76,492	1.01
Individuals and HUF	52659	3,14,73,174	12.38
Non resident Indians	762	12,19,068	0.48
Directors & their relatives	1	3,002	0.00
Foreign Nationals	1	3,134	0.00
Mutual Funds	12	2,10,97,099	8.30
Foreign Portfolio Investors	27	12,11,614	0.48
Alternate Investment Funds	1	15,82,009	0.62
Trusts	3	19,812	0.01
Clearing Members	1	2,432	0.00
IEPF	1	44,32,650	1.74
<b>Public Shareholding (B)</b>	<b>53,776</b>	<b>6,36,20,486</b>	<b>25.02</b>
<b>Total (A+B)</b>	<b>53,779</b>	<b>25,42,80,483</b>	<b>100</b>

**SHARES HELD IN PHYSICAL AND DEMATERIALIZED FORM**

Category	Number of Equity Shares	% to equity
Held in dematerialised form in CDSL	1,38,74,717	5.46
Held in dematerialised form in NSDL	23,96,17,412	94.23
Held in Physical form	7,88,354	0.31

The promoter and co-promoter owns 74.98% of equity shares in the Company, which are held in dematerialised form.

**EQUITY SHARES IN THE UNCLAIMED SUSPENSE ACCOUNT / SUSPENSE ESCROW ACCOUNT**

The Company does not have any securities in the Unclaimed Suspense Account. There are 4800 shares lying in Suspense Escrow Account.

**OUTSTANDING GDRS/ADRS/ WARRANTS / CONVERTIBLE INSTRUMENTS AND THEIR IMPACT ON EQUITY**

The Company has no outstanding GDRs, ADRs, Warrants or any Convertible Instruments.



## DETAILS OF PUBLIC FUNDING OBTAINED IN THE LAST THREE YEARS

The Company has not obtained any public funding in the last three years.

## SHARE TRANSFER SYSTEM

All share transfers and related operations are conducted by M/s. KFIN Technologies Limited (Formerly known as KFIN Technologies Pvt. Ltd.), the Registrar and Transfer Agent of the Company, which is registered with the SEBI as a Category 1 Registrar.

The Company has constituted a Stakeholders Relationship Committee for redressing shareholders' and investors' complaints.

Shareholders / Investors should address their correspondence to:

KFIN Technologies Limited	The Company Secretary
Unit: JTEKT India Limited	JTEKT India Limited
Selenium Tower-B, Plot No. 31 & 32,	UGF-6, Indraprakash
Financial District, Gachibowli,	21, Barakhamba Road
Nanakramguda, Serilingampally,	New Delhi – 110 001.
Hyderabad 500 032	e-mail : investorgrievance@jtekt.co.in
e-mail : einward.ris@kfintech.com	

All transfer, transmission or transposition of securities are conducted in accordance with the provisions of Regulation 40, Regulation 61 and Schedule VII of the SEBI Listing Regulations, read together with relevant SEBI Circulars.

In terms of the SEBI Listing Regulations, securities of the Company can only be transferred in dematerialized form. Further, SEBI vide its Circular No. SEBI/HO/MIRSD\_RTAMB/P/CIR/2022/8 dated January 24, 2022, mandated all the listed companies to issue securities in dematerialised form only, while processing the service request for issue of duplicate securities certificates, renewal/exchange of securities certificate, claim from Unclaimed Suspense Account, endorsement, sub-division/splitting of securities certificate, consolidation of securities certificates/folios, transmission and transposition.

In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, members are advised to dematerialize the shares held by them in physical form.

## Dispute Resolution Mechanism

SEBI has vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/76 dated May 30, 2022, issued a Standard Operating Procedure ('SOP') for dispute resolution under the Stock Exchange Arbitration Mechanism for disputes between a listed company and/or registrars to an issue and share transfer agents and its shareholder(s)/ investor(s). The Company has complied with the same and is accessible on the website of the Company at the weblink is: <https://www.jtekt.co.in/Online-Dispute-Resolution.aspx>.

**SCORES:** A centralised web based complaints redress system 'SCORES' which serves as a centralised database of all complaints received, enables uploading of Action Taken Reports by the concerned

companies and online viewing by the investors of actions taken on complaints and its current status.

**Online Dispute Resolution Portal ('ODR Portal'):** A mechanism to streamline and strengthen the existing dispute resolution in the Indian Securities Market, SEBI vide Circular No. SEBI/HO/OIAE/OIAE\_IAD-3/P/CIR/2023/195 dated July 31, 2023 (updated as on December 20, 2023), introduced the ODR Portal. This mechanism enhanced the degree of regulatory supervision by SEBI over disputes between aggrieved parties and the ODR order is binding on both the parties to the dispute.

Pursuant to above-mentioned circulars, the aggrieved party can initiate the mechanism through the ODR portal, after exercising the primary options to resolve the issue directly with the Company and through the SCORES platform.

## UNCLAIMED DIVIDENDS

Under the Companies Act, 2013, dividends that are unclaimed for a period of seven years have to be transferred to the Investor Education and Protection Fund administered by the Central Government. Table 4A gives the date of dividend declaration or payment since 2017 and the corresponding dates when unclaimed dividends are due to be transferred to the Central Government. Table 4B gives the unclaimed dividend amount since 2017.

**Table 4A : Date of transferring unclaimed dividend to the Central Government**

Year	Type	Date of declaration	Date due for transfer to Central Government
2017	Final	22 August 2017	25 September 2024
2018	Final	10 August 2018	11 September 2025
2019	Final	9 August 2019	10 September 2026
2020	Final	23 September 2020	27 October 2027
2021	Final	16 September 2021	19 October 2028
2022	Final	26 August 2022	26 September 2029
2023	Final	11 August 2023	11 September 2030

During the financial year under review, the Company has transferred INR 26,68,826/- to Investor Education and Protection Fund towards unclaimed dividend pertaining to the year ended 31 March, 2016.

**Table 4B : Unclaimed dividend as on 31 March 2024**

Year	Amount of dividend declared (INR Lakhs)	Dividend unclaimed (INR Lakhs)
2017	993.82	26.29
2018	993.82	20.55
2019	1955.84	30.80
2020	778.13	2.99
2021	331.91	1.39
2022	884.74	3.25
2023	1113.97	3.28

**NUMBER AND NATURE OF COMPLAINTS REGARDING SHARES**

**Table 5 : Details of Investor complaints regarding shares for the year 2023-24.**

<b>Nature of complaint</b>	<b>Number of complaints</b>
Investor complaints pending at the beginning of the year	0
Investor complaints received during the year	13
Investor complaints disposed off during the year	13
Investor complaints remained unresolved at the end of the year	0
<b>Total</b>	<b>13</b>

**PLANTS' LOCATION**

- 1) 38/6, NH-8, Delhi-Jaipur Road, Gurugram-122001 (Haryana).
- 2) Plot No. 32, Industrial Area Phase II, Dharuhera, Distt. Rewari (Haryana).
- 3) Plot No. 19, Industrial Area, Dharuhera, Distt. Rewari (Haryana).
- 4) 39/2/2, 3/2 4/2, 7,8 Village Malpura, Tehsil Dharuhera, Distt. Rewari (Haryana).
- 5) Plot No. 26, Sector-5, Phase-II, Growth Centre, Bawal, Distt. Rewari-123501
- 6) Plot No. 25, Sector-5, Phase-II, Growth Centre, Bawal, Distt. Rewari-123501
- 7) P.O. Box 14, Chennai-Bangalore Highway, Sriperumbudur, Distt. Chinglepet, Tamil Nadu – 602 105.

**REGISTERED OFFICE**

UGF-6, Indraprakash, 21 Barakhamba Road, New Delhi – 110 001

For and on behalf of the Board

**Hitoshi Mogi**

Chairman & Managing Director  
[DIN 08741355]

Place : Gurugram  
Date : 30 May 2024

## CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

As required by Regulation 17(8) of the Listing Regulations, the CEO and CFO declaration is given below:

To  
The Board of Directors  
**JTEKT India Limited**  
UGF-6 Indraprakash,  
21, Barakhamba Road,  
New Delhi-110001

We, Hitoshi Mogi, Chairman & Managing Director and Rajiv Chanana, Director & CFO of JTEKT India Limited (the Company), hereby certify to the Board that:

- a) We have reviewed financial statements and the cash flow statement for the year ended 31 March 2024 and that to the best of our knowledge and belief:
  - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
  - i) Significant changes in internal control over financial reporting during the year;
  - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.
- e) The management has identified certain unusual adjustments posted by an employee to the trade receivables account amounting to INR 771.20 lakh, which pertain to prior years. These amounts have been charged to Statement of Profit and Loss as "Other expenses" in the financial statements. Management has performed an independent investigation through an external consultant and does not expect any further impact on the financial statement for the year ended 31 March 2024. The Management, in consultation with Audit Committee, has taken necessary actions and is in the process of implementing controls in the areas of appropriate knocking of the receipts based on the remittance advices received from customers and reconciliations of trade receivables to prevent the re-occurrence of such events.

For **JTEKT India Limited**

Place: Gurugram  
Dated: 30 May 2024

**Rajiv Chanana**  
(Director & CFO)

**Hitoshi Mogi**  
(Chairman & Managing Director)

## DECLARATION OF THE CHIEF EXECUTIVE OFFICER

This is to certify that the Company had laid down Code of Conduct of the Board Members and the Senior Management Personnel of the Company and the same is uploaded on the website (<https://www.jtekt.co.in/Policies.aspx>).

Further certified that the Members of the Board of Directors and Senior Management Personnel have affirmed the compliance with the Code applicable to them during the year 31 March 2024.

For **JTEKT India Limited**

Place: Gurugram  
Dated: 30 May 2024

**Hitoshi Mogi**  
(Chairman & Managing Director)



# CERTIFICATE ON CORPORATE GOVERNANCE

To

**The Members of JTEKT India Limited**

UGF-6, Indraprakash,  
21, Barakhamba Road  
New Delhi-110001

**Practicing Company Secretary's Certificate on compliance with the conditions of Corporate Governance as per Chapter IV pursuant to Regulation 34(3) and Schedule V Para E of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

The accompanying Corporate Governance Report (the 'Report') contains details of compliance of conditions of Corporate Governance, as per regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') by JTEKT India Limited (the 'Company') for the year ended 31 March 2024. We have initialled the Report for identification purpose only.

**Management's Responsibility for compliance with the conditions of Listing Regulations**

1. The Management along with the Board of Directors is responsible for ensuring that the Company complies with the requirements of the Listing Regulations and for providing all relevant information to the Securities and Exchange Board of India.
2. The preparation of the accompanying Corporate Governance Report is the responsibility of the Management of the Company including the Board of Directors. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Report, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

**Responsibility of the Practicing Company Secretary**

3. Pursuant to the requirements of Clause E of Schedule V of the Listing Regulations, it is our responsibility to obtain reasonable assurance and form an opinion as to whether the Company complies with the conditions of Corporate Governance.
4. We have examined the compliance of the conditions of Corporate Governance by 'the Company' for the year ended on March 31, 2024, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D & E of Schedule V of "Listing Regulations".
5. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

**Opinion**

6. Based on the examination above, in our opinion and to the best of our information and according to the explanations given to us, and the representations made by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations for the year ended on March 31, 2024.

**Restriction on Use**

7. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **KKS & Associates**  
Company Secretaries

**Krishna Kumar Singh**  
Practicing Company Secretary  
Membership No: 8493  
COP No. : 9760  
UDIN: F008493F000502162  
Peer Review: 2105/2022

Place: New Delhi

Date : 30 May 2024

# CERTIFICATION BY COMPANY SECRETARY IN PRACTICE

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,  
The Members  
**JTEKT India Limited**  
UGF-6 Indraprakash  
21, Barakhamba Road,  
New Delhi-110001

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of JTEKT India Limited having CIN: L29113DL1984PLC018415 and having registered office at UGF-6 Indraprakash, 21, Barakhamba Road, New Delhi-110001 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31 March 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, New Delhi or any such other Statutory Authority .

S. No.	Name of Directors	DIN	Date of appointment in Company
1.	Mr. Hitoshi Mogi	08741355	16/05/2020
2.	Mr. Rajiv Chanana	02630192	01/06/2022
3.	Mr. Satoshi Komeda <sup>①</sup>	09607693	01/06/2022
4.	Mr. Minoru Sugisawa <sup>②</sup>	10119891	01/06/2023
5.	Mr. Takumi Matsumoto	09214828	01/07/2021
6.	Mr. Taku Sumino	09608944	01/06/2022
7.	Mr. Inder Mohan Singh	07114750	18/05/2019
8.	Mr. Praveen Bakshi	08261443	18/05/2019
9.	Mrs. Hiroko Nose <sup>③</sup>	06389168	11/08/2018
10.	Mr. Masahiko Morimoto	06933969	11/11/2021
11.	Mr. Hidehito Araki <sup>④</sup>	02517509	11/08/2018
12.	Mr. Hiroshi Daikoku <sup>⑤</sup>	10006725	11/08/2023

- ① Mr. Satoshi Komeda, rescinded from the position of Director (Operations) of the Company effective from 1 April 2023.
- ② Mr. Minoru Sugisawa was appointed as an Additional Director, in the capacity of Wholtime Director, with remuneration, effective from 1 June 2023, whose appointment was confirmed by the shareholders of the Company at 39 Annual General Meeting held on 11 August 2023
- ③ Mrs. Nose was re-appointed as Independent Woman Director for the second term of five years effective from 11 August 2023, whose appointment was confirmed by the shareholder of the Company at 39 Annual General Meeting held on 11 August 2023
- ④ Mr. Hidehito Araki ceased to be an Independent Director of the Company due to completion of his tenure effective from the close of business hours of 10 August 2023.
- ⑤ Mr. Hiroshi Daikoku, was appointed as an Independent Director, effective from 11 August 2023, whose appointment was confirmed by the shareholders of the Company at 39 Annual General Meeting held on 11 August 2023.

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

For **Arun Gupta & Associates**

**Arun Kumar Gupta**

Company Secretary

ACS: 21227

C.P. No. 8003

PR 1008/2020

UDIN : A021227F000507119

Dated : 30 May 2024

Place : New Delhi

# BOARD'S REPORT

## TO THE MEMBERS,

Your Directors have pleasure in presenting their 40 Annual Report together with audited accounts of the Company for the year ended 31 March 2024.

### 1) Financial Results

(Amount in INR/Lakhs)

Particulars	Current Year	Previous Year
	31.03.2024	31.03.2023*
Total Income	225,697.96	205,249.30
Profit before interest, depreciation & tax	23,401.59	19,211.09
- Interest	611.94	473.78
- Depreciation & write offs	8,144.38	7,319.68
Profit before tax	14,645.27	11,417.63
Less : Provision for tax	3,976.39	3,062.83
Provision for deferred tax liability / (assets)	(17.55)	(356.87)
Profit after tax	10,686.43	8,711.67
<b>Retained Earnings</b>		
Balance at the beginning of the year	51,741.40	39,528.02
Add: Additions through business combination under common control *	-	4,968.44
Profit for the year	10,686.43	8,711.67
Payment of Dividend on equity shares	(1,794.72)	(1,399.32)
OCI Transfer to Retained Earnings	(95.54)	(67.41)
<b>Balance at the end of the year</b>	<b>60,537.57</b>	<b>51,741.40</b>

\*The Board of Directors of the Company, based on the recommendation of Audit Committee, in its meeting held on 6 July 2022, has considered and approved the Scheme of Amalgamation ("Scheme") for merger of its subsidiary company namely JTEKT Fuji Kiko Automotive India Limited ("Amalgamating Company") with the Company, pursuant to Sections 230 to 232 of the Companies Act, 2013, with effect from Appointed Date i.e. 1 April 2022. The Scheme was filed with National Company Law Tribunal ("NCLT") on 26 November 2022 and was approved by NCLT on 12 December 2023. A certified copy of the Order was filed with the Registrar of Companies on 1 January 2024 and the scheme became effective. Pursuant to the Scheme, all the assets, liabilities, reserves and surplus of amalgamating company have been vested in the Company with effect from 1 April 2022 at the carrying values in financial statements of amalgamated company in accordance with Appendix C of IND AS 103.

### 2) State of Affairs of the Company

The Company achieved revenue from operations of INR 2,24,549 lakhs during the year; with an increase of 10% compared to revenue achieved in the previous year.

The Company reported profit after tax of INR 10,686 lakhs, an increase of 23% compared to the previous year.

### 3) Capital Expenditure on tangible assets

This year, the Company has incurred a capital expenditure of INR 17,071 lakhs. This comprises:

- Building INR 532 lakhs.
- Plant and Machinery, jig & fixture etc. INR 14,753 lakhs.
- Office equipment and others INR 1,786 lakhs.

### 4) Dividend

Keeping in view the current year performance, your directors are pleased to recommend a dividend of INR 0.60 per equity share of the face value of INR 1/- each (@ 60%) out of profit for Financial Year 2023-24 resulting into distribution of sum of INR 1525.68 lakh towards dividend, payable to those shareholders whose name appear in the Register of Members as on the date of book closure.

During the previous Financial Year dividend was paid at the rate of 50% on the equity share capital of the Company.

No interim dividend was declared by the Board of Directors during Financial Year 2023-24.

### 5) Reserves

(Amount in INR/Lakhs)

Particulars	31 March 2024	31 March 2023
Balance as per last financial statements	51,741.40	39,528.02
Add: Additions through business combination under common control *	-	4,968.44
Add: Profit for the year	10,686.43	8,711.67
Less: Appropriations		
Dividend paid	(1,794.72)	(1,399.32)
Less : OCI Transfer to Retained Earnings	(95.54)	(67.41)
Net surplus in the statement of Profit and loss account	60,537.57	51,741.40

\* Please refer note given under the Financial Results

### 6) Amalgamation

As part of the Company's restructuring plan, the Board of Directors of the Company in their meeting held on 6 July 2022,



had approved the Scheme of Amalgamation of JTEKT Fuji Kiko Automotive India Limited ('JFIN'), a subsidiary of JTEKT India Limited ('the Company'), with the Company and the same was approved by the Members at the meeting held on 20 May 2023, convened on the direction of the Hon'ble National Company Law Tribunal, Principal Bench, New Delhi ('NCLT').

The NCLT vide its Order dated 12 December 2023 had approved the Scheme, which was filed with the Registrar of Companies, NCLT of Delhi & Haryana on 1 January 2024, being the 'Effective Date'. Pursuant thereto, in accordance with the terms of the Scheme, JFIN was amalgamated with the Company w.e.f. the Appointed Date i.e. 1 April 2022, and consequently, JFIN stands dissolved without winding up. The necessary accounting entries giving effect to the amalgamation have been passed in the books of accounts of the Company.

## 7) Change of nature of Business

During the year there has been no change in the nature of business of the Company.

## 8) Share Capital

During the Financial Year 2023-24, your Company allotted 98,00,014 nos. of Equity Shares of INR 1/- each to the shareholders of JFIN, pursuant to the Scheme of Amalgamation between JFIN and the Company and their respective shareholders and creditors, approved by NCLT, New Delhi vide its Order dated 12 December 2023.

Pursuant to amalgamation of JFIN with the Company:

- (a) the Authorized Share Capital of the Company has been increased from INR 87,10,00,000/- consisting of 87,10,00,000 nos. of Equity Shares of INR 1/- each to INR 99,10,00,000/- consisting of 99,10,00,000 nos. of Equity Shares of INR 1/- each; and
- (b) the Issued, Subscribed and Paid-up Share Capital of the Company stands increased from INR 24,44,80,469 comprising of 24,44,80,469 equity shares of INR 1/- each to INR 25,42,80,483 comprising of 25,42,80,483 equity shares of INR 1/- each.

As on 31 March 2024, none of the Directors of the Company holds instruments convertible into equity shares of the Company.

For details of dividend and shares transferred to Investor Education and Protection Fund (IEPF), please refer Corporate Governance Report.

## 9) Significant and material Orders passed by the Regulators or Courts

There are no significant or material Orders passed by the Regulators or Courts that would impact the going concern status of the Company and its future operations.

## 10) Material changes and commitments, if any, affecting the financial position of the Company

There are no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which financial statements relate and the date of the report.

## 11) Details in respect of adequacy of internal controls

The internal controls are aligned to adhere to the local statutory requirements. The internal control systems are supported through, management reviews, verification by internal auditors, as well as verification by Statutory Auditors. Further, the Audit Committee of the Board reviews the internal audit plan, adequacy of internal control systems, significant audit observations and monitors the sustainability of remedial measures.

In addition to policies, procedures, and guidelines, the internal controls system is facilitated by an automated "Compliance Manager Tool", which enables self-assessment by process owners on status of all applicable regulatory compliances and Internal Controls including, controls relating to adherence to company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information. The status of each self-assessment is approved by an immediate superior. The status of self-assessment is periodically deliberated and reviewed by the Senior Management. Further, the accuracy of sample self-assessments is verified through periodic internal audits.

The aforesaid internal control systems provide high degree of assurance with respect to effectiveness and efficiency of operations, adequacy and adherence of internal financial controls and compliances with laws and regulations except few deficiencies for which management is in process of implementing appropriate controls.

The Company has an effective and reliable internal control system commensurate with its size and operations except for the below mentioned deficiencies noted during management assessment and evaluation of internal financial controls.

The management has identified certain unusual adjustments posted by an employee to the trade receivables account amounting to INR 771.20 lakh, which pertain to prior years. These amounts have been charged to Statement of Profit and Loss as "Other expenses" in the financial statements for the year ended 31 March 2024. Management has performed an independent investigation through an external consultant and does not expect any further impact on the financial statement for the year ended 31 March 2024. The Management, in consultation with Audit Committee, has taken necessary actions and is in the process of strengthening controls in the areas of appropriate knocking of the receipts based on the remittance advices received from customers and reconciliations of trade receivables to prevent the re-occurrence of such events.

During the current year ended 31 March 2024, Statutory Auditors have given Qualified opinion on Internal Financial Controls with reference to the Financial Statements (refer Annexure B to the Independent Auditor's report).

As mentioned above, the Management is in process of taking appropriate actions to strengthen the relevant Internal Financial Controls.

## 12) Details and Performance of Subsidiary Company

Vide order dated December 12, 2023 ("Order") passed in Company Petition bearing [CAA-37(ND)/2023 connected with CA(CAA)-113(ND)/2022] under Sections 230-232 of the Companies

Act, 2013, the Hon'ble National Company Law Tribunal, New Delhi ("Tribunal") has approved the Scheme of Amalgamation between JTEKT Fuji Kiko Automotive India Limited ("Transferor Company") and JTEKT India Limited ("Transferee Company"), their respective Shareholders and Creditors ("hereinafter referred to as the 'Scheme'). Accordingly, the Company do not have any other Subsidiary as on 31 March 2024.

### 13) Extract of Annual Return

In accordance with the Companies Act, 2013, Annual Return in the prescribed format is available at Company's website [www.jtekt.co.in/Annual-Return.aspx](http://www.jtekt.co.in/Annual-Return.aspx).

### 14) Corporate Social Responsibility (CSR)

Your company considers CSR activities as an opportunity to make a long term positive impact on the society and forms this as an integral part of the philosophy and business activities of the Company. During the Financial Year 2023-24, the Company has contributed in the areas of quality education, healthcare including preventive healthcare and rural development.

The Company has always focussed to implement these projects in local areas after detailed assessment of the requirements of the community with the objective to derive maximum benefit from these activities. The Company has successfully implemented all the projects approved by the Corporate Social Responsibility Committee of Directors, within the current financial year and has spent an excess amount of INR 0.11 lakh in addition to statutory requirement of INR 133.32 lakh.

In compliance with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules 2014, the Company has established Corporate Social Responsibility (CSR) Committee and statutory disclosures with respect to the CSR Committee and an Annual Report on CSR Activities forms part of this Report as **Annexure – I**.

### 15) Number of meetings of the Board of Directors

The Board of Directors met 4 (four) times in the year ended 31 March 2024. The details of the Board Meetings and the attendance of the Directors are provided in the Corporate Governance Report.

### 16) Nomination & Remuneration Committee and its policy

The Board of Directors had constituted a Nomination & Remuneration Committee to review formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees and such other ancillary functions as may be required.

The Company follows a policy on remuneration of directors and senior management employees. The policy is approved by the Nomination & Remuneration Committee and the Board and is available on Company's website [www.jtekt.co.in](http://www.jtekt.co.in).

For details of remuneration paid to Directors, please refer Corporate Governance Report.

### 17) Particulars of contracts or arrangements with related parties

The Company has entered into contracts / arrangements with the related parties in the ordinary course of business and on arm's length basis. Thus, provisions of Section 188(1) of the Companies Act, 2013 are not applicable.

All related party transactions entered during the year were in the ordinary course of business and on arm's length basis. During the year under review, your Company had also entered into certain material related party transactions but these transactions too were in the ordinary course of business and were at arm's length basis. Details of these transactions, as required to be provided under section 134(3)(h) of the Companies Act, 2013 are disclosed in Form AOC-2, appended as **Annexure - II** and forms part of this Annual Report.

However, in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), all transactions with related parties, which are of material in nature, are subject to the approval of the Members of the Company. The requisite resolutions in order to comply with the aforesaid requirements of Listing Regulations, were passed by the members of the Company at the last Annual General Meeting held on 11 August 2023. Considering the anticipated business growth, there is a proposal to seek shareholders' approval for material related party transactions outlined in the relevant resolutions, which are included in the Notice for the Company's 40 Annual General Meeting.

### 18) Auditors

#### (A) Statutory Auditors

Under Section 139 of the Companies Act, 2013 and the Rules made thereunder, BSR & Co. LLP, Chartered Accountants (Firm registration number 101248W/W-100022) ('BSR') was appointed as the Statutory Auditors of the Company to hold office for a period of five consecutive years from the conclusion of the 38 Annual General Meeting of the Company held on 26 August 2022 till the conclusion of the 43 Annual General Meeting.

#### (B) Secretarial Audit Report

Pursuant to Section 204 of the Companies Act, 2013, the Company had appointed Mr. K.K. Singh, proprietor of KKS and Associates, Company Secretaries in practice, as its Secretarial Auditors to conduct the secretarial audit of the Company for the FY 2023-24. The Company provided all assistance and facilities to the Secretarial Auditors for conducting their audit. The Report of Secretarial Auditors for the FY 2023-24 is annexed to this report as **Annexure – III**. The report does not contain any qualification.

#### (C) Audit Reports

1. The Statutory Auditor's Report for financial year 2023-24 does not contain any qualification, reservation or adverse remark, except as provided in the Corporate Governance Report attached to this Annual Report.
2. The Secretarial Auditor's Report for financial year 2023-24 does not contain any qualification, reservation or adverse remark.

3. As required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations'), the Practicing Company Secretary's Certificate on corporate governance is enclosed to the Board's Report. The Practicing Company Secretary's Certificate for financial year 2023-24 does not contain any qualification, reservation or adverse remark.

### 19) Reporting of frauds by auditors

During the Financial Year, 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 the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

### 20) Risk Management

The Board of Directors of the Company had constituted a Risk Management Committee to oversee the risk management process in the Company.

The Company has laid down a well-defined risk management mechanism covering the risk mapping and trend analysis, risk exposure, potential impact and risk mitigation process. A detailed exercise is being carried out to identify, evaluate, manage and mitigate both business and non-business risks. The Risk Management Committee periodically reviews the risks and suggests the steps to be taken to identify and mitigate the same through a properly defined framework.

For details pertaining to Risk Management Committee, please refer to the Corporate Governance Report.

### 21) Corporate Governance

The Company has complied with the corporate governance requirements under the Companies Act, 2013 and as stipulated under the Listing Regulations. A separate section on corporate governance under the Listing Regulations, along with a certificate from the Practicing Company Secretary confirming the compliance, is annexed and forms part of this Annual Report.

### 22) Business Responsibility & Sustainability Report

Business Responsibility and Sustainability Report for the Financial Year 2024 describing the initiatives taken by the Company from an Environment, Social and Governance perspective as stipulated under Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed as **Annexure - IV** and is also available on the Company's website at <https://www.jtekt.co.in/investors/FinancialInformation.html>.

### 23) Vigil/Whistle Blower Mechanism

The Company has established a vigil/whistle blower mechanism for Directors and employees to report their genuine concerns. For details, please refer to the Corporate Governance Report attached to this Annual Report.

### 24) Listing

The Securities of your Company are listed at National Stock Exchange of India Limited and BSE Limited and the Company has paid the Listing Fee due to them.

### 25) Deposits

During the year the Company has no deposits covered under Chapter V of the Companies Act, 2013.

### 26) Loans, Guarantees and Investments

During the year under review, no loans, guarantees and investments were made by the Company under Section 186 of the Companies Act, 2013, hence the said provision is not applicable. For details pertaining to other loan given, guarantees provided, security provided and investment made please refer to the Financial Statement for financial year 2023-24.

### 27) Directors & Key Managerial Personnel

As on 31 March 2024, your Company has ten (10) Directors consisting of five (5) Independent Directors (including one Woman Director), three (3) Executive Directors and two (2) Non-Executive Directors.

During the year :

- Mr. Satoshi Komeda, rescinded from the position of Director (Operations) of the Company effective from 1 April 2023;
- Mr. Hidehito Araki, ceased to be an Independent Director of the Company due to completion of his tenure effective from the close of business hours of 10 August 2023;
- Mr. Ashish Srivastava, rescinded from the position of Company Secretary as well as one of Key Managerial Persons of the Company effective from the close of working hours of 5 April 2023; and

Further, during the year :

- Mrs. Hiroko Nose was re-appointed as Independent Woman Director by the shareholders of the Company at 39 Annual General Meeting held on 11 August 2023;
- Mr. Minoru Sugisawa was appointed as an Additional Director, in the capacity of Wholetime Director, with remuneration, with effect from 1 June 2023, whose appointment was confirmed by the shareholders of the Company at 39 Annual General Meeting held on 11 August 2023;
- Mr. Hiroshi Daikoku was appointed as an Independent Director of the Company with effect from 11 August 2023, whose appointment was confirmed by the shareholders of the Company at 39 Annual General Meeting held on 11 August 2023; and
- Mr. Saurabh Agrawal was appointed as Company Secretary as well as one of the Key Managerial Persons of the Company effective from 22 May 2023.

In terms of the definition of 'Independence' of Directors as prescribed under the Listing Regulations and Section 149(6) of the Companies Act, 2013 the Company has received declarations from the following Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Companies Act, 2013 and Listing Regulations:

- 1) Mrs. Hiroko Nose
- 2) Mr. Inder Mohan Singh
- 3) Lt. Gen. Praveen Bakshi (Retd.)
- 4) Mr. Masahiko Morimoto
- 5) Mr. Hiroshi Daikoku

Your Directors take this opportunity to place on record the appreciation of services rendered by Mr. Satoshi Komeda as Director (Operations) and Mr. Hidehito Araki as Independent Director, during their association with the Company.

Pursuant to the provisions of Section 152(6) read with the Articles of Association of the Company, Mr. Rajiv Chanana will retire by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

For further details, pertaining to Board Meetings, please refer to the Corporate Governance Report.

As on March 31, 2024, following are the Key Managerial Persons (KMPs) of the Company:

1. Mr. Hitoshi Mogi, Chairman & Managing Director (Executive Director)
2. Mr. Rajiv Chanana, Director & CFO
3. Mr. Saurabh Agrawal, Company Secretary & Compliance Officer (Appointed w.e.f. 22 May 2023)

## 28) Board Evaluation

The Company has devised a Policy for performance evaluation of Independent Directors, the Board, its Committees and other individual Directors which include criteria for performance evaluation of the non-executive directors and executive directors.

The performance evaluation of the Board, its Committees and individual directors was conducted and the same was based on questionnaire and feedback from all the Directors on the Board as a whole, Committees and self-evaluation.

Based on the questionnaire and feedback, the performance of every director was evaluated in the meeting of the Nomination and Remuneration Committee.

Further, in accordance to the Board Performance Evaluation Policy, the Board carried out annual performance evaluation of Independent Directors. The Independent Directors carried out annual performance evaluation of Non independent Directors and Board as a whole.

## 29) Committee of Directors

For composition and other details pertaining to the Committee of Directors, please refer to the Corporate Governance Report.

## 30) Directors' Responsibility Statement

Pursuant to clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, the directors confirm that:

- a) in the preparation of the annual accounts for the financial year 2023-24, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2023-24 and of the profit of the Company for that period;
- c) the directors have taken proper and sufficient care for the 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 fraud and other irregularities;
- d) the directors have prepared the annual accounts on a going concern basis;
- e) the directors, have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 31) Secretarial standards

The Company complies with all applicable secretarial standards.

## 32) Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

A statement containing the necessary information on conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be given pursuant to provisions of Section 134 of the Companies Act, 2013, read with the rules made thereunder is annexed as **Annexure – V** and forms part of this report.

## 33) Management's discussion and analysis

In terms of the provisions of Regulation 34 of the Listing Regulations, the management's discussion and analysis is set out in this Annual Report.

## 34) Employees

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration



of Managerial Personnel) Rules, 2014, are provided in **Annexure - VI(a)** to this Report.

A statement showing the details of employees of the Company who are drawing salary as per the limits prescribed under Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 during the Financial Year 2023-24 or part thereof, is attached herewith as **Annexure - VI(b)** to this Report.

### 35) Disclosures pertaining to the Sexual Harassment of women at the work place (prevention, prohibition and redressal) Act, 2013

For details pertaining to the Sexual Harassment of women at the work place (prevention, prohibition and redressal) Act, 2013, please refer Corporate Governance Report.

### 36) General

During the year, there being no transactions with respect to following items during the year under review, no disclosure or reporting is required in respect of the same:

- a. Issue of equity shares with differential rights as to dividend, voting or otherwise.
- b. Issue of shares (including sweat equity shares) to employees of your Company under any scheme.
- c. Neither the Managing Director nor the Wholetime Director of your Company receive any remuneration or commission from any of its subsidiaries.
- d. Buy-back of shares.
- e. No application was made or any proceeding is pending under the Insolvency and Bankruptcy Code, 2016.
- f. No settlements have been done with banks or financial institutions.

### 37) Acknowledgements

Your Directors acknowledge with gratitude the co-operation and support extended by the Company's customers namely Maruti Suzuki, Mahindra & Mahindra, Tata Motors, Honda Cars India, Stellantis (Fiat + PCA), Toyota Kirloskar, Club Car, E-z-go, Renault-Nissan, Isuzu and SML-Isuzu, Banks, and various agencies of the Government.

Your Directors also wish to place on record their sincere appreciation of the services rendered by all the employees of the Company and are thankful to the Shareholders for their continued patronage.

For and on behalf of the Board

**Hitoshi Mogi**

Chairman & Managing Director  
[DIN 08741355]

Place : Gurugram  
Date : 30 May 2024

**Annual CSR Report for the Financial Year 2023-24**  
[Pursuant to Section 135 of the Companies Act, 2013]

1. Brief outline on Corporate Social Responsibility (CSR) Policy of the Company.

The Company considers CSR activities as an opportunity to make a long term positive impact on the society and forms this as an integral part of the philosophy and business activities of the Company. The Company's CSR activities are guided by the CSR Committee and are primarily focussed in the area of healthcare, education and rural development. The Company has framed a CSR policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website: [www.jtekt.co.in](http://www.jtekt.co.in).

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Lt. Gen. Praveen Bakshi (Retd.)	Chairman (Independent Director)	2	2
2.	Mr. Hitoshi Mogi <sup>①</sup>	Member (Chairman & Managing Director)	2	1
3.	Mr. Hidehito Araki <sup>②</sup>	Member (Independent Director)	2	1
4	Mr. Minoru Sugisawa <sup>③</sup>	Member (Whole Time Director)	2	1
5.	Mr. Hiroshi Daikoku <sup>④</sup>	Member (Independent Director)	2	1

<sup>①</sup> Appointed as member w.e.f. 01 April, 2023 and ceased to be member w.e.f. 01 June, 2023.

<sup>②</sup> Ceased to be member w.e.f. close of business hours of 10 August, 2023.

<sup>③</sup> Appointed as member w.e.f. 01 June, 2023.

<sup>④</sup> Appointed as member w.e.f. 11 August, 2023.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: [www.jtekt.co.in](http://www.jtekt.co.in).
4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: Not Applicable.
5. (a) Average net profit of the company as per sub-section (5) of Section 135.  
INR 6,665.69 Lakhs
- (b) Two percent of average net profit of the company as per sub-section (5) of Section 135.  
INR 133.32 Lakhs
- (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.  
Nil
- (d) Amount required to be set off for the financial year, if any.  
Nil
- (e) Total CSR obligation for the financial year [(b)+(c)-(d)].  
INR 133.32 Lakhs
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).  
INR 133.43 Lakhs
- (b) Amount spent in Administrative Overheads.  
Nil
- (c) Amount spent on Impact Assessment, if applicable.  
Not Applicable
- (d) Total amount spent for the Financial Year [(a)+(b)+(c)].  
INR 133.43 Lakhs

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (in INR)	Amount Unspent (in INR)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of Section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of Section 135.		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
13,342,657.76	Not Applicable	Not Applicable		Not Applicable	

(f) Excess amount for set off, if any

Sl. No.	Particulars	Amount (in INR)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of Section 135	13,332,424.02
(ii)	Total amount spent for the Financial Year	13,342,657.76
(iii)	Excess amount spent for the financial year [(ii)-(i)]	10,233.74
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL*

\*The Company did not decide to set off the excess amount of INR 10,233.74 spent in the FY 2023-24.

7. Details of Unspent CSR amount for the preceding three financial years:

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of Section 135 (in INR)	Balance Amount in Unspent CSR Account under sub-section (6) of Section 135 (in INR)	Amount spent in the reporting Financial Year (in INR)	Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of Section 135, if any		Amount remaining to be spent in succeeding financial years. (in INR)	Deficiency, if any
					Amount (in INR)	Date of Transfer		
1.	2022-23	Nil	Nil	Nil	N.A.		Nil	N.A.
2.	2021-22#	12,50,193.86	Nil	Nil	N.A.		Nil	N.A.
3.	2020-21#	28,12,502.00	Nil	Nil	N.A.		Nil	N.A.

# Unspent CSR amounts of FY 2020-21 and FY 2021-22 were fully utilised in FY 2021-22 and FY 2022-23 respectively towards ongoing projects of respective Financial Years.

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year : No.

If Yes, enter the number of Capital assets created/ acquired.

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin Code of the property or asset(s)	Date of creation	Amount of CSR amount Spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
					Not Applicable		

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of Section 135 : Not Applicable.

**Lt.Gen. Praveen Bakshi (Retd)**

Independent Director

(Chairman – CSR Committee)

DIN - 8261443

**Hiroshi Daikoku**

Independent Director

(Member – CSR Committee)

DIN - 10006725

Place : Gurugram

Date : 14 May 2024

## FORM AOC-2

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

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

### 1. Details of contracts or arrangements or transactions not at arm's length basis -

There were no contracts or arrangements or transactions entered into during the year ended 31 March 2024, which were not at arm's length basis.

### 2. Details of material contracts or arrangements or transactions at arm's length basis

The details of material contracts or arrangements or transactions at arm's length basis for the year ended 31 March 2024 are as follows :

Sl. No.	Name(s) of the Related Party & Nature of relationship	Nature of transactions	Transaction value (INR/Lakhs)	Amount paid in advance (INR/Lakhs)	Duration of transactions	Salient terms of transactions	Date of approval by the board
1.	<b>JTEKT Corporation</b> (Holding Company)	Dividend Paid	835.30	Nil	April 2023 - March 2024	The related party transaction (RPTs) entered during the year were in the ordinary course of business and on arms length basis.	The said Related Party Transactions (RPT's) were approved by the Audit Committee and Board of Directors of the Company and are within the limits as approved by the Members by way of ordinary resolution at 39 Annual General Meeting held on 11 August 2023.
		Corporate guarantee on loans from bank	7,501.67				
		Guarantee Fee Paid	13.45				
		Purchase of Capital Goods	590.60				
		Purchase of Goods	11,840.84				
		Receiving of Services	210.88				
		Reimbursement of Expenses Paid	1,291.90				
		Reimbursement of Expenses Recovered	17.20				
		Royalty	3,666.73				
		Sale of goods (Net of Warranty)	257.39				
		Sale of Services	37.60				
		Technical Support Fee	197.03				
		<b>Total</b>	<b>26,460.59</b>				
2.	<b>Maruti Suzuki India Limited</b> (Other Related Party)	Cash Discount Paid	0.19	Nil			
		Director Sitting Fee	1.77				
		Dividend Paid	69.00				
		Debtors written off	771.20				
		Interest Income	-				
		Receiving of Services	-				
		Reimbursement of Expenses Paid	-				
		Sale of Capital Goods	-				
		Sale of Goods (Net of Warranty)	139,501.42				
		<b>Total</b>	<b>140,343.58</b>				

For and on behalf of the Board of Directors of  
**JTEKT India Limited**

**Hitoshi Mogi**  
Chairman & Managing Director  
DIN 08741355

**Rajiv Chanana**  
Director and Chief Financial Officer  
DIN 02630192

**Hiroko Nose**  
Independent Director  
DIN 06389168

**Saurabh Agrawal**  
Company Secretary  
Membership no.: 36163



# FORM NO. MR-3

## SECRETARIAL AUDIT REPORT

For the financial year ended on March 31, 2024

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Regulation 24A of Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements), Regulations, 2015]

To,  
The Members,  
**JTEKT India Limited**,  
UGF-6, Indraprakash,  
21, Barakhamba Road, New Delhi-110001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **JTEKT India Limited** (CIN: L29113DL1984PLC018415) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit and the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **JTEKT India Limited** for the financial year ended on 31st March, 2024, according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made there under, as applicable;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments from time to time;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and amendments from time to time;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; **(Not applicable to the Company during the audit period);**
  - (d) The Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015;
  - (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not applicable to the Company during the audit period);**
  - (f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not applicable to the Company during the audit period);**
  - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable to the Company during the audit period);**
  - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not applicable to the Company during the audit period)**
  - (i) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; **(Not applicable to the Company during the audit period)** and
  - (j) Securities and Exchange Board of India (Depositories and Participant) Regulation, 2018;
- (vi) Other laws applicable specifically to the Company namely:-
  - (a) The Industries (Development and Regulation) Act, 1951 and rules/ regulations framed there under;
  - (b) Goods and Service Tax Act, 2017;
  - (c) The Water (Prevention and Control of Pollution) Act, 1974 and rules/ regulations framed there under;
  - (d) The Contract Labour (Regulation & Abolition) Act, 1970;
  - (e) The Minimum Wages Act, 1948;
  - (f) The Payment of Gratuity Act, 1972;
  - (g) The Industrial Employment Standing Orders Act, 1946;

- (h) The Equal Remuneration Act, 1976;
  - (i) The Maternity Benefit Act, 1961;
  - (j) Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013;
  - (k) State (Shop & Establishment) Act;
  - (l) Industrial Dispute Act, 1947;
  - (m) National & Festival Holidays Act, 1963;
  - (n) The Payment of Bonus Act, 1965;
  - (o) The Payment of Wages Act, 1936;
  - (p) The Employees' Compensation Act, 1923;
  - (q) The Employees State Insurance Act, 1948;
  - (r) The Employees' Provident Fund & Miscellaneous Provisions Act, 1952;
  - (s) The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959;
  - (t) The Hazardous Waste (Management, Handling & Transboundary Movement) Rules, 2008;
  - (u) The State Labour Welfare Fund Act;
  - (v) The Factories Act, 1948;
  - (w) The Environment Protection Act, 1986 and rules/ regulation framed thereunder;
  - (x) The local land policies and guidelines of State Industrial and Infrastructure Corporation Limited.
- (vii) We have also examined compliance with the applicable clauses of the following:
- (a) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.
  - (b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 hereinafter referred to as "Listing Regulations" and Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited.

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

We further report that:

- (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director(s). The changes (appointment or otherwise) in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- (ii) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (iii) All the decisions have been carried unanimously. The members of the Board have not expressed dissenting views on any of the agenda items during the Financial Year under review.

We further report that, there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the National Company Law Tribunal (NCLT) vide its order dated 12.12.2023 has approved the Scheme of Amalgamation filed vide Company Petition No. (CAA)-37(ND)/2023 connected with Company Application No. CA (CAA)-113(ND)/2022 of JTEKT Fuji Kiko Automotive India Limited ("Amalgamating Company") with JTEKT India Limited ("Amalgamated Company") and their respective shareholders and creditors under Sections 230 to 232 of the Companies Act, 2013.

We further report that during the audit period there were no specific events/actions having a major bearing on the Company's affairs, except explained above.

**For KKS & Associates**

**Krishna Kumar Singh**

Practicing Company Secretary

FCS No: 8493

COP No. : 9760

Place: New Delhi

Date : 15.05.2024

UDIN: FO08493F000373704

Peer Review: 2105/2022

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

## Annexure - A

To,  
The Members,  
**JTEKT India Limited,**  
UGF-6, Indraprakash,  
21, Barakhamba Road, New Delhi-110001

Our Secretarial Audit Report (MR-3) of even date is to be read along with this letter.

- (a) Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- (b) We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
- (c) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- (d) Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
- (e) The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
- (f) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For KKS & Associates**

**Krishna Kumar Singh**

Practicing Company Secretary

FCS No: 8493

COP No. : 9760

UDIN: FO08493F000373704

Peer Review: 2105/2022

Place: New Delhi

Date : 15.05.2024

# BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

## SECTION A: GENERAL DISCLOSURES

### I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L29113DL1984PLC018415
2.	Name of the Listed Entity	JTEKT India Limited
3.	Year of incorporation	1984
4.	Registered office address	UGF-6 Indraprakash, 21, Barakhamba Road, New Delhi 110001.
5.	Corporate address	38/6, NH-8, Delhi-Jaipur Road, Gurugram 122001, Haryana.
6.	E-mail	investorgrievance@jtekt.co.in
7.	Telephone	+91 (11) 2331 1924, 2332 7205
8.	Website	www.jtekt.co.in
9.	Financial year for which reporting is being done	2023-24
10.	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited and BSE Limited
11.	Paid-up Capital	INR 25,42,80,483/-
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Saurabh Agrawal, Company Secretary Email: saurabh.agrawal@jtekt.co.in Contact Number: (+91) 0124-4685000
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements taken together)	Disclosures made in this report are on a standalone basis.
14.	Name of assurance Provider	Not Applicable
15.	Type of assurance obtained	Not Applicable

### II. Products/services

#### 16. Details of business activities (accounting for 90% of the turnover)

S.No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacturing	Manufacturing and assembling of automotive components	99.18%

#### 17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover)

S.No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Automotive components	29301	99.18%

### III. Operations

#### 18. Number of locations where plants and/or operations/offices of the entity are situated

Location	Number of Plants	Number of Offices	Total
National	7*	2	9
International	0	0	0

\*Note: The NCLT, in its order dated 12 December 2023, approved the merger of JTEKT Fuji Kiko Automotive India Limited (JFIN) with JTEKT India Limited (JIN). This Scheme was filed with the Registrar of Companies, NCT of Delhi & Haryana on 1 January 2024, marking it as the Effective Date. As per the terms of the Scheme, JFIN was merged with the Company with retrospective effect from the appointed date, i.e. 1 April 2022. Consequently, the financial data for the fiscal year 2022-23 of JTEKT India Limited has been revised to incorporate JFIN's data.



**19. Markets served by the entity****a. Number of locations**

Locations	Number
National (No. of States)	11
International (No. of Countries)	2

**b. What is the contribution of exports as a percentage of the total turnover of the entity**

3.86%

**c. A brief on types of customers**

Revenues of the Company are largely on a Business-to-Business basis to OEM customers as a tier 1 supplier. The Company manufactures innovative products such as steering systems, driveline components etc. that satisfies the customers all over the world. Company is supplying automotive products to OEM's like Maruti Suzuki, TATA Motors, Honda, Toyota Kirloskar, Renault Nissan, Mahindra & Mahindra, Stellantis, E-Z-Go Textron, USA, Trenton Pressing LLC, USA, for commercial vehicles, passenger vehicles & now the Company is also planning for supplying automotive components to OEM's which are producing electrical vehicles in India.

**IV. Employees****20. Details as at the end of Financial Year****a. Employees and workers (including differently abled)**

Sl.No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>EMPLOYEES</b>						
1.	Permanent (D)	1018	978	96.07%	40	3.93%
2.	Other than Permanent (E)	0	0	0.00%	0	0.00%
<b>3.</b>	<b>Total employees (D + E)</b>	<b>1018</b>	<b>978</b>	<b>96.07%</b>	<b>40</b>	<b>3.93%</b>
<b>WORKERS</b>						
4.	Permanent (F)	574	559	97.39%	15	2.61%
5.	Other than Permanent (G)	1672	1637	97.91%	35	2.09%
<b>6.</b>	<b>Total workers (F + G)</b>	<b>2246</b>	<b>2196</b>	<b>97.77%</b>	<b>50</b>	<b>2.23%</b>

**b. Differently abled employees and workers.**

During the Financial Year 2023-24, the Company did not have any differently abled employees/workers.

**21. Participation/Inclusion/Representation of women**

	Total	No. and percentage of females	
	(A)	No.(B)	% (B/A)
Board of Directors	10	1	10.00%
Key Management Personnel	3	0	0.00%

**22. Turnover rate for permanent employees and workers**

(Disclose trends for the past 3 years)

	FY-2023-24 (Turnover rate in current FY)			FY-2022-23 (Turnover rate in previous FY)			FY-2021-22 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	10.13%	0.50%	10.63%	14.33%	1.19%	15.52%	11.36%	0.67%	12.03%
Permanent Workers	22.60%	0.34%	22.94%	39.40%	0.88%	40.28%	30.54%	0.71%	31.25%

**V. Holding, Subsidiary and Associate Companies (including joint ventures)****23. (a) Names of holding / subsidiary / associate companies / joint ventures**

Sl.No	Name of the Holding / Subsidiary / Associate Companies / Joint Ventures (A)	Indicate whether Holding / Subsidiary / Associate / Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	JTEKT Corporation, Japan	Holding Company	-	No

**VI. CSR Details**

- 24. (i) Whether CSR is applicable as per Section 135 of Companies Act, 2013 (Yes/No) - Yes
- (ii) Turnover (in INR) : INR 22,45,48,61,835.88
- (iii) Net worth (in INR) : INR 8,21,68,13,365.46

**VII. Transparency and Disclosures Compliances**

**25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct**

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (if Yes, then provide web-link for grievance redress policy)	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes <a href="http://jtekt.co.in/Contact-Us.aspx">http://jtekt.co.in/Contact-Us.aspx</a>	-	-	-	-	-	-
Investors (other than shareholders)	Not Applicable	We have no investor other than shareholders					
Shareholders	Yes <a href="https://www.jtekt.co.in/investors/Grievance-Redressal.html">https://www.jtekt.co.in/investors/Grievance-Redressal.html</a>	13	-	-	11	-	-
Employees and workers	Yes <a href="http://www.jtekt.co.in/investors/WhistleBlowerPolicy.html">http://www.jtekt.co.in/investors/WhistleBlowerPolicy.html</a>	-	-	-	-	-	-
Customers		3	-	-	10	-	-
Value Chain Partners		-	-	-	-	-	-
Other (please specify)		-	-	-	-	-	-

**26. Overview of the entity's material responsible business conduct issues**

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

SI.No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Energy Management	Risk and Opportunity	<ul style="list-style-type: none"> <li>• The majority of the energy needed by the company is purchased from the grid. The grid's power input mix is beyond of our control. As a result, we have made the decision to implement the approach's suggested actions to enhance our energy mix and efficiency.</li> </ul>	<ul style="list-style-type: none"> <li>• Company is currently engaged in discussions with agencies offering renewable energy sources such as solar power.</li> <li>• Company is also constantly working on improving the energy intensity per rupee of revenue.</li> </ul>	<p><b>Positive Impact:</b></p> <ul style="list-style-type: none"> <li>• In having future partnership with renewable energy agencies, we're planning to cut down greenhouse gas emissions and boosting operational stability by reducing reliance on fluctuating fossil fuel costs.</li> </ul>

Sl.No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2.	Employee Health & Safety at Workplace	Risk and Opportunity	<p><b>Risk :</b></p> <ul style="list-style-type: none"> <li>Non-compliance with safety measures by employees</li> <li>Non-awareness of hazardous nature of chemicals</li> </ul> <p><b>Opportunity :</b></p> <ul style="list-style-type: none"> <li>To make our global SHE Policy in line with best practice of health and safety across the world</li> </ul>	<ul style="list-style-type: none"> <li>Strict adherence to Good Safety mind of employees</li> <li>Focus on reducing the generation of effluent and arresting at the source</li> <li>Medical check-up, vaccination drive as per Govt. Regulations</li> <li>Use of digital technology</li> </ul>	<p><b>Positive Impact:</b></p> <ul style="list-style-type: none"> <li>Avoid losses of direct &amp; indirect costs involved in running of operations</li> <li>Improve employee morale leading to decrease in attrition rate and absenteeism</li> </ul>
3.	Waste	Risk and Opportunity	<p><b>Risk :</b></p> <ul style="list-style-type: none"> <li>Non compliance to Disposal Requirements</li> <li>Disposal Cost may increase</li> </ul> <p><b>Opportunity :</b></p> <ul style="list-style-type: none"> <li>Reduce-Recycle-Reuse</li> </ul>	<ul style="list-style-type: none"> <li>Disposal of hazardous waste is monitored within permissible limits across the organization</li> </ul>	<p><b>Positive Impact:</b></p> <ul style="list-style-type: none"> <li>Avoid losses of direct &amp; indirect costs involved in running of operations</li> </ul> <p><b>Negative Impact:</b></p> <ul style="list-style-type: none"> <li>Legal action / penalization from govt. bodies</li> </ul>
4.	Water	Opportunity	<ul style="list-style-type: none"> <li>Reduction in consumption in our processes</li> </ul>	<ul style="list-style-type: none"> <li>Actively reducing reliance and implementing rain water harvesting across all the units</li> <li>Effluent Treatment Plant (ETP)/Sewage Treatment Plant (STP) is set up across all plants for treatment and reuse of water</li> </ul>	<p><b>Positive Impact :</b></p> <ul style="list-style-type: none"> <li>minor impact</li> </ul>
5.	High Attrition Rate	Risk and opportunity	<p><b>Risk:</b></p> <ul style="list-style-type: none"> <li>Standard of work may suffer due to exit of experienced employee</li> <li>High turnover disrupts workflow and decrease overall productivity</li> <li>Challenging to complete task within allotted timeframe</li> </ul> <p><b>Opportunity:</b></p> <ul style="list-style-type: none"> <li>Greater innovation facilitated by the involvement of younger generations. Recruiting young individuals to inject fresh, innovative ideas into the organization</li> </ul>	<ul style="list-style-type: none"> <li>Robust Succession Planning for all critical roles</li> <li>Proper Arrangement for providing Induction at time of joining in order to ensure the quality of work</li> </ul>	<p><b>Negative Impact:</b></p> <ul style="list-style-type: none"> <li>High Cost associated with recruiting, hiring, and training new employees</li> </ul> <p><b>Positive Impact:</b></p> <ul style="list-style-type: none"> <li>Hiring of young talents with new ideas create a vibrant culture. The new talent will help find ideas to save cost and improve efficiency</li> </ul>

**SECTION B: MANAGEMENT AND PROCESS DISCLOSURES**

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

The National Guidelines for Responsible Business Conduct (NGRBC) as prescribed by the Ministry of Corporate Affairs advocates nine Principles referred as P1-P9 as given below:

P1 - Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent and accountable

P2 - Businesses should provide goods and services in a manner that is sustainable and safe

P3 - Businesses should respect and promote the well-being of all employees, including those in their value chains

P4 - Businesses should respect the interests of and be responsive towards all its stakeholders

P5 - Businesses should respect and promote human rights

P6 - Businesses should respect, protect and make efforts to restore the environment

P7 - Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

P8 - Businesses should promote inclusive growth and equitable development

P9 - Businesses should engage with and provide value to their consumers in a responsible manner

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
<b>Policy and management processes</b>									
1. a. Whether your entity’s policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	<a href="http://www.jtekt.co.in/Policies.aspx">http://www.jtekt.co.in/Policies.aspx</a>								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	ISO 14001:2015 (Environment Management System Certification)  ISO 45001:2018 (Occupational Health and Safety certification)  IATF 16949:2016 (QMS Certification for Automotive Parts)								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company has set an ambitious goal of becoming carbon neutral by 2050, by investing in high quality offset projects and deployment of innovative technologies across the organisation								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The Company periodically reviews performance against its internal targets and implements corrective actions wherever required								
<b>Governance, leadership and oversight</b>									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure) –	ESG is simply not being compliant with the statutory norms, but it also require concerted effort to move higher periodically in bettering the ESG Score.  We will continue to invest in sustainable technologies, engage with stakeholders to address concerns and actively contribute to the communities in which we operate. Our commitment to ESG principles is not just a responsibility but also an opportunity to create long-term value for our stakeholders and contribute to a more sustainable future.								



Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	Company has successfully met or exceeded most of its environmental targets, demonstrating its commitment to sustainability. Sometimes, we face challenges due to unforeseen external factors such as regulatory changes, supply chain disruptions, or technological limitation. However we are consistently involved in identifying areas for improvement and implement corrective measures. Our dedication to environmental stewardship remains unwavering and we are actively working towards achieving our targets in a sustainable manner.								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Hitoshi Mogi, Chairman & Managing Director DIN: 08741355								
9. Does the entity have a specified Committee of the Board / Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Mr. Hitoshi Mogi, Chairman & Managing Director drives the sustainability / ESG agenda in the Company, pushing for strong action and has the ultimate responsibility to approve Company's ESG strategy and goals. He reports to the Board and updates them.								

### 10. Details of Review of NGRBCs by the Company

Subject for review	Indicate whether review was undertaken by Director / Committee of the Board / Any other Committee									Frequency (Annually / Half Yearly / Quarterly / Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	As a practice, BR policies of the Company are reviewed periodically or on a need basis by department heads, Division heads and Top Management. During this assessment, the efficacy of the policies is reviewed and necessary changes to policies and procedures are implemented.																	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Company is in compliance with the extant regulations as applicable.																	
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	The processes and compliances are subject to scrutiny by internal auditors and regulatory agencies, as applicable. The Policies on Quality, Safety, Health and Environment are subject to internal and external audits as part of the ISO Systems certification process and ongoing periodic assessments. Other policies are periodically evaluated and updated by various department heads, Division heads and approved by the management or Board.  Name of external audit agency is "TUV India Pvt Ltd." for Quality, Safety, Health and Environment.																	

### 12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)	Not Applicable since the policies of the Company cover all Principles on NGRBCs.								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

**SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE**

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

**PRINCIPLE 1 - Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.**

**ESSENTIAL INDICATORS**

**1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year**

The Company believes in its own set of principles named JTEKT basic principles, which is the base of work of JTEKT group. Its principles focus on:

1. For the Earth Society and Customers
2. Participation and Ownership
3. Continuous Improvement (Kaizen)
4. Communication
5. Passion

To complement its principles Company has a suite of policies related to ethics, transparency and accountability. The Company has a Code of Conduct (Code) which defines the professional and ethical standards that employees and Directors need to adhere to in compliance with all applicable statutory laws, regulations and internal policies. The Company regularly conducts awareness campaigns through face-to-face/online workshops and various training sessions to familiarize employees/directors with the various policies to ensure adherence to the highest standards of ethical behaviour. Apart from this, Company also organizes the training sessions for new employees / workmen and provide online certifications for the training taken from online mode.

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	11	Familiarization / awareness program for the Board of Directors/KMPs of the Company is done periodically. The topics cover Familiarization/awareness program for the Board of Directors/KMPs of the Company is done periodically.	100%
Key Managerial Personnel	11	The topics cover business, regulations, code of business conduct and ethics and economy. In addition, frequent updates are shared with all the Board members/KMPs apprising them on developments in the Company, key regulatory changes, risks, compliances and legal cases.	100%
Employees other than BOD and KMPs	87	Trainings conducted on: JTEKT Way, PO-KE-TE-NA-SHI, HORENSO, POSH, Whistle Blower, Confidential Control Policy, Anti-Trust, Anti Bribery etc.	85%
Workers	81		67%

**2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the entity’s website).**

	Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies / judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred (Yes/No)
Penalty / Fine	Nil	Nil	Nil	Nil	Nil
Settlement	Nil	Nil	Nil	Nil	Nil
Compounding Fee	Nil	Nil	Nil	Nil	Nil

	Non-Monetary			
	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Brief of the Case	Has an appeal been preferred (Yes/No)
Imprisonment	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil

**3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

Case Details	Name of the regulatory / enforcement agencies / judicial institutions
N.A.	N.A.

**4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

Yes, Company has an anti corruption and anti bribery policy. The main purpose is to ensure fair competition and compliance within business transactions by preventing Company' employees from taking part in any activity related to Corruption and Bribery for the purpose of acquiring wrongful gain in the business.

This Policy is based on the minimal common standards for anti-corruption and anti bribery underlying the Company's Internal Regulations for Anti-Corruption and customized to reflect the Laws in India.

The company takes a zero-tolerance approach to any Corruption and Bribery, and is committed to acting professionally, fairly and with integrity in all its business dealings and relationships, wherever we operate, and towards implementing and enforcing effective systems to counter Corruption and Bribery. The policy is available on company's website at: [www.jtekt.co.in/policies.aspx](http://www.jtekt.co.in/policies.aspx).

**5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption**

	FY 2023-24	FY 2022-23
Directors	-	-
KMPs	-	-
Employees	-	-
Workers	-	-

**6. Details of complaints with regard to conflict of interest.**

	FY 2023-24		FY 2022-23	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	-	-	-	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	-	-	-	-

**7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.**

Not Applicable

**8. Number of days of accounts payables ((Accounts payable\*365)/Cost of goods/services procured) in the following format**

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Number of days of accounts payables	61 days	54 days

**9. Open-ness of business**

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties,in the following format:

Parameter	Metrics	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	1.28%	0.96%
	b. Number of trading houses where purchases are made from	98	71
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	87.29%	84.98%
Concentration of Sales	a. Sales to dealers/distributors as % of total sales	-	-
	b. Number of dealers/distributors to whom sales are made	-	-
	c. Sales to top 10 dealers/distributors as % of total sales to dealers/distributors	-	-
Share of RPTs in	a. Purchases (Purchases with related parties /Total Purchases)	*15.18%	11.98%
	a. Sales (Sales to related parties/ Total Sales)	**62.80%	69.33%
	c. Loans & advances (Loans & advances given to related parties/ Total loans & advances)	-	-
	d. Investments (Investments in related parties/ Total Investments made)	-	-

\* Purchases with related parties mentioned above does not include purchase of capital goods from affiliated entities. Correspondingly Total Purchases does not include purchase of capital goods.

\*\* Sales to related parties mentioned above does not include sale of capital goods to affiliated entities. Correspondingly, Total Sales does not include sales of capital goods.

**LEADERSHIP INDICATORS**

**1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year**

Company at time of vendor empanelment ensures that our vendors understand our Code of Conduct and Business Ethics as part of our terms of contract with them.

Total number of awareness programmes held	Topics / Principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
1	Business Principles, Environment Principles, Human Rights and Workplace Practices	43%

**2. Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.**

Yes, the entity has processes in place to avoid/manage conflict of interests involving members of the Board.

- (a) Company has policy of Code of Conduct of Directors, which clearly states that every director representing the Company shall endeavor to avoid conflict of interest and is expected to act in the best interests of Company. The Directors, on an annual basis, provide an affirmation that they have complied with the framework for the financial year and that there were no instances of Conflict of Interest during the year.
- (b) Every Director of the Company is required to disclose his interest in any concern or in any transaction directly affecting the Company at the beginning of every year. The details of the aforesaid transactions are also entered into a register prescribed for the purpose under



the Companies Act, 2013 and placed before the Board for noting. The Rules of the Board stipulate that Directors with an interest in a resolution of the Board shall not participate in such resolution. It is expected to deal fairly with all stakeholders and report all violations to the Chairman of the Board and Company Secretary.

- (c) The Company has established a tradition of best practices in managing conflict of interest through adoption of a strong corporate governance framework. The governance framework adopted by the Company includes independent Board, the separation of the Board's supervisory role from the exclusive management and the constitution of Committees of the Board, generally comprising of Independent Directors to oversee critical areas.

**PRINCIPLE 2 - Businesses should provide goods and services in a manner that is sustainable and safe.**

**ESSENTIAL INDICATORS**

- 1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R & D	-	-	-
Capex	5.37%	9.55%	<p>Company has recently made significant capital expenditure investments to enhance various aspects of our operations. These investments include:</p> <ul style="list-style-type: none"> <li>• Installation of FDV (Fresh Air Handling Unit) systems with substantial capacities.</li> <li>• Implementation of Variable Refrigerant Volume (VRV) air conditioning systems in our newly established offices.</li> <li>• Deployment of energy-efficient LED tube lights across our facilities.</li> <li>• Installation of Variable Frequency Drives (VFDs) on hydraulic press machines to improve efficiency and productivity.</li> </ul> <p>These strategic investments reflect our ongoing commitment to innovation, sustainability, and operational excellence, driving us towards our goals of growth and success.</p>

- 2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

Yes, Company practices responsible sourcing with respect to environment, safety, human rights and ethics, apart from economic considerations. It has a code of conduct for its supplier which specifies that they have to follow best possible business practices taking into consideration social, ethical and environmental factor. It has a Green Procurement Guideline with a dedicated Environment Declaration. The Company's supplier selection, assessment and evaluation process includes elements of sustainability. This includes initial supplier survey, continuous risk assessments and periodic audits.

- b. If yes, what percentage of inputs were sourced sustainably?**

Approximately 90% of inputs were sourced sustainably.

- 3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

Not Applicable, the Company directly supplies products to OEM customers as a B2B tier 1 supplier and its products are integrated into automobile being produced by its customers, which cannot be reclaimed separately at the end of the life.

- 4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Yes, the Company has obtained EPR registration for all Delhi NCR plants and complies with all relevant statutory laws. For Tamil Nadu, the EPR registration is in process. Regarding ISO 14001:2015, we adhere to all applicable statutory and regulatory compliances. Additionally, the Company maintains Operational Control Procedures (OCPs) for all types of waste handling.

LEADERSHIP INDICATORS

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

Yes, the entity has conducted Life Cycle Perspective/Assessment for its products

NIC Code	Name of Product / Service	% of total turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No) If yes, provide the web-link
29301	Automotive components	99.18%	Cradle to gate	No	No

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along with action taken to mitigate the same.

Company's products don't present any significant social or environmental risks.

Name of Product / Service	Description of the risk / concern	Action Taken
Not Applicable	Not Applicable	Not Applicable

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Aluminium used at Aluminium die casting plant (DHR-3)	1.06%	1.08%

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format.

	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Re-used	Recycled	Safely Disposed	Re-used	Recycled	Safely Disposed
Plastic (including packaging)	Not Applicable, Company directly supplies products to OEM customers as a B2B tier 1 supplier and its products are integrated into automobile being produced by its customers which cannot be reclaimed separately at the end of the life.					
E-waste						
Hazardous waste						
Other waste						

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate Product Category	Reclaimed products and their packaging materials as % of total products sold in respective category
	Not Applicable, Company directly supplies products to OEM customers as a B2B tier 1 supplier and its products are integrated into automobile being produced by its customers which cannot be reclaimed separately at the end of the life

PRINCIPLE 3 - Businesses should respect and promote the well-being of all employees, including those in their value chains

ESSENTIAL INDICATORS

1. a. Details of measures for the well-being of employees.

The Company is giving maternity benefit to its eligible female employees / workers in accordance to the Maternity Benefit Act 1961. In addition to this, Company is also paying onetime reimbursement towards medical expenses on maternity to its permanent employees / workmen (Maximum upto the birth of 2 children) amounting to INR 25,000/- in case of normal Delivery or INR 50,000 in case of C-Section.

Category	% of employees covered by										
	Total	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
	(A)	Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent Employees</b>											
Male	978	978	100%	978	100%	N.A.	N.A.	978	100%	978	100%
Female	40	40	100%	40	100%	40	100%	N.A.	N.A.	40	100%
<b>Total</b>	<b>1018</b>	<b>1018</b>	<b>100%</b>	<b>1018</b>	<b>100%</b>	<b>40</b>	<b>100%</b>	<b>978</b>	<b>100%</b>	<b>1018</b>	<b>100%</b>
<b>Other than Permanent Employees</b>											
Male	0	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Female	0	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
<b>Total</b>	<b>0</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>

**b. Details of measures for the well-being of workers.**

Category	% of workers covered by										
	Total	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
	(A)	Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent workers</b>											
Male	559	559	100%	559	100%	N.A.	N.A.	559	100%	559	100%
Female	15	15	100%	15	100%	15	100%	N.A.	N.A.	15	100%
<b>Total</b>	<b>574</b>	<b>574</b>	<b>100%</b>	<b>574</b>	<b>100%</b>	<b>15</b>	<b>100%</b>	<b>559</b>	<b>100%</b>	<b>574</b>	<b>100%</b>
<b>Other than Permanent workers</b>											
Male	1637	1637	100%	1637	100%	N.A.	N.A.	1637	100%	1637	100%
Female	35	35	100%	35	100%	35	100%	N.A.	N.A.	35	100%
<b>Total</b>	<b>1672</b>	<b>1672</b>	<b>100%</b>	<b>1672</b>	<b>100%</b>	<b>35</b>	<b>100%</b>	<b>1637</b>	<b>100%</b>	<b>1672</b>	<b>100%</b>

- Company has child birth policy for all its permanent employees & workers wherein, Company gives the monetary benefits on the birth of first two children.

**c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format**

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Cost incurred on well- being measures as a % of total revenue of the Company	0.83%	0.80%

**2. Details of retirement benefits for Current FY and Previous Financial Year.**

Particulars	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI*	N.A.	100%	Y	N.A.	100%	Y
Others – Please specify - NPS	13.8%	N.A.	Y	18.2%	N.A.	Y

\*Provided to all the eligible workers.

**3. Accessibility of workplaces**

**Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**

Not Applicable. However, most of the offices / workplaces are well equipped for accessibility to differently abled persons at selected areas.

**4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

The Company believes in equal opportunity for all its employees, wherein the Company is committed to provide an inclusive work culture and an environment, free from any discrimination. The Company has in place “**Human Right Policy**” available at <https://www.jtekt.co.in/Policies.aspx>. The said policy provides as under: “JTEKT India is committed to a policy of equal employment opportunity and prohibits discrimination or harassment against an employee or applicant based on gender, race, colour, religion, sexual orientation, age, **disability**, national origin, or any other protected status by applicable laws and regulations. It ensures facilities for the well-being of its employees **including those with special needs** and continuous skill and competence upgrading of all employees by providing access to necessary learning opportunities, on an equal and non-discriminatory basis. Equal treatment of all employees is one of Company’s fundamental principles.

**5. Return to work and Retention rates of permanent employees and workers that took parental leave.**

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	100%	100%
Female	100%	100%	100%	100%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

**6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

	Yes / No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes, there are various mechanisms in the Company to register the grievances and redress the same.
Other than Permanent Workers	We have a practice of an open-door policy for employees and senior management whereby all employees, irrespective of their role or grade in the organization, have access to senior management.
Permanent Employees	We have an embedded Whistle-Blower Policy as a formal platform for the confidential sharing and consequent investigation of grievances. Further, the Company has a policy on prevention, prohibition, and redressal of sexual harassment at the workplace. The Company also educate its employees on the prevention of sexual harassment at the workplace through awareness programmes. Company marks the month of December as a dedicated month to conduct various awareness sessions for prevention of harassment for all its employees with the help of external agencies including renowned lawyers close to this subject.
Other than Permanent Employees	The employees can raise their concern related to: (a) Whistle Blower (i) To the Whistle Blower Committee or Chairperson of Audit Committee of Directors of the Company either by phone; written letter; in face to face meeting; email. (ii) Through External Hotline Report Desk. (b) POSH (i) Through a formal letter to any member of Internal Complaints Committee (ICC) formed under the POSH (Prevention, Prohibition and Redressal) Act, 2013, for grievances pertaining to sexual harassment.
	Contact Details including email address and phone number of committee members is displayed at all prominent places in our offices and also available on the website of the Company i.e. <a href="http://www.jtekt.co.in">www.jtekt.co.in</a> .

**7. Membership of employees and workers in association(s) or Unions recognized by the listed entity.**

Category	FY 2023-24			FY 2022-23		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	1018	0	0.00%	963	0	0.00%
- Male	978	0	0.00%	927	0	0.00%
- Female	40	0	0.00%	36	0	0.00%
Total Permanent Workers	574	129	22.47%	637	143	22.45%
- Male	559	129	23.08%	621	143	23.03%
- Female	15	0	0.00%	16	0	0.00%



## 8. Details of training given to employees and workers.

Category	FY 2023-24					FY 2022-23				
	Total	On Health and Safety measures		On Skill upgradation		Total	On Health and Safety measures		On Skill upgradation	
	(A)	No. (B)	% (B/A)	No. (C)	% (C/A)	(D)	No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
Male	978	664	67.89%	951	97.24%	927	652	70.33%	798	86.08%
Female	40	28	70.00%	33	82.50%	36	27	75.00%	29	80.56%
<b>Total</b>	<b>1018</b>	<b>692</b>	<b>67.98%</b>	<b>984</b>	<b>96.66%</b>	<b>963</b>	<b>679</b>	<b>70.51%</b>	<b>827</b>	<b>85.88%</b>
<b>Workers</b>										
Male	2196	1386	63.11%	1237	56.33%	2144	1625	75.79%	1920	89.55%
Female	50	39	78.00%	27	54.00%	43	38	88.37%	32	74.42%
<b>Total</b>	<b>2246</b>	<b>1425</b>	<b>63.45%</b>	<b>1264</b>	<b>56.28%</b>	<b>2187</b>	<b>1663</b>	<b>76.04%</b>	<b>1952</b>	<b>89.25%</b>

## 9. Details of performance and career development reviews of employees and worker.

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D/C)
<b>Employees</b>						
Male	978	813	83.13%	927	822	88.67%
Female	40	32	80.00%	36	35	97.22%
<b>Total</b>	<b>1018</b>	<b>845</b>	<b>83.00%</b>	<b>963</b>	<b>857</b>	<b>88.99%</b>
<b>Workers</b>						
Male	559	204	36.49%	621	214	34.46%
Female	15	3	20.00%	16	4	25.00%
<b>Total</b>	<b>574</b>	<b>207</b>	<b>36.06%</b>	<b>637</b>	<b>218</b>	<b>34.22%</b>

## 10. Health and safety management system.

## a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes, according to ISO 45001:2018, all Plants of the Company have Occupational Health and Safety Management Systems certification. In accordance with all relevant Health and Safety laws, the Company has established safety standards that are stricter than the required legal requirements. On health and safety, a number of Key Performance Indicators (KPIs) are defined with the goal of reducing incidents related to health and safety. These KPIs are monitored and tracked on a monthly basis by the management.

## b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

In order to identify work-related hazards and assess risks on a routine and non-routine basis, the company typically follow a systematic process.

The following steps are commonly used:

- **Hazard Identification:** The first step is to identify potential hazards in the workplace. This is done through regular inspections, reviews of incident reports and discussions with employees.
- **Risk Assessment:** Once hazards have been identified, the next step is to assess the level of risk associated with each hazard. This involves evaluating the likelihood and severity of harm that could result from exposure to the hazard.
- **Risk Control:** Based on the results of the risk assessment, appropriate control measures are implemented to eliminate or minimize the risk. This may involve engineering controls, administrative controls, or personal protective equipment.
- **Monitoring and Review:** Finally, it is important to monitor and review the effectiveness of the control measures that have been implemented. This ensures that they are working as intended and that any necessary adjustments can be made.

Routine hazard identification and risk assessment is conducted on a regular basis, such as annually or quarterly, depending on the level of risk associated with the workplace. Non-routine hazard identification and risk assessment is conducted whenever there is a change in the workplace or work processes that could result in new hazards.

In summary, we use a systematic process to identify work-related hazards and assess risks on a routine and non-routine basis. This involves hazard identification, risk assessment, risk control, and monitoring and review.

**c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)**

Yes, The company has the appropriate mechanisms in place to guarantee that the employees' safety is not jeopardized and they are encouraged to talk about any hazards and health concerns related to their employment.

Safety committees with equal employee and worker representation are present at every site of the Company. Workplace hazards are found through a joint audit of the section safety committees, and countermeasures are designed to eradicate them.

**d. Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

Yes, the employees/workers are covered under the Company's health insurance and personal accidental policy.

**11. Details of safety related incidents, in the following format.**

Safety Incident / Number	Category*	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0.27	0
Total recordable work-related injuries	Employees	0	0
	Workers	1	0
No. of Fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

\*Including in the contract workforce

**12. Describe the measures taken by the entity to ensure a safe and healthy work place.**

Company has implemented a management policy on safety and health, environment, and quality, demonstrating its commitment to protect all of its interested parties from any harm or health danger. To prevent any accidents or injuries at work, the organization has implemented safety precautions. To prevent unforeseen situations and boost labour efficiency, LOTO (Lockout Tagout) procedures have been strengthened for all maintenance staff when working on certain machinery.

Furthermore, we invest significantly in extensive training and educational programs for our employees, covering a spectrum of topics from workplace safety practices to emergency protocols and the correct utilization of personal protective equipment (PPE). This empowerment equips our workforce with the acumen to identify and mitigate risks effectively, fostering a safer work environment.

Additionally, we foster a culture of safety and accountability across all levels of our organization. Encouraging open dialogue and collaboration, we actively solicit input from our employees to report hazards, near misses, and safety concerns, responding promptly to rectify any identified issues.

Continuously, we assess our safety performance through meticulous monitoring of key performance indicators (KPIs) and metrics, enabling us to pinpoint areas for enhancement and implement corrective measures as needed.

In essence, our dedication to ensuring a safe and healthy workplace remains steadfast, as we persistently strive to cultivate a culture of safety excellence where every employee feels valued, supported, and empowered to champion safety as their top priority.

**13. Number of Complaints on the following made by employees and workers.**

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Working Conditions	0	0	0	0	0	0
Health & Safety	0	0	0	0	0	0

#### 14. Assessments for the year.

	<b>% of your Plants and Offices that were assessed (by entities or statutory authorities or third parties)</b>
Health and Safety Practices	100%
Working Conditions	100%

#### 15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Following a recent machine accident at one of our plants, we have taken several countermeasures to enhance safety. We conducted an emergency meeting and launched special safety activities, revised rework prohibition guidelines, and implemented refresher training and regular safety patrols. We improved rejected parts handling, created new educational materials, and established safety requirements for new machines.

#### LEADERSHIP INDICATORS

#### 1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

(A) Employees -- Yes

(B) Workers -- Yes

All employees and workers working in the company are covered with Group Life Term Insurance Policy, which provides the financial coverage to employees & workers.

#### 2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company ensures that statutory dues as applicable to the transactions within its limit are deducted and deposited in accordance with extant regulations. This activity is also reviewed as part of the internal and statutory audit. The Company expects its value chain partners to uphold business responsibility principles and values of transparency and accountability.

#### 3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Category	Total no. of affected employees / workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Employees	0	0	Not Applicable	Not Applicable
Workers	0	0	Not Applicable	Not Applicable

#### 4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Company provides various levels of transitionary support for continued employability and general transition out of employment. Post retirement, company has a 'Retired Employee Deployment Policy' to rehire them as 'Advisors'. Skill development and on job training have always been a part of the Company's HR policy. Ample opportunities and exposures are given during the course of employment for all employees to upskill themselves through domain, skills and leadership trainings. The Company ensured there was no job loss on account of pandemic amongst our workforce.

#### 5. Details on assessment of value chain partners.

	<b>% of value chain partners (by value of business done with such partners) that were assessed</b>
Health and Safety Practices	24%
Working Conditions	24%

#### 6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Company constantly evaluate its suppliers to make sure they maintain appropriate working conditions as well as health and safety standards.

**PRINCIPLE 4 - Businesses should respect the interests of and be responsive to all its stakeholders**

**ESSENTIAL INDICATORS**

**1. Describe the processes for identifying key stakeholder groups of the entity.**

Key Stakeholders are identified on the basis of the material influence they have on the Company or on how they are materially influenced by the Company's corporate decisions and the consequences of those decisions.

**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly / Quarterly / others – please specify)	Purpose and scope of engagement including key Topics and concerns raised During such engagement
Employees	No	Written & Verbal Communication (training, issuing guidelines, meetings, email, notice board, website, internal HR software, newsletter, intranet portal, learning modules)	Regular; Need basis	Safety, enhancing efficiency and productivity, professional growth of employees, feedback, training and awareness through regular programs, increasing awareness of all aspects of the business, codes, values etc.
Customers	No	Written and Verbal Communication (meetings, events, technology show, online portals, Email, website, newsletter)	As and when required	Promote and grow business, sharing details about the product, services and new initiatives (if any). Understanding their expectations about products and services and ways to improve, fulfil transactions involved for doing business. Brand Satisfaction Survey, current and future business management, sustainable improvements, offers, etc.
Local communities	No	Written and Verbal Communication, on site community meetings, CSR report, local community engagements	As and when opportunity is identified	Promote education, rural development and healthcare CSR interventions.
Vendors/ Suppliers/ Contractors	No	Written and Verbal Communication (Meetings, events, website, email, vendor meet, Contracts, SOPs, guidelines, training, supplier portal, survey).	As and when required	Communicating mutual expectations and obligations clearly. Ensuring compliance of laws by vendors / suppliers / contractors.
Investors/ Funders/ Shareholders	No	Quarterly Results publication to Stock Exchange, Annual Report, Investor and Analyst presentations, Quarterly Financial Follow up reports, Annual Credit Monitoring Arrangement reports and Annual Covenant compliance to Financiers.	Quarterly, Need basis	Financial performance and business updates, Informing investor community about company's value creation model and business strategy for the long term. Helping investors' voice their concerns regarding company's policies, reporting, strategy, etc. Understanding shareholders' expectations.
Legal/ Auditors/ Consultants/ other third party	No	Written and Verbal Communication	As and when required	Compliance to legal requirements, advice on statutory laws related issues.
Regulatory bodies/ Government/ Industry Associations	No	Written and Verbal Communication	As and when required	Compliance related like filing of periodic returns, reports, payment of taxes, etc.
Management/ Board	No	Written Communication (reports, data submission, policies)	Board Meetings with defined frequency. Regular Periodic Review Meetings.	To meet the highest standards of governance. Guidance on smooth operations, improving efficiency and productivity.

## LEADERSHIP INDICATORS

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

Consultation with the respective stakeholder groups is done, as and when required, by the relevant business and functional heads. Feedback from such consultations, if any, is shared with the Board from time to time.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, the Company has always maintained a regular and proactive engagement with the Company's key stakeholders, allowing it to effectively work on its ESG strategies and be transparent about the outcomes. In response to current regulations and interactions with stakeholders, the Company performs periodic evaluations to update and re-issue policies as needed.

Company has a scheme whereby employees are motivated to share the suggestions on monthly basis. In addition to this, Company roll out employee satisfaction survey every year wherein all the social and environmental parameters are covered. Their submissions are evaluated by the company to identify material issues, as a result, Company improves and revises the policies and activities to better address the key issues.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups.

Community: Although none of the stakeholder group is identified as vulnerable/marginalized, the Company engages with some stakeholder groups to understand their needs and provide the support to the extent possible e.g. the Company implement several CSR programs in the areas of education, rural development and healthcare.

## PRINCIPLE 5 - Businesses should respect and promote human rights

## ESSENTIAL INDICATORS

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. of Employees / Workers covered (B)	% (B / A)	Total (C)	No. of Employees / Workers covered (D)	% (D/C)
<b>Employees</b>						
Permanent	1018	778	76.42%	963	817	84.84%
Other than Permanent	-	N.A.	N.A.	-	N.A.	N.A.
<b>Total Employees</b>	<b>1018</b>	<b>778</b>	<b>76.42%</b>	<b>963</b>	<b>817</b>	<b>84.84%</b>
<b>Workers</b>						
Permanent	574	291	50.70%	637	483	75.82%
Other than Permanent	1672	948	56.70%	1550	823	53.10%
<b>Total</b>	<b>2246</b>	<b>1239</b>	<b>55.16%</b>	<b>2187</b>	<b>1306</b>	<b>59.72%</b>

2. Details of minimum wages paid to employees and workers, in the following format.

Category	FY 2023-24					FY 2022-23				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
<b>Permanent</b>	<b>1018</b>	<b>N.A.</b>	<b>N.A.</b>	<b>1018</b>	<b>100%</b>	<b>963</b>	<b>N.A.</b>	<b>N.A.</b>	<b>963</b>	<b>100%</b>
Male	978	N.A.	N.A.	978	100%	927	N.A.	N.A.	927	100%
Female	40	N.A.	N.A.	40	100%	36	N.A.	N.A.	36	100%
<b>Other than Permanent</b>	<b>0</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>0</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>
Male	0	N.A.	N.A.	N.A.	N.A.	0	N.A.	N.A.	N.A.	N.A.
Female	0	N.A.	N.A.	N.A.	N.A.	0	N.A.	N.A.	N.A.	N.A.



Category	FY 2023-24					FY 2022-23				
	Total	Equal to Minimum Wage		More than Minimum Wage		Total	Equal to Minimum Wage		More than Minimum Wage	
	(A)	No. (B)	% (B/A)	No. (C)	% (C/A)	(D)	No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Workers</b>										
<b>Permanent</b>	<b>574</b>	<b>N.A.</b>	<b>N.A.</b>	<b>574</b>	<b>100%</b>	<b>637</b>	<b>N.A.</b>	<b>N.A.</b>	<b>637</b>	<b>100%</b>
Male	559	N.A.	N.A.	559	100%	621	N.A.	N.A.	621	100%
Female	15	N.A.	N.A.	15	100%	16	N.A.	N.A.	16	100%
<b>Other than Permanent</b>	<b>1672</b>	<b>589</b>	<b>35.23%</b>	<b>1083</b>	<b>64.77%</b>	<b>1550</b>	<b>515</b>	<b>33.23%</b>	<b>1035</b>	<b>66.77%</b>
Male	1637	589	35.98%	1048	64.02%	1523	515	33.81%	1008	66.19%
Female	35	0	0.00%	35	100%	27	0	0.00%	27	100%

**3. Details of remuneration/salary/wages**
**(a) Median remuneration/wages:**

Category	Male		Female	
	Number	Median remuneration / salary / wages of respective category (Amount/INR)	Number	Median remuneration / salary / wages of respective category (Amount/INR)
Board of Directors (BOD)	9	2,551,923	1	2,791,667
Key Managerial Personnel	3	8,995,070	0	-
Employees other than BOD and KMP	974	646,626	40	530,280
Workers	559	315,732	15	226,476

**(b) Gross wages paid to females as % of total wages paid by the entity, in the following format:**

Safety Incident / Number	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Gross wages paid to females as % of total wages	2.66%	3.01%

**4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes, the company have the focal point responsible for addressing human rights impacts or issues caused or contributed to by the business.

**5. Describe the internal mechanisms in place to redress grievances related to human rights issues.**

The Company has framed a committee for addressing and administration of grievances related to human rights or harassment. The committee comprises off Senior Management, whereby grievance(s) / complaint(s) can be raised directly to chairperson/any member of the committee through phone; written letter; in face to face meeting; by mail or can be registered confidentially through external hotline link / reporting desk. Management has exhibited these links at all prominent places and available on the website of the Company i.e. www.jtekt.co.in. For grievances pertaining to sexual harassment, the Internal Complaints Committee (ICC) is constituted in line with the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to investigate the case.

**6. Number of Complaints on the following made by employees and workers:**

Category	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	-	-	-	-	-	-
Discrimination at workplace	-	-	-	-	-	-
Child Labour	-	-	-	-	-	-
Forced Labour / Involuntary Labour	-	-	-	-	-	-
Wages	-	-	-	-	-	-
Other human rights related issues	-	-	-	-	-	-

**7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

	<b>FY 2023-24 Current Financial Year</b>	<b>FY 2022-23 Previous Financial Year</b>
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, prohibition and Redressal) Act, 2013 (POSH)	-	-
Complaints on POSH as a % of female employees/workers	-	-
Complaints on POSH upheld	-	-

**8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

The Company provides protection against discrimination to employees who makes disclosure or raises a concern under the whistle blower policy where the employee discloses his/her identity.

Para 10 of the Company's Whistle Blower Policy, which is available [www.jtekt.co.in](http://www.jtekt.co.in), strictly prohibits any attempt of retaliation by anyone against complainant or take any other measures against his or her interest. An employee acting in violation of this clause is subjected to disciplinary measures in accordance with the internal employee regulations.

Cases related to prevention of sexual harassment at work place are treated with utmost sensitivity and confidentially in line with the guidelines of the Sexual Harassment of Women at Work Place (prevention, prohibition and redressal) Act 2013.

**9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes

**10. Assessments for the year (2023-24).**

	<b>% of your Plants and Offices that were assessed (by entity or statutory authorities or third parties)</b>
Child Labour	100% assessment was done by the entity in respect of all the parameters
Forced / Involuntary Labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

**11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.**

The Company continually assesses its internal processes time to time and update as per new requirements. Any third party or statutory auditor has not reported any violations and no claims has been received from any authority in past many years.

**LEADERSHIP INDICATORS**

**1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.**

The Company has not received any grievance / complaints with respect to any human right violations during the year. However, the Company is committed to modify and adopt business process to redress the issues as per legal requirements and to meet the necessity of the situation. Company has also Introduced and deployed whistle blower policy, enabled external Hotline number to maintain complete confidentiality of the complainant.

**2. Details of the scope and coverage of any Human rights due-diligence conducted.**

The company regularly carry out complete necessary due diligence and for this purpose, a variety of approaches and processes are available to meet the necessary requirements. We have various working group committees to address issues related to health & Safety, Sexual Harassment, Grievance handling, Canteen, Welfare & union management committee.

**3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

Most of the offices/workplace are well equipped for accessibility to differently abled persons at selected areas.

4. Details on assessment of value chain partners

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual harassment	
Discrimination at workplace	
Child Labor	
Forced / Involuntary Labour	24%
Wages	
Others – please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

In all of our dealings, the Company expects its value chain partners to uphold the same values, beliefs, and business ethics as the Company. Declaration of adherence to the Supplier Code of Conduct on the above is obtained from the value chain partners on yearly basis, however no formal examination of value chain partners has been conducted.

PRINCIPLE 6 - Businesses should respect and make efforts to protect and restore the environment

ESSENTIAL INDICATORS

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>From renewable sources</b>		
Total electricity consumption (A)	17893 GJ	15388 GJ
Total fuel consumption (B)	0 GJ	0 GJ
Energy consumption through other sources (C)	0 GJ	0 GJ
Total energy consumed from renewable sources (A+B+C)	17893 GJ	15388 GJ
<b>From non-renewable sources</b>		
Total electricity consumption (D)	95551 GJ	88279 GJ
Total fuel consumption (E)	14508 GJ	23092 GJ
Energy consumption through other sources (F)	0 GJ	0 GJ
Total energy consumed from non-renewable sources (D+E+F)	110059 GJ	111371 GJ
<b>Total energy consumed (A+B+C+D+E+F)</b>	127952 GJ	126759 GJ
<b>Energy intensity per rupee of turnover</b> (Total energy consumed / Revenue from operations)	0.0000057 GJ/INR	0.0000062 GJ/INR
<b>Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)<sup>#</sup></b> (Total energy consumed/Revenue from operations adjusted for PPP)	0.00013	0.00014
<b>Energy intensity in terms of physical output</b>	0.0179 GJ/Nos	0.0200 GJ/Nos
Energy intensity (optional) – the relevant metric may be selected by the entity	--	--

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment/evaluation/assurance has been carried out by an external agency.

<sup>#</sup> The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2022 by World Bank for India which is 22.88.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No

3. Provide details of the following disclosures related to water, in the following format.

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	0	0
(ii) Groundwater	83982	80270
(iii) Third party water	33527	43905
(iv) Seawater/desalinated water	0	0
(v) Others	0	0
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	117509	124175
<b>Total volume of water consumption (in kilolitres)</b>	117509	124175
<b>Water intensity per rupee of turnover</b> (Total Water consumption / Revenue from Operations)	0.0000052	0.0000061
<b>Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)*</b> (Total water consumption/Revenue from operations adjusted for PPP)	0.00012	0.00014
<b>Water intensity in terms of physical output</b>	0.0164 KL/Nos.	0.0196 KL/Nos.
<b>Water intensity</b> (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment/evaluation/assurance has been carried out by an external agency.

# The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2022 by World Bank for India which is 22.88.

4. Provide the following details related to water discharged:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) To Surface water		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(ii) To Groundwater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iii) To Seawater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iv) Sent to third-parties		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(v) Others (HSI IDC)		
- No treatment	7,716	6,075
- With treatment – please specify level of treatment	0	0
<b>Total water discharged (in kilolitres)</b>	<b>7,716</b>	<b>6,075</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment/evaluation/assurance has been carried out by an external agency.

Note : Our Bawal plants are discharging untreated sewage water into the HSI IDC (Haryana State Industrial & Infrastructure Development Corporation) infrastructure in full compliance.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Company has established waste water treatment system in most of the locations where waste water is produced. The waste water is then transported to an Effluent Treatment Plant (ETP) or Sewage Treatment Plant (STP) for treatment and reuse. Water is used inside the company's office buildings that is repurposed for landscaping and toilet flushing. In order to achieve Zero Liquid Discharge (ZLD), the company additionally makes sure that no untreated water is released into the ground or into drains.

Two plants channel their wastewater to HSI IDC for additional treatment via appropriate drainage systems.

**6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format.**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

**Gurugram**

Parameter	Please specify unit	FY 2023-24 (Current Financial Year) Process Stack [Furnace]	FY 2022-23 (Previous Financial Year) Process Stack [Furnace + Thermopack]
NOx	mg/Nm <sup>3</sup>	29.75	31.9
Sox	mg/Nm <sup>3</sup>	<5	<5
Particulate matter (PM)	mg/Nm <sup>3</sup>	15.05	24.77
CO <sub>2</sub> (Carbon Dioxide)	%	not measured	8.2
Others – HC	mg/Nm <sup>3</sup>	-	-

Yes, independent assessment has been done by external agency named Environment Testing Lab, Dharuhera

Parameter	Please specify unit	FY 2023-24 (Current Financial Year) PNG Genset	FY 2022-23 (Previous Financial Year) Diesel Genset
NOx	gm/kWh	0.42	0.46
Sox	gm/kWh	0.015	0.021
Particulate matter (PM)	gm/kWh	0.03	0.09
CO (Carbon Monoxide)	gm/kWh	0.29	0.32
Others – HC	gm/kWh	not measured	0.17

Yes, independent assessment has been done by external agency named Environment Testing Lab, Dharuhera

Parameter	Please specify unit	FY 2023-24 (Current Financial Year) Diesel Genset	FY 2022-23 (Previous Financial Year) Diesel Genset
NOx	mg/Nm <sup>3</sup>	Since we are in the process of moving from Diesel Genset to PNG Genset, this Diesel genset was not operational during the relevant year, hence not measured	162
Sox	mg/Nm <sup>3</sup>		11.4
Particulate matter (PM)	mg/Nm <sup>3</sup>		63.80
CO (Carbon Monoxide)	mg/Nm <sup>3</sup>		69.30
Others – HC	mg/Nm <sup>3</sup>		26

Independent assessment has been done by external agency named Environment Testing Lab, Dharuhera for FY 2022-23.

**Dharuhera-1**

Parameter	Please specify unit	FY 2023-24 (Current Financial Year) PNG Genset	FY 2022-23 (Previous Financial Year) Diesel Genset
NOx	gm/kWh	0.02	1.04
Sox	mg/Nm <sup>3</sup>	--	20.40
Sox	gm/kWh	0.01	--
Particulate matter (PM)	gm/kWh	0.01	0.12
CO (Carbon Monoxide)	gm/kWh	0.00	0.49
Others – HC	gm/kWh	0.00	0.04

Yes, independent assessment has been done by external agency named Environment Pollution Analysis Lab, Bhiwadi, Alwar



**Dharuhera-2**

Parameter	Please specify unit	FY 2023-24 (Current Financial Year) Process Stack	FY 2022-23 (Previous Financial Year) Process Stack
NOx	mg/Nm <sup>3</sup>	14.5	<5
Sox	mg/Nm <sup>3</sup>	6.77	<3
Particulate matter (PM)	mg/Nm <sup>3</sup>	28.07	30.75
CO (Carbon Monoxide)	%	<0.01	<0.2
Others – HC		--	--

Yes, independent assessment has been done by external agency named Universal Analytical Lab, Dharuhera in FY 22-23 and by Environment Pollution Analysis Lab, Bhiwadi, Alwar in FY 2023-24

Parameter	Please specify unit	FY 2023-24 (Current Financial Year) PNG Genset	FY 2022-23 (Previous Financial Year) Diesel Genset
NOx	gm/kWh	0.027	--
NOx	mg/Nm <sup>3</sup>	--	0.52
Sox	gm/kWh	0.016	--
Sox	mg/Nm <sup>3</sup>	--	27.2
Particulate matter (PM)	mg/Nm <sup>3</sup>	0.010	--
Particulate matter (PM)	mg/Nm <sup>3</sup>	--	0.15
CO (Carbon Monoxide)	gm/kWh	0.004	0.33
Others – HC	gm/kWh	0.002	0.049

Yes, independent assessment has been done by external agency named Universal Analytical Lab, Dharuhera in FY 22-23 and by Environment Pollution Analysis Lab, Bhiwadi, Alwar in FY 2023-24

**Dharuhera-3**

Parameter	Please specify unit	FY 2023-24 (Current Financial Year) PNG Genset	FY 2022-23 (Previous Financial Year) PNG Genset
NOx	gm/kWh	0.275	0.07
Sox	mg/Nm <sup>3</sup>	0.024	not measured
Particulate matter (PM)	gm/kWh	0.016	0.054
CO (Carbon Monoxide)	gm/kWh	0.0035	0.06
Others – HC	gm/kWh	0.005	0.015

Yes, independent assessment has been done by external agency named Universal Analytical Lab, Dharuhera in FY 22-23 and by Environment Pollution Analysis Lab, Bhiwadi in FY 23-24

Parameter	Please specify unit	FY 2023-24 (Current Financial Year) Process Stack	FY 2022-23 (Previous Financial Year) Process Stack
NOx	mg/Nm <sup>3</sup>	21.8	<5
Sox	mg/Nm <sup>3</sup>	10.7	<2
Particulate matter (PM)	mg/Nm <sup>3</sup>	25.3	17.1
CO (Carbon Monoxide)	%	0.003	<0.2

Yes, independent assessment has been done by external agency named Universal Analytical Lab, Dharuhera in FY 22-23 and by Environment Pollution Analysis Lab, Bhiwadi in FY 23-24

**Chennai**

Parameter	Please specify unit	FY 2023-24 (Current Financial Year) Process Stack	FY 2022-23 (Previous Financial Year) Process Stack
NOx	mg/Nm <sup>3</sup>	45.00	22.00
Sox	mg/Nm <sup>3</sup>	<5	8.00
Particulate matter (PM)	mg/Nm <sup>3</sup>	23.00	16.00
CO (Carbon Monoxide)	%	<0.2	<0.2
Others – please specify	--	--	--

Yes, independent assessment has been done by external agency named Eco Services India Pvt. Limited, Guindy, Chennai

Parameter	Please specify unit	FY 2023-24 (Current Financial Year) Diesel Genset	FY 2022-23 (Previous Financial Year) Diesel Genset
NOx	mg/Nm <sup>3</sup>	136.00	135.74
Sox	mg/Nm <sup>3</sup>	5.95	6.36
Particulate matter (PM)	mg/Nm <sup>3</sup>	39.00	39.27
CO (Carbon Monoxide)	%	<0.2	<0.2
Others – please specify	--	--	--

Yes, independent assessment has been done by external agency named Eco Services India Pvt. Limited, Guindy, Chennai

**Bawal-1**

Parameter	Please specify unit	FY 2023-24 (Current Financial Year) PNG Genset	FY 2022-23 (Previous Financial Year) Diesel Genset
NOx	gm/kWh	0.12	0.87
Sox	mg/Nm <sup>3</sup>	6.80	27.13
Particulate matter (PM)	gm/kWh	0.04	0.18
CO (Carbon Monoxide)	gm/kWh	0.02	0.51
Others – HC	gm/kWh	0.006	0.03

Yes, independent assessment has been done by external agency named Environment Pollution Analysis Lab, Bhiwadi, Alwar

**Bawal-2**

Parameter	Please specify unit	FY 2023-24 (Current Financial Year) PNG Genset	FY 2022-23 (Previous Financial Year) Diesel Genset
NOx	gm/kWh	0.037	0.77
Sox	gm/kWh	not measured	not measured
Particulate matter (PM)	gm/kWh	0.018	0.085
CO (Carbon Monoxide)	gm/kWh	0.06	0.225
Others – HC	gm/kWh	0.01	0.62

Yes, independent assessment has been done by external agency named Universal Analytical Lab, Dharuhera

**7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	1991	2358
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	19004	17558
<b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover</b> (Total Scope 1 and Scope 2 GHG emissions/ Revenue from operations)	Metric tonnes of CO <sub>2</sub> equivalent	0.00000093	0.00000097
<b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)<sup>#</sup></b> (Total Scope 1 and Scope 2 GHG emissions/ Revenue from operation adjusted for PPP)	-	0.000021	0.000022
<b>Total Scope 1 and Scope 2 emission intensity terms of physical output</b>		0.00293 Metric tonnes/Nos.	0.00314 Metric tonnes/Nos.
<b>Total Scope 1 and Scope 2 emission intensity</b> (optional) – the relevant metric may be selected by the entity	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment/evaluation/assurance has been carried out by an external agency.

<sup>#</sup> The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2022 by World Bank for India which is 22.88.

**8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**

Company has undertaken several initiatives to reduce its greenhouse gas emissions. Some of the common approaches are:

- o Energy Efficiency Improvements: Implementing energy-efficient technologies such as LED lighting and energy-efficient manufacturing processes and conducted plantation drive in all the Company's Plants.
- o Renewable Energy: Reducing its dependence on fossil fuels by investing in renewable energy sources such as solar.
- o Sustainable Supply Chains: Working with suppliers to reduce their carbon footprint by using more sustainable materials, reducing waste, and improving transportation efficiency.

Please also refer Energy Saving data in Board Report.

**9. Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	118.31	116.71
E-waste (B)	19.39	17.19
Bio-medical waste (C)	0.00	0.00
Construction and demolition waste (D)	0.00	0.00
Battery waste (E)	0.00	0.00
Radioactive waste (F)	0.00	0.00
Other Hazardous waste. Please specify, if any. (G)	214.31	209.40
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	NA	NA
<b>Total (A+B+C+D+E+F+G+H)</b>	<b>352.01</b>	<b>343.30</b>
Waste intensity per rupee of turnover (Total waste generated/Revenue from operations)	0.00000016	0.00000017
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)# (Total waste generated/Revenue from operations adjusted for PPP)	0.00000037	0.00000039
Waste intensity in terms of physical output	0.000049 Metric tonnes/Nos.	0.000054 Metric tonnes/Nos.
Waste intensity (optional)-the relevant metric may be selected by the entity	-	-
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled	N.A.	N.A.
(ii) Re-used	N.A.	N.A.
(iii) Other recovery Operations	N.A.	N.A.
<b>Total</b>	<b>N.A.</b>	<b>N.A.</b>
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Incineration	N.A.	N.A.
(ii) Landfilling	N.A.	N.A.
(iii) Other disposal operations (disposed off to the authorized recycler)	352.01	343.30
<b>Total</b>	<b>352.01</b>	<b>343.30</b>

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No Independent assessment/evaluation/assurance has been carried out by an external agency.

# The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2022 by World Bank for India which is 22.88.

**10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

Company is using polypropylene corrugated boxes as a returnable packaging for supply of its automotive component in order to reduce packing material wastage. These are made up of non toxic material which are safe for use in a wide range of application which help the company to reduce the environmental impact and improve its sustainability.

The Company recycles its Hazardous & Non-Hazardous waste product through authorized recyclers.

Furthermore, all key plant locations are equipped with Waste Water Treatment Plants (WWTP), comprising both Effluent Treatment Plants (ETP) and Sewage Treatment Plants (STP), underscoring the company's dedication to minimizing its environmental footprint and preserving natural resources.

- 11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:**

Sl. No.	Location of Operations / Offices	Type of Operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
N.A.	N.A.	N.A.	N.A.

None of the Company's Plants are around ecologically sensitive areas.

- 12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

- 13. Is the entity compliant with the applicable environmental law/regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:**

S.No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
N.A.	N.A.	N.A.	N.A.	N.A.

The Company does adhere to all regulations. According to the legal register of the respective Plant locations of the Company, all statutory compliances are fulfilled in accordance with the Air/Water/Environment Act and Rules, and the legal register is regularly monitored.

**LEADERSHIP INDICATORS**

- 1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres).**

For each Facility / Plant located in areas of water stress, provide the following information:

- i) Name of the area: Gurugram, Dharuhera and Bawal
- ii) Nature of operations: Manufacturing of Automotive components
- iii) Water withdrawal, consumption and discharge in the following format:

**Gurugram**

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	23,672	34,400
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
<b>Total volume of water withdrawal (in kilolitres)</b>	<b>23,672</b>	<b>34,400</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>23,672</b>	<b>34,400</b>
<b>Water intensity per rupee of turnover</b> (Water consumed / turnover)	0.000011	0.000011
<b>Water intensity</b> (optional) – the relevant metric may be selected by the entity	-	-

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) Into Surface water		
- No treatment		
- With treatment- please specify level of treatment		
(ii) Into Groundwater		
- No treatment		
- With treatment- please specify level of treatment		
(iii) Into Seawater		
- No treatment		
- With treatment- please specify level of treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment- please specify level of treatment		
(v) Others		
- No treatment		
- With treatment- please specify level of treatment		
<b>Total water discharged (in kilolitres)</b>		

Not applicable, since we have implemented a mechanism for Zero Discharge supported by water treatment systems such as ETP (Effluent Treatment Plants) and STP (Sewage Treatment Plants) that enable its recovery and make it re-usable.

**Dharuhera**

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	0.00	0.00
(ii) Groundwater	66,203.50	64,428.50
(iii) Third party water	0.00	0.00
(iv) Seawater / desalinated water	0.00	0.00
(v) Others	0.00	0.00
<b>Total volume of water withdrawal (in kilolitres)</b>	<b>66,203.50</b>	<b>64,428.50</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>66,203.50</b>	<b>64,428.50</b>
<b>Water intensity per rupee of turnover</b> (Water consumed / turnover)	0.0000079	0.0000076
<b>Water intensity</b> (optional) – the relevant metric may be selected by the entity	-	-
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) Into Surface water		
- No treatment		
- With treatment- please specify level of treatment		
(ii) Into Groundwater		
- No treatment		
- With treatment- please specify level of treatment		
(iii) Into Seawater		
- No treatment		
- With treatment- please specify level of treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment- please specify level of treatment		
(v) Others		
- No treatment		
- With treatment- please specify level of treatment		
<b>Total water discharged (in kilolitres)</b>		

Not applicable, since we have implemented a mechanism for Zero Discharge supported by water treatment systems such as ETP (Effluent Treatment Plants) and STP (Sewage Treatment Plants) that enable its recovery and make it re-usable.



**Bawal**

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	0	0
(ii) Groundwater	1,1509	1,2294
(iii) Third party water	9,855	9,505
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
<b>Total volume of water withdrawal (in kilolitres)</b>	<b>21,364</b>	<b>21,799</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>21,364</b>	<b>21,799</b>
<b>Water intensity per rupee of turnover</b> (Water consumed / turnover)	0.0000018	0.0000020
<b>Water intensity</b> (optional) – the relevant metric may be selected by the entity	0	0
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) Into Surface water		
- No treatment	0	0
- With treatment- please specify level of treatment	0	0
(ii) Into Groundwater		
- No treatment	0	0
- With treatment- please specify level of treatment	0	0
(iii) Into Seawater		
- No treatment	0	0
- With treatment- please specify level of treatment	0	0
(iv) Sent to third-parties		
- No treatment	0	0
- With treatment- please specify level of treatment	0	0
(v) Others (HSIIDC)		
- No treatment	7,716	6,075
- With treatment- please specify level of treatment	0	0
<b>Total water discharged (in kilolitres)</b>	<b>7,716</b>	<b>6,075</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment/evaluation/assurance has been carried out by an external agency.

**2. Please provide details of total Scope 3 emissions & its intensity, in the following format:**

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>Total Scope 3 emissions</b> (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	The Company is not measuring Scope 3 emissions	
<b>Total Scope 3 emissions per rupee of turnover</b>			
<b>Total Scope 3 emission intensity</b> (optional) – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment/evaluation/assurance has been carried out by an external agency.

**3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

Not Applicable, as the company doesn't have any operations in ecologically sensitive areas

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sl. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	We have replaced all our diesel power generators with Piped Natural Gas (PNG) based power generators	In response to environmental concerns and government regulations during winters, an initiative has been launched to replace diesel generators with Piped Natural Gas (PNG) generators. This aims to improve air quality and reduce greenhouse gas emissions, promoting cleaner and more sustainable energy generation.	We have implied government norms. Further, implementation of this initiative has resulted in achievement of CO2 reduction targets for the current year.
2.	We have recently made significant capital expenditure investments to enhance various aspects of our operations	<ul style="list-style-type: none"> <li>Installation of FDV (Fresh Air Handling Unit) systems with substantial capacities.</li> <li>Implementation of Variable Refrigerant Volume (VRV) air conditioning systems in our newly established offices.</li> <li>Deployment of energy-efficient LED tube lights across our facilities.</li> <li>Installation of Variable Frequency Drives (VFDs) on hydraulic press machines to improve efficiency and productivity.</li> </ul>	Implementation of these initiative has resulted in achievement of CO2 reduction targets for the current year.

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/web link.

The company places a high priority on emergency preparedness and risk reduction to safeguard both the environment and the well-being of individuals. To achieve this, comprehensive emergency protocols are integrated into its management system. These protocols encompass a detailed compilation of potential emergency scenarios, outlining the specific roles and responsibilities of all personnel involved.

Furthermore, to ensure effective response to emergencies, regular safety drills and mock drills are conducted on a quarterly basis or as directed by the emergency preparedness plan, facilitating continual assessment and improvement of emergency response capabilities.

Additionally, employees and designated emergency handling teams actively participate in training sessions and awareness programs, equipping them with the necessary knowledge and skills to effectively manage real-world emergency situations as they arise. This commitment to proactive emergency preparedness underscores the company's dedication to ensuring the safety of both its workforce and the surrounding environment.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

NIL

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

24%

**PRINCIPLE 7 - Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

#### ESSENTIAL INDICATORS

1. a. Number of affiliations with trade and industry chambers/associations.

3 Affiliations

- b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of / affiliated to:

Sl.No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1.	Society of Indian Automobile Manufacturers	National
2.	Confederation of Indian Industry	National
3.	Gurgaon Industrial Association	State

**2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

There are no current adverse orders from regulatory authorities and therefore no corrective action is taken or underway at this time

Name of Authority	Brief of the Case	Corrective Action Taken
	Not Applicable	

**LEADERSHIP INDICATORS**

**1. Details of public policy positions advocated by the entity.**

The Company does not conduct public policy advocacy. We do not support any specific political party of any jurisdiction and do not have any political affiliation. Company's advocacy efforts are largely routed through collective forums like various industry bodies, associations and committees, of which it is a member.

SI.No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain (Yes/No)	Frequency of review by Board (Annually / Half Yearly / Quarterly / Others – please specify)	Web Link, if available

Not Applicable

**PRINCIPLE 8 – Businesses should promote inclusive growth and equitable development**

**ESSENTIAL INDICATORS**

**1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

There are no Social Impact Assessments applicable for the reporting year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web Link

Not Applicable

**2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

There are no projects ongoing for which Rehabilitation and Resettlement are being undertaken in the reporting year.

SI.No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)

Not Applicable

**3. Describe the mechanisms to receive and redress grievances of the community.**

The Company has CSR Team(s) to monitor the CSR Projects regularly, which continuously interacts with the concerned communities in the areas of operation. The grievances as and when they arise are timely addressed & resolved by the CSR Team(s).

**4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Directly sourced from MSMEs / small producers	17%	15%
Directly from within India	74%	70%

5. **Job creation in smaller towns-Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost**

Location	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Rural	-	-
Semi-urban	49.10%	48.27%
Urban	-	-
Metropolitan	50.90%	51.73%

(Place to be categorized as per RBI Classification System-rural/semi-urban/urban/metropolitan)

#### LEADERSHIP INDICATORS

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

Details of negative social impact identified	Corrective action taken
Not Applicable	

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

Sl.No.	State	Aspirational District	Amount Spent (In INR)
Nil			

3. (a) **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/vulnerable groups? (Yes/No)**

No, the Company does not discriminate on any basis while selecting its suppliers and provide equal opportunities for engagement to all potential suppliers. The Company encourages working with local suppliers or suppliers that are close to its facilities (including small-scale industries). However, the Company has not specifically considered marginalized/vulnerable groups in its supplier qualifying criteria.

- (b) **From which marginalized / vulnerable groups do you procure?**

Not Applicable

- (c) **What percentage of total procurement (by value) does it constitute?**

Not Applicable

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

Sl.No.	Intellectual Property based on traditional knowledge	Owned / Acquired (Yes / No)	Benefit Shared (Yes / No)	Basis of calculating benefit share
Not Applicable				

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

Name of Authority	Brief of the case	Corrective action taken
Not Applicable		

6. **Details of beneficiaries of CSR Projects.**

The Company actively interacts with the community and performs need based assessment for implementation of CSR activities. The details of all CSR activities undertaken by the Company during the Financial year 2023-24, can be accessed in the Annual Report on CSR forming part of Directors' Report.

Sl. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1.	Construction of Library at Govt. Sr. Secondary School, Bithwana, Rewari	1020	100%
2.	Providing of infrastructural and educational facilities at S.D. Modern Sr. Secondary School, Gurugram	364	More than 70%
3.	Providing of Infrastructural facilities at Captain Chandan Lal Special School for blinds, Gurugram	120	100%
4.	Providing of Educational & Infrastructural facilities at Melmathura Mangalam Panchayat Union Primary School and Molachur Panchayat Union Primary School at Chennai	260	100%
5.	Renewal of contract of Computer Teacher at Govt. Sr. Sec. School, Banipur, Rewari	298	100%
6.	Replacement of solar batteries (8 Nos.) of Solar Panel setup at Govt. Sr. Sec. School, Banipur, Rewari	298	100%
7.	Providing of colour doppler ultrasound machine and Colour Printer accessory to Bharat Vikas Parishad Maharana Pratap Nyas (Vivekanand Arogya Kendra, Gurugram)	More than 1200	More than 80%
8.	Providing Air Conditioners for maternity ward at Community Healthcare Centre, Bawal, Rewari	375	100%
9.	Construction of store room at Anganwadi Centre, Village Malpura, Dharuhera	480	100%
10.	Development of new community park at BPL area, Village Malpura, Dharuhera	More than 350	95%
11.	Renovation of community park at Village Malpura, Dharuhera and providing of benches thereupon	More than 2300	13%

**PRINCIPLE 9 - Businesses should engage with and provide value to their consumers in a responsible manner.**

**ESSENTIAL INDICATORS**

**1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

JTEKT India is a B2B company and sells its products predominantly to large OEMs. It ensures on time delivery in full to all its customers based upon the schedules shared by them. In case of any complaints, customers can raise the complaint with the company single point of contact or send their complaints in mail to the company.

Once a customer complaint is received, it is communicated to all the concerned department and root cause of the problem is analyzed and corrective actions are taken. We keep our customer at top most priority and make sure their grievance are taken care and resolved at the earliest.

**2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about.**

	As a percentage to total turnover
Environmental and social parameters relevant to the product	N.A.
Safe and responsible usage	N.A.
Recycling and/or safe disposal	N.A.

Since JTEKT India is a B2B company, it sells its products predominantly to large OEMs and its products are integrated into automobile being produced by its customers. There is no specific requirement of mentioning of any label to identify the above relations. However, the Company inform our customers through online declaration that it is not using any substance, which are prohibited and have significant impact on environment.



### 3. Number of consumer complaints in respect of the following.

	FY 2023-24 (Current Financial Year)		Remarks	FY 2022-23 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of the year		Received during the year	Pending resolution at end of the year	
Data Privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber-Security	0	0	-	0	0	-
Delivery of essential services	0	0	-	0	0	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	0	0	-	0	0	-
Other-Customer complaints	3	0	-	10	0	-

### 4. Details of instances of product recalls on account of safety issues:

	Numbers	Reasons for recall
Voluntary Recalls	0	Not Applicable
Forced Recalls	0	Not Applicable

### 5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, the Company has defined framework for Cyber security Risk and Information Security Risk in the "Risk Management Policy" uploaded on its website i.e. <http://jtekt.co.in/Policies.aspx>.

### 6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Not Applicable

### 7. Provide the following information relating to data breaches.

- Number of instances of data breaches : Nil
- Percentage of data breaches involving personally identifiable information of customers: Nil
- Impact, if any, of the data breaches: Not Applicable

## LEADERSHIP INDICATORS

### 1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

All information is accessible on the company's website: <http://www.jtekt.co.in>

### 2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

Since the products of the Company are directly supplied to the OEMs who assemble and send the end product to the end user, it has limited scope for informing and educating the end consumer about the safe and responsible usage of its products.

### 3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Not applicable

### 4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Not Applicable

For and on behalf of the Board

Place : Gurugram  
Dated : 30 May 2024

**Hitoshi Mogi**  
Chairman & Managing Director  
[DIN 08741355]

## FORM – A: PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

Power and Fuel Consumption			2023-2024							
			Gurgaon <sup>①</sup>	Chennai <sup>②</sup>	Dharuhera-1 <sup>③</sup>	Sanand	Dharuhera-2 <sup>④</sup>	Dharuhera-3 <sup>⑤</sup>	Bawal-1 <sup>⑥</sup>	Bawal-2 <sup>⑦</sup>
State Electricity Board										
1.	Power Units purchased (KWH)	(Units)	3963276	3350363	3754335	25640	5903640	4803380	2762445	1054518
	Total Amount	INR	33806740	32586547	30250830	968203	47819918	38403762	23542341	9113431
	Rate per unit	INR	8.53	9.73	8.06	37.76#	8.10	8.00	8.52	8.64
2.	Captive Generation DG Set (KWH)	(Units)	70517	121170					22301	
	Amount	INR	1961778	3697418					625353	
	Rate per unit	INR	27.82	30.51					28.35	
	Fixed Cost	INR	0	0					0	
3.	Diesel consumption	(Litres)	20610	39148					7051	
	Total Amount	INR	1961778	3697418					625353	
	Rate per litre	INR	95.19	94.45					88.69	
	Litre per unit	INR	0.29	0.32					0.316	
4.	Solar Power	(Units)	517822	622966	580031		997286	1204488	549462	505677
	Total Amount	INR	2677141	2788631	3352873		5296954	6577725	1438500	1338386
	Rate per unit	INR	5.17	4.48	5.78		5.31	5.46	2.61*	2.64**
5.	Captive Generation GG Set (KWH)	(Units)	1047		32927		42010	63521	23794	26052
	Total Amount	INR	47000		838512		1085075	1659387	644970	762060
	Rate per unit	INR/unit	44.89		25.47		25.83	26.12	27.11	29.25
6.	GG set PNG Consumption	(SCM)	827.51		15040		21375	28419	11050	13742.77
	Total Amount	INR	47000		835248		1085075	1659387	644970	762060
	Rate per SCM	INR/SCM	56.80		55.53		50.76	58.39	58.36	54.86
	SCM per unit	SCM/Unit	0.79		2.18		0.51	0.45	0.46	0.52
7.	Furnace PNG- SCM							504768		
	Total Amount	INR						28354330		
	Rate per SCM	INR/SCM						56.17		

Power and Fuel Consumption			2022-2023						
			Gurgaon <sup>①</sup>	Dharuhera-1 <sup>②</sup>	Chennai <sup>③</sup>	Sanand <sup>④</sup>	Dharuhera-2 <sup>⑤</sup>	Dharuhera-3 <sup>⑥</sup>	Bawal <sup>⑦</sup>
State Electricity Board									
1.	Power Units purchased (KWH)	(Units)	4917132	3807375	2857741	28335	4027440	4745800	2660790
	Total Amount	INR	39260420	29841399	26117908	881172	31567833	37314447	20785633
	Rate per unit	INR	7.98	7.84	9.14	31.10 #	7.84	7.86	7.81
2.	Captive Generation DG Set (KWH)	(Units)	95429	78563	138364		89390	109918	140774
	Amount	INR	2499637	2336225	4567482		2831309	4150775	4072891
	Rate per unit	INR	26.19	29.74	33.01		31.67	37.76	28.93
	Fixed Cost	INR	1910000	1366000			1782000	1188000	-
3.	Diesel consumption	(Litres)	27075	25091	44326		30397	38326	43682
	Total Amount	INR	2499637	2296625	4567482		2809424	4150775	3990111
	Rate per litre	INR	92.32	91.53	103.04		92.42	108.30	91.34
	Litre per unit	INR	0.28	0.32	0.32		0.34	0.35	0.31
4.	Solar Power	(Units)	463992	535156	212772.00		971562	1133826	565348
	Total Amount	INR	2287799	3377909	1176482.08		4758859	5405784	1480679
	Rate per unit	INR	4.93	6.31	5.53		4.90	4.77	2.62*
5.	Captive Generation GG Set (KWH)	(Units)						31636	
	Total Amount	INR						730262	
	Rate per unit	INR/unit						23.08	
6.	GG set PNG Consumption	(SCM)						11419	
	Total Amount	INR						730262	
	Rate per SCM	INR/SCM						63.95	
	SCM per unit	SCM/Unit						0.36	

\* In Bawal unit a 420 KW Solar power plant is owned by the company & a 80 kw Solar Plant on PPA hence the per unit cost is low.

\*\* In Bawal-2 unit a few Solar power plants are owned by the company hence the per unit cost is low.

# In Sanand Plant due to lower consumption and monthly fixed cost the rate is high

① **Total saving achieved at Gurgaon Plant during financial year 2023-24 – INR 0.534 million.**

Above saving achieved by taking the following initiatives:

- 1) Replaced old air conditioner units with inverter type VRV air conditioner units at standard room.
- 2) Provided VFD on 632 CFM air compressor.
- 3) Provided motorize valve to reduce compressed air consumption in Plant-4.
- 4) Used small capacity 317 CFM air compressor for holidays and 'C' shift.
- 5) Paint shop cooling tower is replaced with localised chiller units.
- 6) Solar system installed for street light.

② **Total saving achieved at Chennai Plant during financial year 2023-24 – INR 0.710 million**

Above saving achieved by taking the following initiatives:

- 1) Replacement of lights with energy efficient LED lights on shop floor (saved 23960 units).
- 2) Provided VFD for ETP & STP air blowers (saved 1875 units).
- 3) Provided motion sensors for all office areas (saved 8061 units).
- 4) Modification in Washing MC Motor (saved 10887 units).
- 5) Conversion of street lights with solar street lights (saved 13075 units).

③ **Total saving achieved at Dharuhera-1 Plant during financial year 2023-24 – INR 0.810 million**

Above saving achieved by taking the following initiatives:

- 1) Installed VRV based AC in placed of existing AC.
- 2) Replaced cooling tower IE-2 pumps with IE-4 pumps.
- 3) Reduced speed of cooling tower pump in winter season by using FDV-VFD.
- 4) Replaced office 36 watts lighting with 28 watts and also installed PIR sensor lighting.
- 5) Reduced frequency in FDV from 50 Hz to 40 Hz in April, September, October Months.
- 6) Replacement of air end and screw of air compressor for better efficiency.
- 7) Converted hydraulic punching machine with electrically operated marking machine.
- 8) Replaced the chiller into heat exchanger.

④ **Total saving achieved at Dharuhera-2 Plant during financial year 2023-24 – INR 0.68 million**

Above saving achieved by taking the following initiatives:

- 1) Installed energy efficient motors on FDV No-5 & 6.
- 2) Installed VFD on Bay-3 cooling tower pump, painting exhaust motor and Bay-1 exhaust.
- 3) Installed FDV water pump of 0.5 kw in place of 1.5 kw.
- 4) Installed solar street lights.
- 5) Replaced the ETP transfer pump of 1.5 kw with 0.46 kw.
- 6) Reduced the mist collector capacity from at various places.

⑤ **Total saving achieved at Dharuhera-3 Plant during financial year 2023-24 – INR 1.91 million**

Above saving achieved by taking the following initiatives:

- 1) Installation of energy efficient air gun.
- 2) Installation of IE3 Energy efficient motors and pumps.
- 3) Created power saving mode in CNC machines.
- 4) Eliminated pump from washing machines.
- 5) Conversion of motor connection from Delta to Star.
- 6) Installation of timer lights and fans.
- 7) Eliminated spindle idle running time.
- 8) Implementation of VFD for pumps.
- 9) Installation of motion sensor.
- 10) Implementation of IE5 pumps at PDC machine.
- 11) Implementation of inverter water chiller at PDC machine.
- 12) Installed VFD based air compressor.

⑥ **Total saving achieved at Bawal-1 Plant during financial year 2023-24 – INR INR 0.491 million**

Above saving achieved by taking the following initiatives:

- 1) Installation of VRV AC N-8 in white room.
- 2) Installation of compressor oil cooler motor with temperature control.
- 3) Energy efficient mist collectors.

⑦ **Total saving achieved at Bawal-2 Plant during financial year 2023-24 – INR 0.275 million**

Above saving achieved by taking the following initiatives:

- 1) Installed insulation heater on Injection moulding machine.
- 2) Installed VRV AC in UPS room, Server room & Standard room.
- 3) Replaced FDV spray pump with high pressure pump.
- 4) Installation of VFD in high capacity machines.

## FORM - B : PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

<b>A. Technology Absorption</b>	
1. Efforts in brief towards Technology Absorption and Innovation	<p>a) Development of New generation CEPS → feasibility done and concept finalised. Proto Sample development and discussion with customer for demonstration on vehicle is in progress.</p> <p>b) Development of Non-guided collapse Manual column to replace current guided column keeping specification unchanged. Off Tool, Off process samples validated and start of production from this FY.</p> <p>c) Concept of incorporating Angle sensor in Manual column for commercial vehicle incorporated and validated. Mass production preparation is under progress.</p> <p>d) Feasibility and development of new steel material with changed heat treatment concept is under progress. Samples validation are in progress.</p> <p>e) CVJ development for new platforms-Proto samples development are under progress.</p>
2. Benefits derived as a results of above efforts e.g. Product Improvement, Cost Reduction, Product Development, Import Substitution etc.	<p>a) Development of New generation CEPS is for more robust design and market competitiveness.</p> <p>b) Development of Non-guided column is to improve ENCAP rating.</p> <p>c) Incorporation of Angle sensor in Manual Column is to meet regulatory requirement implemented in near future and to improve stability of Vehicle.</p> <p>d) Development of new steel will enable to develop light-weight product, making the product more competitive without compromising current specification.</p> <p>e) New platform CVJ are being developed to cater other categories of vehicles by JTEKT India.</p>
3. Information regarding imported technology (Imported during last three years), if any	NA
a) Details of technology imported	--
b) Technology import from	--
c) Year of import	--
d) Whether the technology been fully absorbed	--
e) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	--
<b>B. Research and Development</b>	
1. Specific areas in which R&D carried out by the Company.	Not applicable
2. Benefits derived as a result of the above R&D.	Not applicable
3. Expenditure on R&D	<p>a) Capital Expenditure of INR Nil lakhs.</p> <p>b) Revenue expenditure of INR 26.10 lakhs.</p>

## FORM - C : FOREIGN EXCHANGE EARNING AND OUTGO

During the year the Company's export sales amounted to INR 8,000.12 lakhs. Foreign Exchange outflow on account of import of raw material, spares and tools during the year was INR 28,519.58 lakhs.

For and on behalf of the Board

**Hitoshi Mogi**

Chairman & Managing Director

[DIN 08741355]

Place : Gurugram

Dated : 30 May 2024

## DETAILS PERTAINING TO REMUNERATION

AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

### 1. PARTICULARS OF REMUNERATION

The information required under Section 197 of the Act and the Rules made there-under, in respect of employees of the Company, as follows:-

**(a) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:**

Directors	Ratio to Median Remuneration
Mr. Hitoshi Mogi, Chairman & Managing Director	16.75
Mr. Rajiv Chanana, Director & CFO	20.14
Mr. Minoru Sugisawa <sup>①</sup>	11.38

① Appointed as an Additional Director in the capacity of Wholetime Director, with remuneration, effective from 1 June 2023, whose appointment was confirmed by the shareholders of the Company at 39 Annual General Meeting held on 11 August 2023.

**(b) the percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year:**

Name of Person	% Increase in remuneration
Mr. Hitoshi Mogi, Chairman & Managing Director	5.19%
Mr. Rajiv Chanana, Director & CFO	0.00%
Mr. Ashish Srivastava, Company Secretary <sup>①</sup>	0.00%
Mr. Minoru Sugisawa <sup>②</sup>	0.00%
Mr. Saurabh Agrawal <sup>③</sup>	0.00%

① Rescinded from the position of Company Secretary with effect from the close of working hours of 5 April 2023.

② Appointed as an Additional Director in the capacity of Wholetime Director, with remuneration, effective from 1 June 2023, whose appointment was confirmed by the shareholders of the Company at 39 Annual General Meeting held on 11 August 2023.

③ Appointed as Company Secretary and Compliance Officer of the Company effective from 22 May 2023.

**(c) the percentage increase in the median remuneration of employees in the financial year**

8.6%

**(d) the number of permanent employees on the rolls of Company:**

1592

**(e) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration (CS, DIRECTOR, MD)**

The average increase in cost of employees other than managerial personnel in 2023-24 was 10.3% Percentage increase (+) / decrease (-) in the managerial remuneration for the year was (2.60%).



**(f) affirmation that the remuneration is as per the remuneration policy of the Company;**

The Company's remuneration policy is driven by the success and performance of the individual employees and the Company. Through its compensation package, the Company endeavours to attract, retain, develop and motivate a high performance staff. The Company follows a compensation mix of fixed pay, benefits and performance based variable pay. Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process. The Company affirms remuneration is as per the remuneration policy of the Company.

For and on behalf of the Board

Place : Gurugram  
Dated : 30 May 2024

**Hitoshi Mogi**  
Chairman & Managing Director  
[DIN 08741355]

## STATEMENT OF PARTICULARS OF EMPLOYEES

PURSUANT TO PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT 2013 READ WITH COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Sl. No.	Emp. Name	Age	Designation / Nature of Employment	Remuneration (INR)	Qualification	Experience	Date of Employment	Last Employment	% of shares held in the Co.	Whether related to any director
1.	Mr. Kenji Okazaki	54	Sr. Vice President	2,34,14,505	Graduate in Arts Business Administration	28	06-Apr-18	JTEKT Corporation, Japan	0.00%	No
2.	Mr. Shinji Yamakawa	57	Sr. Vice President	1,59,30,919	Graduate	31	07-Oct-20	JTEKT Corporation, Japan	0.00%	No
3.	Mr. Eiji Maekawa	54	Sr. Vice President	1,52,15,053	Graduate	30	30-Mar-21	JTEKT Corporation, Japan	0.00%	No
4.	Mr. Yasushi Shidahara	53	Sr. Vice President	1,72,14,770	Graduate	27	25-Mar-22	JTEKT Corporation, Japan	0.00%	No
5.	Mr. Miharuru Tabata	54	Sr. Vice President	1,57,28,558	Graduate	32	20-Jun-22	JTEKT Corporation, Japan	0.00%	No
6.	Mr. Satoshi Kakutani	48	Asst. Vice President	1,68,07,619	Graduate in Materials	24	26-Mar-19	JTEKT Corporation, Japan	0.00%	No
7.	Mr. Tsuyoshi Yamada	40	General Manager	1,11,10,791	Graduate	16	03-Jul-18	JTEKT Corporation, Japan	0.00%	No
8.	Mr. Rajiv Chanana	58	Director & CFO	1,06,72,430	Chartered Accountant	30	25-Mar-09	Deutsche Postbank Home Finance Ltd.	0.00%	No
9.	Mr. Masaru Takahashi	54	Senior Vice President	1,46,06,210	Graduate	31	23-Jan-23	JTEKT Corporation, Japan	0.00%	No
10.	Mr. Tomohira Sakuma	56	Senior Vice President	1,78,81,582	Graduate	33	28-Feb-23	JTEKT Corporation, Japan	0.00%	No
11.	Mr. Masato Mizuhara	45	Vice President	1,73,12,712	Graduate	26	13-Mar-23	JTEKT Corporation, Japan	0.00%	No
12.	Mr. Takahiro Yukimura	44	Vice President	1,50,01,836	Graduate	23	22-Mar-23	JTEKT Corporation, Japan	0.00%	No
13.	Mr. Hironori Suzuki	45	Vice President	1,56,34,017	Graduate	24	22-Mar-23	JTEKT Corporation, Japan	0.00%	No
14.	Mr. Yasuki Doi	45	Senior Vice President	1,50,67,877	Graduate	24	27-Mar-23	JTEKT Corporation, Japan	0.00%	No
15.	Mr. Masaki Yoshimura	38	General Manager	1,35,79,423	Graduate	14	24-Mar-23	JTEKT Corporation, Japan	0.00%	No
16.	Mr. Tetusya Maegawa *	42	General Manager	39,83,789	Graduate	18	06-Nov-23	JTEKT Corporation, Japan	0.00%	No
17.	Mr. Masaki Ito *	47	General Manager	33,12,447	Graduate	23	08-Jan-24	JTEKT Corporation, Japan	0.00%	No
18.	Mr. Terumitsu Kuwana *	47	General Manager	2,41,885	Graduate	24	18-Mar-24	JTEKT Corporation, Japan	0.00%	No
19.	Mr. Yutaka Shibahiraki *	44	General Manager	4,46,360	Graduate	20	19-Mar-24	JTEKT Corporation, Japan	0.00%	No

### Note

\* Indicates earnings for part of the financial year 2023-24.

Remuneration received includes salary, allowances, commission, payment in respect of rent / furnished accommodation, Company's contribution to provident fund and superannuation fund / National Pension Scheme, LTA.

For and on behalf of the Board

**Hitoshi Mogi**

Chairman & Managing Director

[DIN 08741355]

Place : Gurugram

Dated : 30 May 2024

# INDEPENDENT AUDITOR'S REPORT

**To the Members of JTEKT India Limited  
Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of JTEKT India Limited (the "Company") which comprise the balance sheet as at 31 March 2024, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with

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

**Emphasis of Matter(s)**

We draw attention to Note 43 to the financial statements of the Company for the period ended 31 March 2024. The management has identified certain unusual adjustments posted by an employee to the trade receivables account amounting to Rs. 771.20 lakhs which pertain to prior years. These amounts have been charged to Statement of Profit and Loss as "Other expenses" in the financial statements for the year ended 31 March 2024. Management has performed an independent investigation through an external consultant and does not expect any further impact on the financial statement for the year ended 31 March 2024.

Our opinion is not modified in this regard.

**Key Audit Matter(s)**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Key audit matter**

**Revenue Recognition**

See Note 23 to financial statements

The key audit matter	How the matter was addressed in our audit
<p>The Company's revenue is derived primarily from sale of goods which comprises automotive components. Revenue from sale of goods is recognised at a point in time when performance obligation is satisfied and is based on the transfer of control to the customer as per terms of the contract with them which may vary for each customer. The Company and its external stakeholders focus on revenue as a key performance metric.</p> <p>Revenue recognition has been identified as a key audit matter as there could be incentives or external pressures to meet expectations resulting in revenue being overstated or recognized before the control has been transferred.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> <li>We assessed the appropriateness of the Company's accounting policies for revenue recognition by comparing with applicable accounting standards.</li> <li>We evaluated the design, implementation and operating effectiveness of key internal controls over recognition of revenue.</li> <li>On a sample basis, we tested the revenue transactions recorded during the year by verifying the underlying documents to assess whether revenue is recognised appropriately when control is transferred.</li> <li>We tested, on a sample basis specific revenue transactions recorded before and after the financial year-end date to assess whether revenue is recognised in the correct financial period in which control if transferred.</li> <li>We scrutinized journal entries related to revenue recognised during the year based upon specified risk-based criteria, to identify unusual or irregular items; and</li> <li>We considered the adequacy of the disclosures in accordance with the relevant accounting standard.</li> </ul>

### Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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

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

### Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss and 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 (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

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

2 A. As required by Section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- 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 financial statements comply with the Ind AS specified under Section 133 of the Act.
- e. The matter described in the Basis for Qualified Opinion paragraph in "Annexure B" with respect to adequacy and operating effectiveness of the internal financial controls with reference to financial statements of the Company, in our opinion, may have an adverse effect on the functioning of the Company.
- f. On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- g. The qualifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- h. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion

and to the best of our information and according to the explanations given to us:

- a. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its financial statements - Refer Note 38B to the financial statements.
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- d.
  - (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 47(v) to the financial statements, no funds 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 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.
  - (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 47(vi) to the financial statements, no funds 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 directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 44 to the financial statements, the Board of Directors of the Company has proposed final



dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

- f. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account, which has a feature of recording audit trail (edit log) facility. Except for the instances noted below, the audit trail facility has been operating for the softwares where audit trail feature was enabled and for period since when audit trail has been enabled for the relevant transactions recorded in the software:
- a) In case of the accounting software, used for maintaining the books of account relating to revenue, trade receivables, purchases, trade payables, property, plant and equipment, inventory, general ledger and other records:
- i. the feature of audit trail (edit log) facility was not enabled throughout the accounting software for the period from 1 April 2023 to 19 March 2024 and audit trail has been enabled on certain fields/tables in a phased manner from 20 March 2024 till 31 March 2024; and
  - ii. the feature of audit trail (edit log) facility was not enabled for the period from 1 April 2023 to 31 March 2024 for remaining tables/fields relating to revenue, trade receivables, plant and equipment, purchases, trade payables, inventory, general ledger and other allied areas of the accounting software.

- b) The Company has used accounting software for maintaining payroll records which is operated by a third-party service provider and based on the independent auditor's report of service organization, we are unable to comment whether the audit trail facility has operated throughout the year for all relevant transactions recorded in the said software.

Further, for the period where audit trail (edit log) facility was enabled and operated, we did not come across any instance of the audit trail feature being tampered with.

- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

*Chartered Accountants*

Firm's Registration No.:101248W/W-100022

**Shashank Agarwal**

*Partner*

Membership No.: 095109

ICAI UDIN:24095109BKFRPH2350

Place: Gurugram

Date: 30 May 2024

## Annexure A to the Independent Auditor's Report on the Financial Statements of JTEKT India Limited for the year ended 31 March 2024

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (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 a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified twice a year. In accordance with this programme, all of the property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No 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 leases agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Description of property	Gross carrying value (INR lakhs)	Held in the name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in the name of the Company.
Freehold land at Bawal	1,120.69	JTEKT Sona Automotive India Limited	No	2018-19	The deed of conveyance is in the name of the erstwhile JTEKT Sona Automotive India Limited, erstwhile an associate company, which had amalgamated with the Company during the financial year ended 31 March 2019 (refer note 3A).
Building at Bawal	2,469.98	JTEKT Sona Automotive India Limited	No	2018-19	Accordingly, the process of mutation of name is pending as at 31 March 2024.
Land at Gujarat	-*	Sona Steering Systems Limited	No	1991-92	The title deed for the aforesaid land is in the erstwhile name of the Company i.e. 'Sona Steering Systems Limited'. The Company is in the process of getting the name changed to JTEKT India Limited, which is pending as at 31 March 2024.
Freehold land at Bawal	562.71	JTEKT Fuji Kiko Automotive India Limited	No	2023-24	The deed of conveyance is in the name of the erstwhile JTEKT Fuji Kiko Automotive India Limited, erstwhile an subsidiary company, which has been amalgamated with the Company during the financial year ended 31 March 2024.
Building at Bawal	1142.69	JTEKT Fuji Kiko Automotive India Limited	No	2023-24	Accordingly, the process of mutation of name is pending as at 31 March 2024.

\*the Gross block as at 31 March 2024 of the said Land is INR 1.

- (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) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts and delivery have been linked with inventory records. In our opinion, the frequency of such verification

is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory

- (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 been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.
- (iii) 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 made any investments in, or provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnership or any other parties during the year. The Company has granted loans to its employees during the year, in respect of which the requisite information is as below. The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnership during the year.
- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans to its employees as below:

Particulars	Loans (Amount in INR Lakhs)
Aggregate amount during the year -Others (Employees)	11.91
Balance outstanding as at balance sheet date - Others (Employees)	6.42

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of the grant of loans are, prima facie, not prejudicial to the interest of the company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal has been stipulated and the repayments or receipts have been regular. There is no interest charged by the Company on loans given to its employees. Further, the Company has not given any advance in the nature of loan to any party during the year.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party 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 is no loan granted falling due during the

year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties. Further, the Company has not given any advance in the nature of loan to any party during the year.

- (f) 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 granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) 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 given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products manufactured by it. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

Also refer note 38B, wherein, it is explained that on account of the uncertainty with respect to the applicability of the Hon'ble Supreme Court Judgement on the provident fund matter, management has not recognized and deposited any additional provident fund amount with respect to the previous years ended 31 March 2019.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the Statute	Nature of dues	Amount (INR in lakhs)	Amount paid under protest (INR in Lakhs)	Period to which the amount relates	Forum where dispute is pending
The Finance Act, 1994	Service tax	9.16	-	2009-10	Commissioner of Appeals (Service Tax)
Central Excise Act, 1944	Excise Duty	6.52	-	2007-08 & 2008-09	Commissioner of Appeals (Central Excise)
Central Excise Act, 1944	Excise Duty	469.93	8.36	2007-08 to 2011-12	CESTAT, New Delhi (Central Excise)
Central Excise Act, 1944	Excise Duty	0.50	-	2010-11	Commissioner of Appeals (Central Excise)
Central Excise Act, 1944	Excise Duty	259.11	8.19	2012-13 to 2015-16	CESTAT, Chandigarh (Central Excise)
Central Excise Act, 1944	Excise Duty	299.89	5.80	2018-19	CESTAT, New Delhi (Central Excise)
Goods and Services Act, 2017	Goods and Services Tax	30.89	-	2017-18 to 2022-23	Deputy Commissioner CGST, Gurgaon
Goods and Services Act, 2017	Goods and Services Tax	106.01	-	2017-18 to 2021-22	Joint Commissioner CGST, Gurgaon
Income Tax Act, 1961	Disallowance under Section 14A	44.78	4.61	2015-16	Commissioner of Appeals (Income Tax)
Income Tax Act, 1961	Interest under section 234	8.81	-	2017-18	Commissioner of Appeals (Income Tax)
Income Tax Act, 1961	Disallowance of royalty and other expenses	680.47	127.46	2019-20	Commissioner of Appeals (Income Tax)
Income Tax Act, 1961	Disallowance of expenses	589.57	116.98	2020-21	Commissioner of Appeals (Income Tax)
The Customs Act, 1962	Custom Duty	52.78	0.90	2015-16	Commissioner of Appeals (Customs)

(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) (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 and borrowing 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 wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet 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 an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary (now amalgamated with the Company, refer Note no. 37) as defined under the Act. The Company does not hold any investment in any associates or joint ventures.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary (now amalgamated with the Company, refer Note no. 37) (as defined under the Act). The Company does not hold any investment in any associates or joint ventures.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(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 made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year (Also refer to note

- no. 37). Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year except that we have been informed that one of the employee has posted certain unusual adjustments to the trade receivables account amounting to Rs. 771.20 lakhs which pertain to prior years. Management has performed an independent investigation through an external consultant and concluded that the said amount is not recoverable from the customer. Accordingly, the amount has been written off in the books of account.
- (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 the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (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 Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations 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, other information accompanying the financial statements, 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 that the 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, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

*Chartered Accountants*

Firm's Registration No.:101248W/W-100022

**Shashank Agarwal**

*Partner*

Place: Gurugram

Date: 30 May 2024

Membership No.: 095109

ICAI UDIN:24095109BKFRPH2350



## Annexure B to the Independent Auditor's Report on the financial statements of JTEKT India Limited for the year ended 31 March 2024

### Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

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

#### Qualified Opinion

We have audited the internal financial controls with reference to financial statements of JTEKT India Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, except for the effects of the material weaknesses described in the Basis of qualified opinion on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements 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 "Guidance Note").

We have considered the material weaknesses identified and reported below in determining the nature, timing, and extent of audit tests applied in our audit of the 31 March 2024 financial statements of the Company, and the material weakness does not affect our opinion on the financial statements of the Company.

#### Basis for Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at 31 March 2024:

- i. The Company did not have an appropriate internal control system relating to reconciliations of trade receivables balances and appropriate knocking of the receipts based on the remittance advices received from customers, which has resulted in some unusual adjustments being posted to the trade receivables account. Also, refer Emphasis of Matter paragraph of our Audit Report on the Financial Statements.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

#### Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential

components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls with reference to financial statements.

#### Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide

reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the

internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

*Chartered Accountants*

Firm's Registration No.:101248W/W-100022

**Shashank Agarwal**

*Partner*

Membership No.: 095109

ICAI UDIN:24095109BKFRPH2350

Place: Gurugram

Date: 30 May 2024

# BALANCE SHEET

AS AT 31 MARCH 2024

(All amount are in INR lakhs, unless otherwise stated)

Particulars	Notes	As at 31 March 2024	As at 31 March 2023*
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3A	47,783.47	45,154.00
Capital work-in-progress	3A	9,305.65	2,511.60
Investment property	3B	469.68	543.33
Intangible assets	3C	1,897.38	2,358.27
Right-of-use assets	3D	165.29	-
Financial assets			
(i) Loans	4	2.02	2.22
(ii) Other financial assets	5	376.06	346.11
Deferred tax assets (net)	19	1,184.48	1,166.91
Other tax assets (net)	6A	497.67	307.37
Other non-current assets	7	3,300.43	511.63
<b>Total non-current assets</b>		<b>64,982.13</b>	<b>52,901.44</b>
<b>Current assets</b>			
Inventories	8	20,114.21	18,762.44
Financial assets			
(i) Trade receivables	9	33,035.44	28,057.23
(ii) Cash and cash equivalents	10	7,536.45	4,659.93
(iii) Bank balances other than (ii) above	11	-	1,000.00
(iv) Loans	4	4.40	4.13
(v) Other financial assets	5	25.16	68.41
Current tax assets	6B	-	171.30
Other current assets	12A	1,778.59	1,724.16
<b>Total current assets</b>		<b>62,494.25</b>	<b>54,447.60</b>
Assets held for sale	12B	-	21.14
<b>Total assets</b>		<b>127,476.38</b>	<b>107,370.18</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Equity share capital	13	2,542.80	2,444.80
Other equity	14	79,625.27	70,927.10
<b>Total equity</b>		<b>82,168.07</b>	<b>73,371.90</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
(i) Borrowings	15A	5,955.11	3,089.79
(ii) Lease liability	16	550.51	405.36
Provisions	18	941.44	963.10
<b>Total non-current liabilities</b>		<b>7,447.06</b>	<b>4,458.25</b>
<b>Current liabilities</b>			
Financial liabilities			
(i) Borrowings	15B	5,004.25	2,681.21
(ii) Lease liability	16	29.25	-
(iii) Trade payables	20	-	-
(a) Total outstanding dues of micro enterprises and small enterprises; and		1,139.82	548.81
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		25,572.95	21,475.91
(iv) Other financial liabilities	17	2,824.96	2,113.03
Other current liabilities	21	2,058.90	1,438.96
Provisions	18	994.21	1,004.15
Current tax liabilities (net)	22	236.91	277.96
<b>Total current liabilities</b>		<b>37,861.25</b>	<b>29,540.03</b>
<b>Total liabilities</b>		<b>45,308.31</b>	<b>33,998.28</b>
<b>Total equity and liabilities</b>		<b>127,476.38</b>	<b>107,370.18</b>
Material accounting policies	2		

The accompanying notes are an integral part of these Financial Statements.

\* Refer Note 37 of the financial statements

As per our report of even date attached.

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

Chartered Accountants

ICAI Firm Registration no. : 101248W/W-100022

**Shashank Agarwal**

Partner

Membership no. : 095109

For and on behalf of the Board of Directors of

**JTEKT India Limited**

**Hitoshi Mogi**

Chairman & Managing Director

DIN 08741355

**Rajiv Chanana**

Director and Chief Financial Officer

DIN 02630192

**Hiroko Nose**

Independent Director

DIN 06389168

**Saurabh Agrawal**

Company Secretary

Membership no.: 36163

Place : Gurugram

Date : 30 May 2024

Place : Gurugram

Date : 30 May 2024

# STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH 2024

(All amount are in INR lakhs, unless otherwise stated)

Particulars	Notes	For the year ended 31 March 2024	For the year ended 31 March 2023*
<b>Income</b>			
Revenue from operations	23	224,548.62	204,393.06
Other income	24	1,149.34	856.24
<b>Total income (I)</b>		<b>225,697.96</b>	<b>205,249.30</b>
<b>Expenses</b>			
Cost of materials consumed	25	160,468.92	145,137.75
Purchases of stock-in-trade	26	-	8.18
Changes in inventories of finished goods, stock-in-trade and work-in-progress	27	(822.54)	(532.45)
Employee benefit expenses	28	22,601.87	21,617.55
Finance costs	29	611.94	473.78
Depreciation and amortisation expense	30	8,144.38	7,319.68
Other expenses	31	20,787.38	19,481.17
<b>Total expenses (II)</b>		<b>211,791.95</b>	<b>193,505.66</b>
<b>Profit before exceptional items and tax (III = I - II)</b>		<b>13,906.01</b>	<b>11,743.64</b>
Exceptional items (gain) / loss (IV)	32	(739.26)	326.01
<b>Profit before tax (V=III-IV)</b>		<b>14,645.27</b>	<b>11,417.63</b>
<b>Tax expense</b>			
- Current tax		3,976.39	3,062.83
- Deferred tax credit		(17.55)	(356.87)
<b>Total tax expense (VI)</b>	33	<b>3,958.84</b>	<b>2,705.96</b>
<b>Profit for the year (VII = V - VI)</b>		<b>10,686.43</b>	<b>8,711.67</b>
<b>Other comprehensive loss</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Loss on remeasurement of defined benefit obligation		(127.67)	(90.08)
Income tax relating to items that will not be reclassified to profit or loss		32.13	22.67
<b>Total other comprehensive loss for the year (net of tax) (VIII)</b>		<b>(95.54)</b>	<b>(67.41)</b>
<b>Total comprehensive income for the year (IX = VII + VIII) (Comprising Profit and Other Comprehensive loss for the year)</b>		<b>10,590.89</b>	<b>8,644.26</b>
<b>Earnings per equity share :</b>	34		
Basic - Par value of INR 1 per share		4.20	3.43
Diluted - Par value of INR 1 per share		4.20	3.43
Material accounting policies	2		

The accompanying notes are an integral part of these Financial Statements.

\* Refer Note 37 of the financial statements

As per our report of even date attached.

For **B S R & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration no. : 101248W/W-100022

**Shashank Agarwal**  
Partner  
Membership no. : 095109

For and on behalf of the Board of Directors of  
**JTEKT India Limited**

**Hitoshi Mogi**  
Chairman & Managing Director  
DIN 08741355  
**Rajiv Chanana**  
Director and Chief Financial Officer  
DIN 02630192

**Hiroko Nose**  
Independent Director  
DIN 06389168  
**Saurabh Agrawal**  
Company Secretary  
Membership no.: 36163

Place : Gurugram  
Date : 30 May 2024

Place : Gurugram  
Date : 30 May 2024

# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2024

(All amount are in INR lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023*
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>1. Profit before tax</b>	<b>14,645.27</b>	<b>11,417.63</b>
<b>2. Adjustments for:</b>		
Depreciation and amortisation expense	8,144.38	7,319.68
Interest income	(442.93)	(291.69)
(Profit) on disposal of property, plant and equipment (net)	(853.56)	(99.19)
Provision on obsolescence of inventory	38.63	513.83
Interest expenses	611.94	473.78
Advance tax recoverable written off	56.17	-
Debtors written off	771.20	-
Unrealized foreign exchange (gain)/loss	(25.14)	111.89
<b>3. Operating profit before changes in following assets and liabilities (1+2)</b>	<b>22,945.96</b>	<b>19,445.93</b>
<b>4. Changes in operating assets and liabilities</b>		
(Increase) in loans	(0.07)	(17.25)
(Increase) in inventories	(1,390.40)	(4,788.70)
Decrease / (increase) in other financial assets	20.10	(64.92)
(Increase) in other assets	(18.54)	(39.74)
(Increase) in trade receivables	(5,755.17)	(3,897.39)
Increase / (Decrease) in other financial liabilities	299.79	(89.53)
Increase / (Decrease) in other liabilities	619.94	(560.82)
Increase in trade payables	4,791.32	2,171.71
(Decrease) / Increase in provisions	(159.27)	455.77
<b>5. Cash generated from operating activities (3+4)</b>	<b>21,353.66</b>	<b>12,615.06</b>
6. Income tax paid (net of refunds)	(4,105.38)	(3,095.02)
<b>7. Net cash flow generated from operating activities (5-6)</b>	<b>17,248.28</b>	<b>9,520.04</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment, capital work-in-progress and capital advances and capital payables	(18,948.25)	(8,527.81)
Proceeds from disposal of property, plant and equipment	939.29	307.42
Purchase of intangible assets	(598.07)	(1,205.80)
Proceeds from redemption of deposit with original maturity more than 3 months	1,000.00	658.00
Interest received	436.13	323.91
<b>Net cash (used) in investing activities</b>	<b>(17,170.90)</b>	<b>(8,444.28)</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from long-term borrowings	5,900.00	1,268.80
Repayment of long term borrowings	(1,817.18)	(1,811.75)
Proceeds/(Repayment) of short-term borrowings (net) (with original maturity less than three months)	1,093.88	(388.15)
Dividend paid	(1,821.49)	(1,432.26)
Interest paid	(486.98)	(398.88)
Payment of lease liabilities including interest	(69.09)	(35.03)
<b>Net cash generated from / (used in) financing activities</b>	<b>2,799.14</b>	<b>(2,797.27)</b>
<b>(D) NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>2,876.52</b>	<b>(1,721.51)</b>
Cash and cash equivalents at the beginning of the year	4,659.93	6,381.44
<b>Cash and cash equivalents at the end of the year</b>	<b>7,536.45</b>	<b>4,659.93</b>
	<b>As at</b>	<b>As at</b>
	<b>31 March 2024</b>	<b>31 March 2023*</b>
<b>Cash and cash equivalents include :</b>		
Balances with banks:		
– In current accounts	83.86	108.23
– In cash credit accounts	11.80	39.63
– In dividend accounts#	88.49	115.26
– Bank deposits with original maturity less than 3 months	7,352.00	4,395.00
Cash on hand	0.30	1.81
<b>Cash and cash equivalents at the end of the year</b>	<b>7,536.45</b>	<b>4,659.93</b>

# INR 88.49 lakhs (31 March 2023 : INR 115.26 lakhs) has restricted use.



# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2024

(All amount are in INR lakhs, unless otherwise stated)

## Change in liabilities arising from financing activities :

Particulars	As at 31 March 2024	As at 31 March 2023*
<b>Long-term borrowing as at the beginning of the year</b>	4,631.97	5,174.92
Cash flows during the year		
– Repayment of long-term borrowings	(1,817.18)	(1,811.75)
– Proceeds from long-term borrowings	5,900.00	1,268.80
<b>Long-term borrowings as at the end of the year</b>	<b>8,714.79</b>	<b>4,631.97</b>
<b>Short-term borrowing as at the beginning of the year</b>	1,139.03	1,523.96
Cash flows during the year		
– Proceeds from long-term borrowings (net)	1,093.88	-
– Repayment of short-term borrowings (net)	-	(388.15)
– Unrealised exchange loss	11.66	3.22
<b>Short-term borrowings as at the end of the year</b>	<b>2,244.57</b>	<b>1,139.03</b>
<b>Interest Accrued on borrowings at the beginning of the year</b>	13.69	11.20
Cash flows during the year		
– Interest on term loans and cash credit facilities		
– Interest to banks	493.60	373.62
– Bank charges	22.32	27.06
– Others	-	0.69
– Interest paid	(486.98)	(398.88)
<b>Interest Accrued on borrowings at the end of the year</b>	<b>42.63</b>	<b>13.69</b>
<b>Lease liabilities at the beginning of the year</b>	405.36	400.29
Cash flows during the year		
– Payment of Lease liabilities	(69.09)	(35.03)
Non-cash changes due to		
– New lease taken	192.35	-
– Interest accrued	51.14	40.10
<b>Lease liabilities at the end of the year</b>	<b>579.76</b>	<b>405.36</b>

## Redemption/(Investment in fixed deposit) (having maturity of more than 3 months) (net) :

Particulars	As at 31 March 2024	As at 31 March 2023*
– Redemption of fixed deposit - having maturity of more than 3 months	1,000.00	3,123.57
– Investment in fixed deposit - having maturity of more than 3 months	-	(2,465.57)
<b>Net movement</b>	<b>1,000.00</b>	<b>658.00</b>

### Notes:

- The cash flow statement has been prepared in accordance with "Indirect Method" as set out in Indian Accounting Standard - 7 on "Statement on Cash Flows".
- Refer note 2 for Material Accounting Policies.
- The Company paid INR 133.43 lakhs for the year ended 31 March 2024 and INR 84.22 lakhs for the year ended 31 March 2023 towards Corporate Social Responsibility (CSR) expenditure (refer note 35)
- Dividend paid amount includes amount transferred to Investor Education & Protection Fund.

\* Refer Note 37 of the financial statements

The accompanying notes are an integral part of these Financial Statements.

As per our report of even date attached.

For **B S R & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration no. : 101248W/W-100022

**Shashank Agarwal**  
Partner  
Membership no. : 095109

For and on behalf of the Board of Directors of  
**JTEKT India Limited**

**Hitoshi Mogi**  
Chairman & Managing Director  
DIN 08741355  
**Rajiv Chanana**  
Director and Chief Financial Officer  
DIN 02630192

**Hiroko Nose**  
Independent Director  
DIN 06389168  
**Saurabh Agrawal**  
Company Secretary  
Membership no.: 36163

Place : Gurugram  
Date : 30 May 2024

Place : Gurugram  
Date : 30 May 2024

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2024

(All amount are in INR lakhs, unless otherwise stated)

### A. Equity share capital

Particulars	Note	Equity Shares	
		No. of shares in Lakhs	Amount
<b>Balance as at 1 April 2022</b>	13	<b>2,444.80</b>	<b>2,444.80</b>
Issued during the year		-	-
<b>Balance as at 1 April 2023</b>		<b>2,444.80</b>	<b>2,444.80</b>
Issued during the year		98.00	98.00
<b>Balance as at 31 March 2024</b>		<b>2,542.80</b>	<b>2,542.80</b>

### B. Other equity

Particulars	Reserves and surplus				Retained earnings	Remeasurement of employee benefit obligations	Total
	Capital reserve	Securities Premium	General reserve	Share pending issuance *			
<b>Balance as at 31 March 2022</b>	<b>2,434.23</b>	<b>8,070.76</b>	<b>8,190.71</b>	<b>-</b>	<b>39,528.02</b>	<b>-</b>	<b>58,223.72</b>
Additions through business combination under common control *	392.00	-	-	98.00	4,968.44	-	5,458.44
Profit for the year	-	-	-	-	8,711.67	-	8,711.67
Other comprehensive loss (net of tax)	-	-	-	-	-	(67.41)	(67.41)
<b>Total comprehensive income for the year</b>	<b>2,826.23</b>	<b>8,070.76</b>	<b>8,190.71</b>	<b>98.00</b>	<b>53,208.13</b>	<b>(67.41)</b>	<b>72,326.42</b>
Transferred to retained earnings	-	-	-	-	(67.41)	67.41	-
<b>Contribution by and distribution to owner</b>							
Dividend on equity shares	-	-	-	-	(1,399.32)	-	(1,399.32)
<b>Balance as at 31 March 2023</b>	<b>2,826.23</b>	<b>8,070.76</b>	<b>8,190.71</b>	<b>98.00</b>	<b>51,741.40</b>	<b>-</b>	<b>70,927.10</b>
Profit for the year	-	-	-	-	10,686.43	-	10,686.43
Other comprehensive loss (net of tax)	-	-	-	-	-	(95.54)	(95.54)
<b>Total comprehensive income for the year</b>	<b>2,826.23</b>	<b>8,070.76</b>	<b>8,190.71</b>	<b>98.00</b>	<b>62,427.83</b>	<b>(95.54)</b>	<b>81,517.99</b>
Transferred to retained earnings	-	-	-	(98.00)	(95.54)	95.54	(98.00)
<b>Contribution by and distribution to owner</b>							
Dividend on equity shares	-	-	-	-	(1,794.72)	-	(1,794.72)
<b>Balance as at 31 March 2024</b>	<b>2,826.23</b>	<b>8,070.76</b>	<b>8,190.71</b>	<b>-</b>	<b>60,537.57</b>	<b>-</b>	<b>79,625.27</b>

\* Refer note 37

#### Notes:

- During the year ended 31 March 2024 and 31 March 2023, the Company has paid dividend to its shareholders.
- Refer note 14 for nature and purpose of other equity.

The accompanying notes are an integral part of these Financial Statements.

As per our report of even date attached.

For **BSR & Co. LLP**

Chartered Accountants

ICAI Firm Registration no.: 101248W/W-100022

**Shashank Agarwal**

Partner

Membership no.: 095109

For and on behalf of the Board of Directors of  
**JTEKT India Limited**

**Hitoshi Mogi**

Chairman & Managing Director

DIN 08741355

**Rajiv Chanana**

Director and Chief Financial Officer

DIN 02630192

**Hiroko Nose**

Independent Director

DIN 06389168

**Saurabh Agrawal**

Company Secretary

Membership no.: 36163

Place : Gurugram

Date : 30 May 2024

Place : Gurugram

Date : 30 May 2024

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2024

(All amount are in INR lakhs, unless otherwise stated)

### 1. Corporate Information

JTEKT India Limited ("the Company") is a Public Limited Company incorporated and domiciled in India and having its registered office at UGF-6, Indraprakash, 21, Barakhamba Road, New Delhi 110001. The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited. The Company is engaged in the business of manufacturing steering systems & other auto components for passenger car and utility vehicle manufacturers in the automobile sector.

### 2. Material accounting policies information and Basis of preparation

#### 2.1 Basis of preparation

##### (i) Statement of compliance

These Financial Statements of the Company have been prepared in accordance with Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, ("the Act"), Companies (Indian Accounting Standards) Rules as amended from time to time and other relevant provisions of the Act.

The Financial Statements of the Company for the year ended 31 March 2024 are approved for issue by the Company's Audit Committee and the Board of Directors on 30 May 2024.

##### (ii) Functional and presentation currency

These Financial Statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise stated.

##### (iii) Basis of measurement

The Financial Statements have been prepared on the historical cost basis except for the following items which have been measured at fair value amount –

Items	Measurement basis
Certain financial assets and financial liability (including derivative instrument)	Fair value
Net defined benefit plan (asset)/ liability	Fair value of plan assets less present value of defined benefit obligation.

##### (iv) Use of estimates and judgements

In preparation of these Financial Statements, management has made judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and

expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized prospectively. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the Financial Statements is included in the following notes.

#### Judgements

- Lease classification – Note 41

#### Estimates

- Recognition and estimation of tax expense including deferred tax– Note 33.
  - Estimated impairment of financial assets and non-financial assets – Note 2.3(s) and (g).
  - Assessment of useful life of property, plant and equipment and intangible asset – Note 2.3(a) and (b) and investment property (d).
  - Estimation of obligations relating to employee benefits: key actuarial assumptions – Note 39.
  - Valuation of Inventories – Note 2.3(h).
  - Recognition and measurement of provision and contingency: Key assumption about the likelihood and magnitude of an outflow of resources – Note 38.
- (v) Current versus non-current classification

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

- It is expected to be realised or intended to be sold or consumed in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realised within twelve months after the reporting period; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company classifies all other assets as non-current. A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2024

(All amount are in INR lakhs, unless otherwise stated)

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle for the purpose of current- non-current classification of assets and liabilities.

(vi) Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Company's Audit Committee.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 46 – Financial instrument.

### 2.2 Changes in material accounting policies

Ministry of Corporate Affairs ("MCA") notifies below amendments to the existing standards under Companies (Indian Accounting Standards) Rules, 2015 on March 31, 2023. These were applicable from April 1, 2023.

#### Ind AS 1 – Presentation of Financial Statements

The company adopted Disclosure of Accounting Policy (amendment to Ind AS 1) from 1 April 2023.

Although the amendments did not result in any changes in the accounting policy themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

#### Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The Company does not have any significant impact because of this amendment in its financial statements.

#### Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The Company does not have any significant impact because of this amendment in its financial statements.

### 2.3 Summary of material accounting policies information.

#### a) Property, plant and equipment

##### Recognition and measurement

Freehold land is carried at historical cost less any accumulated impairment losses, if any. All other items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment includes its purchase price, import duties and non-refundable purchase taxes, duties or levies, after deducting trade discounts and rebates, any other directly attributable cost of bringing the asset to its working condition for its intended use and estimated cost of dismantling and removing the items and restoring the site on which it is located. Refer to

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2024

(All amount are in INR lakhs, unless otherwise stated)

note 2.1 (iv) regarding significant accounting judgements, estimates and assumptions.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognized.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

A property, plant and equipment is eliminated from the Financial Statements on disposal or when no further benefit is expected from its use and disposal. Assets retired from active use and held for disposal are generally stated at the lower of their net book value and net realizable value. Any gain or losses arising from disposal of property, plant and equipment is recognized in the Statement of Profit and Loss.

Once classified as held-for-sale, property, plant and equipment are no longer depreciated.

Gains or losses arising from de-recognition of fixed assets 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.

### Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably

### Depreciation

Depreciation on property, plant and equipment is calculated on a straight-line basis to allocate their cost, net of their estimated residual values, over the estimated useful lives and is recognized in the Statement of Profit and Loss. The identified components are depreciated over their useful life; the remaining asset is depreciated over the life of the principal asset. Leasehold improvements are

depreciated over the primary lease period or the estimated useful life of leasehold improvements, whichever is shorter. Freehold land is not depreciated.

The Company has used the following rates to provide depreciation on its property, plant and equipment: -

Asset category	Category under which Asset is disclosed	Management estimate of useful life (in years)	Life as per Schedule II of the Companies Act (in years)
Building	Building	30 Years	30 Years
Roads	Building	5 Years	5 Years
Sheds	Building	3 Years	3 Years
Plant and machinery	Plant & Machinery	4-15 Years	10-15 Years
Jigs and fixtures	Jigs & Fixture	10 Years	10 Years
Electrical installations	Electrical installation	10 Years	10 Years
Furniture and fixtures	Furniture & Fixture	10 Years	10 Years
Office equipment	Office equipment	5 Years	5 Years
IT equipment	Office equipment	6 Years	6 Years
Computers	Office equipment	3 Years	3 Years
Vehicles	Vehicles	5.3 Years	8 Years

The management has considered lives as indicated in Schedule II of the Act except for certain class of assets where the life is estimated based on internal technical assessment made by the management and has not followed the scheduled II. Also assets costing INR 5,000 or less are depreciated at the rate of 100%.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted, if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which the asset is ready for use (disposed of).

### b) Intangible assets

#### Recognition and initial measurement

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an item of intangible asset comprises its purchase price, including import duties and other non-refundable taxes or levies and any attributable costs of bringing the asset to its working



## **NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 MARCH 2024**

(All amount are in INR lakhs, unless otherwise stated)

condition for its intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in the Statement of Profit or Loss in the period in which the expenditure is incurred.

An intangible asset is derecognized on disposal or when no future economic benefits are expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal 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.

#### Subsequent measurement

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in Statement of Profit and Loss as incurred and the cost of the item can be measured reliably.

#### **Amortisation**

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

#### **- Software**

Softwares purchased by the Company are amortized on a straight-line basis in 6 years.

#### **- New product development**

Amounts paid towards technical know-how fees and other expenses for specifically identified projects/products being development expenditure is carried forward based on assessment of benefits arising from such expenditure. Such expenditure is amortized over the period of expected future sales from the related product, i.e. the estimated period of 6 years on straight line basis based on past

trends, commencing from the month of commencement of commercial production.

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.

Amortization method, useful lives and residual lives are reviewed at the end of each financial year and adjusted, if appropriate.

#### **- Transition to Ind AS**

The cost of property, plant and equipment at 1 April 2016, the Company's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

### **c) Leases**

The Company's lease asset classes primarily consist of leases for Land and Buildings. The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into on or after 1 April 2019.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2024

(All amount are in INR lakhs, unless otherwise stated)

is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense over the lease term.

The Company has applied the practical expedient to grandfather the definition of a lease on transition. This means that it has applied Ind AS 116 to all the contracts entered into before 1 April 2019 and identified as leases in accordance with Ind AS 17.

### d) Investment property

#### Recognition and initial measurement

Investment properties are properties held to earn rentals or for capital appreciation or both. Investment properties are measured initially at their cost of acquisition, including transaction costs. The cost comprises purchase price, borrowing cost, if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred. Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the carrying value at the date of change in use. Subsequent measurement (depreciation and useful lives) Investment properties are subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation on investment properties is provided on the straight-line method over the useful lives of the assets as follows:

Asset Category	Estimated useful life (in years)	Estimated useful life as per Schedule II to the Companies Act, 2013 (in years)
Building	30 years	30 years
Plant & Machinery	10 years	10 years

Leasehold land (ROU assets) is amortized over the lease period.

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The residual values, useful lives and method of depreciation are reviewed at the end of each financial year and adjusted prospectively. Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying valuation model acceptable internationally.

#### De-recognition

Investment properties are de-recognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit or loss in the period of de-recognition.

### e) Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell.

Once classified as held for sale, intangible assets, property, plant and equipment and investment properties are no longer amortised or depreciated.

Non-current assets classified as held-for-sale are presented separately from the other assets in the balance sheet.

### f) Borrowing Costs

Borrowing cost includes interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs), amortization of ancillary costs incurred in connection with the arrangement of borrowings.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024

(All amount are in INR lakhs, unless otherwise stated)

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they are incurred.

#### g) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest Group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

An asset's recoverable amount is the higher of an individual asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does

not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

The Company's corporate assets do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses, if any, are recognized in the Statement of Profit and Loss. Impairment losses of continuing operations, including impairment on inventories, are recognized in the Statement of Profit and Loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognized in OCI up to the amount of any previous revaluation surplus.

In regard to assets for which impairment loss has been recognized in prior period, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

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

#### h) Inventories

Inventories which includes raw materials, components, stores and spares, work in progress, finished goods and loose tools are valued at the lower of cost and net realizable value. However, raw materials, components and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2024

(All amount are in INR lakhs, unless otherwise stated)

above cost or in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials and components: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. The Cost of raw materials, components, stores and spares is determined on weighted average basis.
- Finished goods and work in progress: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Cost is determined on weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The net realizable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases when a decline in the price of materials indicates that the cost of the finished products shall exceed the net realisable value.

The comparison of cost and net realizable value is made on an item-by-item basis.

### i) Foreign currency transactions

Transactions in foreign currencies are initially recorded by the Company at functional currency spot rates at the date the transaction first qualifies for recognition or an average rate if the average rate approximates the actual rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in Statement of Profit and Loss.

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

loss is recognized in OCI or the Statement of Profit and Loss are also recognized in OCI or the Statement of Profit and Loss, respectively).

### j) Revenue from contracts with customers

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

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

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

#### Sale of goods

The Company recognized revenue when (or as) a performance obligation was satisfied, i.e. when 'control' of the goods underlying the particular performance obligation were transferred to the customer.

Further, revenue from sale of goods is recognized based on a 5-Step Methodology which is as follows:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is an unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned or deferred revenue is recognised when there is billings in excess of revenues.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Contracts are subject to modification to account for changes in contract specifications and requirements. The Company reviews modifications to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

Use of significant judgements in revenue recognition:

- a) The Company's contracts with customers could include promises to transfer products to a customer. The Company assesses the products promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- b) Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.
- c) The Company uses judgement to determine an appropriate selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative selling price of each distinct product or service promised in the contract.
- d) The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of an

(All amount are in INR lakhs, unless otherwise stated)

enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

### Rendering of services

Revenue from services rendered is recognized in the Statement of Profit or Loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

Job work and development charges are recognized upon full completion of the job work and development services and when all the significant risks and rewards of ownership of the goods have been passed to the buyer, on delivery of the goods and no significant uncertainty exists regarding the collection of the consideration.

### Impairment of trade receivables:

The allowance for expected credit losses for trade receivables and contract assets are calculated at individual level when there is an indication of impairment.

### k) Income tax

Income tax expense comprises current and deferred tax. It is recognized in Statement of Profit and Loss except to the extent that it relates to a business combination or to an item recognized directly in equity or in other comprehensive income.

The Company has determined that uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

### Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

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



# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2024

(All amount are in INR lakhs, unless otherwise stated)

transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

### Deferred tax

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

Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that:
  - is not a business combination; and
  - at the time of the transaction (i) affects neither accounting nor taxable profit or loss and (ii) does not give rise to equal taxable and deductible temporary differences
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax liabilities are recognized for all taxable temporary differences.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans of the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions

are reversed when the probability of future taxable profits improves.

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

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

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

### l) Recognition of Dividend Income and Interest income

Dividend income is recognized when the Company's right to receive the payment is established by the reporting date.

Interest income or expense is recognized using the effective interest method ('EIR').

EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset (when the asset is not credit-impaired). When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

### m) Government grants

The Company is entitled for export incentives which are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made, and where there is no significant uncertainty regarding the ultimate collection of the relevant export

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(All amount are in INR lakhs, unless otherwise stated)

proceeds. These are presented as other operating revenue in the Statement of Profit and Loss.

### n) Recognition of interest expense

Interest expense is recognized using effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument to the amortized cost of the financial liability.

In calculating interest expense, the effective interest rate is applied to the amortized cost of the liability.

### o) Segment reporting

#### Basis for segmentation

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. The Company is primarily engaged in the manufacturing of auto components of four wheeler industry. All operating segments' operating results are reviewed regularly by the Company's Chief Operating Decision Maker ("CODM") to make decisions about resources to be allocated to the segments and assess their performance. CODM believes that these are governed by same set of risks and returns hence CODM reviews as one balance sheet component.

### p) Earnings per share (EPS)

Basic earnings / (loss) per share are calculated by dividing the net profit or loss for the year attributable to the shareholders of the Company by the weighted average number of equity shares outstanding at the end of the reporting period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year 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 results will be anti-dilutive.

### q) Provisions (Other than employee benefits) General Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects

some or all of a provision to be reimbursed the expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

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

### Warranty provisions

Provision for warranty related costs are recognized when the product is sold or service provided and is based on historical experience. The provision is based on technical evaluation/ historical warranty data and after weighting of all possible outcomes by their associated probabilities. The estimate of such warranty related costs is revised annually. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

### Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that 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. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably.

### r) Employee benefits

#### i. Short-term employee benefits

All employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid, if the Company has a present legal or constructive

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2024

obligation to pay the amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

### ii. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions to the Regional Provident Fund Commissioner towards provident fund, superannuation fund scheme, National Pension Scheme and employee state insurance scheme ('ESI'). Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in the Statement of Profit and Loss in the periods during which the related services are rendered by employees. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

### iii. Defined benefit plans

The Company operates a defined benefit gratuity plan, which requires contributions to be made to LIC of India. There are no other obligations other than the contribution payable to the respective trust.

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of five years of service.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method, which recognizes each year of service as giving rise to additional unit

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of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, are based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate determined by reference to market yields at the end of the reporting period on government bonds. This rate is applied on the net defined benefit liability (asset), both as determined at the start of the annual reporting period, taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

### iv. Other long term employee benefits

#### Compensated absences

The employees can carry forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment or during the course of employment in certain grade of employees. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method. Further, a certain portion of compensated absence obligation is classified as current liability based on the independent actuarial valuation.

### s) 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.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(All amount are in INR lakhs, unless otherwise stated)

### Recognition and initial measurement

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit and loss ('FVTPL'), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

### Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at:

- Amortized cost;
- fair value through other comprehensive income (FVOCI) – debt investment;
- fair value through other comprehensive income (FVOCI) – equity investment, or
- fair value through profit and loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognized in the Statement of Profit and Loss. This category generally applies to trade and other receivables. Company has recognized financial assets viz. security deposit, trade receivables, employee advances at amortized cost.

A debt instrument is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On de-recognition of the asset, cumulative gain or loss previously recognized in OCI is re-classified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVOCI debt instrument is reported as interest income using the EIR method.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

### Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

### Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024

(All amount are in INR lakhs, unless otherwise stated)

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purpose of this assessment 'Principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Company considers:

- contingent events that would change the amounts or timings of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features)

A prepayment feature is consistent with the sole payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount

outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, as feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. Interest income, foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investment at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investment at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest



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method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

#### Derecognition

##### Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

##### Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in profit or loss.

#### Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

#### Derivative financial instruments and hedge accounting

The Company uses derivative instruments such as foreign exchange forward contracts and currency swaps to hedge its foreign currency and interest rate risk exposure. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value and changes therein are generally recognized in profit and loss.

#### Impairment of financial assets

The Company recognizes loss allowances for expected credit losses on:

- Financial assets measured at amortized cost; and
- Financial assets measured at FVOCI – debt instruments.

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt instruments at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit – impaired includes the following observable data:

For recognition of impairment loss on financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

#### Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowance for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to Statement of the Profit and Loss and is recognized in OCI.

#### Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2024

sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with Company's procedures for the recovery of amount due.

### Impairment of financial instruments

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

- Financial assets that are debt instruments, and are measured at amortized cost e.g., deposits and advances
- Trade receivables that result from transactions that are within the scope of Ind AS 115
- Financial guarantee contracts that are not measured as at FVTPL.

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

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

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

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

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

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instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument

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

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

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

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

### t) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and cheques on hand, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash at bank, cash on hand and cheques on hand as they are considered an integral part of the Company's cash management.

### u) Cash dividend and non-cash distribution to equity holders of the parent

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

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**v) Corporate Social Responsibility (“CSR”) expenditure**

CSR expenditure incurred by the Company is charged to the Statement of the Profit and Loss.

**w) Research and development**

Expenditure on research and development activities is recognized in the Statement of Profit and Loss as incurred.

Development expenditure is capitalized as part of cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses, if any.

**x) Business combination**

Business Combination under common control are accounted as per Appendix C in Ind AS 103 - Business

combinations, at carrying amount of assets and liabilities acquired and any excess of consideration issued over the net assets acquired is recognised as capital reserve on common control business combination.

**y) Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are aggregated.

**z) Recent accounting pronouncements**

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

(All amount are in INR lakhs, unless otherwise stated)

## 3A. Property, plant and equipment

Particulars	Gross carrying value					Accumulated depreciation					Net block	
	As at 1 April 2023	Additions on account of business combination (refer note 37)	Additions	Sales/ Disposals	Transfer to Assets held for sale (refer note 12 B)	As at 31 March 2024	As at 1 April 2023	Additions on account of business combination (refer note 37)	Depreciation for the year	Sales/ Disposals	As at 31 March 2024	As at 31 March 2024
Freehold land#	6,252.38	-	-	-	-	6,252.38	-	-	-	-	6,252.38	6,252.38
Building*#	19,317.45	-	436.76	8.65	-	19,745.56	5,045.73	972.75	5.70	6,012.78	13,732.78	14,271.72
Lease hold improvements	14.19	-	-	14.19	-	-	14.19	-	14.19	-	-	-
Plant & Machinery	56,934.23	-	8,184.70	1,191.45	-	63,927.48	35,311.64	5,165.57	1,164.20	39,313.01	24,614.47	21,622.59
Jigs & Fixtures	1,508.72	-	185.04	5.98	-	1,687.78	626.47	174.53	5.98	795.02	892.76	882.25
Electric installations	2,903.70	-	205.75	14.30	-	3,095.15	1,989.69	165.08	14.30	2,140.47	954.68	914.01
Furniture & Fixtures	405.03	-	10.38	11.79	-	403.62	298.67	24.41	11.72	311.36	92.26	106.36
Office equipment	2,679.06	-	385.81	84.06	-	2,980.81	2,049.07	316.79	83.50	2,282.36	698.45	629.99
Vehicles	916.55	-	270.33	158.28	-	1,028.60	459.40	161.87	124.51	496.76	531.84	457.15
R&D-Plant & Machinery	162.57	-	-	-	-	162.57	145.51	3.36	-	148.87	13.70	17.06
R&D-Office Equipment	13.09	-	-	-	-	13.09	12.60	0.34	-	12.94	0.15	0.49
<b>Total</b>	<b>91,106.97</b>	<b>-</b>	<b>9,678.77</b>	<b>1,488.70</b>	<b>-</b>	<b>99,297.04</b>	<b>45,952.97</b>	<b>6,984.70</b>	<b>1,424.10</b>	<b>51,513.57</b>	<b>47,783.47</b>	<b>45,154.00</b>

## 3A. Capital work-in-progress

Particulars	As at 1 April 2023	Additions on account of business combination (refer note 37)	Additions	Capitalised	Other adjustments	As at 31 March 2024
<b>Total</b>	<b>2,511.60</b>	<b>-</b>	<b>16,472.82</b>	<b>9,678.77</b>	<b>-</b>	<b>9,305.65</b>

## CWIP ageing schedule

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress <sup>5</sup>	8,930.56	337.29	34.73	3.07	9,305.65

## <sup>5</sup>Schedule for Capital work in progress, whose completion is overdue as compared to its original plan as at 31 March 2024

CWIP	To be completed in				Total	Remarks
	Less than 1 year	1-2 years	2-3 years	More than 3 years		
Common plant & machinery upgradation	336.80	-	-	-	336.80	Installation of Plant & Machinery, related spares and tools have exceeded their planned completion date due to delay in the civil work in relation to the Plant & Machinery. The revised expected completion date of the project is July 2024.

## 3A. Property, plant and equipment

Particulars	Gross carrying value					Accumulated depreciation					Net block	
	As at 1 April 2022	Additions on account of business combination (refer note 37)	Additions	Sales/ Disposals	Transfer to Assets held for sale (Refer Note 12 B)	As at 31 March 2023	As at 1 April 2022	Additions on account of business combination (refer note 37)	Depreciation for the year	Sales/ Disposals	As at 31 March 2023	As at 31 March 2023
Freehold land#	5,710.82	562.70	-	-	(21.14)	6,252.38	-	-	-	-	6,252.38	5,710.82
Building*#	17,494.78	1,142.68	687.42	7.43	-	19,317.45	3,993.90	284.68	771.92	4.77	5,045.73	14,271.72
Lease hold improvements	14.19	-	-	-	-	14.19	14.19	-	-	-	14.19	-
Plant & Machinery	42,440.22	3,129.89	12,616.51	1,252.39	-	56,934.23	30,148.00	1,865.82	4,386.42	1,088.60	35,311.64	21,622.59
Jigs & Fixtures	1,404.88	-	193.38	89.54	-	1,508.72	567.83	-	148.18	89.54	626.47	882.25
Electric installations	2,343.49	118.44	483.63	41.86	-	2,903.70	1,735.65	106.82	188.98	41.76	1,989.69	914.01
Furniture & Fixtures	332.01	54.03	31.03	12.04	-	405.03	244.26	31.46	34.98	12.03	298.67	106.36
Office equipment	2,342.44	108.59	275.32	47.29	-	2,679.06	1,696.07	67.79	326.88	41.67	2,049.07	629.99
Vehicles	754.50	49.48	231.27	118.70	-	916.55	369.00	35.11	138.53	83.24	459.40	457.15
R&D-Plant & Machinery	181.75	-	-	19.18	-	162.57	156.37	-	8.32	19.18	145.51	17.06
R&D-Office Equipment	13.09	-	-	-	-	13.09	12.04	-	0.56	-	12.60	0.49
<b>Total</b>	<b>73,032.17</b>	<b>5,165.81</b>	<b>14,518.56</b>	<b>1,588.43</b>	<b>(21.14)</b>	<b>91,106.97</b>	<b>38,937.31</b>	<b>2,391.68</b>	<b>6,004.77</b>	<b>1,380.79</b>	<b>45,952.97</b>	<b>45,154.00</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

(All amount are in INR lakhs, unless otherwise stated)

### 3A. Capital work-in-progress

Particulars	As at 1 April 2022	Additions on account of business combination (refer note 37)	Additions	Capitalised	Other adjustments/ transfer	As at 31 March 2023
<b>Total</b>	<b>9,335.24</b>	<b>327.93</b>	<b>7,522.89</b>	<b>14,255.74</b>	<b>418.72</b>	<b>2,511.60</b>

#### CWIP ageing schedule

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress <sup>5</sup>	2,112.60	355.13	32.64	11.23	2511.60

#### <sup>5</sup> Schedule for Capital work in progress, whose completion is overdue as compared to its original plan as at 31 March 2023

CWIP	To be completed in				Total	Remarks
	Less than 1 year	1-2 years	2-3 years	More than 3 years		
None of project	-	-	-	-	-	NA

#### Notes:-

@ There are no projects in capital-work-in progress as at 31 March 2024 and 31 March 2023, whose cost has exceeded in comparison to its original plan.

#### # Title deed of immovable property as at 31 March 2024

Relevant line item in the Balance Sheet	Description of Property	Gross carrying value as at 31 March 2024	Title deeds held in name of	Whether promoter, director of their relative or employee	Period held since which date	Reason for not being held in the name of the Company
Freehold land	Factory Land - Plot no. 26, Sector-5, Phase-II, Bawal Industrial Growth Centre, Bawal, Haryana - 123501, India	1,120.69	JTEKT Sona Automotive India Limited	No	2018-19	The deed of conveyance is in the name of the erstwhile JTEKT Sona Automotive India Limited, erstwhile an associate company, which had amalgamated with the Company during the financial year ended 31 March 2019. Accordingly, the process of mutation of name is pending as at 31 March 2024.
Building	Factory Buliding - Plot no. 26, Sector-5, Phase-II, Bawal Industrial Growth Centre, Bawal, Haryana - 123501, India	2,469.98	JTEKT Sona Automotive India Limited	No	2018-19	The deed of conveyance is in the name of the erstwhile JTEKT Sona Automotive India Limited, erstwhile an associate company, which had amalgamated with the Company during the financial year ended 31 March 2019. Accordingly, the process of mutation of name is pending as at 31 March 2024.
Freehold land**	Freehold land include land in gujarat	0.00	Sona Steering Systems Limited	No	1991-92	The title deed for the aforesaid land is in the erstwhile name of the Company i.e. 'Sona Steering Systems Limited'. The Company is in the process of getting the name changed to JTEKT India Limited, which is pending as at 31 March 2024.
Building	Sector-5, Plot No-25, Industrial Growth Centre, Bawal, Rewari, Haryana, 123501	562.70	JTEKT Fuji Kiko Automotive India Limited	No	2023-24	The deed of conveyance is in the name of the erstwhile JTEKT Fuji Kiko Automotive India Limited, erstwhile a subsidiary company, which had amalgamated with the Company during the financial year ended 31 March 2024. Accordingly, the process of mutation of name is pending as at 31 March 2024.
Freehold land	Sector-5, Plot No-25, Industrial Growth Centre, Bawal, Rewari, Haryana, 123501	1,142.68	JTEKT Fuji Kiko Automotive India Limited	No	2023-24	The deed of conveyance is in the name of the erstwhile JTEKT Fuji Kiko Automotive India Limited, erstwhile a subsidiary company, which had amalgamated with the Company during the financial year ended 31 March 2024. Accordingly, the process of mutation of name is pending as at 31 March 2024.



# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

(All amount are in INR lakhs, unless otherwise stated)

## #Title deed of immovable property as at 31 March 2023

Relevant line item in the Balance Sheet	Description of Property	Gross carrying value as at 31 March 2023	Title deeds held in name of	Whether promoter, director of their relative or employee	Period held since which date	Reason for not being held in the name of the Company
Freehold land	Factory Land - Plot no. 26, Sector-5, Phase-II, Bawal Industrial Growth Centre, Bawal, Haryana - 123501, India	1,120.69	JTEKT Sona Automotive India Limited	No	2018-19	The deed of conveyance is in the name of the erstwhile JTEKT Sona Automotive India Limited, erstwhile an associate company, which had amalgamated with the Company during the financial year ended 31 March 2019. Accordingly, the process of mutation of name is pending as at 31 March 2024.
Building	Factory Buliding - Plot no. 26, Sector-5, Phase-II, Bawal Industrial Growth Centre, Bawal, Haryana - 123501, India	2,457.63	JTEKT Sona Automotive India Limited	No	2018-19	The deed of conveyance is in the name of the erstwhile JTEKT Sona Automotive India Limited, erstwhile an associate company, which had amalgamated with the Company during the financial year ended 31 March 2019. Accordingly, the process of mutation of name is pending as at 31 March 2024.
Freehold land**	Freehold land include land in gujarat	0.00	Sona Steering Systems Limited	No	1991-92	The title deed for the aforesaid land is in the erstwhile name of the Company i.e. 'Sona Steering Systems Limited'. The Company is in the process of getting the name changed to JTEKT India Limited, which is pending as at 31 March 2024.

\*\* The gross block and net block as at 31 March 2024 and 31 March 2023 of the said land is INR 1.00

- Contractual obligations : refer note 38A for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- Property, plant and equipment other than immovable property at Chennai, Malpura, Sanand and Bawal have been pledged as security for liabilities, for details refer note 45.

### 3B. Investment property

Particulars	Gross carrying value				Accumulated depreciation				Net block		
	As at 1 April 2023	Additions	Sales/ Disposals	As at 31 March 2024	As at 1 April 2023	Additions	Depreciation for the year	Sales/ Disposals	As at 31 March 2024	As at 31 March 2024	As at 31 March 2023
Leasedhold land (ROU assets)	106.81	-	-	106.81	16.96	-	4.24	-	21.20	85.61	89.85
Building	1,374.04	-	-	1,374.04	920.56	-	69.41	-	989.97	384.07	453.48
Plant & Machinery	56.12	-	-	56.12	56.12	-	-	-	56.12	-	-
<b>Total</b>	<b>1,536.97</b>	-	-	<b>1,536.97</b>	<b>993.64</b>	-	<b>73.65</b>	-	<b>1,067.29</b>	<b>469.68</b>	<b>543.33</b>

### 3B. Investment property

Particulars	Gross carrying value				Accumulated depreciation				Net block		
	As at 1 April 2022	Additions	Sales/ Disposals	As at 31 March 2023	As at 1 April 2022	Additions	Depreciation for the year	Sales/ Disposals	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022
Leasedhold land (ROU assets)	106.81	-	-	106.81	12.72	-	4.24	-	16.96	89.85	94.09
Building	1,374.04	-	-	1,374.04	805.65	-	114.91	-	920.56	453.48	568.39
Plant & Machinery	56.12	-	-	56.12	40.81	-	15.31	-	56.12	-	15.31
<b>Total</b>	<b>1,536.97</b>	-	-	<b>1,536.97</b>	<b>859.18</b>	-	<b>134.46</b>	-	<b>993.64</b>	<b>543.33</b>	<b>677.79</b>

#### Notes:-

- Refer note 41 for disclosure of leases under Ind AS 116.
- There is no restrictions on the realisability of investment property or the remittance of income and proceeds of disposal.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

(All amount are in INR lakhs, unless otherwise stated)

- 3) There are no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.
- 4) The Company's investment property consist of land, building and plant and machinery situated at Sanand, Gujarat. The facility is planned to be leased out. The fair value of the Investment property as at 31 March 2024 is INR 609.69 lakhs (previous year : INR 628.52 lakhs), as per the valuations performed by external property valuers as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. Valuations performed by the valuer were based on future expected cash inflows based on the active market prices, adjusted for any difference in the nature, location or condition of the specific property.
- 5) During the year ended 31 March 2022, the Company had shifted its manufacturing operations at Sanand facility to other locations. Owing to the said relocation, the Company had evaluated the recoverable value for the assets at the facility and recognised an impairment loss of INR 492.34 lakhs based on expected cash inflows including relocation expenses of INR 31.50 lakhs as at 31 March 2022.
- 6) Information with respect to the amounts recognised in the statement of profit and loss for:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Rental income from investment property	-	-
Direct operating expenses (including repairs and maintenance) arising from investment property	-	-

### 3C. Intangible assets

Particulars Description	Gross carrying value				Amortisation				Net block			
	As at 1 April 2023	Additions on account of business combination (refer note 37)	Additions	Sales/ Disposals	As at 31 March 2024	As at 1 April 2023	Additions on account of business combination (refer note 37)	Amortisation for the year	Sales/ Disposals	As at 31 March 2024	As at 31 March 2024	As at 31 March 2023
R&D-Computer softwares	50.34	-	-	-	50.34	40.41	-	4.60	-	45.01	5.33	9.93
Computer softwares	2,617.37	-	77.26	0.15	2,694.48	1,956.89	-	448.03	0.15	2,404.77	289.71	660.48
New product development	5,010.66	-	520.81	28.24	5,503.23	3,322.80	-	606.34	28.25	3,900.89	1,602.34	1,687.86
<b>Total</b>	<b>7,678.37</b>	<b>-</b>	<b>598.07</b>	<b>28.39</b>	<b>8,248.05</b>	<b>5,320.10</b>	<b>-</b>	<b>1,058.97</b>	<b>28.40</b>	<b>6,350.67</b>	<b>1,897.38</b>	<b>2,358.27</b>

### 3C. Intangible assets under development

Particulars	As at 1 April 2023	Additions on account of business combination (refer note 37)	Additions	Capitalised	As at 31 March 2024
<b>Total</b>	<b>-</b>	<b>-</b>	<b>598.07</b>	<b>598.07</b>	<b>-</b>

#### Intangible assets under development aging schedule

Intangible assets under development	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-

### 3C. Intangible assets

Particulars Description	Gross carrying value				Amortisation				Net block			
	As at 1 April 2022	Additions on account of business combination (refer note 37)	Additions	Sales/ Disposals	As at 31 March 2023	As at 1 April 2022	Additions on account of business combination (refer note 37)	Amortisation for the year	Sales/ Disposals	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022
R&D-Computer softwares	50.34	-	-	-	50.34	35.34	-	5.07	-	40.41	9.93	15.00
Computer softwares	2,341.79	104.98	170.60	-	2,617.37	1,473.62	31.66	451.61	-	1,956.89	660.48	868.17
New product development	4,957.00	762.51	1,035.21	1,744.06	5,010.66	3,903.19	439.31	723.77	1,743.47	3,322.80	1,687.86	1,053.81
<b>Total</b>	<b>7,349.13</b>	<b>867.49</b>	<b>1,205.81</b>	<b>1,744.06</b>	<b>7,678.37</b>	<b>5,412.15</b>	<b>470.97</b>	<b>1,180.45</b>	<b>1,743.47</b>	<b>5,320.10</b>	<b>2,358.27</b>	<b>1,936.98</b>

### 3C. Intangible assets under development

Particulars	As at 1 April 2022	Additions on account of business combination (refer note 37)	Additions	Capitalised	As at 31 March 2023
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,205.81</b>	<b>1,205.81</b>	<b>-</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

(All amount are in INR lakhs, unless otherwise stated)

## Intangible assets under development aging schedule

Intangible assets under development	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-

### 3D. Right-of-use assets

Particulars	Gross carrying value				Accumulated depreciation				Net block	
	As at 1 April 2023	Additions	Sales/ Disposals	As at 31 March 2024	As at 1 April 2023	Depreciation for the year	Sales/ Disposals	As at 31 March 2024	As at 31 March 2024	As at 31 March 2023
Computer	-	192.35	-	192.35	-	27.06	-	27.06	165.29	-
<b>Total</b>	-	192.35	-	192.35	-	27.06	-	27.06	165.29	-

### 3D. Right-of-use assets

Particulars	Gross carrying value				Accumulated depreciation				Net block	
	As at 1 April 2022	Additions	Sales/ Disposals	As at 31 March 2023	As at 1 April 2022	Depreciation for the year	Sales/ Disposals	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022
Computer	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-	-	-

### 4. Loans

Particulars	As at 31 March 2024		As at 31 March 2023	
	Current	Non-current	Current	Non-current
<i>(Unsecured considered good, unless stated otherwise)</i>				
Loans to employees	4.40	2.02	4.13	2.22
<b>Total</b>	<b>4.40</b>	<b>2.02</b>	<b>4.13</b>	<b>2.22</b>

### 5. Other financial assets

Particulars	As at 31 March 2024		As at 31 March 2023	
	Current	Non-current	Current	Non-current
Security deposits	16.87	376.06	55.12	346.11
Interest accrued but not due on deposits	8.25	-	1.45	-
Advance to employees	0.04	-	11.84	-
<b>Total</b>	<b>25.16</b>	<b>376.06</b>	<b>68.41</b>	<b>346.11</b>

### 6A. Other tax assets (net)

Particulars	As at 31 March 2024	As at 31 March 2023
Advance income tax and tax deducted at source [net of provisions INR 7,269.81 lakhs (31 March 2023 INR 4,385.85 lakhs)]	497.67	307.37
<b>Total</b>	<b>497.67</b>	<b>307.37</b>

### 6B. Current tax assets

Particulars	As at 31 March 2024	As at 31 March 2023
Other tax assets	-	171.30
<b>Total</b>	<b>-</b>	<b>171.30</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

(All amount are in INR lakhs, unless otherwise stated)

### 7. Other non-current assets

Particulars	As at 31 March 2024	As at 31 March 2023
<i>(Unsecured considered good, unless stated otherwise)</i>		
Capital advances	3,248.13	423.44
Prepaid expenses	52.30	88.19
<b>Total</b>	<b>3,300.43</b>	<b>511.63</b>

### 8. Inventories

Particulars	As at 31 March 2024	As at 31 March 2023
<i>(Valued at lower of cost and net realisable value)</i>		
Raw materials and components *	10,102.44	10,241.69
Work-in-progress **	1,250.60	1,501.20
Finished goods ***	5,267.49	4,194.35
Stock-in-trade	0.08	0.08
Stores and spares	1,486.89	1,248.13
Loose tools and consumables	2,456.39	2,162.87
<b>Total</b>	<b>20,563.89</b>	<b>19,348.32</b>
Less: Provision on inventory obsolescence	(449.68)	(585.88)
<b>Total</b>	<b>20,114.21</b>	<b>18,762.44</b>

\* Includes material in transit INR 878.78 lakhs (31 March 2023 INR 1,500.28 lakhs)

\*\* Includes material with the vendors sent for job work INR 89.77 lakhs (31 March 2023 INR 159.70 lakhs)

\*\*\* Includes goods in transit INR 2,451 lakhs (31 March 2023 INR 2,317.10 lakhs)

#### Notes:

- Inventories have been pledged as security for liabilities, for details refer note 45.
- During the year Company has recorded write-downs of INR 38.63 lakhs (previous year INR 585.88 lakhs). These adjustment were included in other expenses and changes in inventories as a results of the write-down to net realisable value. There are no reversals of write-downs during the current year and previous year.

### 9. Trade receivables

Particulars	As at 31 March 2024	As at 31 March 2023
<i>(unsecured and considered good, unless otherwise stated)</i>		
Trade receivables	33,035.44	27,516.91
Unbilled revenue	-	540.32
<b>Total</b>	<b>33,035.44</b>	<b>28,057.23</b>
Dues from related parties (refer note 40)	11,228.03	9,656.61

#### Trade Receivables ageing schedule as at 31 March 2024

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	29,287.67	3,599.76	142.97	5.04	-	-	33,035.44
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

(All amount are in INR lakhs, unless otherwise stated)

## Trade Receivables ageing schedule as at 31 March 2023

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	24,585.84	3,465.89	5.04	0.46	-	-	28,057.23
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-

### Notes :

(i) Trade receivables have been pledged as security for liabilities, for details refer note 45.

(ii) For explanations on the company's exposure to credit, currency and liquidity risk, refer note 48.

## 10. Cash and cash equivalents

Particulars	As at 31 March 2024	As at 31 March 2023
Balances with banks		
-in current accounts	83.86	108.23
-in cash credit accounts	11.80	39.63
-in dividend accounts#	88.49	115.26
-bank deposits with original maturity less than 3 months	7,352.00	4,395.00
Cash on hand	0.30	1.81
<b>Total</b>	<b>7,536.45</b>	<b>4,659.93</b>

### Notes :

(i) Cash and cash equivalents have been pledged as security for liabilities, for details refer note 45.

(ii) There are no repatriation restrictions with respect to cash and bank balances as at the end of the reporting year and comparative years.

# Earmarked unpaid dividend accounts are restricted in use as it relates to unclaimed dividends or unpaid dividend.

## 11. Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2024	As at 31 March 2023
Bank deposits with original maturity more than 3 months but remaining less than 12 months	-	1,000.00
<b>Total</b>	<b>-</b>	<b>1,000.00</b>

## 12A. Other current assets

Particulars	As at 31 March 2024	As at 31 March 2023
<i>(Unsecured considered good, unless stated otherwise)</i>		
Advance to suppliers	100.31	160.74
Balances with statutory/government authorities	687.54	600.92
Prepaid expenses	878.97	804.67
Net defined benefit asset - gratuity plan	17.85	88.58
Export incentive receivable	37.56	15.93
Other receivable	56.36	53.32
<b>Total</b>	<b>1,778.59</b>	<b>1,724.16</b>

### Note :

(i) Other current assets have been pledged as security for liabilities, for details refer note 45.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024

(All amount are in INR lakhs, unless otherwise stated)

#### 12B. Assets held for sale

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Property, plant and equipment</b>		
Freehold land	-	21.14
<b>Total</b>	<b>-</b>	<b>21.14</b>

The Board of Directors by way of resolution by circulation on 28 March 2023, approved the disposal of land parcel of one acre situated at Gurugram having carrying value of INR 21.14 lakhs as at 31 March 2023. Accordingly, the Company has classified the same as assets held for sale in the financial statements for the year ended 31 March 2023.

During the current year, the Company has sold the land parcel at a consideration of INR 780.00 lakhs. Consequently, gain on the sale of land amounting to INR 739.26 lakhs (after netting off related selling expenses of INR 19.60 lakhs) has been recognized as an 'Exceptional item during the year ended 31 March 2024 (refer no 32).

#### 13. Equity share capital

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Authorised capital</b>		
991,000,000 ( 31 March 2023 : 871,000,000) Equity Shares of INR 1/- each	9,910.00	8,710.00
	<b>9,910.00</b>	<b>8,710.00</b>
<b>Issued, subscribed and fully paid up equity share capital</b>		
254,280,483 (31 March 2023 : 244,480,469) Equity Shares of INR 1/- each fully paid up	2,542.80	2,444.80
	<b>2,542.80</b>	<b>2,444.80</b>

#### a) Reconciliation of equity shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of shares	Amount	No. of shares	Amount
<b>Equity shares at the beginning of the year</b>	<b>244,480,469</b>	<b>2,444.80</b>	<b>244,480,469</b>	<b>2,444.80</b>
Issued during the year (refer note 37)	9,800,014	98.00	-	-
<b>Equity shares at the end of the year</b>	<b>254,280,483</b>	<b>2,542.80</b>	<b>244,480,469</b>	<b>2,444.80</b>

- (i) During the current year ended 31 March 2024, in terms of Scheme of Amalgamation of JTEKT Fuji Kiko Automotive India Limited with the Company, the Company had allotted 98,00,014 Ordinary (Equity) shares of INR 1 each to the shareholders of JTEKT Fuji Kiko Automotive India Limited other than JTEKT India Limited, in the ratio of 200 (two hundred) Ordinary (Equity) Shares of INR 1 each fully paid-up in the capital of the Company for every 100 (one hundred) fully paid-up Equity Shares of INR 10 each held in JTEKT Fuji Kiko Automotive India Limited.
- (ii) During the previous year ended 31 March 2019, in terms of Scheme of Amalgamation of JTEKT Sona Automotive India Limited with the Company, the Company had allotted 45,738,637 Ordinary (Equity) shares of INR 1 each to JTEKT Corporation Japan in the ratio of 1,582 (one thousand five hundred and eighty two) Ordinary (Equity) Share of INR 1 each fully paid-up in the capital of the Company for every 1,000 (one thousand) fully paid-up Equity Shares of INR 10 each held in JTEKT Sona Automotive India Limited.

#### b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of INR 1 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

(All amount are in INR lakhs, unless otherwise stated)

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

Name of shareholder	As at 31 March 2024		As at 31 March 2023	
	No. of shares	% holding	No. of shares	% holding
<b>Equity shares of INR 1/- each fully paid up</b>				
JTEKT Corporation, Japan	167,059,997	65.70%	167,059,997	68.33%
Maruti Suzuki India Ltd.	13,800,000	5.43%	13,800,000	5.64%
Nippon Life India Trustee Ltd – A/c Nippon India Small CAP Fund	14,429,132	5.67%	-	-

## d) Details of shares held by Ultimate Holding Company/ Holding Company and/ or their Subsidiaries/ Associates

Name of shareholder	As at 31 March 2024		As at 31 March 2023	
	No. of shares	% holding	No. of shares	% holding
<b>Equity shares of INR 1/- each fully paid up</b>				
JTEKT Corporation, Japan	167,059,997	65.70%	167,059,997	68.33%
JTEKT Column Systems Corporation (formerly known as Fuji Kiko Co. Ltd.)	9,800,000	3.85%	-	-

## e) Promoters holding as on 31 March 2024 and 31 March 2023

Shares held by promoters at the end of year Promoters Name	As at 31 March 2024		As at 31 March 2023		Change during the year
	No. of shares	% holding	No. of shares	% holding	
JTEKT Corporation, Japan	167,059,997	65.70%	167,059,997	68.33%	-1.03%
Maruti Suzuki India Ltd.	13,800,000	5.43%	13,800,000	5.64%	0.00%
JTEKT Column Systems Corporation (formerly known as Fuji Kiko Co. Ltd.)	9,800,000	3.85%	-	-	100.00%

## f) For the period of five years immediately preceding the date at which Balance Sheet is prepared

- The Company has not allotted fully paid up shares by way of Bonus shares; and
- The Company has not bought back shares.

## 14. Other equity

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Securities premium</b>		
<b>Balance at the beginning and end of the year</b>	<b>8,070.76</b>	<b>8,070.76</b>
Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provision of the Companies Act, 2013.		
<b>General reserve</b>		
<b>Balance at the beginning and end of the year</b>	<b>8,190.71</b>	<b>8,190.71</b>
The general reserve is created from time to time on transfer of profit from retained earnings. General reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified subsequently to Statement of Profit and Loss.		
<b>Surplus in the Statement of Profit and Loss</b>		
Opening balance	51,741.40	39,528.02
Add: Additions through business combination under common control *	-	4,968.44
Add: profit for the year	10,686.43	8,711.67
Less: dividend on equity shares	(1,794.72)	(1,399.32)
Add: transferred from OCI (remeasurement of employee benefit obligations)	(95.54)	(67.41)
<b>Closing balance</b>	<b>60,537.57</b>	<b>51,741.40</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

(All amount are in INR lakhs, unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Capital reserve</b>		
Opening balance	2,826.23	2,434.23
Additions through business combination under common control*	-	392.00
<b>Closing balance</b>	<b>2,826.23</b>	<b>2,826.23</b>

The capital reserve is the accumulated surplus not available for distribution of dividend and expected to remain invested permanently.

- (i) Amount of INR 2,433.80 lakhs has been derived on account of Scheme of Amalgamation adopted between the Company and JTEKT Sona Automotive India Limited. The amalgamation had been accounted during the year ended 31 March 2019 under the 'pooling of interests' method in accordance with Appendix C of Ind AS 103 'Business Combinations'
- (ii) Amount of INR 392.00 lakhs has been derived on account of Scheme of Amalgamation adopted between the Company and JTEKT Fuji Kiko Automotive India Limited. The amalgamation had been accounted during the year ended 31 March 2024 under the 'pooling of interests' method in accordance with Appendix C of Ind AS 103 'Business Combinations'

<b>Share pending issuance*</b>		
Opening balance	98.00	-
Additions through business combination under common control	-	98.00
Shares issued during the year	(98.00)	-
<b>Closing balance</b>	<b>-</b>	<b>98.00</b>
<b>Items of other comprehensive income, net of tax</b>		
<b>Remeasurement of employee benefit obligations</b>		
Balance as at the beginning of the year	-	-
Recognised during the period	(95.54)	(67.41)
Less: transferred to retained earnings	95.54	67.41
<b>Closing balance</b>	<b>-</b>	<b>-</b>
The remeasurements of defined benefit obligation comprises actuarial gains and losses.		
<b>Total</b>	<b>79,625.27</b>	<b>70,927.10</b>

Refer note 37

### 15. Borrowings

#### 15A. Non-current borrowings

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Unsecured loan</b>		
<b>Term loans</b>		
Indian rupee loans from banks	8,714.79	4,631.97
<b>Total borrowings (including current maturities)</b>	<b>8,714.79</b>	<b>4,631.97</b>
<b>Less: Current maturities of long term borrowings (refer note 15B):</b>		
Indian rupee loans from banks	2,759.68	1,542.18
<b>Total borrowings (excluding current maturities)</b>	<b>5,955.11</b>	<b>3,089.79</b>

#### Notes:

- Refer note 48 - Financial risk management for liquidity risk.
- Refer note 45 - Assets pledged as security.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

(All amount are in INR lakhs, unless otherwise stated)

## 15B. Current borrowings

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Secured</b>		
Bill discounting from banks	857.69	1.11
<b>Total secured current borrowings</b>	<b>857.69</b>	<b>1.11</b>
<b>Unsecured</b>		
Cash credit, packing credit and bill discounting from banks	1,386.88	1,137.92
Current maturities of long-term borrowings (refer note no 15A)	2,759.68	1,542.18
<b>Total unsecured current borrowings</b>	<b>4,146.56</b>	<b>2,680.10</b>
<b>Total current borrowings</b>	<b>5,004.25</b>	<b>2,681.21</b>

### Notes:

- Refer note 48 - Financial risk management for liquidity risk.
- Refer note 45 - Assets pledged as security.

### Repayment terms of non current borrowings as specified in note 15A (including current maturities) and security disclosure for the outstanding non current borrowings as on balance sheet date :

Sl. No.	Particulars	Repayment details	Nature of securities of Non-current borrowings	As at 31 March 2024	As at 31 March 2023
<b>Unsecured Indian rupee loan from bank</b>					
1.	MUFG Bank -1	Repayable in 17 quarterly installments with 12 months moratorium (repayment starting from December-2021) - 01 installment of INR 87.20 lakhs, - 01 installment of INR 259.52 lakh, - 15 installments of INR 277.44 lakh each,	Unsecured, Corporate Guarantee given by parent company "JTEKT Corporation, Japan"	1,942.08	3,051.84
2.	Sumitomo Mitsui Banking Corporation -1(a)	Repayable in 17 quarterly installments with 12 months moratorium (repayment starting from December-2022) - 2 installments of INR 41.44 lakhs each, - 14 installments of INR 108.10 lakhs each, - 1 installment of INR 66.67 lakhs,	Unsecured, Corporate Guarantee given by parent company "JTEKT Corporation, Japan"	1,147.71	1,580.13
3.	Sumitomo Mitsui Banking Corporation -1(b)	Repayable in 12 quarterly installments (repayment starting from January-2024) - 12 installments of INR 275.00 lakhs each,	Unsecured, Corporate Guarantee given by parent company "JTEKT Corporation, Japan"	3,025.00	0.00
4.	MUFG Bank -2	Repayable in 17 quarterly installments with 12 months moratorium (repayment starting from March-2025) - 16 installments of INR 117.50 lakhs each, - 01 installment of INR 120.00 lakh,	Unsecured	2,000.00	0.00
5.	Sumitomo Mitsui Banking Corporation -2	Repayable in 16 quarterly installments with 12 months moratorium (repayment starting from Jun-2025) - 16 installments of INR 37.50 lakhs each,	Unsecured	600.00	0.00
<b>Total</b>				<b>8,714.79</b>	<b>4,631.97</b>

**Rate of interest:** The long term borrowings interest rate for Company ranges from 6% p.a. to 9.85% p.a. in FY-2024 (6.00% p.a. to 9.35% p.a. in FY-2023). The Company's long term borrowings have weighted average rate of 6.18% p.a. in FY-2024 (6.51% p.a. in FY-2023)

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

(All amount are in INR lakhs, unless otherwise stated)

### Security disclosure for the outstanding current borrowings as specified in note 15B as on balance sheet date :

Sl. No.	Particulars	Nature of securities of Current borrowings	As at 31 March 2024	As at 31 March 2023
<b>Secured short-term loans from banks</b>				
1.	State Bank of India - Bill Discounting	Primary : First Pari-passu hypothecation charges on Stocks & Book Debts.  Collateral : Second Pari-Passu charge on the entire movable fixed assets of the Company and equitable mortgage of land situated at 38/6, NH-8 Delhi Jaipur Road, Gurgaon-122001, immovable property land situated at Plot No. 32, Dharuhera Industrial Area, Phase-II, Dharuhera District Rewari (Haryana) and Plot No. 19, Dharuhera Industrial Area, Phase-II, Dharuhera District Rewari (Haryana) (Interest Rate :- 6 months MCLR + 0.15%)	857.69	1.11
			<b>857.69</b>	<b>1.11</b>
<b>Unsecured short-term loan from bank</b>				
1.	Sumitomo Mitsui Banking Corporation - Packing Credit	Unsecured, Corporate Guarantee given by parent company "JTEKT Corporation, Japan"	1,386.88	1,010.11
2.	HDFC Bank - Bill Discounting	Unsecured	-	80.54
3.	Standard Chartered Bank - Cash Credit & Packing Credit	Unsecured, Corporate Guarantee given by parent company "JTEKT Corporation, Japan"	-	47.27
			<b>1,386.88</b>	<b>1,137.92</b>
<b>Total borrowings</b>			<b>2,244.57</b>	<b>1,139.03</b>

#### Notes:

- Quarterly returns / statements filed by the Company with the Banks or Financial Institution are in agreement with the Book of Accounts.
- The loans were utilized for the purpose they were availed.
- The loan arrangements outstanding as at 31 March 2024 does not specify any financial covenants.

### 16. Lease liability

Particulars	As at 31 March 2024		As at 31 March 2023	
	Current	Non-current	Current	Non-current
Lease liability (refer note no. 41)	29.25	550.51	-	405.36
<b>Total</b>	<b>29.25</b>	<b>550.51</b>	<b>-</b>	<b>405.36</b>

The Company's exposure to liquidity risks related to the above financial liabilities is disclosed in note 48.

### 17. Other financial liabilities - current

Particulars	As at 31 March 2024	As at 31 March 2023
	Current	Current
Interest accrued but not due on borrowings	42.63	13.69
Security deposit payables	21.60	29.60
Unclaimed dividends #	88.49	115.26
Forward exchange contracts used for hedging*	138.68	75.19
Employee related dues	1,406.19	1,098.41
Creditors for capital goods		
Total outstanding dues of micro enterprises and small enterprises®	313.12	239.95
Total outstanding dues of creditors other than micro enterprises and small enterprises®	814.25	540.93
<b>Total</b>	<b>2,824.96</b>	<b>2,113.03</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

(All amount are in INR lakhs, unless otherwise stated)

## Creditors for capital goods ageing schedule as at 31 March 2024

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	313.12	-	-	-	-	313.12
(ii) Others	760.31	46.02	5.48	2.44	-	814.25
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

## Creditors for capital goods ageing schedule as at 31 March 2023

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	239.95	-	-	-	-	239.95
(ii) Others	492.55	36.61	11.77	-	-	540.93
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

# There are no amount due for payment to the Investor Education & Protection Fund under Section 125 of the Companies Act, 2013.

The Company's exposure to currency and liquidity risks related to the above financial liabilities is disclosed in note 48.

\* Derivative instruments at fair value through profit or loss reflect the negative change in fair value of those forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for external currency borrowings.

@ There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at the year end. The information as required to be disclosed in relation to Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company (refer note 20).

## 18. Provisions

Particulars	As at 31 March 2024		As at 31 March 2023	
	Current	Non-current	Current	Non-current
<b>Provision for employee benefits</b>				
Compensated absences (refer note no. 39)	239.01	913.42	225.90	924.62
<b>Others</b>				
Provision for warranties*	110.90	28.02	133.95	38.48
Provision for contingencies*	644.30	-	644.30	-
<b>Total</b>	<b>994.21</b>	<b>941.44</b>	<b>1,004.15</b>	<b>963.10</b>

\*Movement in provision related to during the year :

Particulars	Provision for warranties		Provision for contingencies	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
<b>At the beginning of the year</b>	172.43	127.12	644.30	-
Additions through business combination under common control (refer note 37)	-	25.00	-	-
Additions during the year	118.18	123.99	-	644.30
Utilised during the year	(151.69)	(103.68)	-	-
<b>At the end of the year</b>	<b>138.92</b>	<b>172.43</b>	<b>644.30</b>	<b>644.30</b>

a) The provision for warranties relates mainly to inventories sold during the year ended 31 March 2024 and 31 March 2023. The provision is based on estimates made from historical warranty data associated with similar products and also includes specific warranty claim received by the Company from its customers. The Company expects to incur the related expenditure over the next few years.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(All amount are in INR lakhs, unless otherwise stated)

- b) Pursuant to a recent judgement by the Hon'ble Supreme Court on a statutory matter, the management has assessed and recognised provision for contingency amounting to INR 644.30. There is an uncertainty involved on the outcome of the matter with the regulatory authorities. The management is in the process of evaluating the necessary legal course of action in this regard.

### 19. Deferred tax assets/(liabilities) (net)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Deferred tax liability arising on account of :</b>		
i) Amount of payments made during the year and allowed for tax purposes on payment basis but to be charged to the Statement of Profit and Loss in the subsequent year.	112.38	109.38
ii) Adjustment of unrealized gain / loss	-	2.41
iii) Discounting of long term warranty	1.51	1.38
<b>Total deferred tax liability</b>	<b>113.89</b>	<b>113.17</b>
<b>Deferred tax asset arising on account of :</b>		
i) Property, plant and equipment and intangible assets	497.79	408.00
ii) Effect of expenditure debited to Statement of Profit and Loss account but allowed for tax purposes in subsequent years when actually paid	527.66	471.98
iii) Provision of inventory obsolescence	113.17	147.45
iv) Adjustments for derivatives recognised through fair value hedge	15.48	14.41
v) Impact of Ind AS 116	79.57	77.27
vi) Employee Separation Cost	64.70	88.85
vii) Long term capital loss balance carried forward	-	60.13
viii) Effect of difference in book value of assets held for sale and value for tax purpose	-	11.99
<b>Total deferred tax asset</b>	<b>1,298.37</b>	<b>1,280.08</b>
<b>Net deferred tax asset</b>	<b>1,184.48</b>	<b>1,166.91</b>

### Movement in deferred tax assets / (liability) for the year ended 31 March 2024

Particulars	As at 1 April 2023	Additions through business combination under common control (refer note 37)	Recognised in other comprehensive income	Recognised in Statement of Profit and Loss	As at 31 March 2024
<b>Deferred tax assets / (liability) :</b>					
Property, plant and equipment, investment property and intangible assets	408.00	-	-	89.79	497.79
Amount of payments made during the year and allowed for tax purposes on payment basis but to be charged to the Statement of Profit and Loss in the subsequent year.	(109.38)	-	-	(3.00)	(112.38)
Adjustment of unrealized gain / loss	(2.41)	-	-	2.41	-
Discounting of long term warranty	(1.38)	-	-	(0.13)	(1.51)
Effect of expenditure debited to Statement of Profit and Loss account but allowed for tax purposes in subsequent years when actually paid	471.98	-	-	55.66	527.66
Provision of inventory obsolescence	147.45	-	-	(34.28)	113.17
Adjustments for derivatives recognised through fair value hedge	14.41	-	-	1.07	15.48
Impact of Ind AS 116	77.27	-	-	2.30	79.57
Employee Separation Cost	88.85	-	-	(24.15)	64.70
Long term capital loss balance carried forward	60.13	-	-	(60.13)	-
Effect of difference in book value of assets held for sale and value for tax purpose	11.99	-	-	(11.99)	-
<b>Total</b>	<b>1,166.91</b>	<b>-</b>	<b>-</b>	<b>17.55</b>	<b>1,184.48</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

(All amount are in INR lakhs, unless otherwise stated)

## Movement in deferred tax asset / (liability) for the year ended 31 March 2023

Particulars	As at 1 April 2022	Additions through business combination under common control (refer note 37)	Recognised in other comprehensive income	Recognised in Statement of Profit and Loss	As at 31 March 2023
<b>Deferred tax assets / (liability) :</b>					
Property, plant and equipment, investment property and intangible assets	486.63	(109.40)	-	30.77	408.00
Amount of payments made during the year and allowed for tax purposes on payment basis but to be charged to the Statement of Profit and Loss in the subsequent year.	(39.42)	-	-	(69.96)	(109.38)
Adjustment of unrealized gain / loss	-	(2.44)	-	0.03	(2.41)
Discounting of long term warranty	(1.23)	-	-	(0.15)	(1.38)
Measurement of financial liabilities carried at amortised cost	(0.03)	-	-	0.03	-
Adjustments for derivatives recognised through fair value hedge	-	-	-	-	-
Effect of expenditure debited to Statement of Profit and Loss account but allowed for tax purposes in subsequent years when actually paid	321.85	13.60	-	136.54	471.98
Provision of inventory obsolescence	29.95	-	-	117.50	147.45
Adjustments for derivatives recognised through fair value hedge	3.60	-	-	10.81	14.41
Adjustments for derivatives recognised through cash flow hedge	-	-	-	-	-
Impact of Ind AS 116	76.00	-	-	1.27	77.27
Employee Separation Cost	30.94	-	-	57.91	88.85
Long term capital loss balance carried forward	-	-	-	60.13	60.13
Effect of difference in book value of assets held for sale and value for tax purpose	-	-	-	11.99	11.99
<b>Total</b>	<b>908.29</b>	<b>(98.24)</b>	<b>-</b>	<b>356.87</b>	<b>1,166.91</b>

## 20. Trade payables

Particulars	As at 31 March 2024	As at 31 March 2023
Total outstanding dues of micro enterprises and small enterprises#	1,139.82	548.81
Total outstanding dues of creditors other than micro enterprises and small enterprises#	25,572.95	21,475.91
<b>Total</b>	<b>26,712.77</b>	<b>22,024.72</b>
Dues to related parties (refer note 40)	7,815.20	6,712.54

### Trade Payables ageing schedule as at 31 March 2024

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	1,139.82	-	-	-	-	1,139.82
(ii) Others	25,479.24	49.32	11.20	23.60	9.59	25,572.95
(iii) Disputed dues –MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024

(All amount are in INR lakhs, unless otherwise stated)

#### Trade Payables ageing schedule as at 31 March 2023

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	548.81	-	-	-	-	548.81
(ii) Others	21,345.20	42.63	35.01	6.42	46.65	21,475.91
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

# There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at the year end. The information as required to be disclosed in relation to Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

#### Total outstanding dues of micro enterprises and small enterprises including capital creditors:-

Particulars	As at 31 March 2024	As at 31 March 2023
i) The principal amount remaining unpaid to any supplier as at the year end.	1,452.94	788.76
ii) The interest due on principal amount remaining unpaid to any supplier as at the end of the year	-	-
iii) The amount of interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), along with the amount of the payment made to the supplier beyond the appointed day during the 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 this Act;	-	-
v) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
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 as per the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act, 2006)	-	-
<b>Total</b>	<b>1,452.94</b>	<b>788.76</b>

The company exposure to currency and liquidity risk related to trade payables is disclosed in note 48.

#### 21. Other current liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Advance from customers	282.58	230.14
Statutory dues*	1,776.32	1,208.82
<b>Total</b>	<b>2,058.90</b>	<b>1,438.96</b>

\* Taxes payable includes withholding tax, Goods and Service Tax, Provident Fund etc.

#### 22. Current tax liabilities (net)

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for income tax (net of advance tax and TDS INR 3,704.46 lakh) (31 March 2023 : INR 2,547.47 lakh)	236.91	277.96
<b>Total</b>	<b>236.91</b>	<b>277.96</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

(All amount are in INR lakhs, unless otherwise stated)

## 23. Revenue from operations

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Revenue from contracts with customers</b>		
Sale of products	222,710.09	202,372.48
Sale of services	96.86	140.40
Other operating revenues		
-Scrap sale	1,543.96	1,689.10
-Export incentives	197.71	191.08
<b>Total</b>	<b>224,548.62</b>	<b>204,393.06</b>

### a) Disaggregated revenue information

The Company earns its revenue from contracts with automotive customers for sale of steering & drive line products and allied products and rendering of services. The revenue has been diagggregated by major product lines, geographical market (refer segment note no. 42) and timing of revenue recognition.

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Sale of products</b>		
- Steering product	212,908.05	187,039.09
- Drive line product	9,802.04	15,333.39
<b>Sale of services</b>	<b>96.86</b>	<b>140.40</b>
<b>Other operating revenues</b>		
- Scrap sale	1,543.96	1,689.10
- Export incentives	197.71	191.08
<b>Total</b>	<b>224,548.62</b>	<b>204,393.06</b>

### b) Performance obligation

The Company's contracts with customers includes promises to transfer products and rendering of services to the customer. The Company assesses the products/services promised in identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables. The Company uses judgement to determine an appropriate selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative selling price of each distinct product or service promised in the contract. The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits of significant risks and who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risk and rewards to the customer, acceptance of delivery by the customer etc. Based on the above assessment performance obligation is satisfied at point in time. Company have payment terms of 32 days to 65 days in case of domestic customers and 90 days in case of export customers.

## 24. Other income

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest income under the effective method on :		
-Cash and cash equivalents and other bank balance	432.86	281.20
-Others	10.07	10.49
Other non operating income :		
Rental income	31.98	23.11
Gain on sale of property, plant & equipment (net)	114.30	99.19
Foreign exchange gain including mark to market valuation (net)	209.52	267.09
Business support income	267.98	154.58
Miscellaneous income	82.63	20.58
<b>Total</b>	<b>1,149.34</b>	<b>856.24</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

(All amount are in INR lakhs, unless otherwise stated)

### 25. Cost of materials consumed

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Inventory at the beginning of the year	10,241.69	6,066.46
Add: Additions through business combination under common control (refer note 37)	-	596.48
Add: purchases during the year	160,329.67	148,716.50
Less: inventory at the end of the year	10,102.44	10,241.69
<b>Total</b>	<b>160,468.92</b>	<b>145,137.75</b>

### 26. Purchases of stock-in-trade

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Purchases of stock-in-trade	-	8.18
<b>Total</b>	<b>-</b>	<b>8.18</b>

### 27. Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Opening inventories *</b>		
Work-in-progress	1,501.20	1,268.61
Finished goods	4,194.35	3,894.49
Stock-in-trade	0.08	0.08
<b>Closing inventories</b>		
Work-in-progress	1,250.60	1,501.20
Finished goods	5,267.49	4,194.35
Stock-in-trade	0.08	0.08
<b>Net (increase)</b>	<b>(822.54)</b>	<b>(532.45)</b>

\* Opening inventory as on 1 April 2023, includes additions through business combination under common control (refer note 37)

Work-in-progress INR 19.17 lakhs

Finished goods INR 87.55 lakhs

Stock-in-trade INR Nil

### 28. Employee benefit expenses

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries wages and bonus	19,251.49	18,295.45
Contribution to provident and other funds (refer note 39)	1,143.39	1,290.86
Staff welfare expenses	2,206.99	2,031.24
<b>Total</b>	<b>22,601.87</b>	<b>21,617.55</b>

### 29. Finance costs

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest expense on financial liabilities not measured at amortised cost		
-Interest to banks	493.60	373.62
-Interest expense on lease liabilities (refer note 41)	51.14	40.10
-Interest to others	44.88	33.00
Bank charges	22.32	27.06
<b>Total</b>	<b>611.94</b>	<b>473.78</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

(All amount are in INR lakhs, unless otherwise stated)

## 30. Depreciation and amortisation expense

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation on property, plant and equipment (refer note 3A)	6,984.70	6,004.77
Depreciation on investment property (refer note 3B)	73.65	134.46
Amortisation on intangible assets (refer note 3C)	1,058.97	1,180.45
Depreciation on right-of-use assets (refer note 3D & 41)	27.06	-
<b>Total</b>	<b>8,144.38</b>	<b>7,319.68</b>

## 31. Other expenses

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Consumption of stores and spares	2,879.62	3,006.95
Loose tools consumed	2,579.65	2,132.25
Power and fuel	2,506.37	2,414.07
Repairs and maintenance		
-Plant & machinery	946.50	970.92
-Buildings	135.44	144.91
-Others	1,172.05	994.17
Royalty	3,837.63	2,852.99
Rent (refer note 41)	184.05	297.16
Rates and taxes	90.11	681.91
Insurance	283.26	261.07
Travelling, conveyance and vehicle expenses	469.46	381.16
Communication and stationery expenses	121.98	170.62
Legal and professional charges	718.63	651.21
Security charges	306.62	283.23
Selling expenses	2,273.88	2,370.01
Packing material	825.41	840.20
Expenditure on Corporate Social Responsibility (refer note 35)	133.43	84.22
Debtors written off (refer note 43)	771.20	-
Provision on obsolescence of inventory (refer note 8)	38.63	513.83
Advance tax recoverable written off	56.17	-
Director's fees, allowances and expenses	163.50	149.00
Payments to auditors		
As Auditor		
Statutory audit fee	60.00	60.50
Tax audit fee	3.00	4.00
Limited review of quarterly results	27.00	28.50
In other capacity		
Other matters	13.29	12.50
Reimbursement of expenses	8.92	5.91
Miscellaneous expenses	181.58	169.88
<b>Total</b>	<b>20,787.38</b>	<b>19,481.17</b>

## 32. Exceptional items

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Employee separation cost-voluntary retirement compensation*	-	326.01
Gain on sale of land**	(739.26)	-
<b>Total</b>	<b>(739.26)</b>	<b>326.01</b>

\*During the year ended 31 March 2023, a Voluntary Retirement Scheme ('VRS') was offered to the workmen and the Company has incurred cost of INR 326.01 lakhs. Accordingly, the Company has recorded the VRS cost as an exceptional item.

\*\*During the current year, the Company has sold the land parcel at a consideration of INR 780.00 lakhs having net book value of INR 21.14 lakhs. Consequently, gain on the sale of land amounting to INR 739.26 lakhs (after netting off related selling expenses of INR 19.60 lakhs) has been recognized as an 'Exceptional Item'.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

(All amount are in INR lakhs, unless otherwise stated)

### 33. Tax expense

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Income tax recognised in the statement of profit or loss:</b>		
<b>Current income tax</b>		
- In respect of the current year	3,939.50	3,256.56
- In respect of the prior years	36.89	(193.73)
<b>Deferred tax</b>		
- Relating to origination and reversal of temporary differences	(17.55)	(356.87)
<b>Income tax expenses reported in the statement of profit or loss</b>	<b>3,958.84</b>	<b>2,705.96</b>

#### Reconciliation of effective tax rate :

The major components of income tax expense and the reconciliation of expense based on the domestic effective tax rate of at 25.168% and the reported tax expense in Statement of Profit and Loss are as follows:

Particulars	For the year ended 31 March 2024		For the year ended 31 March 2023	
<b>Profit for the year</b>		<b>14,645.27</b>		<b>11,417.63</b>
<b>Other than LTCG</b>		<b>13,906.00</b>		<b>11,417.63</b>
<b>LTCG</b>		<b>739.27</b>		-
Statutory income tax rate	25.17%	3,499.86	25.17%	2,873.59
Statutory income tax rate on LTCG	22.88%	169.14	22.88%	-
Additional deduction allowed in Income tax Act for certain expenditure	0.00%	-	0.86%	97.95
Expenditure for which deduction is not allowed under income tax Act	1.73%	252.95	0.00%	-
Tax pertaining to earlier years	0.25%	36.89	-0.20%	(22.43)
Refund for dividend distribution tax of previous year paid by erstwhile amalgamated company that Jtekt Sona Automotive India Limited	0.00%	-	-1.50%	(171.30)
Long term capital loss balance carried forward	0.00%	-	-0.53%	(60.13)
Effect of difference in book value of assets held for sale and value for tax purpose	0.00%	-	-0.11%	(11.99)
Others	0.00%	-	0.00%	0.27
<b>Effective tax rate</b>	<b>27.03%</b>	<b>3,958.84</b>	<b>23.70%</b>	<b>2,705.96</b>

#### Income tax recognised in Other Comprehensive Income

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Deferred tax related to items recognised in OCI during the year:</b>		
Loss on remeasurement of defined benefit obligation	32.13	22.67
<b>Income tax expenses reported in Other Comprehensive Income</b>	<b>32.13</b>	<b>22.67</b>

### 34. Earnings per equity share

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit attributable to equity shareholders	10,686.43	8,711.67
Basic average number of equity shares outstanding during the year (Nos.)*	254,280,483	254,280,483
Weighted average number of equity shares outstanding during the year (Nos.)*	254,280,483	254,280,483
Nominal value of equity shares in INR	1.00	1.00
Earnings per equity share in INR		
Basic	4.20	3.43
Diluted	4.20	3.43

\*Shares issued as part of consideration transferred in common control business combination are included in the weightage average number of shares from the acquisition date (also refer note 37).

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

(All amount are in INR lakhs, unless otherwise stated)

## 35. Expenditure on Corporate Social Responsibility (CSR)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
i) Amount required to be spent by the company during the year	133.32	83.36
ii) Amount approved by the Board to be spent during the year	133.32	83.36
iii) Amount of expenditure incurred	133.43	84.22
iv) Shortfall at the end of the year	-	-
v) Total of pervious years shortfall	-	-
vi) Reason for shortfall		
vii) Details of related party transactions	-	-
viii) Nature of CSR activities :- Company has on going projects such as Promoting Healthcare including preventive health care, Promoting Education, Promoting Sanitation and Rural Development Projects		

## 36. Research and development expenses (R&D expenses)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries and allowances	26.10	56.12
Components, tools and spares	-	0.14
<b>Total</b>	<b>26.10</b>	<b>56.26</b>

## 37. Merger information

The Board of Directors of the Company, based on the recommendation of Audit Committee, in its meeting held on 6 July 2022, have considered and approved the Scheme of Amalgamation ("Scheme") for merger of its subsidiary company namely JTEKT Fuji Kiko Automotive India Limited ("Amalgamating Company") with the Company, pursuant to Sections 230 to 232 of the Companies Act, 2013, with effect from Appointed Date i.e. 1 April 2022. The Scheme was filed with National Company Law Tribunal ("NCLT") on 26 November 2022 and was approved by NCLT on 12 December 2023. A certified copy of the Order was filed with the Registrar of companies on 1 January 2024 and the scheme became effective. Pursuant to the Scheme, all the assets, liabilities, reserves and surplus of amalgamating company have been vested in the Company with effect from 1 April 2022 at the carrying values in financial statements of amalgamated company in accordance with Appendix C of IND AS 103.

**The details of the Company and the merger of the amalgamating company with the Company are as below:**

Name of the transferor company	JTEKT Fuji Kiko Automotive India Limited
General nature of business	Manufacturing of C-EPS Steering columns and other auto components for the passenger car automobile segment in India
Appointed Date of the Scheme	01 April 2022
Description and number of shares issued	9,800,014 Ordinary (Equity) shares of INR 1 each
% of Company's equity shares exchanged	3.85%

### (a) Accounting treatment :-

- Upon the Scheme being effective, the Amalgamated Company has accounted for the amalgamation at carrying value in accordance with "Pooling of Interest Method" of accounting as laid down in Appendix C of Indian Accounting Standard 103 on Business Combination and other Indian Accounting Standards, as applicable and notified under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India.
- All assets and liabilities of the Amalgamating Company have been transferred to and vested in Amalgamated Company pursuant to the Scheme and have been recorded by Amalgamated Company at their carrying values as appearing in the books of the Amalgamating Company.
- The identity of the reserves has been preserved and the Amalgamated Company has recorded the reserves of the Amalgamating Company at the carrying amount as appearing in the books of the Amalgamating Company.
- The Company has issued 98,00,014 Ordinary (Equity) Shares of INR 1 each to the shareholders of JTEKT Fuji Kiko Automotive India Limited other than JTEKT India Limited, in the ratio of 200 (two hundred) Ordinary (Equity) Shares of INR 1 each fully paid-

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(All amount are in INR lakhs, unless otherwise stated)

up in the capital of the Company for every 100 (one hundred) fully paid-up Equity Shares of INR 10 each held in JTEKT Fuji Kiko Automotive India Limited.

- (5) The value of the investments in the shares of the Amalgamating Company held by the Amalgamated Company inter-se shall stand cancelled without further act or deed.
- (6) The inter-company balances between the Amalgamated Company and the Amalgamating Company appearing in the books of accounts of either the Amalgamated Company or the Amalgamating Company if any, stands cancelled.
- (7) The difference arising after taking the effect of above has been transferred to "Capital Reserve Account" in the financial statements of the Amalgamated Company.

**(b) Summary of assets and liabilities acquired as a results of scheme is as given below :-**

Particulars	Amount	Amount
<b>A) Assets acquired on 01 April 2022</b>		
Property, plant and equipment	2,774.13	
Capital work-in-progress	327.93	
Intangible assets	396.52	
Intangible assets under development	-	
Non-current financial assets :		
i) Loans	-	
ii) Other financial assets	7.80	
Income tax assets	6.90	
Other non-current assets	64.46	
Inventories	754.25	
Current financial assets :		
i) Trade receivable	1,242.69	
ii) Cash and cash equivalents	229.78	
iii) Other bank balances	1,658.00	
iv) Loans	-	
v) Other financial assets	32.92	
Other current assets	48.88	7,544.26
<b>B) Liabilities assumed on 01 April 2022</b>		
Other equity	4,968.44	
Non-current provisions	64.00	
Deferred tax liabilities (net)	98.24	
Current financial liabilities		
i) Trade payables	1,127.03	
ii) Other financial liabilities	96.34	
Current provisions	20.59	
Other current liabilities	153.15	
Income tax liabilities	16.47	6,544.26
<b>Net assets acquired (A-B)</b>		<b>1,000.00</b>
Less : Value of investment cancelled		(510.00)
Less : Equity Shares issued		(98.00)
<b>Net assets acquired transferred to capital reserve</b>		<b>392.00</b>

Notes:-

- 1) Pursuant to the Order, the difference between the book value of the assets and liabilities and reserves transferred to the Company and the Carrying amount of investments in amalgamating company and Share Capital issued to the shareholder of amalgamating company has been transferred to "capital reserve."
- 2) The financial information in the financial statements including notes and disclosure in respect of prior periods have been restated as if the business combination had occurred from the beginning of the preceding period presented in the financial statements in accordance with Appendix C of Indian Accounting Standard 103 on Business Combination.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

(All amount are in INR lakhs, unless otherwise stated)

## 38. Contingent liabilities and commitments (to the extent not provided for)

### A. Capital commitments

Particulars	As at 31 March 2024	As at 31 March 2023
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	15,314.10	9,628.76
<b>Total</b>	<b>15,314.10</b>	<b>9,628.76</b>

### B. Contingent liabilities

Particulars	Period covered	As at 31 March 2024	As at 31 March 2023
<b>Contingent liabilities, not acknowledged as debt (including estimated interest) :</b>			
<b>1. Claims against the Company not acknowledged as debt on account of (also refer '#' and '*' below):</b>			
<b>(a) Excise duty matters</b>			
Show cause notices received and pending with Adjudication Authority	2000-01 to 2017-18	-	1,720.27
Cases pending before Appellate authorities in respect of which the company has filed appeals.	2007-08 to 2017-18	1,035.99	1,060.15
		<b>1,035.99</b>	<b>2,780.42</b>
<b>(b) Service tax matters</b>			
Show cause notices received and pending with Adjudication Authority	2004-05 to 2017-18	67.64	64.22
Cases pending before Appellate authorities in respect of which the company has filed appeals.	2009-10 to 2015-16	9.17	8.80
		<b>76.81</b>	<b>73.02</b>
<b>(c) VAT matters</b>			
Local Area Development Tax (LADT) levied by Assessing Authority Gurgaon. The Constitutional bench of the Supreme Court in its order dated 11.11.2016 has given certain guidelines relating to power of States to levy tax on entry of goods into local area. The pending cases, including that of the company is yet to be decided by the regular benches of Supreme Court.	2007-08 to 2017-18	2,168.36	2,043.05
<b>(d) Stamp Duty matters</b>			
Stamp duty in connection with Scheme of Amalgamation approved by Hon'ble NCLT pending for adjudication with Sub Divisional Magistrate, Revenue Department, Delhi		-	1,515.82
<b>(e) Income tax matters</b>			
Cases pending before Appellate Authorities in respect of which the Company has filed appeal. The Company has been advised that the above demands are likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.	2016-17 to 2020-21	1,323.63	140.53
<b>(f) Goods and Service Tax</b>			
Show cause notices received and pending with Adjudication Authority	2017-18 to 2021-22	1,491.68	-
Cases pending before Appellate authorities in respect of which the company has filed appeals.	2017-18 to 2021-22	30.89	29.13
		<b>1,522.57</b>	<b>29.13</b>
<b>(g) Custom Duty</b>			
Custom Tariff issue on import of Reduction Gear by the company		52.78	-
<b>Total</b>		<b>6,180.14</b>	<b>6,581.97</b>

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(All amount are in INR lakhs, unless otherwise stated)

### Contribution to provident fund

Pursuant to judgement by the Hon'ble Supreme Court dated 28 February 2019, it was held that basic wages, for the purpose of provident fund, to include special allowances which are common for all employees. However, there is uncertainty with respect to the applicability of the judgement and period from which the same applies. Owing to the aforesaid uncertainty and pending clarification from the authority in this regard, the Company has not recognised any provision for the previous years ended 31 March 2019. Further, management also believes that the impact of the same on the Company will not be material.

# The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

The Company has assessed that it is only possible, but not probable, that outflow of economic resources will be required.

\* Does not include certain Labour related claims which are disputed by the Company. Management does not expect any material liability on this account as they feel that the claims raised on the company are not tenable in law.

### 39. Employee benefit obligations

#### A. Defined Contribution Plan

The Company makes contributions, determined as a specified percentage of employee salaries, towards Provident Fund, Punjab Labour Welfare Fund (PLWF), Employee State Insurance scheme ('ESI') and National Pension Scheme (NPS) which are collectively defined as defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrued. The amount recognized as an expense includes following:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
a) Employer's contribution to Provident Fund	752.89	724.24
b) Employer's contribution to Employee State Insurance Corporation	25.77	22.68
c) Punjab labour welfare fund (PLWF)	10.19	7.72
d) Employer's contribution to National Pension Scheme (NPS)	145.10	144.77
	<b>933.95</b>	<b>899.41</b>

#### B. Defined benefit plan

The employees' gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The Company made annual contributions to the LIC of India of an amount advised by the LIC.

The above defined benefit plan exposes the Company to following risks:

##### Interest rate risk:

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase

##### Salary inflation risk:

Higher than expected increases in salary will increase the defined benefit obligation.

##### Demographic risk:

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Company has not changed the processes used to manage its risks from previous periods. The funds are managed by specialised team of Life Insurance Corporation of India.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

(All amount are in INR lakhs, unless otherwise stated)

(i) Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets:

Description	As at 31 March 2024	As at 31 March 2023
Liability for gratuity	4,174.62	3,935.93
Plan assets for gratuity	4,192.47	4,024.51
<b>Net defined benefit (asset) / liability</b>	<b>(17.85)</b>	<b>(88.58)</b>

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

Description	For the year ended 31 March 2024	For the year ended 31 March 2023
Current service cost *	239.37	252.54
Net interest cost	(4.09)	23.68
Past service cost	-	122.09
Decrease in unrecognised assets	-	(19.65)
<b>Expense recognised in the Statement of Profit and Loss</b>	<b>235.28</b>	<b>378.66</b>
Actuarial loss recognised during the year	127.67	90.08
<b>Amount recognised in the total comprehensive income</b>	<b>362.95</b>	<b>468.74</b>

\* Current service cost includes contribution of LIC premium amounting to INR 10.74 lakhs (previous year INR 10.25 lakhs):

(iii) Movement in the present value of defined benefit obligation recognised in the balance sheet is as under:

Description	As at 31 March 2024	As at 31 March 2023
<b>Present value of defined benefit obligation as at the start of the year</b>	<b>3,935.93</b>	<b>3,651.58</b>
Additions through business combination under common control	-	142.70
Current service cost	239.37	242.29
Interest cost	275.16	254.91
Past service cost	-	122.09
Actuarial loss on obligation	153.41	134.96
Benefits paid	(429.25)	(612.59)
<b>Present value of defined benefit obligation as at the end of the year</b>	<b>4,174.62</b>	<b>3,935.93</b>

(iv) Movement in the plan assets recognised in the balance sheet is as under:

Description	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Fair Value of plan assets at start of the year</b>	<b>4,024.51</b>	<b>3,536.03</b>
Additions through business combination under common control	-	181.96
Interest income	279.25	231.24
Employer contribution	292.22	640.12
Benefit Paid	(429.25)	(609.72)
Actuarial gain on plan assets	25.74	44.88
<b>Fair Value of plan assets at the end of the year</b>	<b>4,192.47</b>	<b>4,024.51</b>

(v) Remeasurement recognised in other comprehensive loss is as under:

Description	For the year ended 31 March 2024	For the year ended 31 March 2023
Actuarial loss on defined benefit obligation	153.41	134.96
Return on plan assets excluding interest income	(25.74)	(44.88)
<b>Amount recognised in Other Comprehensive loss</b>	<b>127.67</b>	<b>90.08</b>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(All amount are in INR lakhs, unless otherwise stated)

(vi) **Bifurcation of actuarial loss on defined benefit obligation:**

Description	For the year ended 31 March 2024	For the year ended 31 March 2023
Actuarial gain from change in financial assumption	58.72	(115.43)
Actuarial loss from experience adjustment	94.69	250.39
<b>Amount recognised in the Other Comprehensive Income</b>	<b>153.41</b>	<b>134.96</b>

(vii) **Actuarial assumptions**

**a. Economic assumptions**

The principal assumptions are the discount rate and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. Valuation assumptions are as follows which have been selected by the company :

Description	As at 31 March 2024	As at 31 March 2023
Discount rate	7.0% p.a.	7.30% to 7.40% p.a.
Rate of increase in compensation level	6.0% p.a.	6.0% to 10.0% p.a.

**b. Demographic assumptions**

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Description	As at 31 March 2024	As at 31 March 2023
Mortality table	IALM (2012-14)	IALM (20012-14)
Retirement age		
- Others	58	58
Attrition rate		
- Up to 30 years	9.80%	3.00% to 9.8%
- 31 to 44 years	9.80%	2.00% to 9.8%
- Above 44 years	9.80%	1.00% to 9.8%

(viii) **Sensitivity analysis for gratuity liability**

Description	As at 31 March 2024	As at 31 March 2023
<b>Impact of the change in discount rate</b>		
Present value of obligation at the end of the year	4,174.62	3,935.93
- Impact due to increase of 1%	189.36	(194.68)
- Impact due to decrease of 1%	208.74	217.25
<b>Impact of the change in salary increase</b>		
Present value of obligation at the end of the year	4,174.62	3,935.93
- Impact due to increase of 1%	208.74	216.70
- Impact due to decrease of 1%	(192.79)	(197.89)

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant.

Sensivities due to mortality and withdrawals are not material and hence impact of change is not calculated. Sensivity as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy not applicable being a lump sum benefit on retirement.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to prior period.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

(All amount are in INR lakhs, unless otherwise stated)

## (ix) Maturity profile of defined benefit obligation

Description	As at 31 March 2024	As at 31 March 2023
(i) Weighted Average duration of the defined benefit obligation	7 Yrs	8 Yrs
(ii) Duration of defined benefit payments		
Duration (Years)		
1	779.02	640.94
2	652.17	646.70
3	572.50	552.19
4	569.05	479.32
5	595.93	475.62
Above 5	3093.67	3620.46
<b>Total</b>	<b>6262.33</b>	<b>6415.23</b>

(x) Enterprise best estimate of contribution during next year is INR 280.03 lakhs (previous year INR 181.40 lakhs).

## C. Other long-term employee benefits

During the year ended 31 March 2024, the Company has created provision for compensated absences towards earned leave amounting to INR 220.11 lakhs (previous year expense of INR 229.59 lakhs). The Company has created provision towards sick leave amounting to INR 8.27 lakhs (previous year INR 0.00 lakhs). The Company determines the expense for compensated absences basis the actuarial valuation of present value of the obligation, using the Projected Unit Credit Method.

## 40. Related party disclosures

For the purpose of these financial statements, parties are considered to be related to the Company, if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

### i) Holding Company:

Name of party	Period
JTEKT Corporation, Japan	Full year

### ii) Key management personnel:

Name	Period	Designation
1. Mr. Hitoshi Mogi	Full year	Chairman and Managing Director
2. Mr. Sudhir Chopra	Up to 31 May 2022	Executive Vice Chairman
3. Mr. Akihiko Kawano	Up to 30 April 2022	Deputy Managing Director
4. Mr. Satoshi Komeda	Up to 31-Mar-2023	Director (Operations)
5. Mr. Minoru Sugisawa	W.e.f. 01 June 2023	Director (Operations)
6. Mr. Rajiv Chanana	Up to 31 May 2022	Chief Financial Officer
	W.e.f. 01 June 2022	Director and CFO
7. Mr. Takumi Matsumoto	Full year	Director
8. Mr. Toshiya Miki	Up to 31 May 2022	Nominee of Maruti Suzuki India Limited
9. Mr. Taku Sumino	W.e.f. 01 June 2022	Nominee of Maruti Suzuki India Limited
10. Mr. Hidehito Araki	Up to 10-Aug-23	Independent Director
11. Ms. Hiroko Nose	Full year	Independent Woman Director
12. Mr. Inder Mohan Singh	Full year	Independent Director
13. Lt. Gen. Praveen Bakshi (Retd)	Full year	Independent Director
14. Mr. Masahiko Morimoto	Full year	Independent Director
15. Mr. Hiroshi Daikoku	W.e.f. 11 August 2023	Independent Director
16. Mr. Ashish Srivastava	Up to 05-Apr-23	Company Secretary
17. Mr. Saurabh Agarwal	W.e.f. 22 May 2023	Company Secretary

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024

(All amount are in INR lakhs, unless otherwise stated)

#### iii) Other related parties with whom transactions have undertaken during the year:

Fellow subsidiaries and enterprises over which key management personnel are able to exercise significant influence

Name of party	Period
1. JTEKT Bearings India Private Limited (formerly known as Koyo Bearings India Private Limited)	Full year
2. Maruti Suzuki India Limited	Full year
3. JTEKT Thailand Co. Limited	Full year
4. JTEKT Automotive (Thailand) Co. Limited	Full year
5. JTEKT Machine Systems (Thailand) Co. Limited (formerly known as Koyo Joint (Thailand) Co Limited)	Full year
6. JTEKT Machine Systems Corporation (formerly known as Koyo Machine Industries Co. Limited)	Full year
7. Koyo Kowa Co. Limited	Full year
8. JTEKT Micromatic Machinery India Private Limited (formerly known as Toyoda Micromatic Machinery India Private Limited)	Full year
9. Jtekt Column Systems Sweden Ab (formerly known as Fuji Auto AB Sweden)	Full year
10. Jtekt Column Systems France S.A.S. (formerly known as Fuji Autotech France)	Full year
11. JTEKT Electronics India Private Limited (formerly known as Koyo Electronics India Private Limited)	Full year
12. JTEKT Column Systems Corporation (formaly known as Fuji Kiko Company Limited)	Full year
13. JTEKT Column Systems (Thailand) Co. Limited (formerly known as Fuji Autotech Thailand Company Limited)	Full year
14. PT JTEKT Indonesia	Full year
15. JTEKT Automotive Lyon	Full year
16. JTEKT Machinery (Dalian) Co., Ltd- China	Full year
17. JTEKT Asia Pacific Co. Limited	Full year
18. JTEKT Brasil Limited	Full year
19. Koyo Joint (Xiamen) Co. Limited	Full year

#### Transactions with the above parties:

Particulars	Holding Company		Key management personnel		Other related parties		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Advance Paid	-	-	-	-	79.00	-	79.00	-
Advance Received	-	-	-	-	215.85	-	215.85	-
Business Support Income (including taxes)	-	-	-	-	188.88	147.74	188.88	147.74
Cash Discount Paid	-	-	-	-	0.19	1.44	0.19	1.44
Cash Discount Received	-	-	-	-	-	-	-	-
Commission to Non Executive Directors	-	-	140.00	136.89	-	-	140.00	136.89
Debtors written off (refer note 43)	-	-	-	-	771.20	-	771.20	-
Director Sitting Fee	-	-	22.00	32.00	1.77	2.50	23.77	34.50
Dividend Paid	835.30	668.24	0.02	0.02	641.32	476.60	1,476.64	1,144.86
Loans from bank against Corporate Gaurantee*	7,501.67	5,941.13	-	-	-	-	7,501.67	5,941.13
Guarantee Fee Paid	13.45	11.42	-	-	-	-	13.45	11.42
Interest Income	-	-	-	-	-	0.62	-	0.62
Purchase of Capital Goods (Including Tax)	590.60	47.98	-	-	430.62	444.77	1,021.22	492.75
Purchase of Goods (Including Tax)	11,840.84	8,144.76	-	-	12,494.77	9,679.21	24,335.61	17,823.97
Receiving of Services (Including Taxes)	210.88	54.93	-	-	336.99	96.58	547.87	151.51
Reimbursement of Expenses Paid (Including Taxes)	1,291.90	1,024.93	-	-	114.33	202.05	1,406.23	1,226.98
Reimbursement of Expenses Recovered (Including Taxes)	17.20	39.17	-	-	2.31	2.35	19.51	41.52
Rendering of Services (Including Taxes)	-	-	-	-	-	-	-	-

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

(All amount are in INR lakhs, unless otherwise stated)

Particulars	Holding Company		Key management personnel		Other related parties		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Rental Income (Including Taxes)	-	-	-	-	37.73	27.27	37.73	27.27
Royalty	3,666.73	2,661.05	-	-	170.89	191.94	3,837.63	2,852.99
Sale of Capital Goods (Including Taxes)	-	-	-	-	-	1,261.01	-	1,261.01
Sale of goods (Including Taxes) (Net of Warranty)#	257.39	138.50	-	-	139,601.82	140,167.47	139,859.21	140,305.97
Sale of Services (Including Taxes)	37.60	-	-	-	-	-	37.60	-
Post employment benefits	-	-	3.55	14.15	-	-	3.55	14.15
Short-term employee benefits	-	-	276.14	316.68	-	-	276.14	316.68
Technical Support Fee	197.03	957.77	-	-	-	-	197.03	957.77

Outstanding balances	Holding Company		Key management personnel		Other related parties		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Outstanding Balance (Debit)	164.56	10.81	-	-	11,063.47	9,645.80	11,228.03	9,656.61
Outstanding Balance (Credit)	6,257.34	5,052.36	140.00	136.89	1,962.87	1,549.98	8,360.21	6,739.23
Post employment benefits (Credit)	-	-	46.95	49.65	-	-	46.95	49.65
Loans from bank against Corporate Guarantee (Credit)	7,501.67	5,941.13	-	-	-	-	7,501.67	5,941.13

## Details of significant transactions are given below:

Particulars	Party Name	Nature of relationship	Total	
			Current Year	Previous Year
Corporate guarantee on loans from bank	JTEKT Corporation, Japan	Holding Company	7,501.67	5,941.13
Purchase of Goods (Including Tax)	JTEKT Corporation, Japan	Holding Company	11,840.84	8,144.76
	JTEKT Bearings India Pvt Limited (formerly known as Koyo Bearings India Limited)	Other related parties	5,628.52	5,133.12
	JTEKT Column Systems Thailand Co. Ltd.	Other related parties	2,323.54	1,384.53
Royalty	JTEKT Corporation, Japan	Holding Company	3,666.73	2,661.05
Sale of goods (Net of Warranty)	Maruti Suzuki India Limited	Other related parties	139,501.42	140,073.74

\* Loans of INR 7,501.67 lakhs (31 March 2023: INR 5,941.13 lakhs) against the corporate guarantee given by the holding company, JTEKT Corporation, Japan.

# Net of warranty claims INR 20.29 lakhs (previous year INR 16.50 lakhs).

All transactions with these related parties are priced on an arm's length basis.

## 41. Lease related disclosures

The Company has leases for land, office buildings, warehouses and related facilities, cars and other office equipments. With the exception of short-term leases, leases of low-value underlying assets and leases with variable lease payments, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and right of use assets. The Company classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublease the asset to another party, the right-of-use asset can only be used by the Company. Some leases contain an option to extend the lease for a further term. The Company is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings and other premises the Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Company is required to pay maintenance fees in accordance with the lease contracts.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(All amount are in INR lakhs, unless otherwise stated)

### A. Lease payments not included in measurement of lease liability

The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	31 March 2024	31 March 2023
Short-term leases	157.83	281.16
Leases of low value assets	26.22	16.00
Variable lease payments	-	-
<b>Total</b>	<b>184.05</b>	<b>297.16</b>

### B. Lease under Ind AS 116

The Details of the right-of-use assets held by the Company is as follows:

Particulars	Depreciation charge for the year ended 31 March 2024	Net carrying amount as on 31 March 2024	Depreciation charge for the year ended 31 March 2023	Net carrying amount as on 31 March 2023
Leasehold land	4.24	85.61	4.24	89.85
Computer	27.06	165.29	-	-
<b>Total</b>	<b>31.30</b>	<b>250.90</b>	<b>4.24</b>	<b>89.85</b>

### C. Amount recognised in Statements of Profit & Loss

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation on right-of-use assets	31.30	4.24
Interest on lease liabilities	51.14	40.10
Rental expenses relating to short term leases	157.83	281.16
Rental expenses relating to leases of low value assets	26.22	16.00
<b>Total</b>	<b>266.49</b>	<b>341.50</b>

### D. Amount recognised in Statements of cash flows

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Total Cash out flow for the leases (including short-term leases)	253.15	332.19

E. The weighted average incremental borrowing rate applied to lease liabilities is 9.50%.

### F. Maturity of lease liabilities

The lease liabilities are secured by the related underlying assets. Future minimum lease payments were as follows:

31 March 2024	Minimum lease payments due						
	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total
Lease payments	83.05	83.05	83.05	83.05	60.98	861.65	1,254.83
Interest expense	53.80	51.29	48.57	45.62	43.19	432.60	675.07
<b>Net present values</b>	<b>29.25</b>	<b>31.76</b>	<b>34.48</b>	<b>37.43</b>	<b>17.79</b>	<b>429.05</b>	<b>579.76</b>

31 March 2023	Minimum lease payments due						
	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total
Lease payments	36.03	36.03	36.03	36.03	36.03	908.67	1,088.82
Interest expense	40.54	41.00	41.52	42.10	42.73	475.57	683.46
<b>Net present values</b>	<b>(4.51)</b>	<b>(4.97)</b>	<b>(5.49)</b>	<b>(6.07)</b>	<b>(6.70)</b>	<b>433.10</b>	<b>405.36</b>

## 42. Segment information

The Company is engaged in the business of manufacturing and assembling of automotive components. The Board of Directors being the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by industry classes. All operating segments' operating results are reviewed regularly by CODM to make decisions about resources to be allocated to the segments and assess their performance. CODM believes that these are governed by same set of risk and returns hence CODM reviews as one balance sheet component. Further, the economic environment in which the company operates is

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

(All amount are in INR lakhs, unless otherwise stated)

significantly similar and not subject to materially different risk and rewards. The revenues, total expenses and net profit as per the Statement of Profit and Loss represents the revenue, total expenses and the net profit of the sole reportable segment.

## Geographical information

The Company's revenue from operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below:

### Revenue from Operations

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Revenue from external customers</b>		
India	216,548.50	196,486.66
USA	7,659.50	7,680.28
France	82.06	76.73
Japan	244.33	149.39
Brazil	14.23	-
<b>Total</b>	<b>224,548.62</b>	<b>204,393.06</b>

### Non current assets

Particulars	As at 31 March 2024	As at 31 March 2023
India	64,982.13	52,901.44
Outside India	-	-
<b>Total</b>	<b>64,982.13</b>	<b>52,901.44</b>

### Major customer

Company drives revenue from the following customer which amounts to 10 per cent or more of the entitie's revenue:

Name of Customer	As at 31 March 2024	As at 31 March 2023
Maruti Suzuki India Limited (including applicable taxes)	139,501.42	140,073.74

#### 43. Debtors written off

During the current year ended 31 March 2024, management has identified some unusual adjustments posted to Trade receivables account by an employee. These entries were appearing in Trade receivables from prior period and were not recoverable. Accordingly, the amount of INR 771.20 lakhs has been charged to statement of Profit and Loss as 'Other expenses'. Management has performed an independent investigation through an external consultant and does not expect any further impact on the financial statements for the year ended 31 March 2024. The management has taken necessary actions and is in process of implementing appropriate controls to prevent the re-occurrence of such events.

#### 44. Dividend

The Board of Directors of the Company in its meeting held on 30 May 2024, proposed a dividend of INR 1525.68 lakhs (INR 0.60 per share) (previous year INR 1,222.40 lakhs (INR 0.50 per share) to the equity shareholders of JTEKT India Limited and INR 572.37 lakhs (INR 11.68 per share) to the equity shareholder of JTEKT Fuji Kiko Automotive India Limited (having non-controlling interest). The dividend will be remitted post the approval of shareholders in the ensuing Annual General Meeting ('AGM').

### Remittances by the Company in foreign currency for dividend for JTEKT India Limited

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Dividend remitted (gross) (INR)	835.30	668.28
Number of non resident shareholders	2	2
Number of shares held	167,069,997	16,70,69,997
Year to which dividend relates	2022-23	2021-22



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

(All amount are in INR lakhs, unless otherwise stated)

### Remittances by the Company in foreign currency for dividend for JTEKT Fuji Kiko Automotive India Limited (now merged with JTEKT India Limited)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Dividend remitted (gross) (INR)	572.37	421.40
Number of non resident shareholders	1	1
Number of shares held	4,900,000	4,900,000
Year to which dividend relates	2022-23	2021-22

#### 45. Assets pledged as security

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Current assets</b>		
Financial assets		
<i>Pari-passu charge</i>		
- Trade receivables	33,035.44	28,366.50
- Cash and cash equivalents	7,536.45	-
- Loans	4.40	24.93
- Other financial assets	25.16	55.26
Inventories	20,114.21	17,681.98
Other current assets	1,778.59	1,600.55
<b>Total current assets pledged as security</b>	<b>62,494.25</b>	<b>47,729.22</b>
<b>Non-current assets</b>		
<i>Pari-passu charge</i>		
- Property, plant and equipment	35,493.56	31,291.26
- Capital work-in-progress	9,305.65	2,379.60
- Intangible assets	1,897.38	2,003.38
- Loans	2.02	2.22
- Other financial assets	376.06	334.33
- Income tax assets	497.67	304.19
- Other non-current assets	3,300.43	571.78
<b>Total non-current assets pledged as security</b>	<b>50,872.77</b>	<b>36,886.76</b>
<b>Total assets pledged as security</b>	<b>113,367.02</b>	<b>84,615.98</b>

#### 46. Fair value disclosures

##### i) Fair values hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial statements that are

- recognised and measured at fair value and
- measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into three levels prescribed under the accounting standard.

All financial instruments for which fair value is recognised or disclosed are categorised with in 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 prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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(All amount are in INR lakhs, unless otherwise stated)

## ii) Financial instruments by category & fair value

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments.

Particulars	Note	Level of hierarchy	As at 31 March 2024				As at 31 March 2023			
			Carrying amount	FVTPL	FVOCI	Amortised cost	Carrying amount	FVTPL	FVOCI	Amortised cost
<b>Financial assets</b>										
<b>Non current</b>										
Loans										
- Loan to employees	b		2.02	-	-	2.02	2.22	-	-	2.22
Other financial assets										
- Security deposits	b		376.06	-	-	376.06	346.11	-	-	346.11
<b>Current</b>										
Trade receivables	a		33,035.44	-	-	33,035.44	28,057.23	-	-	28,057.23
Cash and cash equivalents	a		7,536.45	-	-	7,536.45	4,659.93	-	-	4,659.93
Other bank balances	a		-	-	-	-	1,000.00	-	-	1,000.00
Loans										
- Loan to employees	a		4.40	-	-	4.40	4.13	-	-	4.13
Other financial assets										
- Security deposits	a		16.87	-	-	16.87	55.12	-	-	55.12
- Interest accrued but not due on deposits	a		8.25	-	-	8.25	1.45	-	-	1.45
- Advance to employees	a		0.04	-	-	0.04	11.84	-	-	11.84
<b>Total</b>			<b>40,979.53</b>	<b>-</b>	<b>-</b>	<b>40,979.53</b>	<b>34,138.03</b>	<b>-</b>	<b>-</b>	<b>34,138.03</b>

Particulars	Note	Level of hierarchy	As at 31 March 2024				As at 31 March 2023			
			Carrying amount	FVTPL	FVOCI	Amortised cost	Carrying amount	FVTPL	FVOCI	Amortised cost
<b>Financial liabilities</b>										
<b>Non current</b>										
Borrowings	c		5,955.11	-	-	5,955.11	3,089.79	-	-	3,089.79
Lease liability	c		550.51	-	-	550.51	405.36	-	-	405.36
<b>Current</b>										
Borrowings	c		5,004.25	-	-	5,004.25	2,681.21	-	-	2,681.21
Lease liability	c		29.25	-	-	29.25	-	-	-	-
Trade payable										
- Total outstanding dues of micro enterprises and small enterprises	a		1,139.82	-	-	1,139.82	548.81	-	-	548.81
- Total outstanding dues of creditors other than micro enterprises and small enterprises	a		25,572.95	-	-	25,572.95	21,475.91	-	-	21,475.91
Other financial liabilities										
- Interest accrued but not due on borrowings	a		42.63	-	-	42.63	13.69	-	-	13.69
- Security deposits	a		21.60	-	-	21.60	29.60	-	-	29.60
- Unclaimed dividends	a		88.49	-	-	88.49	115.26	-	-	115.26
- Forward exchange contracts used for hedging	d	2	138.68	138.68	-	-	75.19	75.19	-	-
- Employee dues	a		1,406.19	-	-	1,406.19	1,098.41	-	-	1,098.41
- Creditors for capital goods	a		1,127.37	-	-	1,127.37	780.88	-	-	780.88
<b>Total</b>			<b>41,076.85</b>	<b>138.68</b>	<b>-</b>	<b>40,938.17</b>	<b>30,314.11</b>	<b>75.19</b>	<b>-</b>	<b>30,238.92</b>

- Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.
- Fair value of non-current financial assets and liabilities have not been disclosed as there is no significant differences between carrying value and fair value.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024

(All amount are in INR lakhs, unless otherwise stated)

- c. Fair value of borrowing is considered to be the same as its carrying value, as there is no change in the lending rates.
- d. Fair value of the derivative financial instruments has been determined using valuation techniques with market observable inputs. The model incorporate various inputs include the credit quality of counter-parties and foreign exchange forward rates.

There are no transfers between Level 1, Level 2 and Level 3 during the year ended 31 March 2024 and 31 March 2023.

#### 47. Other Statutory Information

- i) No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder.
- ii) The Company has no transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.
- iii) There are no charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- iv) The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.
- v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- vii) The Company does not have any such transaction which are not recorded in the books of accounts and 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).
- viii) The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender.
- ix) The Company has complied with the number of layers for its holding in downstream companies prescribed under clause (87) of Section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.
- x) The Company has not revalued its Property, Plant and equipments and intangible assets and Investment property.
- xi) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year, other than the scheme of amalgamation between JTEKT India Limited and its subsidiary company namely JTEKT Fuji Kiko Automotive India Limited (also refer note 37).
- xii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

(All amount are in INR lakhs, unless otherwise stated)

## xiii) Key analytical ratios

Sl. No.	Ratio	Numerator	Denominator	Current year	Previous year	% variance	Reasons for variance (where variance is more than 25%)
(a)	Current Ratio (in times)	Current assets	Current liabilities	1.65	1.84	10.45%	-
(b)	Debt-Equity Ratio (in times)	Total debt	Shareholder's equity	0.14	0.09	56.04%	The ratio has increased during the year owing to the new term loan taken by the Company for the ongoing capital projects.
(c)	Debt Service Coverage Ratio (in times)	Earnings available for debt service	Debt service (Interest & Lease Payment + Principal Repayments of Long term loans + Lease Payment)	7.95	7.24	9.78%	-
(d)	Return on Equity Ratio (in %)	Net Profits after taxes less preference dividend (if any)	Average shareholder's equity	13.74%	12.49%	10.02%	-
(e)	Inventory turnover ratio (in times)	Cost of goods sold	Average inventory	8.21	8.70	(5.93%)	-
(f)	Trade Receivables turnover ratio (in times)	Net credit sales	Average accounts receivable	7.35	7.83	6.12%	-
(g)	Trade payables turnover ratio (in times)	Net credit purchases	Average trade payables	6.58	7.12	7.59%	-
(h)	Net capital turnover ratio (in times)	Net sales	Working capital	9.12	8.21	11.09%	-
(i)	Net profit ratio (in %)	Net profit	Net sales	4.76%	4.26%	11.66%	-
(j)	Return on Capital employed (in %)	Earning before interest and taxes	Capital employed	16.28%	14.95%	8.92%	-
(k)	Return on investment	Not applicable	Not applicable	-	-	-	The Company has no investment during the current year and previous year since the only subsidiary company has amalgamated with the company (refer note 37).

## 48. Financial risk management

The Company's risk management is carried out by a central treasury department (of the Company) under policies approved by the Board of Directors. The Board of Directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

The Company is primarily engaged in the manufacturing of steering systems and other auto components for passenger and utility vehicle manufactures. The Company's principal financial liabilities, comprise of loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to support the Company's operations. The Company's principal financial assets include investments in equity, trade and other receivables, security deposits, cash and employee advances that derive directly from its operations. The Company also enters into derivative transactions viz. Cost Currency Interest Rate Swap and Principal and Interest Swaps as required.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(All amount are in INR lakhs, unless otherwise stated)

The Company has exposure to the following risks arising from financial instruments

- Credit risk (see (A));
- Liquidity risk (see (B); and .
- Market risk (see (C)).

### Risk Management Framework

The Company's activities makes it susceptible to various risks. The Company has taken adequate measures to address such concerns by developing adequate systems and practices. The Company's overall risk management program focuses on the unpredictability of markets and seeks to manage the impact of these risks on the Company's financial performance.

The Company's senior management oversee the management of these risks and advises on financial risks and the appropriate financial risk governance framework for the Company. The Board provides assurance to the shareholders that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.

The Company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market conditions and Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements

Risk	Exposure arising from	Measurement	Management of risk
Credit Risk	Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost.	Ageing analysis, Credit ratings	Diversification of bank deposits, credit limits and letter of credit.
Liquidity Risk	Borrowings and liabilities	Cash flow forecasting, sensitivity analysis	Availability of borrowing facilities, forward contracts, CCIRS.
Market risk - foreign currency risk	Future commercial transactions, recognised financial liabilities not denominated in Indian Rupee (INR)	Cash flow forecasting, sensitivity analysis	Forward contracts
Market risk – interest rate risk	Long-term borrowings at variable rates	Sensitivity analysis	Maintaining the variable rate borrowings to acceptable levels

### A) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables), including foreign exchange transactions and other financial instruments.

#### Trade receivables

Ind AS requires expected credit losses to be measured through a loss allowance. The Company assesses at each date of balance sheet position whether a financial asset or a company of financial assets is impaired. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

(All amount are in INR lakhs, unless otherwise stated)

Company's exposure to customers is diversified and more than 90% revenue is recognised from OEM's. However there was no default on account of these customers in the history of Company.

Before accepting any new customer, the Company assesses the potential customer's credit quality and defines credit limits to customer. Limits and scoring attributed to customers are reviewed on periodic basis.

The Company performs credit assessment for customers on an annual basis and recognizes credit risk, on the basis lifetime expected losses.

## Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

### (a) Financial assets for which allowance is measured using 12 months expected credit losses.

Particulars	As at 31 March 2024	As at 31 March 2023
Loans	6.42	6.35
Other financial assets	401.22	414.52

### (b) The ageing analysis of trade receivables for which loss allowance is measured using Life time expected credit losses as at the reporting data is as follows:

Particulars	As at 31 March 2024	0-6 months	6-12 months	More than 12 months
Gross carrying amount	33,035.44	32,887.43	142.97	5.04
Expected credit loss (Loss allowance provision)	-	-	-	-
Carrying amount of trade receivables	33,035.44	32,887.43	142.97	5.04

Particulars	As at 31 March 2023	0-6 months	6-12 months	More than 12 months
Gross carrying amount	28,057.23	28,051.73	5.04	0.46
Expected credit loss (Loss allowance provision)	-	-	-	-
Carrying amount of trade receivables	28,057.23	28,051.73	5.04	0.46

### The movement in the loss allowance for trade receivables during the year is as follows:

Particulars	As at 31 March 2024	As at 31 March 2023
Opening balance	-	-
Loss allowance for the year	771.20	-
Amount written off	(771.20)	-
Closing balance	-	-

### (c) The Company's exposure to credit risk for trade receivable by geographic region is as follows:

Particulars	As at 31 March 2024	As at 31 March 2023
India	32,360.21	27,576.23
USA	534.47	419.22
France	13.48	32.31
Japan	127.28	29.46
<b>Total</b>	<b>33,035.44</b>	<b>28,057.22</b>

## Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Corporate Finance Department in accordance with the Company's policy. Investments of surplus funds are made only in schemes of alternate investment fund/or other appropriate avenues including term and recurring deposits with approved counterparties and within credit limits assigned to each counterparty. Counterparty



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(All amount are in INR lakhs, unless otherwise stated)

credit limits are reviewed by the Company's Board of Directors on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Company places its cash and cash equivalents and term deposits with banks with high investment grade ratings, limits the amount of credit exposure with any one bank and conducts ongoing evaluation of the credit worthiness of the banks with which it does business. Given the high credit ratings of these banks, the Company does not expect these banks to fail in meeting their obligations. The maximum exposure to credit risk for the components of the balance sheet at 31 March 2024 and 31 March 2023 is represented by the carrying amount of each financial asset.

#### B) Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, buyers credit and bank loans. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments and includes contractual interest payments.

31 March 2024	Carrying value as at 31 March 2024	Contractual cash flows			
		Less than 1 year	1-2 year	2-3 year	More than 3 years
<b>Non derivative financial liabilities</b>					
Borrowings (including interest accrued but not due on borrowings)	11,001.99	5,046.87	2,984.74	1,727.88	1,242.50
Trade payables	26,712.77	26,712.77	-	-	-
Lease liability	579.76	83.05	83.05	83.05	1,005.68
Other financial liabilities					
- Security deposits	21.60	21.60	-	-	-
- Unclaimed dividends	88.49	88.49	-	-	-
- Employee dues	1,406.19	1,406.19	-	-	-
- Creditors for capital goods	1,127.37	1,127.37	-	-	-
<b>Derivative financial liabilities</b>					
Other financial liabilities					
- Forward exchange contracts used for hedging	138.68	138.68	-	-	-
<b>Total</b>	<b>41,076.85</b>	<b>34,625.02</b>	<b>3,067.79</b>	<b>1,810.93</b>	<b>2,248.18</b>
<b>31 March 2023</b>					
	<b>Carrying value as at 31 March 2023</b>	<b>Less than 1 year</b>	<b>1-2 year</b>	<b>2-3 year</b>	<b>More than 3 years</b>
<b>Non derivative financial liabilities</b>					
Borrowings (including interest accrued but not due on borrowings)	5,784.69	2,694.89	1,542.18	1,264.74	282.88
Trade payables	22,024.72	22,024.72	-	-	-
Lease liability	405.36	36.03	36.03	36.03	980.73
Other financial liabilities					
- Security deposits	29.60	29.60	-	-	-
- Unclaimed dividends	115.26	115.26	-	-	-
- Employee dues	1,098.41	1,098.41	-	-	-
- Creditors for capital goods	780.88	780.88	-	-	-
<b>Derivative financial liabilities</b>					
Other financial liabilities					
- Forward exchange contracts used for hedging	75.19	75.19	-	-	-
<b>Total</b>	<b>30,314.11</b>	<b>26,854.98</b>	<b>1,578.21</b>	<b>1,300.77</b>	<b>1,263.61</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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(All amount are in INR lakhs, unless otherwise stated)

#### C) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises following types of risk: interest rate risk, currency risk and price risk. Financial instruments affected by market risk include loans and borrowings, investment, deposits, advances and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at 31 March 2024 and 31 March 2023. The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of floating to fixed interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant in place at 31 March 2023.

The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions.

The following assumptions have been made in calculating the sensitivity analysis:

- 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 assets and financial liabilities held at 31 March 2024 and 31 March 2023.

#### a) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The Company manages its foreign currency risk by entering into derivatives. When a derivative is entered into for the purpose of hedging, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure.

#### (i) Foreign currency risk exposure

Details of unhedged foreign currency exposures is as follows:

Particulars	As at 31 March 2024		As at 31 March 2023	
	Foreign currency	Rupee INR	Foreign currency	Rupee INR
<b>Financial assets</b>				
Receivables (trade & others)				
USD	6.44	534.47	6.28	512.86
EURO	0.15	13.48	0.37	32.31
JPY	233.40	127.28	48.19	29.46
<b>Financial liabilities</b>				
Payables (trade & other)				
USD	1.82	152.33	0.65	53.62
EURO	0.11	10.35	0.09	8.31
JPY	2,584.28	1,437.89	1,051.49	657.18
SEK	-	-	0.06	0.52
<b>Borrowings - others</b>				
USD	16.55	1,386.88	12.23	1,010.11

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The outstanding forward exchange contracts and currency swap & interest rate swap contracts as at the end of the year entered by the Company for the purpose of hedging its foreign currency exposures are as follows:

Particulars	As at 31 March 2024		As at 31 March 2023	
	Foreign currency	Rupee INR	Foreign currency	Rupee INR
<b>Financial liabilities</b>				
Payables (trade & other)				
USD	11.98	1,003.97	6.17	509.77
JPY	8,656.26	4,816.35	6,030.93	3,769.33
CHF	-	-	0.19	17.15

The following significant exchange rates were applied at the year end:

Particulars	Year end rates	
	As at 31 March 2024	As at 31 March 2023
<b>Financial assets</b>		
Receivables (trade & others)		
USD / INR	82.93	81.67
EURO / INR	89.13	88.45
JPY / INR	0.55	0.61
<b>Financial liabilities</b>		
Payables (trade & other)		
USD / INR	83.78	82.57
EURO / INR	91.33	90.68
JPY / INR	0.56	0.63
SEK / INR	-	8.01
<b>Borrowings</b>		
USD / INR	83.78	82.57

#### Sensitivity analysis

Any changes in the exchange rate of foreign currency against INR is not expected to have significant impact on the Company's profit due to the short credit period. Accordingly, a 1% appreciation/depreciation of the INR as indicated below, against the foreign currencies would have increased/reduced profit by the amounts shown below. This analysis is based on the foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variable remains constant.

Particulars	Statement of profit and loss or Other comprehensive income	Currency	Exchange rate increase by 1%		Exchange rate decrease by 1%	
			As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Receivables (trade & others)	Statement of profit and loss	USD	5.34	5.13	(5.34)	(5.13)
	Statement of profit and loss	EURO	0.13	0.32	(0.13)	(0.32)
	Statement of profit and loss	JPY	1.27	0.29	(1.27)	(0.29)
Payables (trade & other)	Statement of profit and loss	USD	(1.52)	(0.54)	1.52	0.54
	Statement of profit and loss	EURO	(0.10)	(0.08)	0.10	0.08
	Statement of profit and loss	JPY	(14.38)	(6.57)	14.38	6.57
	Statement of profit and loss	SEK	-	(0.01)	-	0.01
Borrowings - others	Statement of profit and loss	USD	(13.87)	(10.10)	13.87	10.10

#### (ii) Foreign exchange derivative contracts

The Company tries to mitigate foreign exchange risk by entering into appropriate hedging instruments as considered necessary from time to time. Depending on the future outlook on currencies, the Company may keep the exposures unhedged or hedged only as a part of the total exposure. The Company does not enter into a foreign exchange derivative transactions for speculative purposes.

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(All amount are in INR lakhs, unless otherwise stated)

The following table details the foreign currency derivative contracts outstanding at the end of the reporting period:

Category of derivative instrument	Purpose of derivative instrument	Currency	Outstanding principal (in Foreign currency) As at 31 March 2024	Outstanding principal (in Foreign currency) As at 31 March 2023
Forward contacts	Hedge taken for the purpose of hedging its foreign currency exposures in trade payables	USD	11.98	6.17
Forward contacts	Hedge taken for the purpose of hedging its foreign currency exposures in trade payables	JPY	8,656.26	6,030.93
Forward contacts	Hedge taken for the purpose of hedging its foreign currency exposures in trade payables	CHF	-	0.19

## b) Interest rate risk

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

The Company enters Cross Currency Interest Rate Swaps to manage its Forex and interest rate risk, in which it agrees to exchange at specified intervals, the difference between floating and fixed rate interest amounts calculated by reference to an agreed-upon notional principal amount.

## (i) Liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. At 31 March 2024, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Company's investments in Fixed Deposits are all at fixed interest rates.

### Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

Particulars	As at 31 March 2024	As at 31 March 2023
Variable rate borrowing	2,244.57	2,719.16
Fixed rate borrowing	8,714.79	3,051.84
<b>Total borrowings</b>	<b>10,959.36</b>	<b>5,771.00</b>

### Sensitivity

Below is the sensitivity of profit or loss and equity changes in interest rates.

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Interest sensitivity*</b>		
Interest rates – increase by 50 bps basis points	11.22	13.60
Interest rates – decrease by 50 bps basis points	(11.22)	(13.60)

\* Holding all other variables constant

## (ii) Assets

The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024

(All amount are in INR lakhs, unless otherwise stated)

#### c) Equity Price risk

The Company's equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

#### 49. Capital management

##### i) The Company's capital management objectives are

The Board policy is to maintain a strong capital base so as to maintain the confidence of investor, creditor and market and to sustain future development of the business. The Board of Directors monitors the return on capital employed, as well as the level of dividends to equity shareholders. The Company manages capital risk by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary. The Company uses debt ratio as a capital management index and calculates the ratio as Net debt divided by total equity. Net debt and total equity are based on the amounts stated in the financial statements.

Particulars	As at 31 March 2024	As at 31 March 2023
Total borrowings (includes Non-Current borrowings, current borrowings and current maturities of non current borrowings)	10,959.36	5,771.00
Less : cash and cash equivalent	(7,536.45)	(4,659.93)
<b>Net debt</b>	<b>3,422.91</b>	<b>1,111.07</b>
Total equity	82,168.07	73,371.90
<b>Debt ratio</b>	<b>0.04</b>	<b>0.02</b>

##### ii) Dividend

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Dividend not recognised at the end of the reporting period:</b> Proposed final dividend per share INR 0.60 per share (31 March 2023: INR 0.50 per share to the equity shareholders of JTEKT India Limited and INR 11.68 per share to the equity shareholder of JTEKT Fuji Kiko Automotive India Limited having non-controlling interest)	1,525.68	1,794.72

50. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

#### 51. 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. The Company is in the process of updating the documentation of the international transactions entered into with the associated enterprises from April 2023 and expects such records to be in existence latest by November 2024 as required by law. 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.

As per our report of even date attached.

For **BSR & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration no.: 101248W/W-100022

**Shashank Agarwal**  
Partner  
Membership no.: 095109

For and on behalf of the Board of Directors of  
**JTEKT India Limited**

**Hitoshi Mogi**  
Chairman & Managing Director  
DIN 08741355

**Rajiv Chanana**  
Director and Chief Financial Officer  
DIN 02630192

**Hiroko Nose**  
Independent Director  
DIN 06389168

**Saurabh Agrawal**  
Company Secretary  
Membership no.: 36163

Place : Gurugram  
Date : 30 May 2024

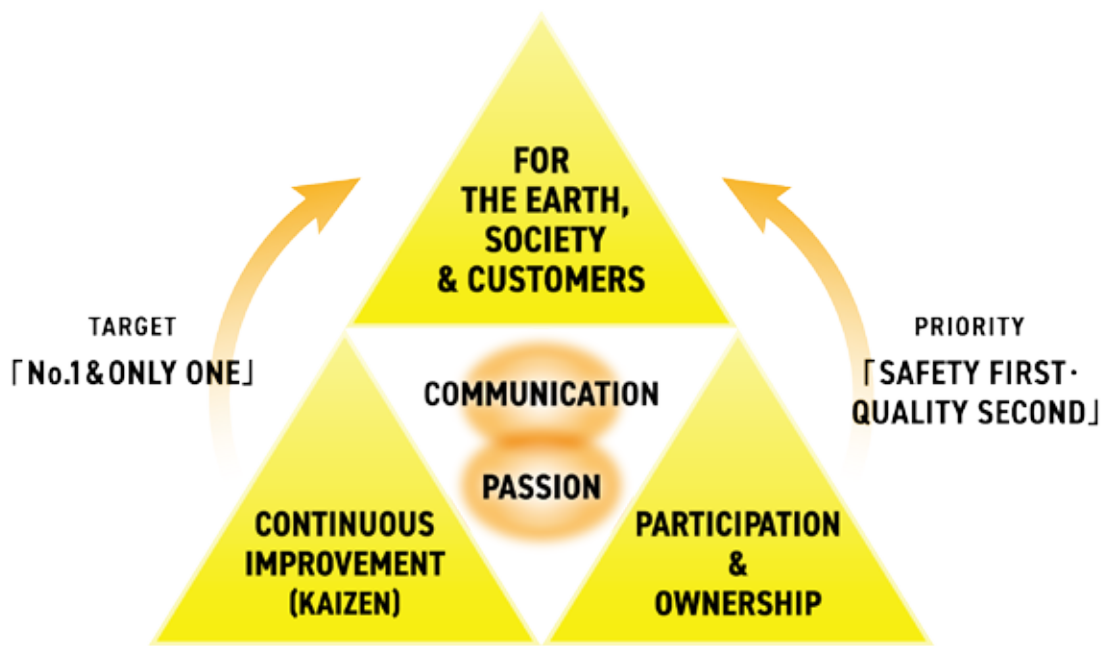
Place : Gurugram  
Date : 30 May 2024



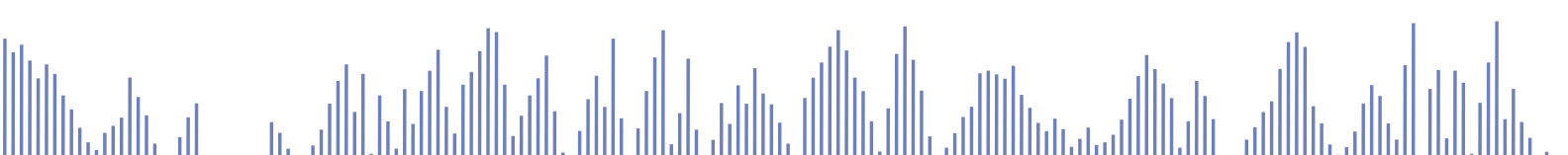




# JTEKT



## JTEKT BASIC PRINCIPLE



# JTEKT

## JTEKT INDIA LIMITED

(CIN : L29113DL1984PLC018415)

**Regd. Office:** UGF-6, Indraprakash, 21, Barakhamba Road, New Delhi 110 001, INDIA

Ph: +91 (11) 2331 1924, 2332 7205 | Website: [www.jtekt.co.in](http://www.jtekt.co.in)

# JTEKT INDIA LIMITED

(CIN : L29113DL1984PLC018415)

Regd.Office : UGF-6, Indraprakash

21, Barakhamba Road, New Delhi 110 001.

Tel.No. – 011-23311924, 23327205

Email – [investorgrievance@jtekt.co.in](mailto:investorgrievance@jtekt.co.in), Website – [www.jtekt.co.in](http://www.jtekt.co.in)

## NOTICE

Notice is hereby given that the 40<sup>th</sup> Annual General Meeting of the Members of JTEKT India Limited will be held through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) as under:

Day : Tuesday  
Date : 13<sup>th</sup> August, 2024  
Time : 11.30 AM (IST)

to transact the following business:

### ORDINARY BUSINESS

#### 1) Adoption of financial statements

To receive, consider and adopt the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2024, including audited Balance Sheet as at 31<sup>st</sup> March, 2024, the Statements of Profit and Loss and Cash Flow Statement for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.

#### 2) Declaration of dividend

To declare a final dividend of INR 0.60 per equity share for the year ended 31<sup>st</sup> March, 2024.

#### 3) Appointment of Mr. Rajiv Chanana, as a Director, liable to retire by rotation

To appoint a Director in place of Mr. Rajiv Chanana (DIN 02630192) who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS

#### 4) Appointment of Mrs. Deepika Gera as Independent Director

**To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:**

“RESOLVED THAT in accordance with the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the appointment of Mrs. Deepika Gera (DIN: 00145602), who was appointed as an Additional Director, designated as an Independent Director, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company and in respect of whom

the Company has received a notice in writing under Section 160 of the Act, proposing her candidature for the office of Director, being eligible, as an Independent Director of the Company, not liable to retire by rotation and to hold office for a term of 5 (five) consecutive years commencing from 15<sup>th</sup> May, 2024 up to 14<sup>th</sup> May, 2029, be and is hereby approved.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

#### 5) Commission to Independent Directors

**To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:**

“RESOLVED THAT in supersession of the resolution passed by the shareholders at the 39<sup>th</sup> Annual General Meeting of the Company held on 11<sup>th</sup> August 2023, pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, a sum not exceeding 1% of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Companies Act, 2013 and subject to total payments not exceeding INR 8 million per annum and also maximum of INR 2.5 million per annum per director, be paid and distributed amongst the Independent Directors, as and by way of Commission, based on criteria such as attendance at meetings of the Board / Committees of the Board, time devoted to the Company's work, the responsibilities undertaken as Chairman of various Committees / the Board, their contribution to the conduct of the Company's business etc., as may be recommended by the Nomination & Remuneration Committee and approved by the Board of Directors (such payments shall be made in addition to the sitting fees), for a period of five years, commencing from 1<sup>st</sup> April, 2024.

**RESOLVED FURTHER THAT** the quantum of commission payable to each of the Independent Directors, may be decided by the Board of Directors as it may deem fit.”

#### 6) Approval of Material Related Party Transaction with Maruti Suzuki India Limited

**To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 (“the Act”) read with Rule 15 of the

Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions, if any, of the Act, and the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and other applicable provisions of Listing Regulations, if any, approval of the members of the Company be and is hereby accorded to the Board of Directors of the Company to enter into contract(s) / agreements(s) / arrangement(s) / transaction(s), between the Company and Maruti Suzuki India Limited ("MSIL") for the transactions as given below :

- (a) sale / supply of steering systems, drive-line products and components thereof; and
- (b) related cost of tooling and development and other expenses linked with the production of aforesaid products

on such terms and conditions as specified in the explanatory statement annexed to this notice, subject to such transactions being undertaken on an arm's length basis and in the ordinary course of business of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include, unless context otherwise requires, any committee of the Board or any officer(s) authorized by the Board to exercise the powers conferred on the Board under this resolution) be and are hereby authorised, to execute, deliver and perform such agreements, contracts, deeds and other documents on an ongoing basis and deal with any matters, take necessary steps in the matter as they may in their absolute discretion deem necessary or expedient in order to give effect to this resolution."

**7) Approval of Material Related Party Transaction with JTEKT Corporation, Japan**

**To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 ("the Act") read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions, if any, of the Act, and the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and other applicable provisions of Listing Regulations, if any, approval of the members of the Company be and is hereby accorded to the Board of Directors of the Company to enter into contract(s) / agreements(s) / arrangement(s) / transaction(s), between the Company and JTEKT Corporation, Japan ("JJP") for the transactions as given below :-

- (a) technical assistance from JJP to manufacture and sell the Licensed Products (steering systems, driveline products and components thereof) as per Technical Assistance Agreement(s) and involving payment of initial royalty (development cost) and running royalty on

production and sale as per the terms of agreements and reimbursement of related expenses; and

- (b) purchase of components required in the manufacturing of Licensed Products and Tooling / Fixtures / other capital goods for use in production process

on such terms and conditions as specified in the explanatory statement annexed to this notice, subject to such transactions being undertaken on an arm's length basis and in the ordinary course of business of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include, unless context otherwise requires, any committee of the Board or any officer(s) authorized by the Board to exercise the powers conferred on the Board under this resolution) be and are hereby authorised, to execute, deliver and perform such agreements, contracts, deeds and other documents on an ongoing basis and deal with any matters, take necessary steps in the matter as they may in their absolute discretion deem necessary or expedient in order to give effect to this resolution."

Place : Registered Office:  
UGF-6, Indraprakash  
21, Barakhamba Road  
New Delhi 110 001  
Dated : 30<sup>th</sup> May, 2024

By Order of the Board of Directors  
**Saurabh Agrawal**  
**Company Secretary**  
[Membership No. – ACS-36163]

**Notes:**

- 1) The Ministry of Corporate Affairs, Government of India ("MCA") has vide its circular no. 9/2023 dated 25 September 2023, read with circulars dated 5 May 2020, 13 April 2020, 8 April 2020, 13 January 2021, 8 December 2021 and 28 December 2022 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM" or "Meeting") through Video Conferencing facility/Other Audio Visual Means ("VC/OAVM"), on or before 30<sup>th</sup> September 2024, without the physical presence of the shareholders at a common venue. In compliance with the provisions of the Companies Act, 2013 ("the Act"), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the 40<sup>th</sup> AGM of the Company is being held through VC/OAVM.
- 2) An Explanatory Statement pursuant to Section 102(1) of the Act, relating to the Business to be transacted at the AGM is annexed hereto.
- 3) Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed hereto.

- 4) Participation of Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- 5) Since the AGM will be held through VC / OAVM, the route map of the venue of the Meeting is not annexed hereto.
- 6) Details of Directors retiring by rotation / seeking appointment / re-appointment at this Meeting are provided in the "Annexure" to the Notice.
- 7) The Company has transferred the unpaid or unclaimed dividends declared up to financial years 2015-16, from time to time, to the Investor Education and Protection Fund ("IEPF") established by the Central Government.
- 8) Pursuant to the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and Amendment Rules 2017 notified by the Ministry of Corporate Affairs, the Company was required to transfer all shares in respect of which dividend has not been paid or claimed by the members for seven consecutive years or more, in the name of Investor Education and Protection Fund ("IEPF") Suspense Account. Adhering to various requirements set out in the Rules, the Company has taken appropriate action for transferring the shares to the Demat Account opened by the IEPF Authority. The Company has also uploaded details of such members whose shares are transferred to IEPF Suspense Account on its website at [www.jtekt.co.in](http://www.jtekt.co.in).
- The shares transferred to IEPF Suspense Account including all benefits accruing on such shares, if any, can be claimed by the members from IEPF Authority, after following the procedure prescribed under the Rules.
- Further, all the shareholders who have not claimed / encashed their dividends in the last seven consecutive years from 2017 are requested to claim the same. In case valid claim is not received, the Company will proceed to transfer the respective shares to the IEPF Account in terms of the IEPF Rules. In this regard, the Company has individually informed the shareholders concerned and also published notice in the newspapers as per the IEPF Rules. The details of such shareholders and shares due for transfer are uploaded on the "Investors Section" of the website of the Company viz. [www.jtekt.co.in](http://www.jtekt.co.in).
- 9) The concerned members/investors are advised to visit the website of the IEPF Authority or contact KFin Technologies Limited (hereinafter referred to as 'KFinTech'), Registrar and Transfer Agent of the Company, for detailed procedure to lodge the claim with the IEPF Authority.
- 10) The Register of Members and Share Transfer Books of the Company will remain closed from **Saturday 27<sup>th</sup> July, 2024 to Tuesday, the 13<sup>th</sup> August, 2024 (both days inclusive)**.
- 11) Subject to the provisions of Section 124 of the Act, dividend as recommended by the Board, if declared at the AGM will be paid within thirty days from the date of declaration, to those members whose names appear in the register of members/beneficial owners at the close of business hours on **Friday, 26<sup>th</sup> July, 2024**.
- 12) Final dividend of INR 0.60 per equity share of INR 1/- each for the year ended 31<sup>st</sup> March, 2024 has been recommended by the Board of Directors and subject to approval of the shareholders at the ensuing AGM, it is proposed to be paid within thirty days from the date of declaration, **only through electronic mode to those Shareholders who have updated their bank account details.**
- 13) Shareholders are requested to note that SEBI circular dated November 03, 2021, further amended by circulars dated December 14, 2021, March 16, 2023 and November 17, 2023 has mandated that the security holders holding securities in physical form and whose folio(s) are not updated with the KYC details namely PAN; Choice of Nomination; Contact Details; Mobile Number and Bank Account Details and signature, **shall be eligible for any payment including dividend, interest or redemption in respect of such folios, only through electronic mode with effect from April 01, 2024.**
- Therefore, in order to receive the amount of dividend, shareholders are requested to update the KYC details by submitting the relevant ISR forms and SH-13, duly filled in, along with self-attested supporting proofs. The forms can be downloaded from the website of the Company and Share Transfer Agent.
- 14) Physical shareholders are hereby notified that based on SEBI Circular number: SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37, dated 16<sup>th</sup> March, 2023, all holders of physical securities in listed companies shall register the postal address with PIN for their corresponding folio numbers. It shall be mandatory for the security holders to provide mobile number. Moreover, to avail online services, the security holders can register e-mail ID. Holder can register/update the contact details through submitting the requisite ISR 1 form along with the supporting documents.
- ISR 1 Form can be obtained by following the link: <https://ris.kfintech.com/clientservices/isc/default.aspx#>
  - ISR Form(s) and the supporting documents can be provided by any one of the following modes.
    - a) Through 'In Person Verification' (IPV): the authorized person of the RTA shall verify the original documents furnished by the investor and retain copy(ies) with IPV stamping with date and initials; or
    - b) Through hard copies which are self-attested, which can be shared on the address below:
 

KFIN Technologies Limited  
Selenium Building, Tower-B,  
Plot No 31 & 32, Financial District,  
Nanakramguda, Serilingampally,  
Hyderabad, Rangareddy, Telangana India - 500 032
    - c) Through electronic mode with e-sign by following the link: <https://ris.kfintech.com/clientservices/isc/default.aspx#>



Detailed FAQ can be found on the link: <https://ris.kfintech.com/faq.html>

For more information on updating the email and Mobile details for securities held in electronic mode, please reach out to the respective DP(s), where the Demat Account is being held.

- 15) As an ongoing endeavour to enhance Investor experience and leverage new technology, our registrar and transfer agents, KFIN Technologies Limited have been continuously developing new applications. Here is a list of applications that has been developed for our investors.

- **Investor Support Centre:** Members are hereby notified that our RTA, KFin Technologies Limited, based on the SEBI Circular (SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/72) dated June 08, 2023, have created an online application which can be accessed at <https://ris.kfintech.com/default.aspx#>InvestorServices>InvestorSupport>.

Members are required to register / signup, using the Name, PAN, Mobile and email ID. Post registration, user can login via OTP and execute activities like, raising Service Request, Query, Complaints, check for status, KYC details, Dividend, eMeeting and eVoting Details.

Quick link to access the signup page: <https://kprism.kfintech.com/signup>

Summary of the features and benefits are as follows:

- o The provision for the shareholders to register online.
- o OTP based login (PAN and Registered mobile number combination)
- o Raise service requests, general query, and complaints.
- o Track the status of the request.
- o View KYC status for the folios mapped with the specific PAN.
- o Quick links for SCORES, ODR, e-Meetings and eVoting.
- o Branch Locator
- o FAQ's
- **Senior Citizens investor cell:** As part of our RTA's initiative to enhance the investor experience for Senior Citizens, a dedicated cell has been newly formed to assist exclusively the Senior Citizens in redressing their grievances, complaints, and queries. The Senior Citizens wishing to avail this service can send the communication with the below details to the email id, [senior.citizen@kfintech.com](mailto:senior.citizen@kfintech.com).

Senior Citizens (above 60 years of age) have to provide the following details:

- o ID proof showing Date of Birth
- o Folio Number
- o Company Name
- o Nature of Grievance

The cell closely monitors the complaints coming from Senior Citizens through this channel and assists them at every stage of processing till closure of the grievance.

- **Online PV :** In today's ever-changing dynamic digital landscape, security, foolproof systems and efficiency in identity verification are paramount. We understand the need to protect the interests of you (shareholders) and also comply with KYC standards. Ensuring security and KYC compliance is paramount of importance in today's remote world. Digital identity verification, using biometrics and digital ID document checks, helps combat fraud, even when individuals aren't physically present. To counteract common spoofing attempts, we engage in capturing liveness detection and facial comparison technology.

We are excited to announce that our RTA has introduced an Online Personal Verification (OPV) process, based on liveness detection and document verification.

Key Benefits:

- o A fully digital process, only requiring internet access and a device.
- o Effectively reduces fraud for remote and unknown applicants.
- o Supports KYC requirements.

Here's how it works:

- o Users receive a link via email and SMS.
- o Users record a video, take a selfie, and capture an image with their PAN card.
- o Facial comparison ensures the user's identity matches their verified ID (PAN).

- **WhatsApp :** Shareholders can use WhatsApp Number: (91) 910 009 4099 to avail bouquet of services.

- 16) Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of the shareholders w.e.f. 1<sup>st</sup> April 2020 and the Company is required to deduct tax at source ("TDS") from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 ("the IT Act"). In general, to enable compliance with TDS requirements, Members are requested to complete and / or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants or in case shares are held in physical form, with the Company by sending email to the Company's email address at [investorgrievance@jtekt.co.in](mailto:investorgrievance@jtekt.co.in). For details, Members may refer to the "Communication on TDS on Dividend Distribution" appended to this Notice of 40<sup>th</sup> Annual General Meeting.
- 17) As mandated by the Securities and Exchange Board of India ("SEBI") securities of the Company can be transferred / traded only in dematerialised form. Members holding shares in physical form are advised to avail of the facility of dematerialisation.
- 18) SEBI vide Circular no. SEBI/HO/OIAE/OIAE\_IAD-1/P/CIR/2023/131 dated 31<sup>st</sup> July 2023 (updated as on 4<sup>th</sup> August 2023) has specified that a shareholder shall first take up his / her / their grievance with the listed entity by lodging a complaint

directly with the concerned listed entity and if the grievance is not redressed satisfactorily, the shareholder may, in accordance with the SCORES guidelines, escalate the same through the SCORES Portal in accordance with the process laid out therein. Only after exhausting all available options for resolution of the grievance, if the shareholder is not satisfied with the outcome, he / she / they can initiate dispute resolution through the Online Dispute Resolution (“ODR”) Portal. Shareholders are requested to take note of the same. The aforesaid SEBI Circular and process can be viewed at <https://www.jtekt.co.in/Online-Dispute-Resolution.aspx>.

- 19) Non-Resident Indian members are requested to inform KFinTech / respective DPs, immediately of:
  - a) Change in their residential status, if any.
  - b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
- 20) Electronic copy of all relevant documents referred to in the accompanying Notice of the 40<sup>th</sup> Annual General Meeting and the Explanatory Statement shall be available for inspection in the Investor Section of the website of the Company at [www.jtekt.co.in](http://www.jtekt.co.in).
- 21) During 40<sup>th</sup> AGM, Members may access the scanned copy of Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013, upon Log-in to KFinTech e-Voting system at <https://evoting.kfintech.com>.

#### DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE:

- 1) In compliance with the relevant Circulars issued by MCA / SEBI, Notice of the AGM along with the Annual Report 2023-24 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories. Members may note that the Notice and Annual Report 2023-24 will also be available on the Company's website [www.jtekt.co.in](http://www.jtekt.co.in), websites of the Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of Company's Registrar and Transfer Agent, KFin Technologies Limited (“KFinTech”) at <https://evoting.kfintech.com>.
- 2) For receiving all communication (including Annual Report) from the Company electronically :
  - a) Members holding shares in physical mode and who have not registered / updated their e-mail address with the Company are requested to register / update the same by writing to the Company / KFinTech with details of folio number and attaching a self-attested copy of PAN card.
  - b) Members holding shares in dematerialised mode are requested to register / update their e-mail address with the relevant Depository Participant.

#### PROCEDURE FOR JOINING THE AGM THROUGH VC / OAVM:

- 1) Members will be provided with a facility to attend the AGM through VC / OAVM platform provided by KFinTech. Members may access the same at <https://emeetings.kfintech.com/> by using the e-voting login credentials provided in the email received from the Company / KFinTech. After logging in, click on the Video Conference tab and select the E-voting Event Number (EVEN) of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions.
- 2) Members are encouraged to join the Meeting through Laptops/Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.
- 3) Members will be required to grant access to the webcam to enable VC / OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- 4) Members who would like to express their views or ask questions during the AGM may register themselves by logging on to <https://emeetings.kfintech.com> and clicking on the ‘Speaker Registration’ option available on the screen after log in. The Speaker Registration facility will be available, during 9<sup>th</sup> August, 2024 to 10<sup>th</sup> August, 2024. Only those members who are registered will be allowed to express their views or ask questions. The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the AGM.
- 5) Shareholders who would like to express their views / ask questions during the meeting may log on to <https://emeetings.kfintech.com> and click on ‘Post your Queries’ may post their queries/views/questions in the window provided by mentioning the name, demat account number/folio number, email id, mobile number. Please note that queries / questions only of those members will be answered who are holding the shares of the Company as on the cut-off date.
- 6) Members will be allowed to attend the AGM through VC / OAVM on first come, first served basis.
- 7) Institutional / corporate Members (i.e. other than Individuals, HUFs, NRIs, etc.) are required to send the Board Resolution / Power of Attorney / Authority Letter, etc., together with attested specimen signature(s) of the duly authorised representative(s), to Mr. Krishna Kumar Singh, Scrutinizer, at e-mail id: [kksinghcs@gmail.com](mailto:kksinghcs@gmail.com) with a copy marked to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com). Such authorisation shall contain necessary authority in favour of its authorised representative(s) to attend the AGM.
- 8) Facility to join the meeting shall be opened fifteen minutes before the scheduled time of the AGM and shall be kept open throughout the proceedings of the AGM.

- 9) Members who need assistance before or during the AGM, can contact KFinTech on einward.ris@kfintech.com or call on toll free numbers 1800-309-4001. Kindly quote your name, DP ID-Client ID / Folio no. and e-voting Event Number in all your communications.
- 10) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the AGM.
- 11) Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM.

**PROCEDURE FOR REMOTE E-VOTING AND E-VOTING AT THE AGM (INSTA POLL):**

**1) E-Voting Facility**

- a) Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, as amended, and Regulation 44 of SEBI Listing Regulations read with circular of SEBI on e-voting facility provided by Listed Entities, dated 9<sup>th</sup> December, 2020, the Company is providing to its members, the facility to exercise their right to vote on resolutions proposed to be passed at AGM by electronic means. Members may cast their votes remotely, using an electronic voting system on the dates mentioned herein below ('remote e-voting').

Further, the facility for voting through electronic voting system will also be made available at the Meeting ("Insta Poll") and members attending the Meeting who have not cast their vote(s) by remote e-voting will be able to vote at the Meeting through Insta Poll.

The Company has engaged the services of KFinTech as the agency to provide remote e-voting facility.

- b) The manner of voting, including voting remotely by (i) individual shareholders holding shares of the Company in demat mode, (ii) shareholders other than individuals holding shares of the Company in demat mode, (iii) shareholders holding shares of the Company in physical mode, and (iv) Members who have not registered their e-mail address, in the remote e-voting instructions.

The remote e-voting facility will be available during the following voting period:

• <b>Commencement of remote e-voting</b>	: 9:00 a.m. on 10 <sup>th</sup> August, 2024
• <b>End of remote e-voting</b>	: 5:00 p.m. on 12 <sup>th</sup> August, 2024

The remote e-voting will not be allowed beyond the aforesaid date and time and the remote e-voting module shall be forthwith disabled by KFinTech upon expiry of the aforesaid period.

- c) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e., 6<sup>th</sup> August, 2024 only shall be entitled to avail the facility of remote e-voting or for participation at the AGM and voting through Insta Poll. A person who is not a member as on the cut-off date, should treat the Notice for information purpose only. Voting rights of a member / beneficial owner (in case of electronic shareholding) shall be in proportion to his share in the paid-up equity share capital of the Company as on the cut-off date.
- d) The Board of Directors of the Company has appointed Mr. Krishna Kumar Singh, Practicing Company Secretary (Membership No. F8493) or failing him Mr. Vipin Shukla, Practicing Company Secretary (Membership No. F6798), as Scrutiniser to scrutinise the remote e-voting and Insta Poll process in a fair and transparent manner and they have communicated their willingness to be appointed and will be available for the said purpose.

**2) Information and instructions for remote e-voting**

- a) The members who have cast their vote(s) by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote(s) again at the Meeting.
- b) Once the vote on a resolution is cast by a member, whether partially or otherwise, the member shall not be allowed to change it subsequently or cast the vote again.
- c) A member can opt for only single mode of voting per EVEN, i.e., through remote e-voting or voting at the Meeting (Insta Poll). If a member casts vote(s) by both modes, then voting done through remote e-voting shall prevail and vote(s) cast at the Meeting shall be treated as "INVALID".

**3) Remote E-Voting**

- a) [Information and instructions for remote e-voting by individual shareholders holding shares of the Company in Demat Mode](#)

As per circular of SEBI on e-voting facility provided by Listed Entities, dated December 9, 2020, all "individual shareholders holding shares of the Company in demat mode" can cast their vote, by way of a single login credential, through their demat accounts / websites of Depositories / Depository Participants. The procedure to login and access remote e-voting, as devised by the Depositories / Depository Participant(s), is given below:

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<p><b>1. User already registered for IDeAS facility of NSDL:</b></p> <ul style="list-style-type: none"> <li>i) Visit URL: <a href="https://eservices.nSDL.com">https://eservices.nSDL.com</a></li> <li>ii) Click on the 'Beneficial Owner' icon under Login under 'IDeAS' section.</li> <li>iii) A new page will open. Enter your User ID and Password for accessing IDeAS.</li> <li>iv) On successful authentication, you will enter your IDeAS service login. Click on 'Access to e-Voting' under 'Value Added Services' on the panel available on the left hand side.</li> <li>v) Click on 'Active E-Voting Cycles' option under E-Voting.</li> <li>vi) You will see Company Name 'JTEKT India Limited' on the next screen. Click on the e-Voting link available against JTEKT India Limited or select e-Voting service provider 'KFinTech' and you will be re-directed to the e-Voting page of KFinTech to cast your vote without any further authentication.</li> </ul> <hr/> <p><b>2. User not registered for IDeAS e-services facility of NSDL:</b></p> <ul style="list-style-type: none"> <li>i) To register click on link : <a href="https://eservices.nSDL.com">https://eservices.nSDL.com</a></li> <li>ii) Select 'Register Online for IDeAS' or click at <a href="https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>iii) Proceed with completing the required fields.</li> <li>iv) After successful registration, please follow steps given in points 1 above to cast your vote.</li> </ul> <hr/> <p><b>3. Alternatively by directly accessing the e-voting website of NSDL:</b></p> <ul style="list-style-type: none"> <li>i) Open URL: <a href="https://www.evoting.nSDL.com/">https://www.evoting.nSDL.com/</a></li> <li>ii) Click on the icon 'Login' which is available under 'Shareholder/Member' section.</li> <li>iii) A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen.</li> <li>iv) On successful authentication, you will enter the e-voting module of NSDL. Click on 'Active E-voting Cycles / VC or OAVMs' option under E-voting. You will see Company Name: 'JTEKT India Limited' on the next screen. Click on the e-voting link available against JTEKT India Limited or select e-voting service provider 'KFinTech' and you will be re-directed to the e-voting page of KFinTech to cast your vote without any further authentication.</li> </ul>
Individual Shareholders holding securities in demat mode with CDSL	<p><b>1. Existing user who have opted for Easi / Easiest facility of CDSL:</b></p> <ul style="list-style-type: none"> <li>i) Visit URL: <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>ii) Click on New System Myeasi / Login to My Easi option under Quick Login</li> <li>iii) Login with your registered user id and password.</li> <li>iv) You will see the Company name 'JTEKT India Limited' on the next screen. Click on the e-voting link available against JTEKT India Limited or select e-voting service provider 'KFinTech' and you will be re-directed to the e-voting page of KFinTech to cast your vote without any further authentication</li> </ul> <hr/> <p><b>2. User not registered for Easi/Easiest facility of CDSL:</b></p> <ul style="list-style-type: none"> <li>i) Option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>ii) Proceed with completing the required fields.</li> <li>iii) After successful registration, please follow steps given in point 1 above to cast your vote.</li> </ul> <hr/> <p><b>3. Alternatively, by directly accessing the e-voting website of CDSL:</b></p> <ul style="list-style-type: none"> <li>i) Visit URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>ii) Provide your demat Account Number and PAN.</li> <li>iii) System will authenticate user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account.</li> <li>iv) On successful authentication, you will enter in the e-voting module of CDSL. Click on the e-voting link available against JTEKT India Limited or select e-voting service provider 'KFinTech' and you will be re-directed to the e-voting page of KFinTech to cast your vote without any further authentication.</li> </ul>

Type of Shareholders	Login Method
Individual Shareholder login through their demat accounts / Website of Depository Participant	i) You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-voting facility. ii) Once logged-in, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-voting feature. iii) Click on options available against company name JTEKT India Limited or e-voting service provider – KFinTech and you will be redirected to e-voting website of KFinTech for casting your vote during the remote e-voting period without any further authentication.

**Important note:** Members who are unable to retrieve User ID / Password are advised to use Forgot User ID and Forgot Password option available at respective websites.

Individual Shareholders holding shares in demat mode who need assistance for any technical issues related to login through Depositories i.e. NSDL and CDSL may reach out to below helpdesk:

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: <b>022-48867000 and 022-24997000.</b>
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at <b>1800 22 55 33.</b>

b) [Information and instructions for remote e-voting by \(i\) Shareholders other than individuals holding shares of the Company in Demat mode and \(ii\) All Shareholders holding shares in physical mode](#)

**I) In case a member receives an e-mail from the Company / KFinTech [for members whose e-mail addresses are registered with the Company / Depository Participant(s)]:**

- i) Launch internet browser by typing the URL: <https://evoting.kfintech.com>
- ii) Enter the login credentials (User ID and password given in the e-mail). The E-Voting Event Number+Folio No. or DP ID Client ID will be your User ID. However, if you are already registered with KFinTech for e-voting, you can use the existing password for logging in. If required, please visit <https://evoting.kfintech.com> or contact toll-free number 1800-309-4001 (from 9:00 a.m. to 6:00 p.m.) for assistance on your existing password.
- iii) After entering these details appropriately, click on "LOGIN".
- iv) You will now reach Password Change Menu wherein you are required to mandatorily change your password upon logging-in

for the first time. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,\$,etc.). The system will prompt you to change your password and update your contact details like mobile number, e-mail address, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

- v) You need to login again with the new credentials.
- vi) On successful login, the system will prompt you to select the E-Voting Event Number (EVEN) for JTEKT India Limited.
- vii) On the voting page, enter the number of shares as on the cut-off date under either "FOR" or "AGAINST" or alternatively, you may partially enter any number under "FOR" / "AGAINST", but the total number under "FOR" / "AGAINST" taken together should not exceed your total shareholding as on the cut-off date. You may also choose to "ABSTAIN" and vote will not be counted under either head.
- viii) Members holding shares under multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
- ix) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as "ABSTAINED".
- x) You may then cast your vote by selecting an appropriate option and click on "SUBMIT".
- xi) A confirmation box will be displayed. Click "OK" to confirm, else "CANCEL" to modify.
- xii) Once you confirm, you will not be allowed to modify your vote.



- xiii) Corporate / Institutional Members (i.e., other than Individuals, HUFs, NRIs, etc.) are also required to send legible scanned certified true copy (in PDF Format) of the Board Resolution / Power of Attorney / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutiniser at e-mail id: kksinghcs@gmail.com. It is also requested to upload the same in the e-voting module in their login. The naming format of the aforesaid legible scanned document shall be "Corporate Name EVENT NO."

**II) In case a person has become a member of the Company after dispatch of AGM Notice, but on or before the cut-off date for e-voting, i.e., Tuesday, 06<sup>th</sup> August, 2024 or any member who has forgotten the User ID and Password, such person(s) may obtain the User ID and Password from KFinTech in the manner as mentioned below:**

- i) If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com>, the member may click 'Forgot Password' and enter Folio No. or DP ID Client ID and PAN to generate a password.
- ii) Member who may require any technical assistance or support before or during the AGM are required to contact KFinTech's toll-free number 1-800-309-4001 (from 9:00 a.m. to 6:00 p.m.) or write to them at [inward.ris@kfintech.com](mailto:inward.ris@kfintech.com).

In case of any query, you may refer the Frequently Asked Questions (FAQs) for members and e-voting User Manual available at the 'download' section of <https://evoting.kfintech.com>.

**4) Information and Instructions for members for e-voting during the AGM session (Insta Poll):**

- a) During the AGM proceedings, upon instructions of the Chairman, the e-voting 'Thumb sign' on the left hand corner of the video screen shall be activated. Shareholders shall click on the same to take them to the 'Insta Poll' page.
- b) Members to click on the 'Insta Poll' icon to reach the resolution page and follow the instructions to vote on the resolutions.
- c) Only those shareholders, who are present in the AGM and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.

The Scrutiniser will, after the conclusion of e-voting at the Meeting, scrutinise the votes cast at the Meeting (Insta

Poll) and votes cast through remote e-voting, make a consolidated Scrutiniser's Report and submit the same to the Chairman. The result of e-voting will be declared within two working days of the conclusion of the Meeting and the same, along with the consolidated Scrutiniser's Report, will be placed on the website of the Company: [www.jtekt.co.in](http://www.jtekt.co.in) and on the website of KFinTech at: <https://evoting.kfintech.com>. The result will simultaneously be communicated to the stock exchanges.

Subject to receipt of requisite number of votes, the Resolutions proposed in the Notice shall be deemed to be passed as per the provision of applicable law.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013.**

**Resolution No. 4**

Keeping in view the recommendation of the Nomination & Remuneration Committee, the Board of Directors of the Company has appointed Mrs. Deepika Gera (DIN 00145602) as an Additional Director, in the capacity of an Independent Director of the Company, not liable to retire by rotation, subject to consent by the Members of the Company at the ensuing Annual General Meeting.

As an Additional Director, Mrs. Deepika Gera holds office till the date of the Annual General Meeting and is eligible for being appointed as an Independent Director. As required by Section 160 of the Act, a notice has been received proposing the appointment of Mrs. Deepika Gera as Director of the Company. The Company has also received a declaration from Mrs. Deepika Gera confirming that she meets the criteria of independence as prescribed under the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). Mrs. Deepika Gera is also not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director of the Company. In the opinion of the Board, Mrs. Deepika Gera fulfills the conditions for her appointment as an Independent Director as specified in the Act and the Listing Regulations and she is independent of the management.

Mrs. Deepika Gera does not hold by herself or for any other person on a beneficial basis, any shares in the Company. Mrs. Deepika Gera is not related to any other Director and Key Managerial Personnel of the Company.

The Board considers that her association would be of immense benefit to the Company and it is desirable to avail services of Mrs. Deepika Gera as an Independent Non-Executive Director. Accordingly, the Board recommends the resolution in relation to appointment of Mrs. Deepika Gera as an Independent Director for a period of five (5) years with effect from 15<sup>th</sup> May, 2024, for the approval by the members of the Company.

Except Mrs. Deepika Gera, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the accompanying Notice.

This Explanatory Statement together with the accompanying Notice may also be regarded as a disclosure under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.



Brief resume and other details of Mrs. Deepika Gera are provided in annexure to this Notice pursuant to the provision of Listing Regulations and Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

The terms and condition of appointment of the Independent Director are uploaded on the website of the Company <https://www.jtekt.co.in> and is available for inspection.

The Board recommends the resolution as set out in item no. 4 of this Notice for approval of members.

**Resolution No. 5**

The Board of Directors of the Company has an optimum combination of Executive, Non-Executive and Independent Directors. The Independent Directors of your Company bring with them significant professional expertise and rich experience across a wide spectrum of functional areas such as corporate strategy, information systems, and finance. The Board is of the view that it is necessary that adequate compensation be given to the Independent Directors so as to compensate them for their time and efforts.

The shareholders of the Company have at the Annual General Meeting held on 11th August, 2023, accorded their consent for payment of commission on profits to the Independent Directors of the Company at a rate not exceeding 1 (one) per cent of the net profits of the Company in any fiscal year computed in the manner laid down in Section 198 of the Companies Act, 2013.

Pursuant to provisions of Sections 149, 197 and any other relevant provisions of the Act, Listing Regulations and the Nomination & Remuneration Policy of the Company and taking into account the participation of the directors in Board and Committee meetings, roles and responsibilities of the directors, the Board of Directors in its meeting held on 15<sup>th</sup> May, 2024 on the recommendation of Nomination and Remuneration Committee as well as aiming to adopt best practices in corporate governance and aligning with current market standards, recommended that a sum within the limit of 1% of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Companies Act, 2013 and subject to total payments not exceeding INR 8 million per annum and maximum of INR 2.5 million per annum per director, be paid and distributed amongst the Independent Directors of the Company, as commission, for a period of five years commencing from 1<sup>st</sup> April, 2024.

The quantum of commission payable per annum as a whole to the Independent Directors and individually to each Independent Director would be determined and recommended by the Nomination and Remuneration Committee and approved by the Board from time to time. The quantum of commission payable, if any, to an individual Independent Director would, inter-alia, depend upon the attendance at Board / Committee meetings, the time devoted to Company work, etc.

This amount shall be in addition to the fee payable to the Independent Directors for attending the meetings of the Board or Committees thereof or for any other purpose whatsoever as may be decided by the Board, and reimbursement of expenses for participation in the Board and other meetings.

Accordingly, approval of the Shareholders is sought by way of a Special Resolution under the applicable provisions of the Companies Act, 2013,

for payment of remuneration by way of commission to the Independent Directors of the Company, for a period of five years commencing from 1<sup>st</sup> April 2024 as set out in the resolution at item no. 5 of the Notice.

All Independent Directors of the Company are concerned and interested in this resolution to the extent of their share, if any, in the profits of the Company.

The Board recommends the resolution as set out in item no. 5 of this Notice for approval of members.

**Resolution No. 6**

The members may note that provisions of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") defines a "material related party transaction" as transaction to be entered into individually or taken together with previous transactions during a financial year by the Company, which exceeds INR 1,000 crore or 10% of annual consolidated turnover of the listed entity, whichever is lower, as per last audited financial statements of the listed entity. Further, such "material related party transactions" require prior approval of shareholders of the Company.

SEBI vide Circular No. SEBI/HO/CFD/CMD1/CIR/P/2022/40 dated March 30, 2022 and vide SEBI/HO/CFD/CMD1/CIR/P/2022/47 dated April 8, 2022 (hereinafter collectively referred to as "SEBI Circulars") had, inter-alia, clarified that the shareholders' approval of omnibus related party transactions approved in an Annual General Meeting shall be valid up to the date of the next Annual General Meeting for a period not exceeding fifteen months. SEBI had also clarified that in case of omnibus approvals for material related party transactions obtained from shareholders in General Meeting other than Annual General Meeting, the validity of such approvals shall not exceed one year. Pursuant to the provisions of the said Circulars of SEBI, it is proposed to seek approval from the shareholders of the Company for "material related party transactions" by the Company as mentioned hereinunder.

Your Company is engaged in the manufacture of steering systems and driveline products mainly for the passenger vehicle segment in the automobile sector. Your Company, over the years, has established itself as a reliable supplier of high quality steering and driveline products and currently supplies to major OEMs in India including Maruti Suzuki, Toyota Kirloskar, Mahindra & Mahindra, Tata Motors, Renault-Nissan, Stellantis (Fiat + PCA), Club Car, Ezgo, Peugeot Societe Anonyme (PSA) and Isuzu. Maruti Suzuki India Limited ("MSIL") is the market leader in the automobile sector with market share of around 40% in the passenger vehicle segment. Your Company is one of the major suppliers to MSIL and typically meets around 50% of MSIL's requirements of steering systems. Considering MSIL is the largest customer of the Company, the aforesaid related party transaction with MSIL is not only crucial but also critical for survival and growth of the business of the Company.

MSIL being shown as co-promoter of the Company, currently holds 5.43% of the equity shares in the capital of the Company. The interest of MSIL in the Company is limited to the extent of MSIL's shareholding in the Company.

It may be noted that the shareholders of the Company, in the last Annual General Meeting held on 11th August, 2023, had approved related party transactions with MSIL up to an overall aggregate value of INR 3500 crores. It is proposed to seek Shareholders' approval for related party transactions with MSIL at the same level of INR 3500 crores, up to the date of next Annual General Meeting of the Company.

The brief particulars of the material related party contracts and / or transactions and / or arrangements entered / to be entered into by the Company with MSIL and corresponding approval required are as under:

Particulars	Information
Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise).	<p>Maruti Suzuki India Limited ("MSIL")</p> <p>MSIL is the co-promoter of the Company and holds 5.43% of equity shares in the capital of the Company.</p>
Type, material terms and particulars of the proposed transaction.	<p>The transactions are in relation to sale, supply of steering systems, drive-line products and components thereof, related cost of tooling and development and other expenses linked with the production of these products. The transactions, including proposed transactions, will be on an arm's length basis and in the ordinary course of business.</p>
Rationale for transaction.	<p>MSIL is the largest customer for the Company. Over the years, the Company has established itself as one of the major suppliers of steering systems and currently MSIL procures around 50% of its total requirements of steering systems from the Company. The Company works continuously to gain additional share of business of MSIL by competing with other vendors of this product. MSIL is the leader in passenger and utility vehicle segment and hence association with MSIL is not only crucial but critical for the survival and growth of the business of the Company, as sale to MSIL usually constitutes approx. 50% to 60% of the total sales of the Company.</p> <p>Transactions with MSIL depend upon several factors such as market growth, share of business, performance of new products launched by the company, performance of new vehicles launched by MSIL, new product development reimbursements and other factors.</p> <p>The Industry achieved a growth of 7% in Passenger vehicle segment for FY 2023-24 despite a high base effect due to last year exceptional growth. JTEKT India Limited even exceeded the industry growth and achieved a sales growth of 10%.</p> <p>In addition, the company has started supplying a new product Constant Velocity Joints to Maruti Suzuki and we expect it's volume to increase. A limit of INR 3500 crores is being requested to ensure due compliance in case the Industry experience a similar level of growth in current and next year since the current approval shall be valid till next Annual General Meeting.</p> <p>However, transactions to be executed shall be in the ordinary course of business and shall be similar to transactions executed over the last 3 years as mentioned below.</p>
Tenure of the proposed transaction (particular tenure shall be specified).	<p>As per Industry practice the agreements executed between MSIL and the Company are long term and of ongoing nature unless terminated by the parties otherwise, however, the resolution will be valid for a period of one year in accordance with SEBI Circular number SEBI/HO/CFD/CMD1/CIR/P/2022/47 dated April 8, 2022.</p>
Pricing and financial arrangements.	<p>The arrangement between the Company and MSIL is on a non-exclusive basis and therefore the parties would be free to enter into similar contracts with other parties if there is an associated cost benefit, subject to necessary approvals.</p> <p>The settlement of price follows a commercial process of RFQ (request for quotation by MSIL), filing of quotations by the Company and final award of business based on pricing and other parameters.</p> <p>Pricing for products is hence on an arm's-length basis and in the ordinary course of business.</p>
Value of the proposed transaction.	<p>INR 3500 crores per annum plus applicable taxes in force.</p>
The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a related party transaction involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided).	<p>The value of related party transactions of INR 1395.02 crores executed between the Company and MSIL during financial year 2023-24 accounted for 62.64% of the turnover of the Company for financial year 2023-24. The proposed limit of INR 3500 crores is based on business forecast as well as to provide for any additional demand based on promising market conditions. The said proposed limit of INR 3500 crores is 157.15% of the turnover of the Company for the financial year 2023-24.</p>

Particulars	Information																
Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed related party transaction on a voluntary basis.	The proposed limit of INR 3500 crores is equivalent to 2.48% of the consolidated turnover of MSIL for the financial year 2023-24.																
Details of transactions executed in the last three years	(INR/lakhs)																
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Nature of Transactions</th> <th style="text-align: right;">FY 2021-22</th> <th style="text-align: right;">FY 2022-23</th> <th style="text-align: right;">FY 2023-24</th> </tr> </thead> <tbody> <tr> <td>Sale / Supply of steering systems, drive line products and components thereof</td> <td style="text-align: right;">115,689</td> <td style="text-align: right;">140,074</td> <td style="text-align: right;">139,501</td> </tr> <tr> <td>Related cost of tooling and development cost and other expenses</td> <td style="text-align: right;">5</td> <td style="text-align: right;">1,276</td> <td style="text-align: right;">0</td> </tr> <tr> <td><b>Total Related Party Transactions</b></td> <td style="text-align: right;"><b>115,694</b></td> <td style="text-align: right;"><b>141,350</b></td> <td style="text-align: right;"><b>139,501</b></td> </tr> </tbody> </table>	Nature of Transactions	FY 2021-22	FY 2022-23	FY 2023-24	Sale / Supply of steering systems, drive line products and components thereof	115,689	140,074	139,501	Related cost of tooling and development cost and other expenses	5	1,276	0	<b>Total Related Party Transactions</b>	<b>115,694</b>	<b>141,350</b>	<b>139,501</b>
Nature of Transactions	FY 2021-22	FY 2022-23	FY 2023-24														
Sale / Supply of steering systems, drive line products and components thereof	115,689	140,074	139,501														
Related cost of tooling and development cost and other expenses	5	1,276	0														
<b>Total Related Party Transactions</b>	<b>115,694</b>	<b>141,350</b>	<b>139,501</b>														
	In addition to above transactions of expense & revenue, Company paid dividend of INR 69 lakh in FY 2023-24																

Mr. Taku Sumino, a nominee director of MSIL on the Board of Company may be deemed to be interested in the enabling resolution. Except to the extent mentioned hereinabove, none of the other Directors and/or Key Managerial Personnel(s) or their relatives are in any way concerned or interested in the resolution.

Further, in terms of Regulation 23 of the Listing Regulations, all entities falling within the definition of related parties under the Listing Regulations shall not vote to approve the relevant transactions irrespective of whether such entities are a party to the particular transaction or not. Accordingly, related parties of the Company shall not vote to approve the aforesaid resolution under Resolution No. 6.

The resolution is accordingly recommended for members' approval.

#### Resolution No. 7

The members may note that the provisions of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") defines a "material related party transaction" as transaction to be entered into individually or taken together with previous transactions during a financial year by the Company, which exceeds INR 1,000 crore or 10% of annual consolidated turnover of the listed entity, whichever is lower, as per last audited financial statements of the listed entity. Further, such "material related party transactions" require prior approval of shareholders of the Company.

SEBI vide Circular No. SEBI/HO/CFD/CMD1/CIR/P/2022/40 dated March 30, 2022 and vide SEBI/HO/CFD/CMD1/CIR/P/2022/47 dated April 8, 2022 (hereinafter collectively referred to as "SEBI Circulars") had, inter-alia, clarified that the shareholders' approval of omnibus related party transactions approved in an Annual General Meeting shall be valid up to the date of the next Annual General Meeting for a period not exceeding fifteen months. SEBI had also clarified that in case of omnibus approvals for material related party transactions obtained from shareholders in General Meeting other than Annual General Meetings, the validity of such approvals shall not exceed one year. Pursuant to the provisions of said Circular of SEBI, it is proposed to seek approval from the shareholders of the Company for "material related party transactions" by the Company as mentioned hereinunder.

JTEKT Corporation, Japan (JJP) is engaged in the manufacture of steering systems, driveline systems and bearings and its components

and owns valuable technique and know-how for manufacturing of such products through research, development and experience for many years. JJP is a world leader in steering technology and holds more than 25% of global market share in steering.

Steering systems are safety components and faulty design or product may lead to fatal accidents and therefore the production of these systems require a high degree of quality assurance. JJP provides to the Company:

- (i) Technical know-how on design covering (a) Assembly drawing of the License Products and; (b) Component parts drawing of the License Products.
- (ii) Technical know-how on manufacturing techniques including (a) working diagram, (b) drawing of cutting tool and inspection jig, (c) quality control process list, (d) inspection standards, (e) specifications for inspection equipment, (f) drawing or specifications of measurement machine; and (g) specifications for testing machine and performance test as per the requirement of each specific product developed and manufactured in India by the Company.

Almost 81 percent of the products sold by the Company are manufactured using the technology provided by JJP to the Company. Therefore, the technical know-how provided by JJP to the Company is crucial for the survival and growth of the business of the Company.

The shareholders of the Company, in the last Annual General Meeting held on 11th August, 2023, had approved related party transactions with JJP up to an overall aggregate limit of INR 350 Crores. It is proposed to now seek Shareholders' approval for related party transactions with JJP up to an overall aggregate value of INR 450 crores up to the date of next Annual General Meeting of the Company.

The proposed limit of INR 450 crores is based on business forecast as well as to provide for any additional demand from our customer, based on promising market conditions.

The brief particulars of the material related party contracts and / or transactions and / or arrangements entered / to be entered into by the Company with JJP and corresponding approval required are as under:

Particulars	Information
Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise).	<p>JTEKT Corporation, Japan (JJP)</p> <p>The Company first entered into a technical collaboration agreement with JJP for the manufacture of steering systems in the year 1985, which has been extended from time to time by adding new products.</p> <p>In the year 2017, JJP acquired shares from the Indian Promoter of the Company as well as from general public. Currently JJP is the largest Promoter of the Company and it holds 65.70% in the equity shares of the Company.</p> <p>Since 1985, JJP has been the technical collaborator of the Company and approx. 81% of the products sold by the Company are manufactured using the technology provided by JJP to the Company.</p>
Type, material terms and particulars of the proposed transaction.	<p>Technical assistance from JJP to manufacture and sell the Licensed Products (steering systems, driveline products and components thereof) as per Technical Assistance Agreement and involving payment of initial royalty (development cost) and running royalty on production and sale as per the terms of agreement and reimbursement of related expenses.</p> <p>Purchase of components required in the manufacturing of Licensed Products and tooling / fixtures / other capital goods for use in production process.</p> <p>The transactions will be on an arm's length basis and in the ordinary course of business.</p>
Rationale for transaction.	<p>JJP has been engaged in the manufacture of steering systems, driveline systems and bearings and its components, and owns valuable technique and know-how for manufacturing of such products through research, development and experience for many years. JJP is a world leader in steering technology and holds more than 25% of global market share of steering.</p> <p>The availability of high quality of technical knowledge enables the Company to demonstrate its manufacturing strength and win new business, thereby leading to growth. This aspect is common in the steering component industry and all players need to demonstrate this technical capability to stay competitive in the Indian as well as global markets.</p> <p>JJP provides technical support in the development of new products and supports in the manufacturing operations by providing critical components. Considering Industry growth over the last two years, we expect increase in production volumes requiring increase in import of components. An increase in limit from INR 350 crores to INR 450 crores has been requested to ensure due compliance in case the Industry experience a similar level of growth in current and next year since the current approval shall be valid till next Annual General Meeting.</p>
Tenure of the proposed transaction (particular tenure shall be specified).	As per Industry practice the agreements executed between JJP and the Company are long term and of ongoing nature unless terminated by the parties otherwise, however the resolution will be valid for a period of one year in accordance with SEBI Circular number SEBI/HO/CFD/CMD1/CIR/P/2022/47 dated April 8, 2022.
Pricing and financial Arrangements.	Pricing for products will be based on an arm's-length transfer price established by the parties. The purchase price is based on a mix of fixed, variable and pass-through costs and benchmarked margins for different activities based on transfer pricing principles.
Value of the proposed transaction.	INR 450 crores per annum plus applicable taxes in force.
The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a related party transaction involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided).	<p>The value of related party transactions of INR 181.14 crores executed between the Company and JJP during financial year 2023-24 accounted for 8.13% of the turnover of the Company for the financial year 2023-24.</p> <p>The said proposed limit of INR 450 crores is 20.21% of the turnover of the Company for the financial year 2023-24.</p>
Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed related party transactions on a voluntary basis.	Proposed limit of INR 450 crores is equivalent to 0.43% of the consolidated turnover of JJP for financial year 2023-24.

Particulars	Information		
Details of transactions executed in the last three years.	(INR/lakhs)		
Nature of Transactions	FY 2021-22	FY 2022-23	FY 2023-24
Technical Assistance from JJP – Payment of Royalty, development cost and reimbursement of related expenses	3,247	4,888	5,421
Purchase of Components, tooling, fixtures and capital goods required for manufacturing of licensed products	5,174	8,192	12,693
<b>Total Related Party Transactions</b>	<b>8,421</b>	<b>13,080</b>	<b>18,114</b>
<ul style="list-style-type: none"> <li>In addition to above transactions, JJP has given a corporate guarantee for securing the borrowings from banks in India for a total value of INR 7,745.23 lakh outstanding as on 31<sup>st</sup> March, 2024 to enable your company to borrow from the banks without creating any charge on its assets. Further the Company paid dividend of INR 835.30 lakh in FY 2023-24.</li> <li>Royalty is paid in respect of products covered under the Technical Agreements. As stated above royalty is paid on 81% of the products sold by the Company and in respect of this value of sales the % of royalty works out to 2.08 % for FY 2023-24.</li> </ul>			

Mr. Hitoshi Mogi and Mr. Minoru Sugisawa to the extent being representatives of JTEKT Corporation, Japan on the Board of Company may be deemed to be interested in the enabling resolution. Except to the extent mentioned hereinabove, none of the other Directors and/or Key Managerial Personnel or their relatives are in any way concerned or interested in the resolution.

In terms of Regulation 23 of the Listing Regulations, all entities falling within the definition of related parties under the Listing Regulations shall not vote to approve the relevant transactions irrespective of whether such entities are a party to the particular transaction or not. Accordingly, related parties of the Company shall not vote to approve the aforesaid resolution under Resolution No. 7.

The resolution is accordingly recommended for members' approval.

For the removal of doubt, all monetary values set out above in resolution no. 6 & 7 exclude any taxes that may be payable under applicable laws.

The members may note that pursuant to Regulation 23 of the Listing Regulations and applicable provisions of the Act, the other non-

material related party transaction(s) to be entered by the Company with its related parties on arm's length basis and in ordinary course of business shall continue to be reviewed and / or approved by the Audit Committee and / or the Board of the Company.

The Audit Committee and the Board of Directors of the Company in their meetings held on 15<sup>th</sup> May, 2024 respectively approved and consented to seek shareholders' approval for the said material related party transactions. The Audit Committee and the members of the Board have also noted that these transactions are at arm's length and in the ordinary course of business. Accordingly, the members' approval is being sought for the resolution mentioned as Item Nos. 6 & 7 to this notice.

Place : Registered Office:  
UGF-6, Indraprakash  
21, Barakhamba Road  
New Delhi 110 001  
Dated : 30<sup>th</sup> May, 2024

By Order of the Board of Directors  
  
**Saurabh Agrawal**  
**Company Secretary**  
[Membership No. – ACS-36163]



## DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING

[Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015  
read with Secretarial Standards (SS-2) issued by the Institute of Company Secretaries of India

### General information as per Secretarial Standards 2 and Regulation 36 of Listing Regulations, regarding Mr. Rajiv Chanana

(a)	Brief resume of the director including age and qualification	Mr. Rajiv Chanana (DIN 02630192), aged 58 years, is a Graduate from Shri Ram College of Commerce and is a Fellow Member of the Institute of Chartered Accountants of India. He has experience of over 32 years in various Corporates disciplines. In the past, he has worked with prestigious companies namely, Shri Ram Industrial Enterprises Ltd. (part of DCM Group), Indo Rama Synthetics India Limited and Deutsche Postbank Home Finance Limited.
(b)	Nature of his expertise in specific functional areas	Mr. Rajiv Chanana has cross cultural experience in the areas of Finance, M&A, Fund (Treasury) Management, Capital / Money Market operations, ALM Risk Management, Accounts, Budgeting, Cost Control / Cost Management, Direct / Indirect Taxation, Compliances management, ERPSAP System Implementation and MIS Development in diversified sectors such as manufacturing & financial services.
(c)	Disclosure of relationships between directors and key managerial personnel inter-se	Except Mr. Rajiv Chanana, being the appointee and shareholder, none of the Directors and/or Key Managerial Personnel of the Company and their relatives is in any way, concerned or interested financially or otherwise in the resolution pertaining to his appointment.
(d)	Names of listed entities in which the person also holds the directorship and the membership of Committees of the Board	Mr. Rajiv Chanana does not hold the directorship and membership of the Committees of the Board of Directors in any other listed company in India.
(e)	Shareholding of director in company	Mr. Rajiv Chanana holds 3002 Equity Shares of INR 1/- each in the Share Capital of the Company.
(f)	Terms and conditions of appointment or re-appointment	<p>The Board of Directors, keeping in view the recommendations of the Nomination and Remuneration Committee, had appointed Mr. Rajiv Chanana as an Additional Director in the capacity of Director &amp; CFO, with remuneration, of the Company, for a period of three years effective from 1<sup>st</sup> June, 2022 to 31<sup>st</sup> May, 2025, in terms of Section 160 of the Companies Act, 2013 and the same was approved by the shareholders in the 38<sup>th</sup> Annual General Meeting of the Company.</p> <p>Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Rajiv Chanana's office is liable to determination by retirement of directors by rotation and being eligible, offers himself for re-appointment.</p> <p>Subject to proposed re-appointment, Mr. Rajiv Chanana shall continue to be appointed as Director &amp; CFO, with remuneration, on such terms and conditions as approved by the shareholders in the 38<sup>th</sup> Annual General Meeting of the Company held on 26<sup>th</sup> August, 2022.</p>
(g)	The number of Meetings of the Board attended during the year	Mr. Rajiv Chanana attended all the four meetings of the Board of Directors of the Company, held during the year.
(h)	Membership / Chairmanship of Committees of other Boards	Nil
(i)	Listed entities from which the Director has resigned in the past three years	Nil
(j)	Remuneration proposed to be paid	Mr. Chanana will be entitled to such remuneration as approved by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee and in line with the approval granted by the shareholders in 38 <sup>th</sup> Annual General Meeting held on 26 <sup>th</sup> August, 2022.
(k)	Remuneration last drawn.	Details of remuneration for FY 2024 has been provided in the Corporate Governance Report forming part of this Annual Report.
(l)	Date of first appointment to the Board	01 <sup>st</sup> June, 2022



**General information as per Secretarial Standards 2 and Regulation 36 of Listing Regulations, regarding Mrs. Deepika Gera**

(a) Brief resume of the director including age and qualification.	<p>Mrs. Deepika Gera, aged 55 years, is a graduate from Jesus &amp; Mary College, New Delhi and is a Fellow Member of the Institute of Company Secretaries of India. She has total experience of around 30 years, out of which, 15 years' experience of working at Corporate level in the legal &amp; Secretarial Department of various reputed companies. Since 2008, she has been doing her own practice and:</p> <ul style="list-style-type: none"> <li>• helping the Corporate Clients in various field where the legal and secretarial expertise is needed; and</li> <li>• involved working as an Independent member of Sexual Harassment Committee and has been regularly taking awareness sessions and sensitizing the employees of the various companies on the Sexual Harassment of Women At Work Place (Prevention, Prohibition &amp; Redressal) Act, 2013.</li> </ul> <p>She has also served as a first director of JTEKT Sona Automotive India Limited from 11/07/2007 to 16/07/2007, a past subsidiary of the company, was merged with JTEKT India Limited in the year 2019.</p> <p>Mrs. Deepika Gera is also Promoter Trustee of NGO called 'Vatsalya' imparting basic education and skill development training to Girls.</p>
(b) Nature of her expertise in specific functional areas	<p>Mrs. Deepika Gera is a professional and possesses rich experience in various corporates disciplines especially Legal, Secretarial, POSH, Corporate Social Responsibility and also has the vast experience in advisory services.</p>
(c) Disclosure of relationships between directors and key managerial personnel inter-se	<p>Except Mrs. Deepika Gera, being the appointee, none of the Directors and/or Key Managerial Personnel of the Company and their relatives is in any way, concerned or interested financially or otherwise in the resolution pertaining to her appointment.</p>
(d) Names of listed entities in which the person also holds the directorship and the membership of Committees of the Board	<p>Mrs. Deepika Gera holds the position of Director in KTC (India) Limited (an unlisted company). She does not hold the directorship / membership of committee(s) in any other listed company in India.</p>
(e) Shareholding of director in company.	<p>She does not hold equity shares of the Company.</p>
(f) Terms and conditions of appointment or re-appointment	<p>Keeping in view the recommendations of the Nomination and Remuneration Committee of Directors of the Company and the credentials and experience of Mrs. Deepika Gera, the Board recommended her appointment as Independent Director to the members of the Company.</p> <p>Mrs. Deepika Gera shall not be liable to retire by rotation.</p>
(g) The number of Meetings of the Board attended during the year	<p>N.A.</p>
(h) Membership/Chairmanship of Committees of other Boards.	<p>Mrs. Deepika Gera is not a member of any of the Committees of any other Board.</p>
(i) Listed entities from which the Director has resigned in the past three years	<p>Nil</p>
(j) Remuneration proposed to be paid	<p>Sitting Fee and Commission*.</p> <p>* Commission to be paid pursuant to the provisions of the resolution to be placed before the shareholders at the 40<sup>th</sup> Annual General Meeting of the Company and in the manner decided by the Board of Directors of the Company.</p>
(k) Remuneration last drawn.	<p>N.A.</p>
(l) Date of first appointment to the Board	<p>N.A.</p>
(m) Skills and capabilities required for the role and the manner in which the director meets such requirements	<p>Mrs. Deepika Gera possesses appropriate education, experience, knowledge and capabilities required for the role of an Independent Director of the Company. She also possesses appropriate skills, expertise and competencies in the context of the Company's business, particularly in the areas of policy-making, administrative experience, legal and stakeholder relation and POSH. In the past, she has been on the Board of Directors of six Companies in the capacity of Independent Director and one of which was a Listed Company. Considering Mrs. Gera's diverse experience, professional competence and extensive knowledge, her induction on the Board will be in the overall interest of the Company.</p>

## COMMUNICATION ON TAX DEDUCTION AT SOURCE (TDS) ON DIVIDEND DISTRIBUTION

As per the Income-tax Act, 1961 (IT Act) as amended by the Finance Act, 2020, dividend paid and distributed by a Company is taxable in the hands of the Shareholders. Therefore, the Company is required to deduct tax at source (TDS), at the rates applicable on the amount distributed to the shareholders.

All Shareholders are requested to ensure that the details such as -

- Valid Permanent Account Number (PAN);
- Residential status as per the IT Act i.e. Resident or Non-Resident for F.Y. 2024-25;
- Category of Shareholder (e.g., Domestic Company, Foreign Company, Individual, Firm, LLP, HUF, Foreign Portfolio Investors / Foreign Institutional Investors, Government, Trust, Alternate Investment Fund - Category I, II or III, etc.);
- E-mail id; and
- Address

are updated, in their respective demat account(s) maintained with the Depository Participants. Please note that these details as available on Record Date in the Register of Members will be relied upon by the Company, for the purpose of complying with the applicable withholding tax provisions.

The TDS/Withholding tax provisions for both categories of shareholders viz. Resident and Non-Resident are detailed below:

### I) Resident shareholders:

In respect of Resident Shareholders, Tax will be deducted at source ("TDS") under Section 194 of the Act @ 10% on the amount of dividend payable unless exempt under any of the provisions of the Act subject to fulfilment of the following conditions:

- 1) Valid Permanent Account Number ("PAN") will be mandatorily required.
- 2) Shareholders holding shares under multiple accounts under different status/category (e.g., Resident and Non-Resident) and single PAN, may note that, higher of the tax as applicable to the status in which shares held under a

### IB) Resident Shareholders (Other than Individuals):

The TDS for Resident shareholders (other than individuals) along with required documents are provided in Table below:

Category of Shareholder	Tax Deduction Rate	Exemption Applicability/Documents required
Insurance Companies	NIL	Documentary evidence that the provisions of Section 194 of the Act are not applicable to them: <ol style="list-style-type: none"> <li>1) Self- attested copy of valid PAN card;</li> <li>2) Self-attested copy of IRDA registration certificate; and</li> <li>3) Self-declaration given in <b>Annexure 1</b>.</li> </ol>

PAN will be considered on their entire holding in different accounts.

- 3) As per Section 139AA of the Income Tax Act, every person who has been allotted a PAN and who is eligible to obtain Aadhaar, shall be required to link the PAN with Aadhaar. In case of failure to comply to this, the PAN allotted shall be deemed to be invalid/inoperative and tax shall be deducted at the rate of 20% as per the provisions of Section 206AA of the IT Act. The Company will be using functionality of the Income-tax department for the above purpose. TDS is required to be deducted at the rate of 20% u/s 206AA of the IT Act, if valid PAN of the member is not available.
- 4) As per Section 206AB of the IT Act, TDS is required to be deducted at twice the applicable rates, if Income Tax Return is not filed by the resident members for preceding financial year, for which the time limit for filing has expired. In this regard, the Company would rely on Compliance Check Utility made available by Central Board of Direct Taxes. Apart from the above, specific provisions applicable to Resident-Individuals are given below for ready reference.

### IA) Resident Shareholders (Individual):

- 1) In case of Individuals, TDS would not apply if the aggregate of total dividend paid to them by the Company under folio(s) during FY 2024-25 does not exceed INR 5,000/-.
- 2) Tax will not be deducted at source in cases where a shareholder provides duly signed Form 15G (applicable to an individual below the age of 60 years) / Form 15H (applicable to an individual of the age of 60 years and above), provided that the eligibility conditions are met. The Forms 15G and 15H can be downloaded from <https://incometaxindia.gov.in>.
- 3) Valid PAN will be mandatorily required. However, if the PAN is not updated or is invalid or is deleted or becomes inoperative on account of non-linking with Aadhaar then the higher rate as per Section 206AA of the Act would apply.

Category of Shareholder	Tax Deduction Rate	Exemption Applicability/Documents required
Mutual Funds	NIL	<ol style="list-style-type: none"> <li>1) Self-attested copy of valid PAN card;</li> <li>2) Self-attested copy of SEBI registration certificate; and</li> <li>3) Self-declaration given in <b>Annexure 1</b>.</li> </ol>
Category I and II Alternative Investment Fund (AIF)	NIL	<ol style="list-style-type: none"> <li>1) Self-attested copy of valid PAN card;</li> <li>2) Self-attested copy of registration certificate; and</li> <li>3) Self-declaration given in <b>Annexure 1</b>.</li> </ol>
Approved Superannuation Fund / Approved Gratuity Fund	NIL	<ol style="list-style-type: none"> <li>1) Self-attested copy of valid PAN card;</li> <li>2) Self-attested copy of valid approval granted by the Commissioner needs to be submitted :                             <ol style="list-style-type: none"> <li>(a) under Rule 2 of Part B of Fourth Schedule to the Act (In case of Approved Superannuation Fund);</li> <li>(b) under Rule 2 of Part C of Fourth Schedule to the Act (In case of Approved Gratuity Fund); and</li> </ol> </li> <li>3) Self-declaration given in <b>Annexure 1</b>.</li> </ol>
National Pension Scheme	NIL	<ol style="list-style-type: none"> <li>1) Self-attested copy of valid PAN card;</li> <li>2) Self-attested valid documentary evidence (e.g., relevant copy of registration, notification, order, etc.) granting approval to the Scheme; and</li> <li>3) Self-declaration given in <b>Annexure 1</b>.</li> </ol>
Entities exempt under Section 10 of the IT Act	NIL	<p>If the income is exempt under the IT Act, the authorized signatory shall submit the following documents:</p> <ol style="list-style-type: none"> <li>1) Self-attested copy of valid PAN card;</li> <li>2) Self-attested valid documentary evidence (e.g., relevant copy of registration, notification, order, etc.); and</li> <li>3) the declaration given in <b>Annexure 1</b> duly signed with stamp affixed for the purpose of claiming exemption from TDS.</li> </ol>
Corporation established by or under a Central Act/State Act which is, under any law for the time being in force, exempt from income-tax on its income including entities in which such corporations are the beneficial shareholders	NIL	<ol style="list-style-type: none"> <li>1) Self-attested copy of valid PAN card;</li> <li>2) Documentary evidence that the person is covered under Section 196 of the IT Act; and</li> <li>3) Self-declaration given in <b>Annexure 1</b>.</li> </ol>
Order under Section 197 of the IT Act	Rate provided in the order	Lower/NIL withholding tax certificate obtained from Income Tax authorities along with self-attested copy of valid PAN card.

## II) Non-resident Shareholders

In respect of Non-Resident Shareholders, Tax shall be withheld as per Section 195 and Section 196D of the IT Act @ 20% (plus applicable surcharge and cess) on the amount of dividend payable unless exempt under the provisions of the Act as given below:

Category of Shareholder	Tax Deduction Rate	Exemption Applicability/Documents required
Any non-resident shareholder (including Foreign Institutional Investors, Foreign Portfolio Investors (FII, FPI))	20% (plus applicable surcharge and cess) or Tax Treaty rate whichever is lower	As per Section 90 of the IT Act, a non-resident shareholder has an option to be governed by the provisions of the Double Taxation Avoidance Agreement ('DTAA') between India and the country of tax residence of the shareholder, if such DTAA provisions are more beneficial to such shareholder. To avail the DTAA benefits, the non-resident shareholder will have to compulsorily provide the following documents:

Category of Shareholder	Tax Deduction Rate	Exemption Applicability/Documents required
		<ol style="list-style-type: none"> <li>1) Self-attested copy of valid PAN card allotted by the Indian Income Tax authorities. In case, PAN is not available, the non-resident shareholder shall furnish (a) name; (b) email id; (c) contact number; (d) address in residency country; and (f) Tax Identification Number of the residency country.</li> <li>2) Self-attested copy of Tax Residency Certificate ('TRC') issued by the revenue authorities of the country of which shareholder is tax resident, evidencing and certifying shareholder's tax residency status during FY 2024-25.</li> <li>3) Form 10F filed electronically on the Indian Income Tax web portal</li> <li>4) In case of Foreign Institutional Investors and Foreign Portfolio Investors, copy of SEBI registration certificate is also required</li> <li>5) Self-declaration of having no taxable presence, fixed base or permanent establishment in India in accordance with the applicable Tax Treaty and Beneficial ownership by the non-resident shareholder (Annexure 2).</li> <li>6) In case of shareholder being tax resident of a foreign country or specified territory where the Double Taxation Avoidance Agreement between India and that foreign country or specified territory, as the case may be, prescribes additional conditions (for example Article 24 of the India-Singapore Tax Treaty) for the shareholder to avail any beneficial tax treatment, please furnish relevant evidences demonstrating eligibility to avail such beneficial tax treatment (for example letter issued by the competent authority or any other evidences demonstrating the non-applicability of Article 24-Limitation of Relief under India-Singapore DTAA). It is recommended that shareholder should independently satisfy its eligibility to claim DTAA benefit including meeting of all conditions laid down by the relevant DTAA.</li> </ol> <p>Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company of the documents submitted by the Non-Resident shareholders. The Company will apply its sole discretion and is not obligated to apply the beneficial DTAA rates for tax deduction on dividend payable to shareholders.</p> <p>TDS shall be recovered at 20% (plus applicable surcharge and cess) if any of the above-mentioned documents are not provided.</p>
Submitting Order under Section 195(3) /197 of the IT Act	Rate provided in the Order	Lower/NIL withholding tax certificate obtained from Income Tax authorities along with self-attested copy of PAN.

**Notes:**

- 1) Shareholders holding shares under multiple accounts under different status/category (e.g. Resident and Non-Resident) and single PAN, may note that, higher of the tax as applicable to the status in which shares held under a PAN will be considered on their entire holding in different accounts.
- 2) For Shareholders who are identified as "Specified Persons" under Sec 206AB of the IT Act, higher tax rate as applicable would be deducted. For the purpose of TDS, Company will verify the status (i.e., Specified Person or not) from the Government enabled online facility and deduct TDS accordingly. It may be noted that as per Section 206AB, the specified persons shall not include a non-resident who does not have a permanent establishment in India.
- 3) It may be noted that where a non-resident member is reflected as a "specified person" as per the compliance check functionality of Income Tax Department, the taxes will be withheld at a higher rate in accordance with Section 206AB, as mentioned unless a self declaration specifying not having permanent establishment in India is provided by such non-resident member.

- 4) W.e.f. 1 April 2023 new income tax rates have been made applicable vide Finance Act 2024 for determining the income-tax payable in respect of the total income of a person (being individual/ HUF/AOP/BOI/AJP). The new prescribed rates are applicable to all specified person by default. Further details are available at <https://www.incometax.gov.in/iec/foportal/help/individual-business-profession>.
- 5) Further, the company is required to declare in its TDS return, "if the deductee is opting out of this new regime u/s 115BAC(1A). As a default option, the company will be opting as "No" for all shareholders to whom this section applies. In case, you wish to opt out of this new regime (shift to old tax regime), please provide declaration for the same. Accordingly, on receipt of declaration with complete details, the company will update the response as "Yes" in its TDS return. Please note that no changes will be made if any declaration is received subsequent to record date.
- 6) Equity shares of the Company, which were transferred by the Company in the name of Investor Education and Protection Fund ('IEPF') in terms of Section 124(6) of the Companies Act 2013 and Rules framed thereunder, the TDS shall be deducted basis the available details of the underlying members.
- 7) In case tax on dividend is deducted at a higher rate in the absence of receipt of the aforementioned details/documents, shareholder would still have an option of claiming refund of the excess tax deducted at the time of filing their income tax return by consulting their tax advisors. No claim shall lie against the company for such taxes deducted.
- 8) In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided / to be provided by the Member/s, such Member/s will be responsible to indemnify the Company and also, provide the Company with all information / documents and cooperation in any appellate proceedings.
- 9) Above communication on TDS sets out the provisions of law in a summary manner only, as on the date of the communication, and does not purport to be a complete analysis or listing of all potential tax consequences. Members should consult with their own tax advisors for the tax provisions applicable to their particular circumstances.
- 10) Accordingly, in order to enable us to determine the appropriate TDS/withholding tax rate applicable, the aforementioned documents (duly completed and signed – carrying complete name, address, folio / DP ID, PAN, Financial Year etc.) are required to be sent through e-mail to [investorgrievance@jtekt.co.in](mailto:investorgrievance@jtekt.co.in) **on or before Friday, July 26, 2024**. Further, the Originals should be sent at the registered office address of the company.

Date: .....

To  
**JTEKT India Limited**  
 UGF – 6, Indraprakash Building,  
 21 Barakhamba Road,  
 New Delhi – 110 001

**Subject: Declaration regarding Category and Beneficial Ownership of shares**

**Ref: PAN** – Mention PAN of Shareholder

**Folio Number / DP ID/ Client ID** – Mention all the account details

With reference to the captioned subject, and in relation to the appropriate withholding of taxes on the Dividend payable to me / us by **JTEKT India Limited** (the Company), I / We hereby declare as under:

1. We, Full name of the shareholder....., holding share/shares of the Company as on the record date, hereby declare that I am /we are tax resident of India for the period April 2024-March 2025 (Indian Fiscal Year).
2. We hereby declare that (Select Applicable)
  - We are **Insurance Company** and covered by the second proviso to Section 194 of the Income-tax Act, 1961 and has full beneficial interest with respect to the shares owned by it;
  - We are **Mutual Fund** specified in Section 10(23D) of the Income Tax Act, 1961 and are the beneficial owner of the share/shares held in the Company;
  - We are **Alternative Investment fund** established in India and are the beneficial owner of the share/shares held in the Company; and our income is exempt under Section 10(23FBA) of the IT Act and are governed by SEBI regulations as Category I or Category II AIF;
  - We are <<category of the entity>> and are the beneficial owner of the share/shares held in the Company; and are not subject to withholding tax under section 196 of the Income Tax Act;
  - We are specified person <<mention category of person mentioned by provision>> in terms of section 10 and are the beneficial owner of the equity share(s) held in the Company; and our income is exempt under Section 10 of the IT Act
  - We are (**Recognised Provident Fund/Approved Superannuation Fund/Approved Gratuity Fund/National Pension Scheme / any other entity entitled to exemption from TDS**) and are the beneficial owner of the share/shares held in the Company; and are exempted from TDS deduction under (**Please specify the relevant Section/Rules giving exemption under the Income Tax Act**);
3. I/We further indemnify the Company for any penal consequences arising out of any acts of commission or omission initiated by the Company by relying on my/our above averment.
4. I/We hereby confirm that the above declaration should be considered to be applicable for all the shares held in the Company under PAN/ accounts declared in the form.

Thanking you,

Yours faithfully,

For <<Name of the shareholder>>

<<insert signature>>

Authorized Signatory -



(On the letter head or plain paper of the non-resident shareholder)

# FORMAT FOR DECLARATION FOR CLAIMING BENEFITS UNDER DTAA

Date: ....., 2024

**JTEKT India Limited**

UGF-6, Indraprakash Building  
21, Barakhamba Road,  
New Delhi 110001.

**Subject: Declaration for eligibility to claim benefit under Agreement For Avoidance Of Double Taxation between Government of India and Government of ..... <mention country of tax residency> ("DTAA"), as modified by Multilateral Instrument ("MLI"), if applicable**

With reference to above, I/We wish to declare as below

- 1) I / We, ..... <full name of the shareholder>, having permanent account number (PAN) under the Indian Income Tax Act, ..... <mention PAN>, and holding ..... <mention number of shares held> number of shares of the Company under demat account number/folio number ..... as on the record date, am/are a tax resident of ..... <country name> in terms of Article 4 of the DTAA as modified by MLI (if applicable) and do not qualify as a 'resident' of India under Section 6 of the Indian Income-tax Act, 1961 ("the IT Act"). A copy of the valid tax residency certificate for ..... <period>, which is valid as on the Record Date, is attached herewith.
- 2) I/We am/are eligible to be governed by the provisions of the DTAA as modified by MLI (if applicable), in respect of the dividend income and meet all the necessary conditions to claim treaty rate.
- 3) I/We am/are the legal and beneficial owner of the dividend income to be received from the Company.
- 4) I/We do not have a Permanent Establishment ("PE") in India in terms of Article 5 of the DTAA as modified by MLI (if applicable) or a fixed base in India and the amounts paid/payable to us, in any case, are not attributable to the PE or fixed base, if any, which may have got constituted otherwise.
- 5) I/We do not have a PE in a third country and the amounts paid/payable to us, in any case, are not attributable to a PE in third jurisdiction, if any, which may have got constituted otherwise.
- 6) I/We do not have a Business Connection in India according to the provision of Section 9(1)(i) of the IT Act and the amounts paid/ payable to us, in any case, are not attributable to business operations, if any, carried out in India.
- 7) I/We confirm that my affairs/affairs of ..... <full name of the shareholder> were arranged such that the main purpose or the principal purpose thereof was not to obtain tax benefits available under the applicable tax treaty.
- 8) Further, our claim for relief under the tax treaty is not restricted by application of Limitation of Benefit clause, if any, thereunder.
- 9) We confirm that we are aware of the necessary compliances under the Indian domestic laws and would comply with the said compliance requirements.

I/We hereby certify that the declarations made above are true and bonafide. In case in future, any of the declarations made above undergo a change, we undertake to promptly intimate you in writing of the said event. You may consider the above representations as subsisting unless intimated otherwise.

I/we in the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by me, I will be responsible to pay and indemnify such income tax demand (including interest, penalty, etc.) and provide the Company with all information/ documents that may be necessary and co-operate in any proceedings before any income tax/appellate authority.

Yours sincerely,

For ..... <mention the name of the payee>



Authorized Signatory  
Name of the Person signing  
Designation of the Person signing