JTEKT

JTEKT INDIA LIMITED

18th July, 2023

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 39th Annual General Meeting and Annual Report for the Financial Year 2022-23.

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 39th Annual General Meeting ('AGM') of the Members of Company will be held on Friday, 11 August 2023 at 10.00 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 2022-23 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 are holding shares as on Cut-off date i.e. **Friday, the 4th August, 2023**. The remote e-voting will commence at 9:00 a.m. (IST) on Tuesday, August 08, 2023 and end at 5:00 p.m. (IST) on Thursday, August 10, 2023. Detailed instructions for registering email addresses(s) and voting/attendance at the AGM are given in the AGM Notice.

4. We also enclose the Annual Report of the Company for the Financial Year 2022-23 including Notice convening the 39th 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

Digitally signed by SAURABH AGRAWAL
Date: 2023.07.18 11:27:09 +05'30'

Saurabh Agrawal
Company Secretary

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, Website – www.jtekt.co.in

NOTICE

Notice is hereby given that the 39th 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 : Friday

Date : 11th August, 2023

Time : 10:00 AM (IST)

to transact the following business:

ORDINARY BUSINESS

1) **Adoption of financial statements**

To receive, consider and adopt the audited Standalone and Consolidated Financial Statements for the financial year ended 31st March, 2023, including audited Balance Sheet as at 31st March, 2023, the Statement 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 0.5 per equity share for the year ended March 31, 2023.

3) **Appointment of Mr. Taku Sumino as a Director, liable to retire by rotation**

To appoint a Director in place of Mr. Taku Sumino (DIN 09608944) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4) **Appointment of Mr. Minoru Sugisawa as a Wholetime Director of the Company**

To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

"**RESOLVED THAT** Mr. Minoru Sugisawa (DIN 10119891) be appointed as Director of the Company whose period of office would be liable to determination by retirement of Directors by rotation.

RESOLVED FURTHER THAT in accordance with the provisions of Sections 196, 197 and 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and subject to such other sanctions as may be necessary and in respect of whom the Company has received a notice in writing in terms of Section 160 of the Act, the consent of the Members of the Company be and is hereby accorded to the appointment of Mr. Minoru Sugisawa (DIN 10119891) as Wholetime Director of the Company for a period of three (3) years with effect from 01st June, 2023.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to decide the terms and conditions of appointment including alteration of such terms & conditions as it may deem appropriate in relation to Mr. Minoru Sugisawa in the capacity of Wholetime Director of the Company during his tenure of 3 (three) years commencing from 01st June 2023 on the recommendations of Nomination & Remuneration Committee of the Company and in compliance with the applicable provisions of the Act including but not limited to Section 197 read with Section 198 and the rules made thereunder and other applicable laws.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as in its absolute discretion it may think be necessary, proper or expedient in the matter and is further authorized to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution and to seek such approval / consent from the government departments, as may be required in this regard."

5) **Approval of payment of remuneration to Mr. Minoru Sugisawa**

To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Sections 196(4), 197, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) approval of the Members be and is hereby accorded for payment of such remuneration to Mr. Minoru Sugisawa (DIN 10119891) as Wholetime Director of the Company, for a term of 3 (three) years with effect from 01st June, 2023 till 31st May, 2026, as detailed in the explanatory statement annexed hereto and set out in the draft Agreement, which is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions including as to remuneration for the said appointment and/or Agreement in such manner as may be agreed between the Board of Directors and Mr. Minoru Sugisawa, Wholetime Director of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized (on the recommendation of Nomination & Remuneration Committee) to decide and alter the remuneration to be paid to Mr. Minoru Sugisawa, Wholetime Director of the Company, as may be permissible within the overall remuneration limits as mentioned in the explanatory statement in accordance with Section 197, read with Schedule V of the Act and rules made thereunder and other applicable laws, regulations, as amended from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

6) **Re-appointment of Mrs. Hiroko Nose as a Non-Executive Independent Woman Director**

To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149, 152 and any other applicable provisions of the Companies Act, 2013 ("the Act") read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, the re-appointment of Mrs. Hiroko Nose (DIN 06389168), who has submitted a declaration confirming that she meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations, and who is eligible for re-appointment as a Non-Executive Independent Woman Director of the Company, not liable to retire by rotation, for the second term of five years commencing from 11th August, 2023 up to 10th August, 2028, be and is hereby approved.

RESOLVED FURTHER THAT the Board of Directors (including any Committee thereof) 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."

7) **Appointment of Mr. Hiroshi Daikoku 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 pursuant to the provisions of Sections 149 and 152 and any other applicable provisions of the Companies Act, 2013 ("the Act") read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rules, 2014, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modifications or re-enactments thereof, for the time being in force) and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, the appointment of Mr. Hiroshi Daikoku (DIN 10006725), who has submitted a declaration confirming that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations, and who is eligible for appointment as a non-executive Independent Director of the Company, not liable to retire by rotation, for the first term of five years commencing from August 11, 2023, up to August 10, 2028, be and is hereby approved.

RESOLVED FURTHER THAT the Board of Directors (including any Committee thereof) 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."

8) **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 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 be paid and distributed amongst the Independent Directors of the Company or any of them or some of them, as and by way of commission in such amounts or proportions and in such manner and in all respects as may be determined by the Board of Directors (such payments shall be made in addition to the sitting fees) in respect of the profits of the Company for each year for a period of five years commencing from 1 April 2023.

RESOLVED FURTHER THAT the quantum of commission payable to each of the Independent Director(s) may be decided by the Board of Directors as it may deem fit."

9) **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 with 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."

10) 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 with 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."

11) Approval of Material Related Party Transaction with JTEKT Fuji Kiko Automotive 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 with JTEKT Fuji Kiko Automotive India Limited **("JFIN")** for the transactions as given below :-

(a) purchase of jacket assembly, column & column parts and other components required in the manufacturing of steering systems including cost of development of tools and fixtures and related costs essential to the production of these parts at JFIN;

(b) sale of worm housing assembly and other parts required in the manufacturing of jacket assembly and other products at JFIN; and

(c) reimbursement of expenses and other business transactions like testing charges, cost of samples integral to the business etc.

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 : 22nd May, 2023

By Order of the Board

Saurabh Agrawal
Company Secretary
ACS-36163

NOTES:

1) The Ministry of Corporate Affairs, Government of India ("MCA") vide its General Circular Nos. 20/2020 and 10/2022 dated 5th May 2020 and 28th December 2022, respectively, and other circulars issued in this respect ("MCA Circulars") allowed, inter-alia, conduct of AGMs through Video Conferencing / Other Audio-Visual Means ("VC / OAVM") facility on or before 30th September 2023, in accordance with the requirements provided in paragraphs 3 and 4 of the MCA General Circular No. 20/2020. The Securities and Exchange Board of India ("SEBI") also vide its Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5th January 2023 ("SEBI Circular") has provided certain relaxations from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements Regulations, 2015 ("Listing Regulations"). In compliance with these Circulars, provisions of the Act and the Listing Regulations, the 39th AGM of the Company is being conducted through VC/ OAVM facility, which does not require physical presence of members at a common venue. The deemed venue for the 39th AGM shall be the Registered Office of the Company.

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 2014-15, 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.

   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 2016 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.

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, 29th July, 2023 to Friday, the 11th August, 2023 (both days inclusive)**.

11) Dividend to Shareholders, as recommended by the Directors for the year ended 31st March, 2023, when declared at the meeting, will be paid:

    i) to those members whose names appear in the Register of Members of the Company, after giving effect to all valid share transfers in physical form lodged with the Company or its Registrars on or before Friday the 28th July, 2023; and

    ii) in respect of shares held in electronic form, to those "beneficiaries" whose names appear on the statements of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), at the end of business hours on Friday the 28th July, 2023.

Non Resident Indian Shareholders having NRE Account in any scheduled bank are requested to intimate the same to the Company immediately for remittance of dividend.

12) Final dividend of INR 0.50 per equity share of INR 1/- each for the year ended 31st March, 2023 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 on/or after 18th August, 2023, through electronic mode to the Shareholders who have updated their bank account details. Dividend warrants / demand drafts will be despatched to the registered address of the shareholders who have not updated their bank account details.

13) **The Securities and Exchange Board of India (SEBI) has recently mandated furnishing of PAN, KYC details (i.e., Postal Address with Pin Code, email address, mobile number, bank account details) and nomination details by holders of securities. Effective from 1st January 2022, any service requests or complaints received from the member, will not be processed by RTA till the aforesaid details/ documents are provided to RTA. On or after 1st October, 2023, in case any of the above cited documents/details are not available in the Folio(s), RTA shall be constrained to freeze such Folio(s). Relevant details and forms prescribed by SEBI in this regard are available on the website of the Company at www.jtekt.co.in.**

14) **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: A webpage accessible via any browser enabled system. Investors can use a host of services like Post a Query , Raise a service request , Track the status of their DEMAT and REMAT request , Dividend status , Interest and Redemption status , Upload exemption forms (TDS) , Download all ISR and other related forms.

URL: https://ris.kfintech.com/clientservices/isc/default.aspx

eSign Facility: Common and simplified norms for processing investor's service requests by RTAs and norms for furnishing PAN, KYC details and Nomination requires that eSign option be provided to Investors for raising service requests. KFIN is the only RTA which has enabled the option and can be accessed via the link below.

https://ris.kfintech.com/clientservices/isr/isr1.aspx?mode=f3Y5zP9DDNI%3d

KYC Status : Shareholders can access the KYC status of their folio. The webpage has been created to ensure that shareholders have the requisite information regarding their folios.

URL: https://ris.kfintech.com/clientservices/isc/kycqry.aspx

KPRISM: A mobile application as well as a webpage which allows users to access Folio details , Interest and Dividend status, FAQs, ISR Forms and full suite of other investor services.

URL: https://kprism.kfintech.com/signin.aspx

15) **Physical shareholders are hereby notified that based ion SEBI Circular number: SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37, dated March 16th, 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.

16) **Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of the shareholders w.e.f. 1st 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. For details, Members may refer to the "Communication on TDS on Dividend Distribution" appended to this Notice of 39th 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) Members holding shares in physical mode are required to submit their Permanent Account Number (PAN) to the Company / KFinTech, if not registered with the Company/ KFinTech, as mandated by SEBI, by writing to the Company/ KFinTech along with the details of folio number.

Members holding shares in electronic mode are requested to submit their PAN to their respective Depository Participants ("DPs") with whom they are maintaining their demat accounts.

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 39th 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.

21) During 39th 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 2022-23 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 2022-23 will also be available on the Company's website www.jtekt.co.in, websites of the Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and 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 who do not have User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the procedure given in the remote e-voting instructions.

3) Members are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.

4) 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.

5) 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 8th August, 2023 to 9th August, 2023. 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.

6) 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.

7) Members will be allowed to attend the AGM through VC / OAVM on first come, first served basis.

8) 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 with a copy marked to einward.ris@kfintech.com. Such authorisation shall contain necessary authority in favour of its authorised representative(s) to attend the AGM.

9) 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.

10) 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.

11) 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.

12) 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 9th 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:

- Commencement of remote e-voting : 9:00 a.m. on 8th August, 2023
- End of remote e-voting : 5:00 p.m. on 10th August, 2023

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., 4th August, 2023 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. 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.

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	**1. User already registered for IDeAS facility of NSDL:** i) Visit URL: https://eservices.nsdl.com ii) Click on the 'Beneficial Owner' icon under Login under 'IDeAS' section. iii) A new page will open. Enter your User ID and Password for accessing IDeAS. 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. v) Click on 'Active E-Voting Cycles' option under E-Voting. 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.
	2. User not registered for IDeAS e-services facility of NSDL: i) To register click on link : https://eservices.nsdl.com ii) Select 'Register Online for IDeAS' or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp iii) Proceed with completing the required fields. iv) After successful registration, please follow steps given in points 1 above to cast your vote.
	3. Alternatively by directly accessing the e-voting website of NSDL: i) Open URL: https://www.evoting.nsdl.com/ ii) Click on the icon 'Login' which is available under 'Shareholder/Member' section. 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. 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.
Individual Shareholders holding securities in demat mode with CDSL	**1. Existing user who have opted for Easi / Easiest facility of CDSL:** i) Visit URL: https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com ii) Click on New System Myeasi / Login to My Easi option under Quick Login iii) Login with your registered user id and password. 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.
	2. User not registered for Easi/Easiest facility of CDSL: i) Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration ii) Proceed with completing the required fields. iii) After successful registration, please follow steps given in point 1 above to cast your vote.
	3. Alternatively, by directly accessing the e-voting website of CDSL: i) Visit URL: www.cdslindia.com ii) Provide your demat Account Number and PAN. iii) System will authenticate user by sending OTP on registered Mobile & Email as recorded in the Demat Account. 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.

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 evoting@nsdl.co.in or call at toll free no.: **1800 1020 990** and **1800 22 44 30**
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at **022-23058738** or **022-23058542-43**

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., Friday, 04th August, 2023 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 the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399

- Example for NSDL: MYEPWD<SPACE>IN12345612345678
- Example for CDSL: MYEPWD<SPACE>1402345612345678
- Example for Physical: MYEPWD<SPACE>SOE123456

ii) 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.

iii) Member may call on KFinTech's toll-free number 1800-309-4001 (from 9:00 a.m. to 6:00 p.m.).

iv) Member may send an e-mail request einward.ris@kfintech.com. After due verification of the request, User ID and password will be sent to the member.

v) If the member is already registered with KFinTech's e-voting platform, then he can use his existing password for logging in

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 or call KFinTech on 1800 309 4001 (toll free).

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 from 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 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 & 5

Keeping in view the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company has appointed Mr. Minoru Sugisawa (DIN 10119891) as an Additional Director of the Company effective from 01st June, 2023, pursuant to Article 97 of the Articles of Association of the Company. In terms of the provisions of Section 161 of the Companies Act, 2013 ("Act"), Mr. Minoru Sugisawa holds office of Director only up to the date of ensuing Annual General Meeting of the Company.

As required by Section 160 of the Act, a notice has been received proposing the appointment of Mr. Minoru Sugisawa as Director of the Company. Keeping in view of Mr. Sugisawa's rich experience and knowledge, the Board considers it desirable that the Company should continue to avail the benefits of his expertise.

Further upon the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company in its meeting held on 22nd May, 2023, appointed Mr. Minoru Sugisawa, as Wholetime Director of the Company, for a period of three (3) years with effect from 01st June, 2023 to 31st May, 2026 with remuneration, subject to the approval of the shareholders and such other sanction(s) as may be necessary.

Mr. Minoru Sugisawa does not hold any Equity Shares of the Company. Mr. Sugisawa is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director.

Pursuant to the provisions of Sections 196, 197 and 198 read with Schedule V and other applicable provisions of the Companies Act, 2013, the remuneration and terms and conditions for the said appointment of Mr. Minoru Sugisawa as Wholetime Director is required to be approved by the members of the Company on the terms and conditions as embodied in the draft Agreement (a copy whereof shall be placed before the members) as referred to in the resolution. The extracts of the aforesaid draft Agreement to be executed between the Company and Mr. Minoru Sugisawa are as under:

(I) Mr. Minoru Sugisawa as Wholetime Director shall be reporting to the Board of Directors of the Company and shall be responsible for the entire manufacturing operations of the Company and shall further carry out such duties as may be entrusted to him subject to the supervision and control of the Board of Directors from time to time.

(II) Remuneration

a) Salary

INR 4,00,000/- (Rupees Four Lakh Only) per month.

b) Perquisites

i) In addition to the above remuneration, Mr. Minoru Sugisawa, Wholetime Director of the Company shall be entitled to Rent Free Accommodation subject to a maximum of INR 2,40,000/- per month.

ii) Mr. Minoru Sugisawa shall also be entitled to perquisites like Medical Reimbursement, Leave Travel Concession (including visits to his home country and return by business class twice during the year) for self and family.

Explanation: 'Family' means the spouse, the dependent children and dependent parents of the Appointee.

iii) Mr. Minoru Sugisawa shall also be entitled for use of chauffeur driven Company Car, as per Company's policy for official duties and telephone(s) at residence (including payment for local calls and long distance official calls, internet).

iv) Company's contribution to Provident Fund and National Pension Scheme, as per Company's policy & regulations under the enactment.

v) Gratuity, if any, payable will not exceed half a month's salary for each completed year of service.

vi) Group Personal Accident Insurance as per Company's Policy.

In the absence or inadequacy of profits in any financial year during the currency of the tenure of Mr. Minoru Sugisawa as the Wholetime Director of the Company, the above remuneration shall be the minimum remuneration payable to Mr. Minoru Sugisawa.

Considering that the remuneration of Mr. Sugisawa in the position of Wholetime Director will be significantly lower compared to his current emoluments, hence the salary as stated above shall be the minimum remuneration payable. Further, no additional variable pay / commission linked to profits is being proposed to be paid to Mr. Sugisawa to avoid any uncertainty in the payment of reasonable remuneration to Mr. Sugisawa.

III) The appointment is for a period effective from 01st June, 2023 to 31st May, 2026, which may be terminated by either party giving the other party three (3) months' notice.

IV) The appointment of the Wholetime Director is subject to the provisions of Section 167(1) of the Companies Act, 2013, while at the same time the Wholetime Director shall be liable to retire by rotation.

V) The Wholetime Director shall not be entitled to supplement his earnings under the appointment with any buying or selling commission. He shall also not become interested or otherwise concerned directly or through his wife and/ or minor children in any selling agency of the Company, without the prior approval of the Central Government.

VI) The Wholetime Director shall be in the whole-time employment of the Company and thus devote the whole of his attention to the business of the Company. During the terms of the service with the Company, the Wholetime Director hereby undertakes not to take up any other employment / assignment and further shall not draw any remuneration, commission, fees etc. from any other source in India.

VII) The terms and conditions of the said appointment and /or remuneration may be altered and varied from time to time by the Board as it may, in its discretion, deem fit, within the maximum amount payable to the Wholetime Director in accordance with Schedule V to the Companies Act, 2013, or any amendments/re-constitution hereafter in this regard.

The information required in terms of Clause (iv) of Section II of Part II of Schedule V to the Companies Act, 2013 is as under:

I. GENERAL INFORMATION

(1) Nature of the Industry: The Company is a part of Indian Auto Ancillary Components Manufacturing Industry and is engaged in the business of manufacturing Automotive Steering Systems, Steering Gear Assemblies and parts and components thereof and Drive Line Components for its various customers viz. Maruti Suzuki, Suzuki Motor Gujarat, Toyota Kirloskar, Mahindra & Mahindra, Tata Motors, Honda Cars India, Stellantis (FIAT+PCA), Club Car, E-z-go, Renault-Nissan, Isuzu, SML-Isuzu and Force Motors at its Plants located in Gurugram, Dharuhera, Bawal and Chennai. The Auto Ancillary Industry is a high technology industry with continuous advancement of technology.

The Company has technological advantage over its competitors due to Technical Collaboration with JTEKT Corporation, Japan, the global technology leader in Steering Systems.

(2) Date of Commercial Production: The Company commenced its commercial production on 1st October, 1987.

(3) Financial Performance based on given indicators: The financial performance of the Company (audited) during last five years is as under:

(INR/Lakhs)

Financial Parameters	Year ended 31st March, 2018	Year ended 31st March, 2019	Year ended 31st March, 2020	Year ended 31st March, 2021	Year ended 31st March, 2022
Gross Income	1,57,211.04	1,78,566.74	1,54,189.26	1,35,798.25	1,62,083.54
Net Profit as per Profit & Loss Account	5,607.70	6,844.37	2,528.83	1,199.51	3,311.53
Amount of Dividend Paid	993.82	1,955.84	855.68	366.72	884.73
Rate of Dividend Declared (par value of share)	50%	80%	35%	15%	40%
Export performance and net foreign exchange	9,252.77	10,524.33	9,795.89	5,843.79	5,687.94

(4) Foreign investment or collaboration, if any: The Company has entered into a Technical Collaboration Agreement with JTEKT Corporation (Formerly: Koyo Seiko Co., Ltd., Japan), the global technology leader in Steering Systems (hereinafter referred to as "JTEKT") for the manufacture of Manual Steering Systems in the year 1985, which has been extended from time to time. In order to cement the relationship between the Company and JTEKT, in the year 1992, the Company had allotted 6,00,000 nos. of Equity Shares of INR 10/- each at a premium of INR 22/- per share to JTEKT, on preferential basis, contributing to 7.8% Equity Share Capital of the Company.

In 1996, the Company had also acquired technology for manufacture of Power Steering Systems from JTEKT. In order to further strengthen the strategic alliance with JTEKT, the Company had allotted additional 12,00,000 nos. of Equity Shares of INR 10/- each for cash at a premium of INR 82/- per share to JTEKT, on preferential basis, in 1997.

With the increasing demand of Electric Power Steering in the car market and to meet the requirement of the car manufacturers in this regard, the Company negotiated with JTEKT to obtain the technology for Electric Power Steering and executed a technology transfer agreement for this purpose.

During the financial year 2006-07, the Company allotted additional Equity Shares and Convertible Warrants to Promoter Group including JTEKT. Consequent upon this, JTEKT stake in the Equity Share Capital of the Company increased to 20.10%.

On 01st February, 2017 Sona Autocomp Holding Limited ('SAHL'), one of the Promoters of the Company, entered into a Share Purchase Agreement with JTEKT, Technical and Financial Collaborator of the Company and a member of the Promoter Group. In terms of the said Share Purchase Agreement, on May 18, 2017, JTEKT acquired from SAHL 25.12% of the equity shares of the Company on a fully diluted basis. Consequent to the said transaction, JTEKT's shareholding in the Company increased from 20.10% to 45.22%.

Further JTEKT acquired 25.23% shareholding from the general public vide public offer (open offer), made in compliance to the provisions of Regulation 3(1), 3(2), 3(3) and Regulation 4 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. Thus JTEKT's equity holding was further increased from 45.22% to 70.45%.

In order to bring public shareholding to the minimum threshold level of 25%, JTEKT sold excess Promoters' shareholding of 2.39%, by way of 'Offer for Sale' (OFS) in accordance with the guidelines issued by Securities & Exchange Board of India, in two tranches completed on 20th March, 2018 and 9th April, 2018.

Further for compliance of minimum threshold level of 25% of public shareholding of equity shares issued by the Company and in compliance to directives of Securities & Exchange Board of India in the matter of Amalgamation of JTEKT Sona Automotive India Limited (Amalgamating Company) and JTEKT India Limited (Amalgamated Company) and their respective Shareholders and their respective Creditors, JTEKT sold at Stock Exchange excess Promoters' shareholding of 5.76% on 16th July, 2018.

Further in terms of Scheme of Amalgamation of JTEKT Sona Automotive India Limited (Amalgamating Company) and JTEKT India Limited (Amalgamated Company) and their respective Shareholders and their respective Creditors, the Company has allotted equity shares to JTEKT thus increasing stake of JTEKT by 7.06%.

JTEKT has sold additional 1.02% equity in the Company at Stock Exchange on 28th June 2022 with an objective to maintain Public Shareholding in the Company at a level of 25% post the proposed merger of its Subsidiary Company i.e. JTEKT Fuji Kiko Automotive India Limited, the Scheme of Amalgamation in respect of which is currently under approval with NCLT.

At present, the JTEKT's shareholding in the Company stands at 68.33%.

II. INFORMATION ABOUT THE APPOINTEE

(1) Background Details: The appointee is a graduate from Kobe Technical College Japan and has working experience of over three decades.

(2) Past Remuneration: Mr. Minoru Sugisawa was associated with the Company as Sr. Vice President and

was paid remuneration amounting to INR 1.80 Cr. for the financial year 2022-23.

(3) Recognition or awards: NIL

(4) Job profile and his suitability: The appointee is Wholetime Director of the Company and is responsible for the entire manufacturing operations of the Company and shall further carry out such duties as may be entrusted to him subject to the supervision and control of the Board of Directors from time to time. Keeping in view of his experience and knowledge, he is best suited for the position.

After working for 30 years in various positions at JTEKT Corporation Japan and its other overseas companies since joining the JTEKT Group in 1991, Mr. Sugisawa joined JTEKT India Limited on 30th March 2021 as Senior Vice President and was entrusted the responsibility of Production Administration. He has shown exceptional skills in his work based on his vast experience of handling the Production Control and New Product Development function in his past assignments. Considering his performance, he was promoted to the level of Divisional Head with responsibility towards Production Management Division covering areas like Production Administration, Purchasing, New Product Development and Production Engineering effective from 1st June 2022.

(5) Remuneration Proposed: The detail of the remuneration proposed is as mentioned hereinabove.

(6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person: The appointee is a graduate from Kobe Technical College, Japan and has a working experience of over three decades. The present job responsibilities of the appointee are - entire manufacturing operations of the Company and shall further carry out such duties as may be entrusted to him subject to the supervision and control of the Board of Directors from time to time. Accordingly, keeping in view the present scenario of high pay package being offered by MNC / Class 'A' Indian Corporate(s), the proposed remuneration package of the appointee matches to the prevailing remuneration package in the concerned industry, size of the Company and profile of the position.

(7) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any: Except to the extent of his employment with the Company and being represented by JTEKT Corporation, Promoter of the Company, Mr. Sugisawa does not have any pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel.

III. OTHER INFORMATION

(1) Reasons of loss or inadequate profits: Not applicable, since the Company has earned adequate profits for the year ended 31st March, 2023 to cover the remuneration payable to the Wholetime Director.

(2) Steps taken or proposed to be taken for improvement: Not Applicable

(3) Expected increase in productivity and profits in measurable terms: Not Applicable

In view of the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 the Board recommends the Special Resolutions set out at item nos. 4 and 5 of the accompanying notice for approval of the members.

Except Mr. Minoru Sugisawa, being the appointee and Mr. Hitoshi Mogi and Mr. Takumi Matsumoto to the extent that they are representatives of JTEKT Corporation, Japan, 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 as Wholetime Director effective from 01st June,2023 to 31st May, 2026.

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 Mr. Minoru Sugisawa are provided in annexure to this Notice pursuant to the provision of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

The Board recommends the resolutions as set out in Item no. 4&5 of this Notice for approval of members.

Resolution No. 6

Mrs. Hiroko Nose, was appointed as an Independent Woman Director at the 35th Annual General Meeting held on 9th August, 2019, for a period of five (5) years with effect from 11th August, 2018, till 10th August, 2023, and she is eligible for re-appointment for the second term of five (5) years that is from 11th August, 2023 till 10th August, 2028.

Based on the recommendation of the Nomination and Remuneration Committee (NRC), the Board of Directors at its meeting held on 22nd May, 2023, recommended the re-appointment of Mrs. Hiroko Nose, for second term of five (5) years i.e. from 11th August, 2023 till 10th August, 2028 subject to the approval of the Members.

The profile and specific areas of expertise of Mrs. Hiroko Nose are provided as Annexure to this Notice.

Mrs. Nose has given her declaration to the Board that she continues to meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 ('the Act') and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), and is not restrained from acting as a Director under any order passed by the Securities and

Exchange Board of India or any such authority and is eligible to be appointed as a Director in terms of Section 164 of the Act. She has also given her consent for such re-appointment.

In the opinion of the Board, Mrs. Nose is a person of integrity, possesses the relevant expertise/experience, and fulfils the conditions specified in the Act and the Listing Regulations for appointment as an Independent Director and she is independent of the management. In terms of Regulation 25(8) of Listing Regulations, Mrs. Nose has confirmed that she is not aware of any circumstance or situation that exists or may be reasonably anticipated that could impair or impact her ability to discharge her duties.

Given her experience, the Board considers it desirable and in the interest of the Company to continue Mrs. Nose on the Board of the Company and accordingly the Board recommends the re-appointment of Mrs. Hiroko Nose as an Independent Woman Director for a second term of five (5) years, as proposed in the Resolution no. 6 for approval by the Members as a Special Resolution.

Except for Mrs. Hiroko Nose and/or her relatives, no other Directors, Key Managerial Personnel, or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

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. Hiroko Nose are provided in annexure to this Notice pursuant to the provision of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 Directors 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. 6 of this Notice for approval of members.

Resolution No. 7

Keeping in view the recommendation of the Nomination & Remuneration Committee, the Board of Directors of the Company has appointed Mr. Hiroshi Daikoku (DIN 10006725) 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, Mr. Hiroshi Daikoku 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 Mr. Hiroshi Daikoku as Director of the Company. The Company has also received a declaration from Mr. Hiroshi Daikoku confirming that he 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"). Mr. Hiroshi Daikoku is also not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director of the Company. In the opinion of the Board, Mr. Hiroshi Daikoku fulfills the conditions for his appointment as an Independent Director as specified in the Act and the Listing Regulations and he is independent of the management.

Mr. Hiroshi Daikoku does not hold by himself or for any other person on a beneficial basis, any shares in the Company. Mr. Hiroshi Daikoku is not related to any other Director and Key Managerial Personnel of the Company.

The terms and condition of appointment of the Independent Directors are uploaded on the website of the Company https://www.jtekt.co.in and is available for inspection.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Mr. Hiroshi Daikoku as an Independent Non-Executive Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Hiroshi Daikoku as an Independent Director for a period of five (5) years with effect from August 11, 2023, for the approval by the members of the Company.

Except Mr. Hiroshi Daikoku, 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. 7 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 Mr. Hiroshi Daikoku are provided in annexure to this Notice pursuant to the provision of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 Directors 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. 7 of this Notice for approval of members.

Resolution No. 8

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 10th August, 2018, 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.

In view of Sections 149, 197 and any other relevant provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and taking into account the roles and responsibilities of the directors, it is proposed that the Independent Directors be paid for each of the five financial years of the Company commencing from 1st April 2023, a remuneration not exceeding one percent per annum of the net profits of the Company computed in accordance with the provisions of Section 198 of the Companies Act, 2013. This remuneration will be distributed amongst Independent Directors in accordance with the directions given by the Board of Directors and subject to any other applicable requirements under the Companies Act, 2013.

This remuneration 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.

The amount payable to each independent Director shall be decided by the Board of Directors based on attendance of Independent Directors at the meetings of Board of Directors, Audit Committee, Risk Committee, Nomination & Remuneration Committee and Corporate Social Responsibility Committee. Board of Directors shall further decide to allocate a higher weightage for certain meetings like Board Meeting and Audit Committee Meeting for the purpose of sharing of commission among Independent Directors considering the efforts involved.

The Board of Directors in its meeting held on 22nd May, 2023, subject to the approval of the Shareholders, have approved the payment of commission up to a sum not exceeding 1 (one) per cent of the net profits of the Company to the Independent Directors of the Company for a further period of five years commencing from 1st April, 2023.

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 1st April 2023 as set out in the Resolution at item no. 8 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. 8 of this Notice for approval of members.

Resolution No. 9

The members may note that the Securities and Exchange Board of India ("SEBI") notified SEBI (Listing Obligation and Disclosure Requirements) (Sixth Amendment) Regulation, 2021 on November 9, 2021 which were effective from April 1, 2022. The amended 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 RPTs obtained from shareholders in general meeting other than AGMs, 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 which currently holds 5.64% 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 had approved related party transactions with MSIL up to an overall aggregate value of INR 2500 Crores on 18th October, 2022, by way of Postal Ballot. It is proposed to now seek Shareholders' approval for related party transactions with MSIL up to an overall aggregate value 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).	Maruti Suzuki India Limited ("MSIL") MSIL is the co-promoter of the Company and holds 5.64% of equity shares in the capital of the Company.
Type, material terms and particulars of the proposed transaction.	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 at an arm's length basis and in the ordinary course of business.
Rationale for transaction	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.
Tenure of the proposed transaction (particular tenure shall be specified).	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 up to the date of next Annual General Meeting in accordance with SEBI Circular number SEBI/HO/CFD/CMD1/CIR/P/2022/47 dated April 8, 2022.
Pricing and financial Arrangements	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. The settlement of price follows a commercial process of RFQ (request for quotation by MSIL customer), filing of quotations by the Company and final award of business based on pricing and other parameters. Pricing for products is hence on an arm's-length basis and in the ordinary course of business.
Value of the proposed transaction.	INR. 3500 crores plus applicable taxes in force. 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. The Industry achieved a growth of 25% in Passenger vehicle segment for FY 2022-23 which was actually in excess of Industry projections. JTEKT India Limited even exceeded the industry growth and achieved a sales growth of 28%. In addition, the Company has started supplying a new product Constant Velocity Joints to Maruti Suzuki. A higher amount 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. 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.
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 RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided).	The value of related party transactions of INR 1413.50 crores executed between the Company and MSIL during financial year 2022-23 accounted for 69.2% of the consolidated turnover of the Company for financial year 2022-23. The proposed value 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 value of INR 3500 crores is 171% of the consolidated turnover of the Company for the financial year 2022-2023.

Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPTs on a voluntary basis	The proposed limit of INR 3500 crores is equivalent to 3% of the consolidated turnover of MSIL for the financial year 2022-23.

Details of transactions executed in the last three years

(INR/Lacs)

Related Party	Nature of Transactions	FY-2020-21	FY-2021-22	FY-2022-23
Maruti Suzuki India Limited (Co-Promoter)	(a) Sale / supply of steering systems, drive line products and components thereof	1,01,580	1,15,689	1,40,074
	(b) Related recovery of tooling and development cost and other expense	10	5	1,276
	Total Related Party Transactions	1,01,590	1,15,694	1,41,350

In addition to above transactions of expense & revenue, Company paid dividend of INR 55.20 lacs in FY 2022-23

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. 9.

The resolution is accordingly recommended for members' approval.

Resolution No. 10

The members may note that the Securities and Exchange Board of India ("SEBI") notified SEBI (Listing Obligation and Disclosure Requirements) (Sixth Amendment) Regulation, 2021 on November 9, 2021 which were effective from April 1, 2022. The amended 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 RPTs obtained from shareholders in general meeting other than AGMs, 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.

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 on 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 67 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 had approved related party transactions with JJP up to an overall aggregate limit of INR 250 Crores on 18th October, 2022 by way of Postal Ballot. It is proposed to now seek Shareholders' approval for related party transactions with JJP up to an overall aggregate value of INR 350 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 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).	JTEKT Corporation, Japan (JJP) 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. 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 68.33% in the equity share capital of the Company. Since 1985, JJP has been the technical collaborator of the Company and approx. 67% of the products sold by the Company are manufactured using the technology provided by JJP to the Company.
Type, material terms and particulars of the proposed transaction.	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. Purchase of components required in the manufacturing of Licensed Products and tooling / fixtures / other capital goods for use in production process. The transactions will be at an arm's length basis and in the ordinary course of business.
Rationale for transaction	JJP has been engaged in the manufacture of steering systems, driveline systems and bearings and its components, and owns valuable technique and know-how on 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. 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.
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 up to the date of next Annual General Meeting 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 350 crores plus applicable taxes in force. The Industry achieved a growth of 25% in passenger vehicle segment for FY 2022-23 which was actually in excess of Industry projections. JTEKT India Limited even exceeded the industry growth and achieved a sales growth of 28%. A higher amount of INR 350 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. 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.
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 RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided).	The value of related party transactions of INR 130.80 crores executed between the Company and JJP during financial year 2022-23 accounted for 6.4% of the consolidated turnover of the Company for the financial year 2022-2023. The said proposed value of INR. 350 crores is 17.1% of the consolidated turnover of the Company for the financial year 2022-2023.

Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPTs on a voluntary basis	Proposed limit of INR 350 crores is equivalent to 0.34% of the consolidated turnover of JJP for financial year 2022-23.

Details of transactions executed in the last three years

(INR/Lacs)

Related Party	Nature of Transactions	FY-2020-21	FY-2021-22	FY-2022-23
JTEKT Corporation (Promoter / Holding Company)	(a) Technical Assistance from JJP - Payment of Royalty, development cost and reimbursement of related expenses	2,979	3,247	4,888
	(b) Purchase of Components, tooling, fixtures and capital goods required for manufacturing of licensed products	5,026	5,174	8,192
	Total Related Party Transactions	**8,005**	**8,421**	**13,080**

* 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 5941.12 lacs outstanding as on 31/3/2023 to enable your Company to borrow from the banks without creating any charge on its assets. Further the Company paid dividend of INR 668.24 lacs in FY 2022-23.

* Royalty is paid in respect of products covered under the Technical Agreements. As stated above Royalty is paid on 67% of the products sold by the Company and on this value of sales the % of royalty works out to 1.90% for FY 2022-23, whereas Royalty paid as a % of the Consolidated Turnover of the Company is only 1.28%.

Mr. Hitoshi Mogi, Mr. Takumi Matsumoto 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. 10.

The resolution is accordingly recommended for members' approval.

Resolution No. 11

The members may note that the Securities and Exchange Board of India ("SEBI") notified SEBI (Listing Obligation and Disclosure Requirements) (Sixth Amendment) Regulation, 2021 on November 9, 2021 which were effective from April 1, 2022. The amended 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 RPTs obtained from shareholders in general meeting other than AGMs, 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.

JTEKT Fuji Kiko Automotive India Limited ('JFIN') is a subsidiary company which has been promoted by the Company in technical and financial collaboration with Fuji Kiko Co. Ltd., Japan ('FJP') for the manufacturing of Jacket Assembly, Column & Column parts and other components. The Company currently holds 51% of equity shares in the capital of JFIN and the balance 49% is held by FJP. Further, FJP is a subsidiary company of JTEKT Corporation, Japan ('JJP'). (the name of FJP has been changed to JTEKT Column Limited).

Currently, JFIN's entire production is used for captive consumption at the Company and therefore the production at

JFIN is in the nature of backward integration. The Company purchases jacket assembly, column assembly and other components from JFIN and utilise the same for manufacture of final steering products which are sold to Company's customers. Accordingly, the said related party transaction is crucial for the business of the Company.

The shareholders of the Company had approved related party transactions with JFIN up to an overall aggregate limit of INR 250 Crores on 18th October, 2022 by way of Postal Ballot. It is proposed to now seek Shareholders' approval for related party transactions with JFIN up to an overall aggregate value of INR 350 Crores up to the date of next Annual General Meeting of the Company.

Further, Board of the Company as well as JFIN in their respective meetings held on July 6, 2022 have considered and approved the Scheme of Amalgamation proposing amalgamation of JFIN with the Company. The Company has already received the Observation Letters from the Stock Exchanges and on the basis of the same, the Petition was filed before the Hon'ble National Company Law Tribunal, Delhi Bench. According to the Orders dated 20th March, 2023 read with 29th March, 2023 and 28th April, 2023, the meetings of the Equity Shareholders, Secured Creditors and Unsecured Creditors were held on 20th May, 2023. Upon the Scheme of Amalgamation coming into effect JFIN will merge with the Company along with all its assets and operations from effective date of 1st April 2022. This amalgamation will bring production and operational synergies and bring all steering manufacturing operations under 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 JFIN 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).	JTEKT Fuji Kiko Automotive India Limited ('JFIN') JFIN is a subsidiary company which has been promoted by the Company in technical and financial Collaboration with Fuji Kiko Co. Ltd., Japan (FJP) for the manufacturing of Jacket Assembly, Column & Column parts and other components. The Company currently holds 51% of equity shares in the capital of JFIN and the balance 49% is held by FJP. The name of Fuji Kiko Co. Ltd., Japan (FJP) has been changed to JTEKT Column Systems Corporation (JCS) with effect from 01st April, 2023
Type, material terms and particulars of the proposed transaction.	(a) Purchase of Jacket Assembly, Column & Column parts and other components required in the manufacturing of Steering systems including cost of development of tools and fixtures and related costs essential to the production of these parts at JFIN. (b) Sale of worm housing assembly and other parts required in the manufacturing of Jacket Assembly and other products at JFIN (c) Reimbursement of expenses and other business transactions like testing charges, cost of samples integral to the business, etc. The transactions will be at an arm's length basis and in the ordinary course of business.
Rationale for transaction	Currently, JFIN's entire production is used for captive consumption at the Company and therefore the production at JFIN is in the nature of backward integration. The manufacturing facilities at JFIN are completely aligned with the production requirements of the Company. JFIN is the single source of jacket assembly and few other products used in the manufacturing of steering systems at JIN. JFIN has access to proprietary technology from JCS (erstwhile FJP) for manufacture of advanced column products used in steering system and this has helped the Company to offer superior products to OEMs in India and thus compete and win new business.
Tenure of the proposed transaction (particular tenure shall be specified).	As per Industry practice the agreements executed between JFIN and the Company are long term and of ongoing nature unless terminated by the parties otherwise, however the resolution will be valid up to the date of next Annual General Meeting 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. 350 crores plus applicable taxes in force. The Industry achieved a growth of 25% in passenger vehicle segment for FY 2022-23 which was actually in excess of industry projections. JTEKT India Limited even exceeded the industry growth and achieved a sales growth of 28%. A higher amount of INR 350 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. 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.

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 RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided).	The value of related party transactions of INR 204.70 crores executed between the Company and JFIN during the financial year 2022-23 accounted for 10% of the consolidated turnover of the Company for the financial year 2022-2023. The said proposed limit of INR 350 crores is 17.1% of the consolidated turnover of the Company for the financial year 2022-2023 and 270% of the standalone turnover of JFIN for the financial year 2022-2023.
Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPTs on a voluntary basis	Proposed limit of INR 350 crores is equivalent to 270% of the standalone turnover of JFIN for financial year 2022-23. The entire production of JFIN is for captive consumption at the Company and in addition the Company supplies certain components for use in manufacturing process of JFIN.
Details of transactions executed in the last three years	(INR/Lacs) — see table below. In addition to above transactions, JIN has given an advance of INR 62.55 lacs for development of tooling which is outstanding as on 31/3/2023. In addition Company received dividend of INR 438.59 lacs from JFIN in FY 2022-23

(INR/Lacs)

Related Party	Nature of Transactions	FY-2020-21	FY-2021-22	FY-2022-23
JTEKT Fuji Kiko Automotive India Limited (Subsidiary Company)	(a) Purchase of Jacket Assembly, Column & Column parts and other components including cost of development of tools, fixtures and related costs.	10,662	12,657	16,545
	(b) Sale of worm housing assembly and other parts	2,267	2,857	3,843
	(c) Reimbursement of expenses and other business transactions	70	81	82
	Total Related Party Transactions	**12,999**	**15,595**	**20,470**

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. 11.

The resolution is accordingly recommended for members' approval.

For the removal of doubt, all monetary values set out above in resolution no. 9 to 11 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 members of the Board of the Company in their meetings held on 22nd May, 2023 respectively approved and consented to seek shareholders' approval for the said 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 resolutions mentioned as Item No. 9 to 11 to this notice.

By Order of the
Board of Directors

Saurabh Agrawal
Company Secretary
[Membership No. – ACS-36163]

Place : Registered Office:
UGF-6, Indraprakash
21, Barakhamba Road
New Delhi 110 001
Dated : 22nd May, 2023

ANNEXURE

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 SEBI (LODR) 2015 regarding Mr. Taku Sumino

(a)	Brief resume of the director including age and qualification.	Mr. Taku Sumino (DIN 09608944) is a 51 years old Japanese national, who after completing his Graduation in 1995 from Osaka Institute of Technology, joined Suzuki Motor Corporation in Automobile Body Design Division. In the year 2000, Mr. Sumino completed his Masters from University of Shizuoka. In 2008, Mr. Sumino was promoted to the position of Assistant Manager and transferred to Platform Design Division of the Company. During his association with the Company, he held various important positions and worked in Engineering Quality Division and Quality Design Division. In the year 2018, Mr. Sumino was given the responsibility of Quality Assurance Division of Maruti Suzuki India Limited and escalated to the position of Vertical Head. At present, Mr. Sumino is associated with Maruti Suzuki India Limited as Executive Officer (QA).
(b)	Nature of his expertise in specific functional areas	Quality Design and Engineering
(c)	Disclosure of relationships between directors and key managerial personnel inter-se	Except Mr. Taku Sumino, 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 his re-appointment
(d)	Names of listed entities in which the person also holds the directorship and the membership of Committees of the board	Mr. Taku Sumino 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. Taku Sumino does not hold any Equity Shares of the Company.
(f)	Terms and conditions of appointment or re-appointment	As per present terms of appointment and pursuant to Section 152 and Articles of Association of the Company, Mr. Taku Sumino shall be Non-Executive Non Independent Director who shall not be entitled to the remuneration. His appointment is nominated by Maruti Suzuki India Limited; the promoter of the Company. Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Taku Sumino's office is liable to determination by retirement of directors by rotation and being eligible, offers himself for re-appointment.
(g)	The number of Meetings of the Board attended during the year	Mr. Taku Sumino was appointed effective from 1st June, 2022. He was entitled to attend four Board Meetings during FY 2022-23, and he has attended all the four Board Meetings.
(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	NIL
(k)	Remuneration last drawn.	NIL
(l)	Date of first appointment to the Board	01st June, 2022

General information as per Secretarial Standards 2 and Regulation 36 of SEBI(LODR) 2015 regarding Mr. Minoru Sugisawa

(a)	Brief resume of the director including age and qualification.	Mr. Minoru Sugisawa is a 52 years old Japanese national, who after completing his Graduation in 1991 from Kobe Technical College, Japan, joined JTEKT Corporation (earlier known as Koyo Seiko Co., Ltd., Japan). After six years of working experience, Mr. Sugisawa was deputed as Coordinator of NPD/PC Departments of Koyo Corporation, USA. In the year 2007, Mr. Sugisawa was given the responsibility of NPD/PC Departments at JTEKT Corporation, Japan. In the year 2018, he was promoted to the position of General Manager and was assigned the responsibilities of Personal Administration Office. He is a qualified engineer having more than three decades of experience in Production Administration and Steering & Drivelines technology.
(b)	Nature of his expertise in specific functional areas	Mr. Sugisawa has the vast experience in the field of Production Administration and Steering & Drivelines technology.
(c)	Disclosure of relationships between directors and key managerial personnel inter-se	Except Mr. Minoru Sugisawa, being the appointee, Mr. Hitoshi Mogi and Mr. Takumi Matsumoto, to the extent that they are the representatives of JTEKT Corporation, Japan, 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. Minoru Sugisawa 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. Minoru Sugisawa does not hold any Equity Shares of the Company.
(f)	Terms and conditions of appointment or re-appointment	The Board of Directors, keeping in view the recommendations of the Nomination and Remuneration Committee, had appointed Mr. Minoru Sugisawa as an Additional Director in the capacity of Wholetime Director, with remuneration, of the Company, for a period of three years effective from 1st June, 2023 to 31st May, 2026. The detailed terms and conditions of appointment of Mr. Minoru Sugisawa are given in the explanatory statement of the proposed resolution number 4 and 5 of 39th Annual General Meeting Notice attached hereto. Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Minoru Sugisawa's office is liable to determination by retirement of directors by rotation.
(g)	The number of Meetings of the Board attended during the year	NA
(h)	Membership/Chairmanship of Committees of other Boards.	Mr. Minoru Sugisawa is not a member of any of the Committees of other Boards.
(i)	Listed entities from which the Director has resigned in the past three years	NIL
(j)	Remuneration proposed to be paid	Disclosed in the explanatory statement.
(k)	Remuneration last drawn.	Disclosed in the explanatory statement.
(l)	Date of first appointment to the Board	01st June, 2023

General information as per Secretarial Standards 2 and Regulation 36 of SEBI (LODR) 2015 regarding Mrs. Hiroko Nose

(a)	Brief resume of the director including age and qualification.	Mrs. Hiroko Nose (DIN – 06389168), aged 45 years, is a law graduate from Waseda University, Japan and also got degree of CPA (Certified Public Accountant) of Japan in 2003. After working at deloitte in Tokyo as an auditor for six years, she finished MBA course from Kyoto University and came to India to provide financial advisory service to Japanese companies located in India. Presently, she is associated with JTEKT India Limited as Independent Woman Director. Mrs. Nose was appointed as an Independent Woman Director by the Board of Directors of the Company in its meeting held on 10th August, 2018. The Shareholder of the Company also approved the said appointment of Mrs. Hiroko Nose as an Independent Woman Director of the Company, for a period of five years effective from 11th August, 2018, at the 35th Annual General Meeting held on 9th August, 2019.

(b)	Nature of his expertise in specific functional areas	Mrs. Hiroko Nose is a professional having working experience in the field of financial advisory services. She has a degree of CPA (Certified Public Accountant) of Japan
(c)	Disclosure of relationships between directors and key managerial personnel inter-se	Except Mrs. Hiroko Nose, 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.
(d)	Names of listed entities in which the person also holds the directorship and the membership of Committees of the board	Mrs. Hiroko Nose does not hold the directorship and membership of the Committees of the Board of Directors in any other listed company in India. Mrs. Hiroko Nose holds the position of Chairman of Audit Committee of JTEKT India Limited.
(e)	Shareholding of director in company	Mrs. Hiroko Nose does not hold any Equity Shares of the Company.
(f)	Terms and conditions of appointment or re-appointment	The Board of Directors, keeping in view the recommendations of the Nomination and Remuneration Committee, has recommended the re-appointment of Mrs. Hiroko Nose as an Independent Woman Director of the Company, for the second term of five years, effective from 11th August, 2023. Mrs. Hiroko Nose shall not be liable to retire by rotation.
(g)	The number of Meetings of the Board attended during the year	Mrs. Hiroko Nose was entitled to attend six Board Meetings during FY 2022-23, and she has attended all the six Board Meetings.
(h)	Membership / Chairmanship of Committees of other Boards	Mrs. Hiroko Nose is not a member of any of the Committees of any other Board.
(i)	Listed entities from which the Director has resigned in the past three years	NIL
(j)	Remuneration proposed to be paid	Sitting Fee and Commission*. *Shareholders at the 34th AGM, held on 10th August, 2018, approved a sum not exceeding 1% of the net profit of the Company per annum, calculated in accordance with the provisions of Section 198 of the Act, to be paid and distributed among some or all of the Independent Directors of the Company in a manner decided by the Board.
(k)	Remuneration last drawn.	Mrs. Nose was paid sitting fee amounting to INR 5 lakhs during FY 2022-23. In addition, she was paid Commission of INR 24.67 lakhs out of profits for the FY 2022-23.
(l)	Date of first appointment to the Board	11th August, 2018
(m)	Skills and capabilities required for the role and the manner in which the director meets such requirements	Mrs. Nose has the relevant qualification and experience to justify the skills and capabilities required for her role in the Company as Independent Woman Director. Mrs. Nose is a professionally qualified accountant (CPA from Japan) and provides financial advisory services in India. She has excellent communication skills and possess relevant experience in the area of organization policies and procedures. She has experience in Enterprise Risk management and Corporate Governance.

General information as per Secretarial Standards 2 and Regulation 36 of SEBI (LODR) 2015 regarding Mr. Hiroshi Daikoku

(a)	Brief resume of the director including age and qualification.	Mr. Hiroshi Daikoku, aged 67 years, a Japanese national, who has joined Hazama Corporation in Tokyo as one of the member in Kaizen department. During his long association of 10 years with Hazama Corporation, he handled various positions in the departments like Kaizen, Finance, Administration, Procurement and Trade in various countries including Mexico, Sri Lanka and Indonesia. In the year 1994, he came to India and joined Oberoi Group in New Delhi as Corporate Director. While his association with Oberoi Group, he gained experience relating to FMCG markets and food companies investing in India, dealing with restaurant chains/ projects. He has also held positions like Director for Business Development and Lecturer of Japanese HR management & Training Advisor for entire Oberoi group. His last position in the Oberoi group was as an Advisor to international procurement and trade. In the year 2004, he completed his M.A, in Gandhian Management from Madurai Kamuraj University, Tamil Nadu India. In 2006, he

		joined Japan External Trade Organization (JETRO), New Delhi under the umbrella of Ministry of Economy, Trade, Industry of Japan as a Senior Advisor. While his association with JETRO, he gained experience in liasoning, setting up of Japanese Investment Zones in India. He has closely worked with Government of Rajasthan and Government of Gujarat and other government authorities of India on central as well as state level, on policy proposals and MOUs. He has hands-on experience of managing matters relating to Investment, Trade, comprehensive partnership, HR, risk management, management including factory management and marketing for all Japanese companies to India. In the year 2022, he started his own consultancy firm namely Daikoku Consultants to provide support to Indo-Japanese business partnerships. Mr. Daikoku through his firm acts as a marketing advisor for Indian partners to Japanese Companies, advisor for business collaboration with Japanese Investors, facilitates marketing in India for Japanese trade houses, act as Kaizen Management advisor to Machine work and Automobile components Companies, provide research services to various Japanese Investors, also provide company setup support, legal and taxation advise, land acquisition support, government negotiations to Japanese companies in India
(b)	Nature of his expertise in specific functional areas	Finance, Administration, Trade and Export.
(c)	Disclosure of relationships between directors and key managerial personnel inter-se	Except Mr. Hiroshi Daikoku, 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 his appointment.
(d)	Names of listed entities in which the person also holds the directorship and the membership of Committees of the board	Mr. Hiroshi Daikoku 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. Hiroshi Daikoku does not hold any Equity Shares of the Company.
(f)	Terms and conditions of appointment or re-appointment	Keeping in view of recommendations of the Nomination and Remuneration Committee of Directors of the Company and the credentials and experience of Mr. Hiroshi Daikoku, the Board recommended his appointment as Independent Director to the members of the Company. Mr. Hiroshi Daikoku shall not be liable to retire by rotation.
(g)	The number of Meetings of the Board attended during the year	NA
(h)	Membership / Chairmanship of Committees of other Boards	Mr. Hiroshi Daikoku is not a member of any of the Committees of any other Board.
(i)	Listed entities from which the Director has resigned in the past three years	NIL
(j)	Remuneration proposed to be paid	Sitting Fee and Commission*. *Shareholders at the 34th AGM, held on 10th August, 2018, approved a sum not exceeding 1% of the net profit of the Company per annum, calculated in accordance with the provisions of Section 198 of the Act, to be paid and distributed among some or all of the Independent Directors of the Company in a manner decided by the Board.
(k)	Remuneration last drawn.	NA
(l)	Date of first appointment to the Board	NA
(m)	Skills and capabilities required for the role and the manner in which the director meets such requirements	Mr. Hiroshi Daikoku has the relevant qualification and experience to justify the skills and capabilities required for his role in the Company as Independent Director. Mr. Hiroshi Daikoku is experienced in managing departments like Kaizen, Finance, Administration, Procurement and Trade in various countries. He has worked as Senior Advisor with "Japan External Trade Organization" (JETRO), New Delhi under the umbrella of Ministry of Economy, Trade, Industry of Japan and acquired knowledge in liasoning and managing matters relating to Investment, Trade, comprehensive partnership, HR, risk management, management including factory management and marketing

COMMUNICATION ON TAX DEDUCTION AT SOURCE (TDS) ON DIVIDEND DISTRIBUTION (FY 2022-23)

As per the Income-tax Act, 1961 (I-T 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 -

- Permanent Account Number (PAN);
- Residential status;
- 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 PAN will be considered on their entire holding in different accounts.

3) For Shareholders who are identified as "Specified Persons" under Sec 206AB of the 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.

4) For shareholders who have not linked PAN and Aadhaar, the PAN will be considered as invalid and higher rate of taxes shall apply (Applicable if dividend is declared, distributed or paid on or after 1 July 2023, subject to any further relaxation as may be provided by the CBDT)

Apart from the above, specific provisions applicable to Resident-Individuals and Resident Non-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 2023-24 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 the Act (i.e., 20%) would apply.

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: 1) PAN 2) Registration certificate along with 3) Self-declaration given in **Annexure 1**
Mutual Funds	NIL	Documentary evidence to prove that the mutual fund is a mutual fund specified under clause (23D) of section 10 of the Act and is covered under Section 196 of the Act along with Self-declaration given in **Annexure 1**

Category of Shareholder	Tax Deduction Rate	Exemption Applicability/ Documents required
Alternative Investment fund (AIF) established/ incorporated in India	NIL	Documentary evidence that the person is covered by Notification No. 51/2015 dated 25 June 2015 (OR) Self-declaration that its income is exempt under Section 10 (23FBA) of the Income Tax Act, 1961 and they are governed by SEBI regulations as Category I or Category II AIF along with the following documents 1) Self-attested copy of the PAN card 2) Registration certificate 3) Self-declaration given in **Annexure 1**
Approved Superannuation Fund / Approved Gratuity Fund	NIL	Self-attested copy of valid approval granted by the Commissioner needs to be submitted : 1) under Rule 2 of Part B of Fourth Schedule to the Act (In case of Approved Superannuation Fund) 2) under Rule 2 of Part C of Fourth Schedule to the Act (In case of Approved Gratuity Fund) along with Self-declaration given in **Annexure 1**
National Pension Scheme	NIL	Self-attested valid documentary evidence (e.g., relevant copy of registration, notification, order, etc.) granting approval to the Scheme along with Self-declaration given in **Annexure 1**
Entities exempt under Section 10 of the Act	NIL	If the income is exempt under the Act, the authorized signatory shall submit the declaration given in **Annexure 1** duly signed with stamp affixed for the purpose of claiming exemption from TDS (entities as provided in **Circular No.18 of 2017**)
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	Documentary evidence that the person is covered under section 196 of the Act along with self-declaration given in **Annexure 1.**
Order under section 197 of the Act	Rate provided in the order	Lower/NIL withholding tax certificate obtained from Income Tax authorities.
Other resident shareholders without PAN / Invalid PAN / Deleted PAN / non-compliance of Section 206AB	20%	

II) Non-resident Shareholders

In respect of Non-Resident Shareholders, Tax will be deducted at source ("TDS") under Section 195 and Section 196D of the 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 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
		1) Copy of Permanent Account Number (PAN), if available. 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 2023-24. 3) Form 10F filed electronically on the Indian Income Tax web portal pursuant to Notification no. 03/2022 dated 16th July 2022 and a subsequent notification dated December 12, 2022 issued by the Central Board of Direct Taxes (CBDT), as required under the Income-tax Act, 1961. (Please note that the shareholders who have PAN may not be eligible for DTAA benefit if the e-filed Form 10F is not furnished. However, pursuant to the Notification dated March 28, 2023, CBDT exempted those non-residents who are not having PAN and are not required to have PAN as per the law from mandatory e-filing of Form 10F online until September 30, 2023, and such non-residents may make this statutory compliance of filing Form 10F in manual form as was being done prior to issuance of the Notification No. 3/2022 till September 30, 2023 only. The Form 10F can be downloaded from https://incometaxindia.gov.in. 4) 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). 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. TDS shall be recovered at 20% (plus applicable surcharge and cess) if any of the above-mentioned documents are not provided.
Submitting Order under section 195(3) /197 of the Act	Rate provided in the Order	Lower/NIL withholding tax certificate obtained from Income Tax authorities.

Notes:

1) Shareholders holding shares under multiple accounts under different status/ category (eg. 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 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 sections 206AB, the specified persons shall not include a non-resident who does not have a permanent establishment in India.

3) **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 on or before Friday, July 28, 2023. Further, the Originals should be sent at the registered office address of the company.**

4) It may be further noted that in case the tax on dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents from you, there would still be an option available with you to file the return of income and claim an appropriate refund, if eligible. No claim shall lie against the Company for such taxes deducted.

Annexure - 1

Date: ....

To
JTEKT India Limited
UGF – 6, Indraprakash,
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 2023-March 2024 (Indian Fiscal Year).

2. We hereby declare that (Select Applicable)

☐ We are **Insurance Company** and are the beneficial owner of the share/shares held in the Company; and we are submitting self-attested copy of PAN Card.

☐ 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; and we are submitting self- attested copy of PAN Card and registration certificate.

☐ 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 Act and are governed by SEBI regulations as Category I or Category II AIF; and we are submitting self-attested copy of the PAN card and registration certificate.

☐ 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; and we are submitting self-attested copy of the documentary evidence supporting the exemption status along with self-attested copy of PAN card.

☐ 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 Act and we are submitting self-attested copy of the documentary evidence supporting the exemption status along with self-attested copy of PAN card.

☐ We are **(Recognised Provident Fund/Approved Superannuation Fund/Approved Gratutity 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)**; and we are submitting self-attested copy of the documentary evidence supporting the exemption status (e.g. relevant copy of registration, notification, order, etc.) along with self-attested copy of PAN card.

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 -

Annexure - 2

(On the letter head or plain paper of the non-resident shareholder)

FORMAT FOR DECLARATION FOR CLAIMING BENEFITS UNDER DTAA

Date: ...., 2023

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 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.

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>

Rubber Stamp

Authorized Signatory
Name of the Person signing
Designation of the Person signing

ON A CONSTANT MOVE

JTEKT INDIA LIMITED

ANNUAL REPORT 2022-23

Contents

The Graphic is a testimonial of the Company's readiness to be on a constant move towards excellence and growth It exhibits resilience, inventiveness, novelty in motion where there is an inherent zeal to achieve new milestones and reach news heights.

On a Constant Move

With inventiveness being the core strength and cutting-edge technology the driving force, we at JTEKT India, have consistently been on a constant move to attain excellence- Excellence in terms of precision- Excellence in terms of application of technical knowhow- Excellence in terms of innovation. Going in sync with our motive to be on a constant move to accomplish excellence and adapt to the changing economic scenario and market volatility, we have carefully invested in the growth and expansion of our product portfolio via upscaling our technical wing and creating a new product that speaks volumes about our focus on precision and inclination towards novelty. Our new product entry, Constant Velocity Joints (Drive Shaft), which has been launched in India for the first time is all set to revolutionize the automotive sector with its smart design and cutting-edge performance.

JTEKT India has not only invested in the potential future growth and innovation for its value creation but also focused on strengthening its internal technical capacity, equipping its India-based facilities for testing, designing and prototyping. One of the remarkable works of our Company has been its optimism towards growth, not only for itself but for India. Our futuristic approach towards technological advancement and our constant move to work on the rationalization of its manufacturing operations to leverage overall operational efficiency has propelled us in the right direction. Initiatives like cost-effectiveness, proper training of resources, promoting green supply chain, quality improvement, enhancing safety, security and sustainability measures, investment in upskilling human resources, creating an intelligent and digitally equipped workforce, rationalization through mergers, strengthening manufacturing lines, improving operational efficiency and energy efficiency - at JTEKT India, have encouraged us to be on a constant move and led us on a path of resilient and sustained growth. Our dedication towards innovation and innate ability to lead and meet customers' demands has made us enhance our manufacturing process efficiency, and process automation, and increase productivity by implementing innovative IT tools and technologies.

We have been on a constant move towards achieving growth and development and brand trust and have exhibited our commitment to our Group's vision of 'Shaping a Better Future' through the spirit of 'No. 1 & Only One'. Through our commitment for establishing brand excellence, brand trust and brand resilience, we have been able to create new milestones over the years.

Moreover, we believe in serving our stakeholders-customers, employees, suppliers, regulators and shareholders with utmost dedication that has along the way aided in establishing a trustworthy Company which is agile and enjoys unequivocal positioning in the automotive domain.

Our new product entry, Constant Velocity Joints (Drive Shaft), which has been launched in India byJTEKT Group for the first time is all set to revolutionize the automotive sector with its smart design and cutting-edge performance.

JTEKT Group of Companies in India

JTEKT India Limited

JTEKT Fuji Kiko Automotive India Limited

A leading manufacturer of Jacket Assembly for CEPS and Steering Columns.

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

JTEKT India Limited, a subsidiary of the JTEKT Corporation, Japan, occupies one of the leading positions in the manufacturing of automotive components in India.

With inventiveness at the core, the Company manufactures innovatory automotive components such as Rack and Pinion Steering systems, Hydraulic Power Steering systems and Driveline products. The company is consistently working towards excellence and has exhibited mastery over precision and innovation by manufacturing next-generation, technology for automobiles like Column-type Electric Power Steering systems. OEMs in India that include Maruti Suzuki, Suzuki Motor Gujarat, Toyota Kirloskar, Mahindra & Mahindra, Tata Motors, Honda Cars India, Stellantis (Fiat + PCA), Renault-Nissan, Isuzu, SML-Isuzu and Force Motors purchase JTEKT India's product line. With state-of-the-art, highly precise technology, the company has been creating product lines of the highest standard and exporting them to the USA, Europe, and Japan. JTEKT India has six strategically placed plants spread out over Gurgaon, Bawal, Dharuhera and Sriperumbudur from where it serves major auto clusters and important customers in India.

With a sole purpose of connecting with customers and meeting their needs the company has been consistently innovating and this year, it has come up with a brand new product in the Driveline Segment, Constant Velocity Joint (CVJ) and has started its commercial production. At present, the Company has started supplying CVJ to Maruti Suzuki. The product has huge potential. CVJ has not only helped the Company to further consolidate its position but also leveraged position as a leader in innovation and bringing forth cutting-edge technology in the automotive sector.

The Company is a part of the Japan based JTEKT Group. With 1,428 billion yen in revenue, the Group leads the world in both the automobile and other industries; thanks to its best-in-class product lineup. It offers a comprehensive range of goods to the automotive industry, including steering system and drive line components, to ensure assurance, safety, and comfort. Machine Tools and Bearings are two other product lines for the group.

Letter from the Chairman

Dear Shareholders,

For the entire world, the damaging effect of the pandemic is still palpable both economically and health-wise. The virus ripped off the global economy like never before, leading to low growth rates across economies in the world. Global growth slowed in 2022 to 3.2%, more than 1 percentage point weaker than expected at the end of 2021, primarily due to the weighing down by Russia's invasion of Ukraine, the associated cost-of-living crisis in many countries, soaring interest rates, surging inflation, and disruptions in supply chain.

As per World Economic Outlook published by International Monetary Fund in April, 2023, the global economy's gradual recovery from both the pandemic and Russia's invasion of Ukraine remains on track. China's reopened economy is rebounding strongly. Supply chain disruptions are unwinding, while dislocations to energy and food markets caused by the war are receding. Simultaneously, the massive and synchronized tightening of monetary policy by most central banks should start to bear fruit, with inflation moving back towards targets. However, underlying price pressures are proving sticky, with labor markets tight in a number of economies. Side effects from the fast rise in policy rates are becoming apparent, as banking sector vulnerabilities have come into focus and fears of contagion have risen across the broader financial sector, including nonbank financial institutions.

Back home, the economy has shown incredible resilience and shown that it can recover in the face of unheard-of difficulties. A number of causes, including government stimulus programmes, a resurgence in consumer demand, and increasing industry output, are responsible for this recovery. Other factors like government's 'Atmanirbhar Bharat' initiative, which aims to increase India's self-sufficiency and decrease reliance on imports, has had a considerable impact on how the Indian economy has performed recently. The government has encouraged local manufacturing through programmes like the Production-Linked Incentive (PLI) plan, attracting investments and boosting job creation across all industries.

The Indian passenger vehicle (PV) market finished a strong fiscal year FY23 with annual sales of 4.5 million units, posting year-on-year growth of 25% (FY22: 3.6 million). This was the highest annual growth in more than ten years, as the previous peak was attained in FY19 at 4.05 million units. According to information provided by the auto industry trade group SIAM, India's passenger vehicle sales increased as chip shortages subsided and SUV demand soared. Government of India has brought in a number of structural reforms aimed at improving the ease of doing business in the country and includes initiatives such as the Goods and Services Tax (GST), tax procedural simplification, and liberalisation of foreign direct investment (FDI) standards. These initiatives by the Government have not only boosted

In our journey towards brilliance, our group's vision statement, 'Shaping a better future through the spirit of No.1 and Only One' has served as our compass throughout. Our strength and dedication to this vision have allowed us to be on a constant move towards growth over the years.

investor confidence but also encouraged domestic and foreign enterprises to engage in India. By committing INR 51.72 billion to its flagship programme FAME-II, for subsidising and encouraging the adoption of Hybrid and Electric Vehicles in India, the Indian government has demonstrated its commitment to the industry's growth. This allocation is 80% more than the allocation in previous year.

We at JTEKT India, are always on a constant move to achieve excellence. Over the years, several initiatives have been taken towards rationalization of our manufacturing operations to enhance overall operational efficiency. Going in sync with the changing consumer behaviour, market ecosystem, and technological trend, we have focussed on enhancing our designing, prototyping and testing capabilities keeping innovation and invention at the centre. This has enabled the Company to shorten the lead time for new product development and deliver high quality and reliable products to its Customers.

We have been continuously working towards value addition, innovation and achieving novelty in our service by developing new products that are cost-effective and solution-oriented for the market. JIN has created regionally tailored solutions for clients over the course of the year, resulting in the comfort of end users. As a major success in the area of expansion of our range of products in the Indian Market, we started the commercial production and supply of Constant Velocity Joints (Drive Shaft) during the year. We have future plans for expansion of this business and thereby increase our share of business.

In our journey towards brilliance, our group's vision statement, 'Shaping a better future through the spirit of No.1 and Only One' has served as our compass throughout. Our strength and dedication to this vision have allowed us to be on a constant move towards growth over the years.

During the year, the Board of Directors of the Company and its Subsidiary Company – JTEKT Fuji Kiko Automotive India Limited (JFIN) in their respective meetings held on July 6, 2022 have considered and approved the Scheme of Amalgamation proposing amalgamation of JFIN with the Company. We received the Observation Letters from the Stock Exchanges and on the basis of the same, the Petition was filed before the Hon'ble National Company Law Tribunal, Delhi Bench (NCLT). According to the Orders by NCLT, the meetings of the Equity Shareholders, Secured Creditors and Unsecured Creditors were held on 20th May, 2023. Post approval by Shareholders and Creditors, the Company has filed second motion application with NCLT. We expect to obtain remaining approval to the Scheme shortly. Upon the Scheme of Amalgamation coming into effect JFIN will merge with the Company along with all its assets and operations from effective date of 1st April 2022. This amalgamation will bring production and operational synergies and bring all steering manufacturing operations under one Company.

During the fiscal, the Company received acclamations from its Customers. Toyota Kirloskar recognised the Company's efforts in the area of "Zero Defect Supply", "Business Continuity Management" and "Achieving Quality Targets". Maruti Suzuki recognized Company's efforts in achieving superior "Overall Performance".

Initiatives taken by the Company in the area of employee safety over the years, got its due acknowledgment when our Company received the Haryana State Safety, Welfare & Health Award & certificate for achieving 'Lowest Accident Frequency Rate' from Hon'ble Agriculture Minister Government of Haryana Mr. J. P. Dalal, this year.

Moreover, with excellence, innovation, growth and development being our core motivation, we have put an impetus on upskilling and upscaling our human resources via training, development and skill enhancement. The Company has taken the initiative to develop the future shop floor leaders through Japan Government driven scheme named JIM (Japan India Institute for Manufacturing). Upon successful completion of first batch of JIM training program, the Japan Government has approved to start second batch in Dharuhera location covering all three plants at Dharuhera. In addition permission has been received to start three new batches at our Plants located in Bawal. Under this scheme, we have taken 48 new students from government colleges from diverse locations who are enthusiastic and eager to learn about the shop floor skills. In respect of first batch which was completed last year, the Company has hired all trainees and given the career path in the organisation in the sections such as Production, ME, Maintenance and Quality as per their calibre and interest.

On the financial front, the Company posted better financial results and achieved Net Profit margin of 3.85% which is significantly higher compared to 2.06% achieved for the corresponding previous year. Return on Capital for the year improved to 14.58% from last year level of 7.21%.

JTEKT India has been working tirelessly to establish new milestones, and this wouldn't have been possible without the support of our various stake holders. We are grateful to be of service to our Customers: Maruti Suzuki, Suzuki Motor Gujarat, Toyota Kirloskar, Mahindra & Mahindra, Tata Motors, Honda Cars India, Stellantis (Fiat + PCA), Club Car, E-z-go, Renault-Nissan, Isuzu, SML-Isuzu and Force Motors. I want to take this opportunity to thank our bankers: State Bank of India, Standard Chartered Bank, Sumitomo Mitsui Banking Corporation, MUFG Bank Limited, and Mizuho Bank Limited.

My sincere gratitude goes out to every one of our employees who stood strong and united as a JTEKT family and aided in building trust and providing the customers, clients, and community the best-in-class products, services and experiences.

Eventually, I would want to thank our shareholders whose unfailing faith and unwavering support over the years have kept our morale high and pushed us to achieve new heights.

Yours sincerely,

Hitoshi Mogi
Chairman and Managing Director

Board and Leadership

Mr. Hitoshi Mogi
Chairman & Managing Director

Mr. Rajiv Chanana
Director & CFO

Mr. Satoshi Komeda
Director (Operations)

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. Hidehito Araki
Independent Director

Mr. Masahiko Morimoto
Independent Director

Corporate Information

Board of Directors

Mr. Hitoshi Mogi
Chairman & Managing Director

Mr. Rajiv Chanana
Director & CFO

Mr. Satoshi Komeda
Director (Operations)

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. Hidehito Araki
Independent Director

Mr. Masahiko Morimoto
Independent Director

Company Secretary

Mr. Ashish Srivastava (up to 5-Apr-2023)
Mr. Saurabh Agrawal (w.e.f. 22-May-2023)

Operating Management

Mr. Hitoshi Mogi
Mr. Rajiv Chanana
Mr. Satoshi Komeda
Mr. Minoru Sugisawa
Mr. Kenji Okazaki
Mr. Yasushi Shidahara
Mr. S. Senthil Kumar
Mr. Ashish Singh
Mr. Jaydeep Kumar
Mr. Vinod Kumar Kalra
Mr. Praveen Bansal
Mr. Jayabasker Govindaraj
Mr. Mukul Kalra
Mr. Narender Kumar

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).

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 2023.

Management Discussion and Analysis

ECONOMIC SCENARIO

Global economic scenario

Global growth slowed to 3.2% in 2022, well below expectations at the start of the year, reflecting the effects of Russia's war of aggression in Ukraine, the drag on household incomes from high inflation, rising interest rates and continued disruptions in China. More positive signs have now started to appear, with business and consumer sentiment starting to improve, food and energy prices falling back, and the full reopening of China. Headline inflation is declining, but core inflation remains elevated, held up by strong service price increases, higher margins in some sectors and cost pressures from tight labour markets.

The improvement in the outlook is still fragile. Risks have become somewhat better balanced, but remain tilted to the downside. Uncertainty about the course of the war in Ukraine and its broader consequences is a key concern. Global growth is projected to remain at a below-trend rate in 2023-24, with inflation moderating gradually as the quick and synchronized monetary policy tightening over the past year takes full effect. The strength of the impact from monetary policy changes is difficult to gauge and could continue to expose financial vulnerabilities from high debt and stretched asset valuations, and also in specific financial market segments. Pressures in global energy markets could also reappear, leading to renewed price spikes and higher inflation. *(Source: OECD Economic Outlook, Interim Report March 2023: A Fragile Recovery)*

Major forces that shaped the world economy in 2022 seem set to continue into this year, but with changed intensities. Debt levels remain high, limiting the ability of fiscal policymakers to respond to new challenges. Commodity prices that rose sharply following Russia's invasion of Ukraine have moderated, but the war continues, and geopolitical tensions are high. Infectious COVID-19 strains caused widespread outbreaks last year, but economies that were hit hard—most notably China—appear to be recovering, easing supply-chain disruptions. Despite the fillips from lower food and energy prices and improved supply-chain functioning, risks are firmly to the downside with the increased uncertainty from the recent financial sector turmoil. *(International Monetary Fund - Economic Outlook: A rocky recovery; April 2023)*

Indian economic scenario

India's gross domestic product (GDP) grew 7.2% during the fiscal year 2022-2023 (FY23), surpassing the estimate of 7% projected by the Reserve Bank of India (RBI). The latest data released by the National Statistical Office reveals that India's GDP growth gained momentum in the January-March quarter, with an impressive expansion of 6.1%.

The Gross Value Added (GVA) for Q4 FY23 was at 6.5%, much higher than the consensus estimates of 4.9%. Manufacturing appeared to be in a sweet spot in Q4 FY23 with better-than-expected Q4 corporate earnings, likely on the back of lower input costs. The higher input costs had dragged lower the manufacturing GVA in Q2 and Q3 of FY23, that was not totally passed on to the end users. The robustness in the manufacturing sector is not reflected in a higher private consumption expenditure. The private household spending has been moderating and could moderate further as the lagged impact of the repo rate hikes of the RBI filters through. As a share of GDP, private consumption expenditure was reported at 55.0% for Q4 FY23, the lowest over seven consecutive previous quarters. Its contribution to GDP is also the lowest since June 2021. With the government continuing to push for capital expenditure through the Budget, for FY24, this would once more remain the principal growth driver for the economy. While there are concerns of exports weakening due to slower global growth, the drag from net trade may not be large as imports are also expected to come lower due to weaker commodity prices.

GDP data suggests that India has emerged stronger from the pandemic than initially assumed, with growth gathering steady momentum since FY 2022–23. The Indian economy has shown incredible tenacity and shown that it can recover in the face of unheard-of difficulties. India has gone through a succession of ups and downs in recent years, including the COVID-19 pandemic's effects, economic reforms, and changes in global dynamics. However, it has demonstrated resilience and prospects of a strong recovery despite the COVID-19 Pandemic. A number of causes, including government stimulus programmes, a resurgence in consumer demand, and increasing industry output, are responsible for this recovery. Other factors like government's 'Atmanirbhar Bharat' initiative, which aims to increase India's self-sufficiency and decrease reliance on imports, has had a considerable impact on how the Indian economy has performed recently. The government has encouraged local manufacturing through programmes like the Production-Linked Incentive (PLI) plan, attracting investments and boosting job creation across all industries.

INDUSTRY

Global Auto Scenario

Global auto sales posted a volume of 66.9 mn units in 2022; flat from the sales volume of 66.7 mn units posted in 2021. Sales activity had started the year on an upward trend with the seasonally adjusted annualized rate at 67.3 mn units until the Russia-Ukraine war shocked already-strained supply chains and derailed the recovery. Meanwhile, a wave of COVID lockdowns in China took global auto sales plunging in April. Sales embarked on a slow climb up from April to July, until compounding headwinds from dimming economic outlook and heightened uncertainty started to weigh on purchases again. New waves of COVID-related slowdowns in China dragged the headline number even lower towards the end of the year, and in December, global auto sales sat at a depressed seasonally adjusted annualized rate of 64.8 mn units. Weak sales prevailed across all regions except in the Asia Pacific where despite large disruptions in China, annual sales still grew by +8.6% y/y. Auto sales in the US were down to 13.3 mn units, well below the 15 mn units sold in 2021. South American sales saw a boom in the first half of the year, before sliding sharply in the second half and ending the year only slightly higher than 2021's weak sales. Western European sales picked up in the fourth quarter of 2022 but annual sales still ended the year -4.3% y/y, on top of the -2.1% y/y decline in 2021. North American sales posted the largest decline in 2022 with a -7.1% y/y contraction, offsetting the +3.9% recovery in 2021.

Barely gaining any lost ground in 2022, the global auto sector is looking at another challenging year of recovery. Disruptions in Europe and Asia seem to be stabilizing. Europe avoided the worst of the energy crisis and China's COVID surge has passed its painful peak since the zero-COVID policy was lifted; suggesting healing supply chains and rebounding demand down the line. Although strong headwinds can still be expected in the near term with financial conditions extremely tight across the world. The Industry expect global auto sales to gradually improve in 2023 to around 70 mn units; 6% higher than 2022 sales. The recovery is expected to be led by North America and Western Europe—the two regions that dragged down growth in 2022. In Chinese auto sales, growth of around +3% in 2023 after the eye-popping gain of +7% in 2022 despite the pandemic lockdowns was registered. There is heightened uncertainty around this outlook as rising cost of living continues to dampen growth around the world, layered on top of geo-political risks that also cloud the outlook. *(Scotiabank Global Auto Report February 9. 2023)*

Indian Scenario

The Indian passenger vehicle (PV) market has ended an impressive financial year FY23 with annual sales of 4.5 million units, posting a year-on-year growth of 25 percent (FY22: 3.6 million) - the highest-ever annual growth in more than a decade when the previous peak was achieved in FY18-19 at 4.05 million units. 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. The Indian government has demonstrated its commitment to the industry's growth by allocating INR 51.72 billion towards its flagship scheme 'FAME-II', for subsidizing and promoting the adoption of Hybrid and Electric Vehicles in India. This allocation is 80% more than the allocation in previous year.

Production

The industry produced a total of 2,59,31,867 vehicles including Passenger Vehicles, Commercial Vehicles, Three Wheelers, Two Wheelers, and Quadricycles in April 2022 to March 2023, as against 2,30,40,066 units in April 2021 to March 2022.

Domestic Sales

Total Passenger Vehicle Sales increased from 30,69,523 to 38,90,114 units. Sales of Passenger Cars also increased from 14,67,039 to 17,47,376, Utility Vehicles from 14,89,219 to 20,03,718 and Vans 1,13,265 to 1,39,020 units, in FY-2022-23, compared to the previous year.

The overall Commercial Vehicles sales increased from 7,16,566 to 9,62,468 units. Sales of Medium and Heavy Commercial Vehicles increased from 2,40,577 to 3,59,003 units and Light Commercial Vehicles increased from 4,75,989 to 6,03,465 units, in FY-2022-23, compared to the previous year.

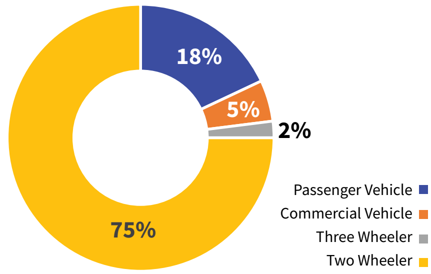
Sales of Three Wheelers increased from 2,61,385 to 4,88,768 units, in FY-2022-23, compared to the previous year.

Two Wheelers sales increased from 1,35,70,008 to 1,58,62,087 units, in FY-2022-23, compared to the previous year.

Exports

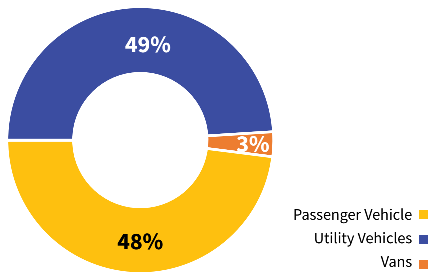
In April 2022 to March 2023, Passenger Vehicle Exports increased from 5,77,875 to 6,62,891 units while Commercial Vehicle Exports decreased from 92,297 to 78,645, Three-Wheeler Exports decreased from 4,99,730 to 3,65,549 and Two Wheelers Exports decreased from 44,43,131 to 36,52,122 units over the same period last year.

Domestic Market Share for 2022-23



Source: *SIAM*

Segment wise demand change in Passenger Vehicles



Source: *SIAM*

Domestic Passenger Vehicle Sales

FY2023	FY2022	
38,90,114	30,69,523	↑ 27%

Commercial Vehicles sales

FY2023	FY2022	
9,62,468	7,16,566	↑ 34%

Sales of Three Wheelers

FY2023	FY2022	
4,88,768	2,61,385	↑ 87%

Two Wheelers sales

FY2023	FY2022	
1,58,62,087	1,35,70,008	↑ 17%

OUTLOOK

The Indian auto industry has faced multiple challenges over the past few years, especially with the onset of Covid-19. In FY2023, the first year of recovery since Covid-19, the industry continued to face headwinds, including the ongoing Russia-Ukraine war, steep increases in crude oil prices, and prolonged global semiconductor shortages. Despite these challenges, the industry has shown growth and signs of recovery. This could be attributed to a healthy replacement demand, relatively stable semiconductor supplies, and pre-buying prior to the second phase of BS-VI emission norms implementation on April 1, 2023.

A few initiatives announced in the budget will positively affect the passenger vehicle sector's growth in FY2024. Automotive sector is part of 13 sectors that Government of India (GoI) has introduced INR 1.97 lakh cr performance-linked incentives (PLI) schemes for five years in 2021-22 budget. In Sept 2021, to boost the automotive industry with the newer and green technology the GoI launched 3 PLI schemes, a INR 26,000 cr scheme for production of electric vehicles and hydrogen fuel vehicles (PEVHV), the INR 18,000 crore "Advanced Chemistry Cell" (ACC) scheme for new generation advance storage technologies, which are useful for the electric vehicles, and INR 10,000 crore "Faster Adaption of Manufacturing of Electric Vehicles" (FAME) scheme to go green by expediting production of more electronic vehicles and replacement of other types of existing vehicles with the greener vehicles. The INR 26,000 cr PLI scheme to boost automotive sector to boost the production of electric vehicles and hydrogen fuel vehicles will also generate 750,000 direct jobs in auto sector. These schemes will reduce pollution, climate change, carbon footprint, reduce oil and fuel import bill through domestic alternative substitution and boost job creation.

In Budget 2023, the INR 3,000 crore allocation for the Indian Semiconductor Mission will also help to reduce import reliance. Given the increased proliferation of tech-enabled features in passenger vehicles, the semiconductor mission is likely to impact this segment the most.

Indian government is pushing for electric mobility and imposing stricter emission norms. Budget 2023 announced the extension of the customs duty exemption for capital goods and machinery imports for manufacturing lithium-ion cells used in EVs. According to the Society of Manufacturers of Electric Vehicles (SMEV), EV sales constituted only 5 percent of the total vehicle sales in FY2023, and the path seems favorable for achieving 20-30 percent adoption by FY2030. In March 2023, the Union Minister of Heavy Industries announced the sanction of INR 800 crores under FAME India Scheme Phase II to the PSU Oil Marketing Companies (OMC) for setting up 7432 public fast charging stations across the country.

Despite positive Government support, the Indian automobile industry in fiscal 2023-24 is expected to see a single digit growth after closing the FY23 with double digit growth, said Federation of Automobile Dealers Associations (FADA). As the high-growth period has now passed, FY'24 is expected to see tapered growth in the low single digits due to a high base, inflationary pressures, routine price hikes, and regulatory changes, FADA said. Additionally, for the third consecutive month, US Government agencies have warned of the possibility of EL Nino's arrival later this year, which could lead to poor monsoons, hampering rural India's growth potential. According to FADA, the untimely rains and hailstorms in North and Central India have destroyed key rabi crops and delayed harvesting, which will have a negative impact on rural sales. "Overall, FY'24 will be a year of consolidation for the India Auto Retail Industry with an overall single digit growth over previous year," FADA said.

OPERATIONAL PERFORMANCE AND FINANCIAL REVIEW

Financial Review

INR/Mn.

	Consolidated		Standalone	
	2022-23	2021-22	2022-23	2021-22
Net Income from Operation	20,251	15,745	20,549	15,966
Other Operating Income	188	143	184	139
Total Revenue	**20,439**	**15,888**	**20,732**	**16,105**
Raw Material	14,461	11,070	15,214	11,664
Staff Cost	2,162	2,036	2,011	1,895
Other Expenditure	1,948	1,508	1,849	1,433
EBIDTA	**1,868**	**1,273**	**1,659**	**1,112**
Other Income	86	102	125	103
Depreciation and Amortisation	732	709	676	659
EBIT	**1,222**	**667**	**1,108**	**556**
Finance Charges	47	37	47	37
PBT before Exceptional Items	**1,174**	**630**	**1,061**	**520**
Exceptional Items	33	68	33	68
Share of profit of associates				
PBT	**1,142**	**562**	**1028**	**452**
Tax	271	151	230	121
PAT	**871**	**411**	**798**	**331**
Other Comprehensive Income	-7	1	-6	-0.2
Total Comprehensive Income	**864**	**413**	**792**	**331**
Profit attributable to Owner	**864**	**413**	**792**	**331**
Capital Expenditure	873	1,361	845	1,356
EPS	3.33	1.51	3.26	1.36
D/E Ratio	**0.09**	**0.11**	**0.09**	**0.12**

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 2.06% to 3.85%, mainly due to higher sales in the current financial year. Further Return on Capital Employed has improved from 7.21% to 14.58%.

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

RECOGNITION

During the fiscal, the Company received acclamations from its Customers. Toyota Kirloskar recognised the Company's efforts in the area of "Zero Defect supply", "Business Continuity Management" and "Achieving Quality Targets". Maruti Suzuki recognized Company's efforts in the achieving superior "Overall Performance".

The Company participated at the 32nd National Convention on "Employees Creativity & Innovation for Organizational Business Growth" Indian National Suggestion Schemes' Association - Mumbai along with INSSAN-Northern India Chapter. This time the theme of the convention was "Creativity & Innovation of Employees for Organizations Business success". Two of our Units – Dharuhera-Unit 2 and Dharuhera-Unit 3 participated at the convention and won Par excellence award in presenting a Case Study at the Quality Circle Competition titled "M-12 Thread Plug Gauge No-Go Rejection reduced at Valve Housing Line"

SUBSIDIARY PERFORMANCE HIGHLIGHTS

JTEKT Fuji Kiko Automotive India Limited (JFIN)

During the year under review, the subsidiary's revenue increased by 23% to reach INR 1298 million. JFIN continued to work with better capacity utilization to reduce the negative impact on profitability. It also achieved a 100% OTIF (On Time In Full) delivery track record.

JFIN(INR/Mn.)	2022-23	2021-22
Revenue	1298	994
EBITDA	214	166
EBITDA Margin	16.48%	16.70%
PAT	117	86
PAT Margin	9.01%	8.65%

Safety: Achieved 1335 accident-free days.

Training: Imparted training to employee in Production, HR, and Manufacturing Engineering to enhance knowledge and skill eg. DOJO training, Kiken Yochi Training (KYT) and position wise training.

Environment: Power consumption reduced with new kaizens such as installation of variable frequency drive (VFD), 80 KWp solar panel, replacement with LED lights and automated timers, PNG DG installed etc.

TECHNICAL CAPABILITY

The Company follows a mission of continuously contributing to the Earth and Society by developing high quality Steering and driveline products that provide safety and comfort globally. The Company is in the continuous process of becoming development partner and make progress in design quality, technical responses, performance thereby achieving milestones year on year.

In the process of enhancing skills in Design and Testing to achieve self-reliance, members from the Company's Technical center are getting long-term training in Japan and the same will keep continuing in future till achieving self-reliance for core products. Number of testing facilities have been added and upgraded in last financial year.

In the process of upgrading protocell section, after successfully commissioning of R&P MS Gear assembly in the past, the Company during the Financial Year, commissioned facility for making proto samples for Manual Column and Intermediate shaft assembly line thereby avoiding dependence on use of mass production line for these products.

The technical center in India is, as a continuous process of adding value by developing new product, providing cost-effective solutions and develop products specific to the Indian market as well as support Global Technical Centers by taking up design responsibility for many global projects.

During the year, JIN has locally designed and developed solutions for customers, resulting in providing comfort to end users. We will keep on progressing with our focus on self-reliance, cost-effectiveness and service to the customer.

MANUFACTURING RATIONALIZATIONS

The Company has been working on the rationalization of its manufacturing operations to enhance overall operational efficiency and serving its customers efficiently.

Manufacturing operations of the Company are spread across six plants in North and South of India. These plants were originally established to serve our esteemed customers with specific steering and driveline products; however, the change in the business scenario, technological trend, customer demand and expanded product portfolio provides an opportunity to review manufacturing strategy for enhancing its operational efficiency and competitiveness for sustainable growth.

Based on detailed analysis of related factors and business plan, the Company has established a structured roadmap for rationalization and has been executing the same in phased manner. As result of previous year's efforts, the Company completed rationalization of Stamping unit and its Sanand plant by consolidating the products and equipments with other plants that has resulted to improve efficiency and profitability.

As the Company is expanding its facilities for capacity expansion of current products as well as expanding product portfolio by introducing new products like Constant Velocity Joint, the rationalizations is key consideration in decision making. As per the report published by Allied Market Research, the global automotive Constant Velocity Joint market was pegged at $2.9 billion in 2021, and is estimated to reach $4.7 billion by 2031, growing at a CAGR of 5.3% from 2022 to 2031. *(Source: Allied Market Research).* Our actions are aligned to make JTEKT India Ltd. a world-class manufacturing company and attain highest level of customer satisfaction.

HUMAN RESOURCES

At JTEKT India, human resource management spans from assessment of manpower need to the management and retention of manpower. HR is an integral part of our organization, which plays an essential role in the business and success of organization. Management is having focused approach in designing and implementation of various policies, procedures and programs to ensure a safe and productive work environment, and developing strategies for employee engagement and development.

During FY 2023, where digitalization has given a new turn to the industry, Corporate HR has introduced an Employee Self Service Portal named "ZING HR" which gives the opportunity to the employees to have a quick access to their professional information & provides a one-stop shop solution to all processes relating to HR & Payroll. The best feature of this software is

its mobility as it can be easily operated from individual Mobile phones. Moreover, with the objective of keeping the employees engaged & work towards the betterment of the organization, the Company has launched Online Suggestion Scheme for our employees, where they can submit their suggestions & can get the reward & recognition from the Management.

The Company conducts regular trainings and skill enhancement activities to grow employee's skills and support them to reach to their highest potential. During FY'2023, 638 training sessions were conducted for the employees involving 3190 training hours for various learning & development activities. These training sessions covered topics like Safety, Health & Environment, Company Principles and Policies, Behavioral Competencies and Technical skills.

Employees are also making the optimum utilization of E-Learning platform, where more than 35 modules related to Company Principles, Technical & Behavioral skills are available. The best feature of this portal learning is that it can be accessed from any place & at any point of time.

In the India Training Centre, we have given the opportunity to our Team Leaders & Assistant Team Leaders of Production/ Quality / ME & Maintenance sections to understand and explore Toyota Production System that includes orientation and A-HA Tools, Material Information Flow that includes Kanban and Standardize Work on real ground by doing the demo by their own. Last year, we have conducted 32 batches, among them 214 Team Leaders and Assistant Team Leaders were trained on the subject.

In FY'2022 Corporate HR has taken the initiative to develop the future shop floor leader through Japan Government driven scheme named JIM (Japan India Institute for Manufacturing). Under that flagship program, the young talented trainees of first batch successfully completed their one-year JIM training program and our organisation has hired all trainees and given the career path in the organisation in the sections such as Production, ME & Maintenance and in Quality as per their calibre and interest.

Upon successful completion of first batch of JIM training program, the Japan Government has approved to start second batch in Dharuhera location covering all three plants of Dharuhera. In addition permission has been received to start three new batches at our Plants located in Bawal. To inaugurate the JTEKT JIM Bawal, Ms. Kyoko HOKUGO – Minister (Economic & Development) from the Embassy of Japan in India was invited as the chief guest and Mr. Eiji Teshima from The Association for Overseas Technical Cooperation and Sustainable Partnerships(AOTS) was also invited as the special guest. The guest of honour Ms. Kyoko HOKUGO appreciated the Company's efforts for opening three new JIMs at three JTEKT Plants who are already practicing Japanese system, in true essence of Kaizen concept. Under this scheme, we have taken 48 new students from the government colleges from diverse locations for Bawal and Dharuhera plants, who are enthusiastic and eager to learn about the shop floor skills.

PURCHASING

At JTEKT India, 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.

In order to strengthen our competitiveness, we unite all capabilities of the Company and our business partners at each stage of development, production preparation and mass production and clear business hurdles.

The Company's Purchasing Department provides training to its partners to upgrade their technology and support them to improve their quality and performance. Fair assessment is done with partners while evaluating their performance. For motivating our partners, the Company rewards its best performer partners in the area of Quality, Delivery, VA/VE, Safety, Environment and overall support. Cost improvement (VA/VE) policy is shared with them for mutual growth. Partners are selected based on their capability and their potential.

Environment guidelines are shared with partners to make sure parts are free from prohibited chemical/substance to protect the environment. Safety trainings are provided to them to ensure no fatal and no fire accident. Risks are evaluated to make sure uninterrupted supplies to customers.

The Company's Purchasing supports MSME suppliers and local suppliers (including transporters & other service providers). While developing parts, we make sure that opportunities are given to MSME and local suppliers also. Training to improve their quality, delivery and efficiency are provided to them.

SAFETY, SECURITY & SUSTAINABILITY

The Company continued to promote the 'Zero Accident' vision to prevent workplace accidents. During the financial year, the Company has taken several initiatives to further the cause of the safety vision.

Safety Award – This year on 26th January 2023, we have received the Haryana State

Award in the area of "Lowest Accident Frequency Rate" received from Hon'ble Agriculture Minister Government of Haryana Mr. J. P. Dalal

Safety Welfare & Health Award & certificate for our Gurgaon Plant for achieving **"Lowest Accident Frequency Rate"** from Hon'ble Agriculture Minister Government of Haryana Mr. J. P. Dalal.

Improving Safety Mind-set – The Company continues to believe that all the members can always remain safe when they perform work with correct methods and tools and do not take shortcuts. Hence, the Company has been working on improving the thinking process of all employees towards Safety. This year the Company modified the evaluation and training process so that it becomes more effective to identify the shortcomings and members are taken through behavioral training programs to improve their mind-set on safety.

Machine Risk Assessment - This year, we did machine risk assessment with the revised check sheet to ensure that all our machines are safe for work. The risks are identified and prioritized on the basis of its potential impact / probability. Actions are then planned to assure that all processes remain safe for the employees.

Installation of Chiller unit on Injection Moulding Machine – In order to reduce the temperature, we have installed chiller unit on all such machines where water consumption was high. Earlier the water was being used from the cooling tower. This initiative will help us in water saving.

New Safety initiatives – We have started ergonomics study to reduce human risk at the machine. We categorise the risk in three levels - high, medium and low and start taking countermeasures on the identified machines.

Safety Patrol Round by Top Management – This year we have started monthly Safety Patrol Round with Top Management on the Production lines to identify the unsafe conditions. The probable risks are identified and countermeasures are taken to avoid any accident.

Apart from the above actions, we provide a mandatory 2-days safety training for every new employee as part of the induction program.

INFORMATION TECHNOLOGY

The Major focus during the financial year has been to improve the manufacturing process efficiency, process automation and increase in productivity by implementing innovative IT Tools and Technologies.

Robotic Process Automation (RPA) system has been implemented to automate various manual Jobs effectively for better utilization of the human resources. RPA System will also offload the standard repetitive jobs to improve employee productivity and efficiency at functional level.

Supplier Kanban system has been setup as part of supply chain digitization roadmap to improve overall logistic operation to reduce the inventory and efficient management of BOP at production lines.

Traceability system has been deployed as per the customer demand and future manufacturing requirements of product traceability at bin level to meet the material traceability norms. Traceability system will help company to limit the financial losses due to product recall and defects.

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.

Our internal control system provides a high degree of assurance with respect to:

- effectiveness and efficiency of operations
- reliable, timely, and transparent reporting and
- compliance with laws and regulations.

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.

During FY23, 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.

One of the major CSR initiative taken by the Company was to set up a 10 bedded Post Delivery Maternity cum isolation ward at Community Health Centre, Bawal. This is a state of art facility with 225 Square Meters of civil construction. The facility is air-conditioned for the comfort of mothers and infants and is equipped with separate enclosure for doctor / nurses with necessary infrastructure, Toilet, 10 nos. of beds, curtains, side tables and other essentials. The total expense on this project was INR 6.5 Million contributed by the Company and its subsidiary – JTEKT Fuji Kiko Automotive India Limited.

During the year, the Company provided Medical equipment - Zeiss IOL Master 700 system which is used for Day Care Centre for Cancer patients and Eye Centre at Vivekanand Arogya Kendra, Gurugram.

Other CSR projects carried out during the year included Purification Unit with Water Cooler to Govt. Primary School, Gurjar Majri, Braillers (typewriters) and Braille Books to the Captain Chandan Lal Special School for Blind, Gurugram, Water Cooler to Govt. Primary School, Sulkha, Rewari, Salary of Computer Teacher at Govt. Sr. Sec. School Banipur Village and Renovation of Traffic Police Office building, Dharuhera.

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 3479.4 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.

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, labor relations, and interest cost.

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY

JTEKT India Limited ('JIN') 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.

We believe that our vision to be "No. 1 & Only One" can only be achieved if we appreciate and discharge our responsibilities towards our various stakeholders.

Responsibility to our customers and business partners

- Follow proper business practices and engage in fair, transparent and free competition based on a respect for the law.
- Derive concepts from the market, provide the best in quality, technology and service, and obtain the 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

- Respect the individuality of employees, create workplaces that are motivating to employees and enable them to fulfill their potential, and strive to provide each with abundant living circumstances.

Contributing to regional societies and to global society

- As a good corporate citizen, we aggressively 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 and aggressively 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 2023 there were three Executive Directors and seven Non-Executive Directors. Out of the said seven Non-Executive Directors, five directors were Independent Directors having one Independent Woman Director (see Table 1):

Table 1 : Composition of the Board of Directors as on 31 March 2023

Name of Directors	Category
Mr. Hitoshi Mogi	Chairman & Managing Director (Executive Director)
Mr. Satoshi Komeda	Director (Operations) (Executive Director)
Mr. Rajiv Chanana	Director & CFO (Executive Director)
Mr. Takumi Matsumoto	Non-Executive Director
Mr. Taku Sumino	Director-Nominee Director of Maruti Suzuki India Limited (MSIL) (Non-Executive Director)
Mr. Inder Mohan Singh	Independent Director
Lt. Gen. Praveen Bakshi (Retd.)	Independent Director
Mr. Hidehito Araki	Independent Director
Mrs. Hiroko Nose	Independent Woman Director
Mr. Masahiko Morimoto	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. Akihiko Kawano, rescinded from the position of Dy. Managing Director as well as Director of the Company with effect from the close of working hours of 30 April 2022;
- The nomination of Mr. Toshiya Miki was withdrawn by Maruti Suzuki India Limited from the Board of the Company, effective from the close of business hours of 31 May 2022; and
- Mr. Sudhir Chopra, completed his tenure as Executive Vice Chairman as well as Director of the Company effective from the close of business hours of 31 May 2022

Further, during the year :

- Mr. Satoshi Komeda was appointed as an Additional Director, in the capacity of Director (Operations), with remuneration, effective from 1 June 2022, whose appointment was confirmed by the shareholders of the Company at 38 Annual General Meeting held on 26 August 2022.
- Mr. Taku Sumino[7], was appointed as an Additional Director in the capacity of Non-Executive Director, as Nominee of Maruti Suzuki India Limited, effective from 1 June 2022, whose appointment was confirmed by the shareholders of the Company at 38 Annual General Meeting held on 26 August 2022; and
- Mr. Rajiv Chanana, was appointed as an Additional Director in the capacity of Director & CFO, with remuneration, effective from 1 June 2022, whose appointment was confirmed by the shareholders of the Company at 38 Annual General Meeting held on 26 August 2022.

2. Number of Board Meetings

In the financial year ended on 31 March 2023, JIN held six Board Meetings on 26 April 2022, 20 May 2022, 6 July 2022, 8 August 2022, 14 November 2022 and 9 February 2023. 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 2023, last Annual General Meeting of the Company held on 26 August 2022 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 2023 [see Table 2(B)].

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

Name of Directors	Board Meetings held during FY 2022-23		Whether attended last AGM	Directorships held in other companies incorporated in India		Membership of Committees of other Companies[1]	
	Eligibility	Attended		Public	Private	Member	Chairperson
Mr. Hitoshi Mogi	6	6	Yes	1	2	1	-
Mr. Sudhir Chopra[2]	2	2	N.A.	N.A.	N.A.	N.A.	N.A.
Mr. Akihiko Kawano[3]	1	1	N.A.	N.A.	N.A.	N.A.	N.A.
Mr. Satoshi Komeda[4]	4	4	Yes	-	-	-	-
Mr. Rajiv Chanana[5]	4	4	Yes	-	-	-	-
Mr. Takumi Matsumoto	6	6	Yes	-	-	-	-
Mr. Toshiya Miki[6]	2	1	N.A.	N.A.	N.A.	N.A.	N.A.
Mr. Taku Sumino[7]	4	4	Yes	1	-	-	-
Mr. Inder Mohan Singh	6	6	Yes	2	-	3	-
Lt.Gen.Praveen Bakshi (Retd.)	6	6	Yes	1	-	-	-
Mr. Hidehito Araki	6	6	No	-	5	-	-
Mrs. Hiroko Nose	6	6	Yes	-	1	-	-
Mr. Masahiko Morimoto	6	6	Yes	-	3	-	-

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. Sudhir Chopra[2]	N.A.	N.A.
Mr. Akihiko Kawano[3]	N.A.	N.A.
Mr. Satoshi Komeda[4]	-	-
Mr. Rajiv Chanana[5]	-	-
Mr. Takumi Matsumoto	-	-
Mr. Toshiya Miki[6]	N.A.	N.A.
Mr. Taku Sumino[7]	-	-
Mr. Inder Mohan Singh	Eicher Motors Limited	Independent Director
Lt.Gen.Praveen Bakshi (Retd.)	G N A Axles Limited	Independent Director
Mr. Hidehito Araki	-	-
Mrs. Hiroko Nose	-	-
Mr. Masahiko Morimoto	-	-

Notes:

① Only covers Membership / Chairmanship of Audit Committee and Stakeholders Relationship Committee of public limited companies.

② Completed his tenure as Executive Vice Chairman as well as Director of the Company effective from the close of business hours of 31 May 2022.

③ Rescinded from the position of Dy. Managing Director as well as Director of the Company with effect from the close of working hours of 30 April 2022.

④ Appointed as an Additional Director, in the capacity of Director (Operations), with remuneration, effective from 1 June 2022, whose appointment was confirmed by the shareholders of the Company at 38 Annual General Meeting held on 26 August 2022.

⑤ Appointed as an Additional Director in the capacity of Director & CFO, with remuneration, effective from 1 June 2022, whose appointment was confirmed by the shareholders of the Company at 38 Annual General Meeting held on 26 August 2022.

⑥ Nomination of Mr. Toshiya Miki was withdrawn by Maruti Suzuki India Limited from the Board of the Company, effective from the close of business hours of 31 May 2022.

⑦ Appointed as an Additional Director in the capacity of Non-Executive Director, as Nominee of Maruti Suzuki India Limited, effective from 1 June 2022, whose appointment was confirmed by the shareholders of the Company at 38 Annual General Meeting held on 26 August 2022.

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.

Leadership (L)	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.
Communication (C)	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.
Experience (E)	Have various leadership experiences within the profession. Have thorough knowledge of organization's policies / procedures / vision / mission.
Global Business (GB)	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.
Financial (F)	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.
Technology (T)	A significant background in technology, resulting in knowledge of how to anticipate technological trends, generate disruptive innovation, and extend or create new business models.
Enterprise Risk Management (ERM)	Ability to think critically about operational and governance issues to ensure the effective management of potential opportunities and adverse effects.
Human Resources Strategy (HRS)	Ability for planning and implementing human resource strategies.
Sales and Marketing (SM)	Experience in developing strategies to grow sales and market share, build brand awareness and equity, and enhance enterprise reputation.
Governance (G)	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. Satoshi Komeda	✓	✓	✓		✓	✓	✓			✓
Mr. Takumi Matsumoto		✓	✓	✓		✓	✓		✓	✓
Mr. Rajiv Chanana	✓	✓	✓		✓		✓	✓		✓
Mr. Taku Sumino		✓	✓	✓		✓			✓	✓
Lt. Gen. Praveen Bakshi (Retd.)		✓	✓	✓			✓	✓		✓
Mr. Inder Mohan Singh	✓	✓	✓		✓			✓		✓
Mrs. Hiroko Nose		✓	✓		✓		✓			✓
Mr. Hidehito Araki	✓	✓	✓	✓				✓		✓
Mr. Masahiko Morimoto		✓	✓	✓			✓			✓

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 2023.

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 instruments① / Stock Option Shares② held
Mr. Takumi Matsumoto	-	N.A.
Mr. Taku Sumino	-	N.A.
Mr. Inder Mohan Singh	-	N.A.
Lt. Gen. Praveen Bakshi (Retd.)	-	N.A.
Mr. Hidehito Araki	-	N.A.
Mrs. Hiroko Nose	-	N.A.
Mr. Masahiko Morimoto	-	N.A.

Notes:

① As on date JIN has not issued any Convertible Instruments.

② As on date JIN 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 (http://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, pays royalty, technical know-how fees and other charges to JTEKT Corporation, Japan, Promoter of the Company, for extending technology for manufacturing various auto components and for providing/availing other services and for procuring various components and procure automotive components from JTEKT Fuji Kiko Automotive India Limited, a subsidiary company. All transactions are conducted at an arm's length, in ordinary course of business, and at prevailing market prices. None of these transactions involve a conflict with the financial interests of JIN. 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: http://www.jtekt.co.in/policies.html).

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 by way of Postal Ballot.

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 2023

(Amount in INR)

Name of Directors	Relationship with other Director	Sitting Fee①	Commission on profits	Salary	Perquisites	Provident Fund & National Pension Scheme	Total
Mr. Hitoshi Mogi	None	N.A.	N.A.	66,00,000	19,51,040	-	85,51,040
Mr. Sudhir Chopra②	None	N.A.	18,50,000	19,82,500	6,600	2,64,000	41,03,100
Mr. Akihiko Kawano③	None	N.A.	N.A.	4,07,500	5,88,874	-	9,96,374
Mr. Satoshi Komeda④	None	N.A.	N.A.	39,50,231	13,51,852	-	53,02,083
Mr. Rajiv Chanana⑤	None	N.A.	7,38,750	95,56,716	6,000	11,16,926	1,14,18,392
Mr. Takumi Matsumoto	None	3,00,000	N.A.	N.A.	N.A.	N.A.	3,00,000
Mr. Toshiya Miki⑥	None	50,000	N.A.	N.A.	N.A.	N.A.	50,000
Mr. Taku Sumino⑦	None	2,00,000	N.A.	N.A.	N.A.	N.A.	2,00,000
Lt. Gen. Praveen Bakshi (Retd.)	None	6,25,000	29,41,026	N.A.	N.A.	N.A.	35,66,026
Mr. Inder Mohan Singh	None	5,75,000	27,51,282	N.A.	N.A.	N.A.	33,26,282
Mr. Hidehito Araki	None	5,50,000	18,02,564	N.A.	N.A.	N.A.	23,52,564
Mrs. Hiroko Nose	None	5,00,000	24,66,667	N.A.	N.A.	N.A.	29,66,667
Mr. Masahiko Morimoto	None	3,25,000	11,38,462	N.A.	N.A.	N.A.	14,63,462

Notes:

① Sitting Fee includes the fee paid for attending the Committee Meetings.

② Completed his tenure as Executive Vice Chairman as well as Director of the Company effective from the close of business hours of 31 May 2022.

③ Rescinded from the position of Dy. Managing Director as well as Director of the Company with effect from the close of working hours of 30 April 2022.

④ Appointed as an Additional Director, in the capacity of Director (Operations), with remuneration, effective from 1 June 2022, whose appointment was confirmed by the shareholders of the Company at 38 Annual General Meeting held on 26 August 2022.

⑤ Appointed as an Additional Director in the capacity of Director & CFO, with remuneration, effective from 1 June 2022, whose appointment was confirmed by the shareholders of the Company at 38 Annual General Meeting held on 26 August 2022.

⑥ Nomination of Mr. Toshiya Miki was withdrawn by Maruti Suzuki India Limited from the Board of the Company, effective from the close of business hours of 31 May 2022.

⑦ Appointed as an Additional Director in the capacity of Non-Executive Director, as Nominee of Maruti Suzuki India Limited, effective from 1 June 2022, whose appointment was confirmed by the shareholders of the Company at 38 Annual General Meeting held on 26 August 2022.

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 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 re-appointment 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 payment of commission up to a sum not exceeding 1% of the net profits of the Company, calculated in accordance with the provisions of Section 198 of the said Act, accordingly the Board of Directors of the Company in its meeting held on 22 May 2023 have approved the distribution of commission to the Independent Directors, by way of commission, out of the net profits for the Financial Year ended 31 March 2023 of the Company. The details of payment of commission are given in Table 4 above.

The approval granted by the shareholders of the Company in their 34 Annual General Meeting for payment of commission up to a sum not exceeding 1% of the net profits of the Company to the Independent Directors of the Company shall be valid for 5 years with effect from 1 April 2018. Since, the Independent Directors of the Company, besides attending the meetings of the Board and/or Committee(s) thereof, are also devoting their valuable time in rendering various services including counseling, guidance and advise on technical, financial, HR and other related matters of the Company, and for that the aforesaid Directors have not been paid any remuneration for their services except the sitting fee for each meeting of the Board and/or Committee(s) thereof attended by them. In order to adequately compensate said Directors, the Board of Directors in their meeting held on 22 May 2023 decided to continue to pay such commission to the Independent Directors, subject to the approval of the shareholders of the Company. The resolution for payment of commission up to a sum not exceeding 1% of the net profits of the Company to the Independent Directors is mentioned at Sl. No. 8 of the Notice of the 39 Annual General Meeting.

COMMITTEES OF THE BOARD OF DIRECTORS

I) AUDIT COMMITTEE

The Audit Committee of JIN 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 JIN'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) statement of significant related party transactions, submitted by management;

(3) management letters / letters of internal control weaknesses issued by the Statutory Auditors;

(4) internal audit reports relating to internal control weaknesses; and

(5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee; and

(6) 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. Ashish Srivastava, Company Secretary of the Company, was the Secretary to the Committee during the Financial Year 2022-23. 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 2023.

As on 31 March 2023, the Audit Committee comprises of Mrs. Hiroko Nose, Mr. Inder Mohan Singh, Lt. Gen. Praveen Bakshi (Retd.) and Mr. Satoshi Komeda. Except Mr. Satoshi Komeda, who is Director (Operations) 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 seven times i.e. on 20 May 2022, 6 July 2022, 8 August 2022, 8 September 2022, 14 November 2022, 9 February 2023 and 21 March 2023 (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 2022-23

Name & Category of Directors	Position	Audit Committee meetings held during FY 2022-23	
		Eligibility	Attended
Mrs. Hiroko Nose *(Independent Woman Director)*	Chairperson	7	7
Mr. Inder Mohan Singh *(Independent Director)*	Member	7	7
Lt. Gen. Praveen Bakshi (Retd.) *(Independent Director)*	Member	7	7
Mr. Akihiko Kawano① *(Dy. Managing Director)*	Member	0	0
Mr. Satoshi Komeda② *Director (Operations)*	Member	6	6

Notes :

① Ceased to be a member of the Committee with effect from close of working hours of 30 April 2022.

② Appointed as one of the members of the Committee effective from 1 June 2022.

II) STAKEHOLDERS RELATIONSHIP COMMITTEE

A Stakeholders Relationship Committee of Directors of JIN 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:

(1) 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.

(2) review measures taken for effective exercise of voting rights by shareholders.

(3) review adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.

(4) 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.

(5) 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 2023, Mr. Ashish Srivastava, 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 2023.

As on 31 March 2023, the Stakeholders Relationship Committee comprises of Mr. Hidehito Araki, Mr. Satoshi Komeda and Mr. Rajiv Chanana.

The Committee met twice during the year i.e., on 27 April 2022 and 11 November 2022 (see Table 6). Minutes of the Stakeholders Relationship Committee meetings were placed before and deliberated by the Board.

Table 6: Attendance of members in Stakeholders Relationship Committee Meetings held during FY 2022-23

Name & Category of Directors	Position	Stakeholders Relationship Committee Meetings held during FY 2022-23	
		Eligibility	Attended
Mr. Hidehito Araki *(Independent Director)*	Chairman	2	2
Mr. Akihiko Kawano① *(Dy. Managing Director)*	Member	1	1
Mr. Sudhir Chopra② *(Executive Vice Chairman)*	Member	1	1
Mr. Rajiv Chanana③ *(Director & CFO)*	Member	1	1
Mr. Satoshi Komeda④ *Director (Operations)*	Member	1	1

Notes :

① Ceased to be a member of the Committee with effect from close of working hours of 30 April 2022.

② Ceased to be a member of the Committee with effect from close of business hours of 31 May 2022, due to completion of tenure as Executive Vice Chairman as well as Director of the Company effective from the close of business hours of 31 May 2022.

③ Appointed as one of the members of the Committee effective from 1 June 2022.

④ Appointed as one of the members of the Committee effective from 1 June 2022.

III) NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of JIN 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. This Policy has been designed to keep pace with the business environment and market linked positioning. The policy is displayed on the website of the Company (web link: http://www.jtekt.co.in/policies.html).

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: http://www.jtekt.co.in/policies.html).

Composition of Nomination and Remuneration Committee, its meetings and attendance record for the year ended 31 March 2023.

As on 31 March 2023, the Nomination and Remuneration Committee comprises of Mr. Inder Mohan Singh, Lt. Gen. Praveen Bakshi (Retd.) and Mr. Hidehito Araki. All the members of the Committee are Independent Directors.

During the year ended on 31 March 2023, the Committee met three times i.e., on 26 April 2022, 20 May 2022 and 27 March 2023 (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 2022-23

Name & Category of Directors	Position	Nomination and Remuneration Committee Meetings held during FY 2022-23	
		Eligibility	Attended
Mr. Inder Mohan Singh *(Independent Director)*	Chairman	3	3
Lt. Gen. Praveen Bakshi (Retd.) *(Independent Director)*	Member	3	3
Mr. Hidehito Araki *(Independent Director)*	Member	3	3

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 by business and functions are systematically addressed through mitigating actions on a continuing basis.

The Risk Management Committee of JIN 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 2023.

As on 31 March 2023, the Risk Management Committee comprises of Mr. Hidehito Araki, Mr. Satoshi Komeda and Mr. Rajiv Chanana.

During the year, the Committee met twice i.e. on 23 September 2022 and 21 March 2023 (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 2022-23.

Name & Category of Directors	Position	Risk Management Committee Meetings held during FY 2022-23	
		Eligibility	Attended
Mr. Hidehito Araki *(Independent Director)*	Chairman	2	2
Mr. Akihiko Kawano ① *(Dy. Managing Director)*	Member	0	0
Mr. Satoshi Komeda ② *(Director - Operations)*	Member	2	2
Mr. Rajiv Chanana ② *(Director & CFO)*	Member	2	2

Notes :

① Ceased to be a member of the Committee with effect from close of working hours of 30 April 2022.

② Appointed as one of the members of the Committee effective from 1 June 2022.

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 2023.

As on 31 March 2023, the Corporate Social Responsibility (CSR) Committee comprises of Lt. Gen. Praveen Bakshi (Retd.), Mr. Hidehito Araki and Mr. Satoshi Komeda.

During the year, the Committee met twice i.e., on 19 May 2022 and 21 March 2023 (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 2022-23.

Name & Category of Directors	Position	CSR Committee Meetings held during FY 2022-23	
		Eligibility	Attended
Lt. Gen. Praveen Bakshi (Retd.) (Independent Director)	Chairman	2	2
Mr. Hidehito Araki *(Independent Director)*	Member	2	2
Mr. Akihiko Kawano ① *(Dy. Managing Director)*	Member	0	0
Mr. Sudhir Chopra ② *(Executive Vice Chairman)*	Member	1	1
Mr. Satoshi Komeda ③ *(Director - Operations)*	Member	1	1

Notes :

① Ceased to be a member of the Committee with effect from close of working hours of 30 April 2022.

② Appointed as one of the members of the Committee with effective from 26 April 2022 and ceased to be a member of the of the Committee with effect from close of business hours of 31 May 2022, due to completion of tenure as Executive Vice Chairman as well as Director of the Company effective from the close of business hours of 31 May 2022.

③ Appointed as one of the members of the Committee effective from 1 June 2022.

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 JIN 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 personnel of the Company who are members of its core management team and, inter-alia, comprises all members of management one level below the Executive Directors, including all functional heads. 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: http://www.jtekt.co.in/policies.html). 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 stake holders 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 2022-23:

Number of complaints pending as on 31 March 2022	1
Number of complaints received by the Company	0
Number of complaints disposed	1*
Number of complaints pending as on 31 March 2023	0

* This complaint belongs to FY 2021-22.

5) Subsidiary Company

As per provisions of Regulation 24(3) of the Listing Regulations, the minutes of the Board Meetings of the subsidiary company i.e JTEKT Fuji Kiko Automotive India Limited (formerly known as Sona Fuji Kiko Automotive Limited) and a statement, wherever applicable, of all significant transactions and arrangements entered by the existing subsidiary company has been prepared and presented to the Board of JIN. The Audit Committee of JIN has also reviewed the financial statements in particular the investments made by the subsidiary company.

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: http://www.jtekt.co.in/policies.html).

6) Disclosure of accounting treatment in preparation of financial statements

JIN 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) Fees paid to auditors

The Company and its subsidiary viz. JTEKT Fuji Kiko Automotive India Limited have paid the following fees to the Statutory Auditors of the Company during the financial year 2022-23 for the various services availed:

(Amount in INR/Lakh)

Services		JTEKT India Limited	JTEKT Fuji Kiko Automotive India Limited
Statutory Audit Fee	:	53.00	7.50
Tax Audit Fee	:	2.50	1.50
Limited Review	:	25.50	3.00
Other Matters	:	11.50	0.00
Reimbursement of Expenses	:	5.71	0.15

9) 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: http://www.jtekt.co.in/policies.html).

Following is the status of complaints received under POSH during the Financial Year 2022-23:

Number of complaints filed	:	0
Number of complaints disposed	:	0
Number of complaints pending as on 31 March 2023	:	0

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. Taku Sumino, 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 22 May 2023, on the recommendation of the Nomination and Remuneration Committee, appointed the following additional directors / whole time directors :

- Mr. Minoru Sugisawa was appointed as an Additional Director, in the capacity of Wholetime Director, with remuneration, for a period of three years effective from 1 June 2023, whose office is liable to retire by rotation;
- Mrs. Hiroko Nose was re-appointed as Independent Woman Director of the Company, for the second term of five years effective from 11 August 2023; and
- Mr. Hiroshi Daikoku was appointed as an Additional Director in the capacity of an Independent Director of the Company for a period of five years effective from 11 August 2023.

The appointment of the aforesaid directors shall be placed before the shareholders for their approval at the ensuing Annual General Meeting of the Company scheduled to be held on 11 August 2023.

As required, the brief profiles and other particulars of the Directors seeking appointment/re-appointment are given in the Notice of the 39 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	AA	Reaffirmed
Short term	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 w.e.f. May 22, 2023.

The Board of Directors of the Company, by way of resolution by circulation on 29 March 2023, took note of the resignation of Mr. Ashish Srivastava from the post of Company Secretary / Compliance Officer / Key Managerial Personnel of the Company effective from 5 April 2023. Consequently, Mr. Saurabh Agrawal, an Associate Member of the Institute of Company Secretaries of India was appointed as Company Secretary / Compliance Officer / Key Managerial Personnel with effect from 22 May 2023.

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 handles all share transfers and related matters viz. physical transfer of securities, de-materialisation / re-materialisation of securities etc. 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 company was short of one Independent Director since the date of appointment of a Non-Independent Director (1 July 2021) on the Board till 10 November 2021. 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 2023 is in compliance with the applicable requirements of SEBI as per Listing Regulations.

During the year ended on 31 March 2023, the Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

During the year 2022-23, the Company (including Subsidiary of 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 JIN 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 2020	23 September 2020	11:00 A.M. (IST)	Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")
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")

9) Special Resolutions

In the ensuing 39 Annual General Meeting of the Company to be held on 11 August 2023, the shareholders' consent is being sought by way of Special Resolution for:

- 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.

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

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.

36 Annual General Meeting held on 23 September 2020

- Appointment of Mr. Hitoshi Mogi as Non Rotational Director of the Company.

10) Postal Ballots

At the ensuing, Annual General Meeting to be held on 11 August 2023 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 38 Annual General Meeting of the Company.

During the year, four Resolutions were passed through Postal Ballot – one resolution on 7 June 2022 and three resolutions on 18 October 2022 respectively. Mr. Krishna Kumar Singh, Practicing Company Secretary (Membership No. 8493 – C.P. No. 9760), was appointed as the Scrutinizer for Postal Ballot concluded on 7 June 2022 and Mr. Arun Kumar Gupta, Practicing Company Secretary (Membership No. 21227 and C.P. No. 8003) was appointed as the Scrutinizer for Postal Ballot concluded on 18 October 2022, to oversee the postal ballot voting process. The details of the aforesaid Postal Ballots are as follows:

Postal Ballot 17 June 2022

1) **Re-appointment of Mr. Hitoshi Mogi as Chairman & Managing Director, with remuneration, for a further period of three years effective from 1 April 2022 to 31 March 2025.**

Total Number of Shareholders : 56,416
Total Number of Equity Shares : 24,44,80,469

Particulars	Number of Votes	% of Votes
Total Number of Equity Shares	24,44,80,469	
No. of Votes Polled	20,18,41,607	82.5594
• No. of Votes – In Favour	20,18,36,335	99.9974
• No. of Votes – Against	5,272	0.0026

Postal Ballot 18 October 2022

1) **To enter into material related party transactions with Maruti Suzuki India Limited.**

Total Number of Shareholders : 53,297
Total Number of Equity Shares : 24,44,80,469

Particulars	Number of Votes	% of Votes
Total Number of Equity Shares	24,44,80,469	
No. of Votes Polled	2,31,62,677	9.4742
• No. of Votes – In Favour	2,31,61,871	99.9965
• No. of Votes – Against	806	0.0035

2) **To enter into material related party transactions with JTEKT Corporation, Japan.**

Total Number of Shareholders : 53,297
Total Number of Equity Shares : 24,44,80,469

Particulars	Number of Votes	% of Votes
Total Number of Equity Shares	24,44,80,469	
No. of Votes Polled	2,31,62,677	9.4742
• No. of Votes – In Favour	2,31,61,871	99.9965
• No. of Votes – Against	806	0.0035

3) **To enter into material related party transactions with JTEKT Fuji Kiko Automotive India Limited.**

Total Number of Shareholders : 53,297

Total Number of Equity Shares : 24,44,80,469

Particulars	Number of Votes	% of Votes
Total Number of Equity Shares	24,44,80,469	
No. of Votes Polled	2,31,62,677	9.4742
• No. of Votes – In Favour	2,31,61,871	99.9965
• No. of Votes – Against	806	0.0035

The Company has complied with the procedures for the postal ballot in terms of Section 108 and Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014.

11) **Recommendations of Committees**

During the Financial Year ended on 31 March 2023, the Board of Directors had accepted all the recommendations of Committees of Directors of the Company.

12) **Business Responsibility & Sustainability Report**

Pursuant to the 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, forms part of this Annual Report. The Company has also framed and adopted the Business Responsibility & Sustainability Policy and the same is available at the Company's website (web link: http://www.jtekt.co.in/policies.html).

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 2023. 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, 2023, 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, 2023. Further, application for waiver of fines made by the Company in terms of policy for exemption of fines towards fine levied as per the provisions of SEBI Standard operating Procedure circular No. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated 22nd January, 2020 was rejected during the year and Therefore, Company deposited the amount of INR 784700 (INR 665000 towards the penalty and 119700 towards the GST) with NSE and INR 542800 with BSE.

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 : F008493E000350604
Peer Review: 2105/2022

Place: New Delhi
Date : 22.05.2023

ADDITIONAL SHAREHOLDER INFORMATION

ANNUAL GENERAL MEETING

Date	:	11 August 2023 (Friday)
Venue	:	Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")
Time	:	10.00 A.M.

FINANCIAL CALENDAR

Financial year	:	1 April 2023 to 31 March 2024

For the year ending 31 March, 2024, results will be announced:

- First Quarter Financial Results : Tentatively in Second Week of August 2023
- Second Quarter and Half Yearly Financial Results : Tentatively in Second Week of November 2023
- Third Quarter Financial Results : Tentatively in Second Week of February 2024
- Fourth Quarter and Annual Financial Results : Tentatively in Third Week of May 2024

BOOK CLOSURE

The dates of book closure are from Saturday, 29 July 2023 to Friday, the 11 August 2023 (both days inclusive).

DIVIDEND RATE

The Board of Directors of JIN, in their meeting held on 22 May 2023, has recommended the dividend of INR 0.50 per Equity Share of INR 1/- each for the year ended 31 March 2023. The dividend if approved by the Shareholders at the ensuing Annual General Meeting will be dispatched/credited on and after 18 August 2023.

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
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001	520057	19 April 2023
National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E) Mumbai - 400 051.	JTEKTINDIA	19 April 2023

The ISIN Number of JIN (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 JIN at BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) for the year ended 31 March 2023.

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 2022	87.10	74.30	492095	87.15	74.05	4564028
May 2022	82.80	66.15	303836	82.70	66.05	2090327
June 2022	88.50	70.65	1828510	88.80	71.10	8125937
July 2022	88.60	75.50	234149	88.60	75.40	3615517
August 2022	95.95	82.05	487625	95.80	82.10	7090785
September 2022	108.00	88.60	852439	108.00	88.50	11052789
October 2022	114.00	99.50	621728	114.00	99.50	7711652
November 2022	153.05	103.05	1539569	153.00	102.05	20647496
December 2022	201.10	124.40	2061691	168.00	124.00	14467960
January 2023	151.60	127.40	1157960	151.85	127.25	4244159
February 2023	139.65	100.35	1176284	139.85	100.30	8218873
March 2023	112.70	95.55	777298	113.00	95.25	5465150

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 JIN's shares on the BSE & NSE.

* Face Value of JIN's Share is INR 1/- each.

Chart A: The movement of JIN's share price on BSE vis-à-vis BSE Sensex for the year 2022-23.

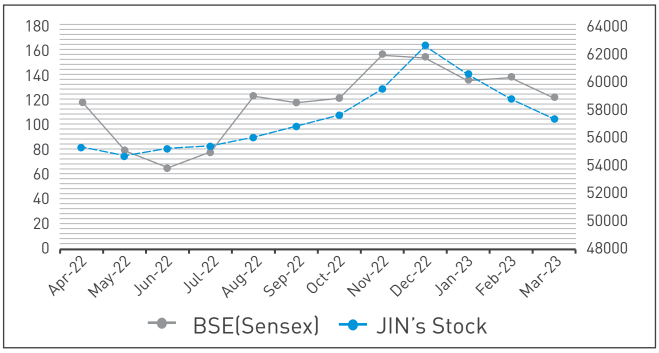
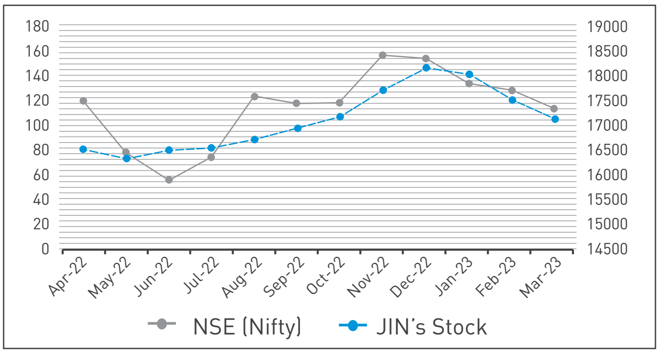


Chart B: The movement of JIN's share price on NSE vis-à-vis NSE Indices for the year 2022-23.



DISTRIBUTION OF SHAREHOLDING

For the distribution of shareholding and shareholding pattern of JIN as on 31 March 2023 see Table 2A and 2B respectively.

Table 2A : Distribution of Shareholding by size class as on 31 March 2023

Amount	Number of holders	Number of shares held	Shareholding (%)
Upto 5000	50,395	1,70,06,919	6.95
5001-10000	606	44,45,926	1.82
10001-20000	259	37,59,833	1.54
20001-30000	91	23,10,509	0.94
30001-40000	23	8,49,636	0.35
40001-50000	14	6,29,977	0.26
50001-100000	32	23,71,745	0.97
100001 & above	40	21,31,05,924	87.17
Total	**51,460**	**24,44,80,469**	**100.00**

Table 2B : Distribution of Shareholding by ownership as on 31 March 2023

Category	Number of shareholders	Number of shares held	Shareholding (%)
Foreign Body Corporate	1	16,70,59,997	68.33
Indian Company	1	1,38,00,000	5.64
Promoter & Promoter Group (A)	**2**	**18,08,59,997**	**73.98**
Bodies Corporate	281	35,44,977	1.45
Individuals and HUF	50108	3,34,32,096	13.67
Non resident Indians	990	14,72,855	0.60
Directors & their relatives	1	3,000	0.00
Foreign Nationals	1	3,134	0.00
Mutual Funds	4	94,09,445	3.85
Foreign Portfolio Investors	30	93,93,728	3.84
Alternate Investment Funds	5	17,19,286	0.70
NBFC	0	0	0.00
Trusts	4	72,312	0.03
Clearing Members	33	41,770	0.02
IEPF	1	45,27,869	1.85
Public Shareholding (B)	**51458**	**6,36,20,472**	**26.02**
Total (A+B)	**51460**	**24,44,80,469**	**100.00**

SHARES HELD IN PHYSICAL AND DEMATERIALIZED FORM

As on 31 March 2023, 99.64% of JIN's shares were held in dematerialized form and the rest in physical form. The promoter & co-promoter owns 73.98% of equity shares in JIN, which are held in dematerialized form.

EQUITY SHARES IN THE SUSPENSE ACCOUNT

The unclaimed equity shares are lying in the Demat Account titled as 'JTEKT India Limited – Unclaimed Suspense Account' maintained with Abhipra Capital Limited, Depository Participant. The Equity Shares transferred to said Unclaimed Suspense Account belong to the members who are still holding the old Share Certificates pertaining to the Equity Shares of the Face Value of INR 10/- or INR 2/- each. The Company releases the Equity Shares from the said Demat Account, as and when it receives any valid request from the shareholder (see Table 3).

Table 3 : The details of Equity Shares held in the Unclaimed Suspense Account as on 31 March 2023

Particulars	No. of Shareholders	Number of Equity Shares
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year (1 April 2022).	17	12758
Number of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year 2022-23.	0	0
Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year 2022-23.	0	0
Number of shares transferred from the Unclaimed Suspense Account to Investor Education and Protection Fund (IEPF) during the year 2022-23.	17	12758
Aggregate number of shareholders and the outstanding shares in the Unclaimed Suspense Account as on 31 March 2023.	0	0
The voting right shall remain frozen till the rightful owner of such shares claims the share.	0	0

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
Unit: JTEKT India Limited
Selenium Tower-B, Plot No. 31 & 32,
Financial District, Gachibowli,
Nanakramguda, Serilingampally,
Hyderabad 500 032
e-mail : einward.ris@kfintech.com

The Company Secretary
JTEKT India Limited
UGF-6, Indraprakash
21, Barakhamba Road
New Delhi – 110 001.
e-mail : investorgrievance@jtekt.co.in

The Board of Directors, vide resolution dated 4 September, 2013, has delegated the powers with respect to approving & registration of transfers / transmission / transposition of Equity shares to authorized officials of KFIN Technologies Limited (Formerly known as KFIN Technologies Private Limited), the Registrar and Share Transfer Agents of the Company, based on the duly filled in and executed Share Transfer Deeds, valid Share Certificate and other requisite documents.

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 2016 and the corresponding dates when unclaimed dividends are due to be transferred to the Central Government. Table 4B gives the unclaimed dividend amount since 2016.

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

Year	Type	Date of declaration	Date due for transfer to Central Government
2016	Final	5 August 2016	8 September 2023
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

During the financial year under review, the Company has transferred INR 34,41,531/- to Investor Education and Protection Fund towards unclaimed dividend pertaining to the year ended 31 March, 2015.

Table 4B : Unclaimed dividend as on 31 March 2023

Year	Amount of dividend declared (INR Lakhs)	Dividend unclaimed (INR Lakhs)
2016	993.83	26.93
2017	993.82	27.22
2018	993.82	21.41
2019	1955.84	32.05
2020	778.13	2.99
2021	331.91	1.39
2022	884.74	3.25

NUMBER AND NATURE OF COMPLAINTS REGARDING SHARES

Table 5 : Details of Investor complaints regarding shares for the year 2022-23.

Nature of complaint	Number of complaints
Investor complaints pending at the beginning of the year	0
Investor complaints received during the year	11
Investor complaints disposed of during the year	11
Investor complaints remained unresolved at the end of the year	0

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) 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.

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 2023 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. Sudhir Chopra①	00058148	18/05/2017
3.	Mr. Akihiko Kawano②	08160588	01/07/2018
4.	Mr. Satoshi Komeda③	09607693	01/06/2022
5.	Mr. Rajiv Chanana④	02630192	01/06/2022
6.	Mr. Takumi Matsumoto	09214828	01/07/2021
7.	Mr. Toshiya Miki⑤	07505339	05/08/2016
8.	Mr. Taku Sumino⑥	09608944	01/06/2022
9.	Mr. Inder Mohan Singh	07114750	18/05/2019
10.	Mr. Praveen Bakshi	08261443	18/05/2019
11.	Mr. Hidehito Araki	02517509	11/08/2018
12.	Mrs. Hiroko Nose	06389168	11/08/2018
13.	Mr. Masahiko Morimoto	06933969	11/11/2021

① Completed his tenure as Executive Vice Chairman as well as Director of the Company effective from the close of business hours of 31 May 2022, accordingly, resignation was effective from 1 June 2022.

② Rescinded from the position of Dy. Managing Director as well as Director of the Company with effect from the close of working hours of 30 April 2022.

③ Appointed as an Additional Director, in the capacity of Director (Operations), with remuneration, effective from 1 June 2022, whose appointment was confirmed by the shareholders of the Company at 38 Annual General Meeting held on 26 August 2022.

④ Appointed as an Additional Director in the capacity of Director & CFO, with remuneration, effective from 1 June 2022, whose appointment was confirmed by the shareholders of the Company at 38 Annual General Meeting held on 26 August 2022.

⑤ Nomination of Mr. Toshiya Miki was withdrawn by Maruti Suzuki India Limited from the Board of the Company, effective from the close of business hours of 31 May 2022.

⑥ Appointed as an Additional Director in the capacity of Non-Executive Director, as Nominee of Maruti Suzuki India Limited, effective from 1 June 2022, whose appointment was confirmed by the shareholders of the Company at 38 Annual General Meeting held on 26 August 2022.

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
UDIN : A021227E000345727

Dated : 22 May 2023
Place : New Delhi

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 2023 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, if any, 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.

For **JTEKT India Limited**

Place: Gurugram
Dated: 22 May 2023

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 (http://www.jtekt.co.in/policies.html).

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 2023.

For **JTEKT India Limited**

Place: Gurugram
Dated: 22 May 2023

Hitoshi Mogi
(Chairman & Managing Director)

BOARD'S REPORT

TO THE MEMBERS,

Your Directors have pleasure in presenting their 39 Annual Report together with audited accounts of the Company for the year ended 31 March 2023.

1) Financial Results

STANDALONE AND CONSOLIDATED PERFORMANCE OF THE COMPANY

(Amount in INR /Lakhs)

Particulars	Standalone		Consolidated	
	Current Year 31.03.2023	Previous Year 31.03.2022	Current Year 31.03.2023	Previous Year 31.03.2022
Total Income	2,08,578	1,62,084	2,05,249	1,59,903
Profit before interest, depreciation & tax	17,518	11,479	19,212	13,079
- Interest	472	367	474	373
- Depreciation & write offs	6,762	6,591	7,320	7,088
Profit before share of profit of Associates	10,284	4,520	11,418	5,618
Profit before tax	10,284	4,520	11,418	5,618
Less : Provision for tax	2,621	1,694	3,063	2,013
Provision for deferred tax liability / (assets)	(316)	(487)	(357)	(507)
Profit after tax	7,979	3,314	8,712	4,112
Less : Share of profit transferred to minority	-	-	575	421
Profit for the year	7,979	3,314	8,137	3,691
Retained Earnings				
Balance at the beginning of the year	39,528	36,583	42,043	38,713
Profit for the year	7,979	3,314	8,137	3,691
Payment of Dividend on equity shares	(978)	(367)	(978)	(367)
OCI Transfer to Retained Earnings	(63)	(2)	(65)	6
Balance at the end of the year	**46,466**	**39,528**	**49,137**	**42,043**

The consolidated financial statement is also being presented in addition to the standalone financial statement of the Company.

2) State of Affairs of the Company

The Company achieved revenue from operations of INR 2,07,324 lakhs during the year; with an increase of 29% compared to revenue achieved in the previous year.

The Company reported profit after tax of INR 7,979 lakhs, an increase of 141% compared to the previous year.

3) Capital Expenditure on tangible assets-standalone

This year, on standalone basis, we incurred a capital expenditure of INR 7,340 lakhs. This comprises:

- Building INR 409 lakhs.
- Plant and Machinery, jig & fixture etc. INR 6,096 lakhs.
- Office equipment and others INR 835 lakhs.

4) Dividend

Keeping in view the current year performance, your directors are pleased to recommend a dividend of INR 0.50 per equity share of the face value of INR 1/- each (@ 50%) out of profit for Financial Year 2022-23 resulting into distribution of sum of INR 1,222.40 lakhs 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 40% on the equity share capital of the Company.

No interim dividend was declared by the Board of Directors during Financial Year 2022-23.

5) Reserves

(Amount in INR/ Lakhs)

Particulars	31 March 2023	31 March 2022
Balance as per last financial statements	39,528	36,583
Add: Profit for the year	7,979	3,314
Less: Appropriations		
Dividend paid	(978)	(367)
Less : OCI Transfer to Retained Earnings	(63)	(2)
Net surplus in the statement of Profit and loss account	46,466	39,528

6) Change of nature of Business

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

7) Share Capital

As on 31 March 2023:

(a) the Authorized Share Capital of the Company is INR 87,10,00,000/- consisting of 87,10,00,000 nos. of Equity Shares of INR 1/- each; and

(b) the Issued, Subscribed and Paid-up Share Capital of the Company is INR 24,44,80,469/- consisting of 24,44,80,469 nos. of Equity Shares of INR 1/- each.

During the Financial Year 2022-23, there was no change in the Share Capital of the Company.

As on 31 March 2023, none of the Directors of the Company hold 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.

8) 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.

9) 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.

10) Details in respect of adequacy of internal controls

The Company has an effective and reliable internal control system commensurate with its size and operations. The internal controls are aligned to global standards and processes while also adhering to local statutory requirements. The internal control systems are supported through, management reviews, verification by internal auditors, as well as verification by the 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.

11) Details and Performance of Subsidiary Company

Company has one subsidiary namely JTEKT Fuji Kiko Automotive India Limited ('JFIN').

The Company is holding 51% of the Equity Capital (i.e. 50,99,993 numbers of equity shares) in JFIN, which was established in technical and financial collaboration with JTEKT Column Systems Corporation, Japan (formerly known as FUJI KIKO Co. Ltd.), with a business objective of manufacturing Columns / Column parts to be primarily used in the manufacturing of C-EPS by the Company. The Plant of JFIN is located in Bawal, Haryana. During the year ended 31 March 2023, JFIN has achieved total revenue of INR 13,080.20 Lakhs and earned net profit of INR 1,172.59 Lakhs.

The Board of Directors of JFIN in their meeting held on 19 May 2023 have recommended the final dividend @ 116.8% for the financial year ended 31 March 2023.

Further, Board of the Company as well as JFIN in their respective meetings held on July 6, 2022 have considered and approved the Scheme of Amalgamation proposing amalgamation of JFIN with the Company. The has already received the Observation Letters from the Stock Exchanges and on the basis of the same, the Petition was filed before the Hon'ble National Company Law Tribunal, Delhi Bench. According to the Orders dated 20 March 2023 read with 29 March 2023 and 28 April 2023, the meetings of the Equity Shareholders, Secured Creditors and Unsecured Creditors were held on 20 May 2023. Upon the Scheme of Amalgamation coming into effect JFIN will merge with the Company along with all its assets and operations from effective date of 1 April 2022. This amalgamation will bring production and operational synergies and bring all steering manufacturing operations under the Company.

Further, the Company does not have any material subsidiary.

12) Subsidiary Company Accounts

During the year, the Board of Directors of the Company reviewed the affairs of the subsidiary company. In accordance with Section 129(3) of the Companies Act, 2013, the consolidated financial statements of the Company forms part of the Annual Report. Further, a statement containing the salient features of the financial statement of the subsidiary company in the prescribed Form AOC-1 is attached along with financial statement. The statement also provides the details of performance, financial position of the subsidiary company.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and audited accounts of its subsidiary company, are available on Company's website www.jtekt.co.in. These documents will also be available for inspection during business hours at Company's registered office. The Company shall provide the copy of financial statements of its subsidiary company to the shareholders upon their request.

In accordance with the Accounting Standard 'AS-110' on Consolidated Financial Statements read with Accounting Standard 'AS-28' on Investment in Associates and Joint Ventures, the Audited Consolidated Financial Statements are provided in the Annual Report.

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 .

14) Corporate Social Responsibility

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 2022-23, the Company has contributed in the areas of healthcare including preventive healthcare, quality education and rural development.

The Company has always focussed to directly 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 and the Board, within the current financial year and has spent an excess amount of INR 0.61 lakhs in addition to statutory requirement.

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 6 (six) times in the year ended 31 March 2023. 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.

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 by way of Postal Ballot on 18 October 2022. In view of the expected growth in the business of the Company, it is proposed to obtain a fresh approval of the shareholders for the material related party transactions as stated in the relevant resolutions, form part of the Notice of the 39 Annual General Meeting of the Company.

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 2022-23. The Company provided all assistance and facilities to the Secretarial Auditors for conducting their audit. The Report of Secretarial Auditors for the FY 2022-23 is annexed to this report as **Annexure – III**. The report does not contain any qualification.

(C) Audit Reports

1. The Auditor's Report for financial year 2022-23 does not contain any qualification, reservation or

adverse remark. The Auditor's Report is enclosed with the financial statements in this Annual Report.

2. The Secretarial Auditor's Report for financial year 2022-23 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 2022-23 does not contain any qualification, reservation or adverse remark.

19) Reporting of frauds by auditors

During the year under review, none of the auditors has reported to the Audit Committee, under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees.

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

In terms of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") read with relevant SEBI Circulars, new reporting requirements on ESG parameters were prescribed under "Business Responsibility and Sustainability Report" ('BRSR'). The BRSR seeks disclosure on the performance of the Company against nine principles of the "National Guidelines on Responsible Business Conduct' ('NGRBCs'). As per the SEBI Circulars, effective from the financial year 2022-23, filing of BRSR is mandatory for the top 1000 listed companies by market capitalization. Accordingly, Business Responsibility & Sustainability Report for the financial year ended 31 March 2023, is annexed as **Annexure - IV** and forms an integral part of the Annual Report.

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 2022-23.

27) Directors & Key Managerial Personnel

As on 31 March 2023, 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. Akihiko Kawano, rescinded from the position of Dy. Managing Director as well as Director of the Company with effect from the close of working hours of 30 April 2022;
- The nomination of Mr. Toshiya Miki was withdrawn by Maruti Suzuki India Limited from the Board of the Company, effective from the close of business hours of 31 May 2022; and
- Mr. Sudhir Chopra, completed his tenure as Executive Vice Chairman as well as Director of the Company effective from the close of business hours of 31 May 2022.

Further, during the year :

- Mr. Satoshi Komeda was appointed as an Additional Director, in the capacity of Director (Operations), with remuneration, effective from 1 June 2022, whose appointment was confirmed by the shareholders of the Company at 38 Annual General Meeting held on 26 August 2022;

- Mr. Taku Sumino was appointed as an Additional Director in the capacity of Non-Executive Director, as Nominee of Maruti Suzuki India Limited, effective from 1 June 2022, whose appointment was confirmed by the shareholders of the Company at 38 Annual General Meeting held on 26 August 2022; and
- Mr. Rajiv Chanana, was appointed as an Additional Director in the capacity of Director & CFO, with remuneration, effective from 1 June 2022, whose appointment was confirmed by the shareholders of the Company at 38 Annual General Meeting held on 26 August 2022.

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) Mr. Inder Mohan Singh
2) Lt. Gen. Praveen Bakshi (Retd.)
3) Mr. Hidehito Araki
4) Mrs. Hiroko Nose
5) Mr. Masahiko Morimoto

Your Directors take this opportunity to place on record the appreciation of services rendered by Mr. Akihiko Kawano as Dy. Managing Director, Mr. Sudhir Chopra as Executive Vice Chairman and Mr. Toshiya Miki as Non-Executive Director of the Company.

Pursuant to the provisions of Section 152(6) read with the Articles of Association of the Company, Mr. Taku Sumino (DIN: 09608944) 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, 2023, following are the Key Managerial Persons (KMP's) of the Company:

1. Mr. Hitoshi Mogi, Chairman & Managing Director (Executive Director)
2. Mr. Rajiv Chanana, Director & CFO
3. Mr. Ashish Srivastava, Company Secretary (Resigned w.e.f. 5 April 2023)

On 22 May 2023, the Board appointed Mr. Saurabh Agrawal as Company Secretary and Compliance Officer of the Company.

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 2022-23, 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 2022-23 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 2022-23 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. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

e. Buy-back of shares.

f. No application was made or any proceeding is pending under the Insolvency and Bankruptcy Code, 2016.

g. 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, Suzuki Motor Gujarat, Toyota Kirloskar, Mahindra & Mahindra, Tata Motors, Honda Cars India, Stellantis (FIAT+PCA), Club Car, E-z-go, Renault-Nissan, Isuzu, SML-Isuzu and Force Motors, the Financial Institutions, 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
Dated : 22 May 2023

ANNEXURE - I

Annual Report on CSR Activities

(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

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. Akihiko Kawano[1]	Member (Dy. Managing Director)	2	0
3.	Mr. Sudhir Chopra[2]	Member (Executive Vice Chairman)	2	1
4.	Mr. Hidehito Araki	Member (Independent Director)	2	2
5.	Mr. Satoshi Komeda[3]	Member (Dy. Managing Director)	2	1

① Ceased to be member w.e.f. 26 April 2022.
② Appointed as member w.e.f. 26 April 2022 and ceased to be member w.e.f. close of business hours of 31 May 2022.
③ Appointed as member w.e.f. 01 June 2022 and ceased to be member w.e.f. closing hours of 31 March 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**

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 3166.62 Lakhs

   (b) Two percent of average net profit of the company as per sub-section (5) of section 135.

   INR 63.33 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 63.33 Lakhs

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): INR 63,94,231.14.

   (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 63,94,231.14

(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 subsection (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
63,94,231.14	Not Applicable	Not Applicable	Not Applicable		

(f) Excess amount for set off, if any

Sl. No.	Particular	Amount (in INR)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	63,33,247.03
(ii)	Total amount spent for the Financial Year	63,94,231.14
(iii)	Excess amount spent for the financial year [(ii)-(i)]	60,984.11
(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 60,984.11 spent in the FY 2022-23.

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 subsection (6) of section 135 (in INR)	Balance Amount in Unspent CSR Account under subsection (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 subsection (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.	2021-22	12,50,193.86	Nil	12,50,193.86①	N.A.		Nil	N.A.
2.	2020-21	28,12,502.00	Nil	Nil	N.A.		Nil	N.A.
3.	2019-20	N.A.	Not required under applicable Law		N.A.		93,06,514②	

① INR 12,50,193.86 was fully utilised from unspent CSR of FY 2021-22 towards payment for the Ongoing Project of FY 2021-22 [i.e. Construction of Insolation cum Maternity Ward at Community Healthcare Centre, Bawal].

② Pursuant to the applicable Law unspent amount was not required to be carried forward to respective succeeding year.

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**

Place : Gurugram
Date : 18 May 2022

Lt.Gen. Praveen Bakshi (Retd)
Independent Director
(Chairman – CSR Committee)
DIN - 8261443

Hidehito Araki
Independent Director
(Member – CSR Committee)
DIN - 02517509

ANNEXURE - II

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 2023, 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 2023 are as follows :

S. 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	JTEKT Corporation (Holding Company)	Dividend Paid	668.24	Nil	April 2022 - March 2023	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 Postal Ballot on 18th October, 2022..
		Corporate guarantee on loans from bank	5,941.13				
		Guarantee Fee Paid	11.42				
		Purchase of Capital Goods	47.98				
		Purchase of Goods	8,144.76				
		Receiving of Services	54.93				
		Reimbursement of Expenses Paid	1,024.93				
		Reimbursement of Expenses Recovered	39.17				
		Royalty	2,661.05				
		Sale of goods (Net of Warranty)	138.50				
		Technical Support Fee	957.77				
		Total	**19,689.88**				
2	JTEKT Fuji Kiko Automotive India Limited (Subsidiary)	Advance Paid for Tooling	62.55	62.55			
		Business Support Income	70.46				
		Dividend Received	438.60				
		Purchase of Capital Goods	13.58				
		Purchase of Goods	16,530.57				
		Reimbursement of Expenses Recovered	5.78				
		Rental Income	5.76				
		Sale of goods (Net of Warranty)	3,843.81				
		Total	**20,971.11**				
3	Maruti Suzuki India Limited (Other Related Party)	Cash Discount Paid	1.44	Nil			
		Director Sitting Fee	2.50				
		Dividend Paid	55.20				
		Interest Income	0.62				
		Receiving of Services	11.33				
		Reimbursement of Expenses Paid	0.09				
		Sale of Capital Goods	1,259.95				
		Sale of Goods (Net of Warranty)	140,073.74				
		Total	**141,404.87**				

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

Hitoshi Mogi
Chairman & Managing Director
DIN 08741355

Hiroko Nose
Independent Director
DIN 06389168

Rajiv Chanana
Director & CFO
DIN 02630192

Saurabh Agrawal
Company Secretary
Membership No.: 36163

Place : Gurugram
Date : 22 May 2023

ANNEXURE - III

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

for the financial year ended on March 31, 2023

[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, 2023 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, 2023, 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;

(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 Indian Copyright Act, 1957

b) The Patents Act, 1970

c) The Trade Marks Act, 1999

d) The Competition Act, 2002;

e) The Industries (Development and Regulation) Act, 1951 and rules/ regulations framed there under;

f) Goods and Service Tax Act, 2017;

g) The Water (Prevention and Control of Pollution) Act, 1974 and rules/ regulations framed there under;

h) The Contract Labour (Regulation & Abolition) Act, 1970;

i) The Minimum Wages Act, 1948;

j) The Payment of Gratuity Act, 1972;

k) The Industrial Employment Standing Orders Act, 1946;

l) The Equal Remuneration Act, 1976;

m) The Maternity Benefit Act; 1961;

n) Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013;

o) State (Shop & Establishment) Act;

p) Industrial Dispute Act, 1947;

q) National & Festival Holidays Act, 1963;

r) The Payment of Bonus Act, 1965;

s) The Payment of Wages Act, 1936;

t) The Employees' Compensation Act, 1923;

u) The Employees State Insurance Act, 1948;

v) The Employees' Provident Fund & Miscellaneous Provisions Act, 1952;

w) The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959;

x) The Hazardous Waste (Management, Handling &Transboundary Movement) Rules, 2008;

y) The State Labour Welfare Fund Act;

z) The Factories Act, 1948;

aa) The Environment Protection Act, 1986 and rules/ regulation framed thereunder;

ab) 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 (SS2) 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. Further, application for waiver of fines made by the Company in terms of policy for exemption of fines towards fine levied as per the provisions of SEBI Standard operating Procedure circular No. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated 22nd January, 2020 was rejected during the year and therefore, Company deposited the amount of INR 7,84,700/- (INR 6,65,000/- towards the penalty and INR 1,19,700/- towards the GST) with NSE and INR 5,42,800/- with BSE.

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 there were no specific events/actions having a major bearing on the Company's affairs except that the application for merger of its subsidiary namely M/s JTEKT Fuji Kiko Automotive India Limited with the Company is filed with NCLT and pending for sanction/Approval.

For KKS & Associates

Krishna Kumar Singh
Practicing Company Secretary
FCS No: 8493
UDIN: F008493E000349724
Peer Review: 2105/2022

Place: New Delhi
Date : 22.05.2023

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: F008493E000349724
Peer Review:2105/2022

Place: New Delhi
Date : 22.05.2023

ANNEXURE - IV

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	2022-23
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 244,480,469/-
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	Disclosures made in this report are on a standalone basis.

II. Products/services

14. 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	99.05%

15. 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	99.05%

III. Operations

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

Location	Number of Plants	Number of Offices	Total
National	6	2	8
International	0	0	0

17. Markets served by the entity

a. Number of locations

Locations	Number
National (No. of States)	9
International (No. of Countries)	3

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

3.51%

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, E-Z-Go Textron, USA, Trenton Pressing LLC, USA, Jtekt Column Systems, France 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

18. Details as at the end of Financial Year

a. Employees and workers (including differently abled)

Sl. No.	Particulars	Total	Male		Female	
		(A)	No. (B)	% (B/A)	No. (C)	% (C/A)
	EMPLOYEES					
1.	Permanent (D)	863	833	96.52%	30	3.48%
2.	Other than Permanent (E)	0	0	0.00%	0	0.00%
3.	**Total employees (D + E)**	**863**	**833**	**96.52%**	**30**	**3.48%**
	WORKERS					
4.	Permanent (F)	605	590	97.52%	15	2.48%
5.	Other than Permanent (G)	1427	1409	98.73%	18	1.26%
6.	**Total workers (F + G)**	**2032**	**1999**	**98.38%**	**33**	**1.62%**

b. Differently abled Employees and workers

During the Financial Year 2022-23, the Company did not have any differently abled resources.

19. Participation/Inclusion/Representation of women

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

20. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY-22-23 (Turnover rate in current FY)			FY-21-22 (Turnover rate in previous FY)			FY-20-21 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	15.09%	1.36%	**16.45%**	11.36%	0.67%	**12.03%**	5.70%	0.22%	**5.92%**
Permanent Workers	39.40%	0.88%	**40.28%**	30.54%	0.71%	**31.24%**	19.60%	0.66%	**20.26%**

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (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
2.	JTEKT Fuji Kiko Automotive India Limited	Subsidiary Company	51	No

VI. CSR Details

22. **(i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) -** Yes

(ii) Turnover (in INR.) : INR 20,73,23,53,275/-

(iii) Net worth (in INR.) : INR 6,76,06,85,150/-

VII. Transparency and Disclosures Compliances

23. **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 22-23 (Current Financial Year)			FY 21-22 (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 http://jtekt.co.in/Contact-Us.aspx	0	0	-	0	0	-
Investors (other than shareholders)	Not Applicable	We have no investor other than shareholders					
Shareholders	Yes http://www.jtekt.co.in/investors/ContactForGrievanceRedressal.html	11	0	-	8	0	-
Employees and Workers	Yes http://www.jtekt.co.in/investors/WhistleBlowerPolicy.html	0	0	-	1	1	The complaint pending has been duly resolved
Customers		0	0	-	0	0	-
Value Chain Partners		0	0	-	0	0	-
Other (please specify)		0	0	-	0		-

24. **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:

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)
1.	Energy Management	Risk and Opportunity	Company is buying a major portion of its energy requirements from the grid. We do not control the input mix of power in the grid. Therefore, we have decided to improve our energy mix and efficiency through the steps mentioned in the approach.	1. Company has put up a solar power generating capacity of 3883 KWP across India in six plants. 2. Company is also constantly working on improving the energy intensity per rupee of revenue.	Positive : Reduced Green House Gases emissions and less sensitivity to changes in cost of fossil fuels for smooth running of operations
2.	Employee Health & Safety at Workplace	Risk and Opportunity	Risk :- • Non-compliance with safety measures by employees • Non-awareness of hazardous nature of chemicals • Not following COVID-19 safety measures Opportunity :- To make our global SHE Policy in line with the best practice of health and safety across the world.	1. Strict adherence to Good Safety mind of employees 2. Focus on reducing the generation of effluent and arresting at the source 3. Detailed SOPs for COVID-19, employee training & adherence followed strictly 4. Medical check-up, vaccination drive as per Govt. Regulations 5. Use of digital technology	Positive : • Avoid losses of direct & indirect costs involved in running of operations • Improve Employee morale leading to decrease in attrition rate and absenteeism

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)
3.	Waste	Risk and Opportunity	Risk :- • Non compliance to Disposal Requirements • Disposal Cost may increase Opportunity :- Reduce-Recycle-Reuse	Disposal of hazardous waste is monitored within permissible limits across the organization	Positive : • avoid losses of direct & indirect costs involved in running of operations Negative : • Legal action / penalization from govt. bodies
4.	Water	Opportunity	Reduction in consumption in our processes	Actively reducing reliance and implementing rain water harvesting across all the units Effluent Treatment Plant (ETP)/ Sewage Treatment Plant (STP) is set up across all plants for treatment and reuse of water	Positive : minor impact

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
Policy and management processes									
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	http://www.jtekt.co.in/Policies.aspx								
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.	Company has successfully met or exceeded most of its environmental targets, demonstrating its commitment to sustainability. Its dedication to environmental stewardship remains unwavering and it is actively working towards achieving its targets in a sustainable manner.
Governance, leadership and oversight		
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. 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, business heads and executive directors. 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, however, 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, business 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 focuses on:

1. 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	4	Familiarization/awareness program for the Board of Directors/KMPs of the Company is done periodically. 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%
Key Managerial Personnel	4		100%
Employees other than BOD and KMPs	82	Trainings conducted on: JTEKT Way, PO-KE-TE-NA-SHI, HORENSO, POSH, Whistle Blower, Confidential Control Policy, Anti-Trust, Anti Bribery etc.	98.00%
Workers	45		90.00%

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 Obligations) 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	-	BSE/NSE	13,27,500	The Company had failed to comply with requirements of Regulation 17(1)(b) of the Listing Regulations, as it did not have half of the Board members as Independent Directors from July 01, 2021 to November 10, 2021. The fine levied by BSE and NSE on the Company has been duly paid and Non-compliance of Regulation 17(1) of SEBI (LODR) Regulations, 2015 was rectified by the company by appointing Mr. Masahiko Morimoto on November 11, 2021	-
Settlement	-	-	-	-	-
Compounding Fee	-	-	-	-	-

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

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
-	-

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's 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.

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 22-23	FY 21-22
Directors	-	-
KMPs	-	-
Employees	-	-
Workers	-	-

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

	FY 2022-23		FY 2021-22	
	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

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	100%

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	7.0%	0.4%	Company has decided to replace all diesel run power generators with PNG run Generators. During current Financial Year 22-23, the company incurred an expense of INR. 58.85 million. We expect to complete this project during FY 2023-24. Upon completion, the company will reduce yearly diesel consumption by approx. 2 lakh Litres.

2. a. **Does the entity have procedures in place for sustainable sourcing?**

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. Company is in the process of obtaining registration under Extended Producer Responsibility and complying with all the relevant statutory laws. However, with respect to ISO 14001: 2015, all the applicable statutory and regulatory compliances are followed. Further, the Company maintain OCP's (Operational control procedure) for all type of wastes 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	99.05%	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 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Aluminium used at Aluminium die casting plant (DHR-3)	1.08%	1.16%

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 2022-23 Current Financial Year			FY 2021-22 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	
		Number	%	Number	%	Number	%	Number	%	Number	%
	(A)	(B)	(B/A)	(C)	(C/A)	(D)	(D/A)	(E)	(E/A)	(F)	(F/A)
Permanent Employees											
Male	833	833	100.00%	833	100.00%	N.A.	N.A.	833	100.00%	833	100.00%
Female	30	30	100.00%	30	100.00%	30	100.00%	N.A.	N.A.	30	100.00%
Total	**863**	**863**	**100.00%**	**863**	**100.00%**	**30**	**100.00%**	**833**	**100.00%**	**863**	**100.00%**
Other than Permanent Employees											
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.
Total	**0**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**

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	
		Number	%	Number	%	Number	%	Number	%	Number	%
	(A)	(B)	(B/A)	(C)	(C/A)	(D)	(D/A)	(E)	(E/A)	(F)	(F/A)
Permanent Employees											
Male	590	590	100.00%	590	100.00%	N.A.	N.A.	590	100.00%	590	100.00%
Female	15	15	100.00%	15	100.00%	15	100.00%	N.A.	N.A.	15	100.00%
Total	**605**	**605**	**100.00%**	**605**	**100.00%**	**15**	**100.00%**	**590**	**100.00%**	**605**	**100.00%**
Other than Permanent Employees											
Male	1409	1409	100.00%	1409	100.00%	N.A.	N.A.	N.A.	N.A.	1409	100.00%
Female	18	18	100.00%	18	100.00%	18	100.00%	N.A.	N.A.	18	100.00%
Total	**1427**	**1427**	**100.00%**	**1427**	**100.00%**	**18**	**100.00%**	**N.A.**	**N.A.**	**1427**	**100.00%**

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

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

Benefits	FY 2022-23			FY 2021-22		
	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	100.00%	100.00%	Y	100.00%	100.00%	Y
Gratuity	100.00%	100.00%	Y	100.00%	100.00%	Y
ESI	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Others –						
- Leave Encashment	100.00%	100.00%	N.A.	100.00%	100.00%	N.A.
- National Pension Scheme (NPS)	16.11%	N.A.	Y	18.41%	N.A.	Y

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/workplace 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 adopted PRINCIPLES TO PROMOTE THE WELL-BEING OF ALL EMPLOYEES and HUMAN RIGHTS PRINCIPLES defined in Business Responsibility & Sustainability Policy at http://www.jtekt.co.in/Policies.aspx. The said principles provides as under: "JTEKT India provides and maintains equal opportunities at the time of recruitment as well as during the course of employment irrespective of caste, creed, gender, race, religion, disability or sexual orientation". 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	100.00%	100.00%	There was no worker who availed paternal leave during the year	
Female	100.00%	100.00%		
Total	**100.00%**	**100.00%**		

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. 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. 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 Workers Permanent Employees 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. www.jtekt.co.in.

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

Category	FY 2022-23			FY 2021-22		
	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	863	0	0.00%	888	0	0.00%
- Male	833	0	0.00%	849	0	0.00%
- Female	30	0	0.00%	39	0	0.00%
Total Permanent Workers	605	143	23.64%	549	163	29.69%
- Male	590	143	24.24%	543	163	30.02%
- Female	15	0	0.00%	6	0	0.00%

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

Category	FY 2022-23					FY 2021-22				
	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)	No. (D)	No.(E)	% (E/D)	No.(F)	% (F/D)
Employees										
Male	833	652	78.27%	798	95.80%	849	836	98.47%	812	95.64%
Female	30	27	90.00%	29	96.67%	39	34	87.18%	39	100.00%
Total	**863**	**679**	**78.68%**	**827**	**95.83%**	**888**	**870**	**97.97%**	**851**	**95.83%**
Workers										
Male	590	468	79.32%	548	92.88%	543	532	97.98%	509	93.74%
Female	15	13	86.67%	12	80.00%	6	6	100.00%	6	100.00%
Total	**605**	**481**	**79.50%**	**560**	**92.56%**	**549**	**538**	**98.00%**	**515**	**93.81%**

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

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B/A)	Total No. (C)	No. (D)	% (D/C)
Employees						
Male	833	751	90.16%	849	783	92.23%
Female	30	29	96.67%	39	34	87.18%
Total	**863**	**780**	**90.38%**	**888**	**817**	**92.00%**
Workers						
Male	590	214	36.27%	532	196	36.84%
Female	15	4	26.67%	6	3	50.00%
Total	**605**	**218**	**36.03%**	**538**	**199**	**36.99%**

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 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 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 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	-	-
	Workers	-	-
Total recordable work-related injuries	Employees	-	-
	Workers	-	-
No. of Fatalities	Employees	-	-
	Workers	-	-
High consequence work-related injury or ill-health (excluding fatalities)	Employees	-	-
	Workers	-	-

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.

Regarding any accident that occurred on the jobsite and steps to prevent further accidents of a similar nature, an action plan is prepared. Additionally, training and awareness sessions are held regularly and at the time of hiring in order to improve employees' safety mindset.

It has also taken active measures to promote health and safety and social distancing efforts, including providing PPEs, masks, hand sanitizers, temperature monitoring on daily basis, gloves to employees in our manufacturing facilities and implemented safety SOP applicable for all the employees and enforced Covid safety guidelines and protocols.

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

	FY 2022-23 (Current Financial Year)			FY 2021-22 (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	-	-	-	-	-	-
Health Safety	-	-	-	-	-	-

14. Assessments for the year.

	% of your Plants and Offices that were assessed (by entities or statutory authorities or third parties)
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.

No corrective actions were required as zero incidents were reported during the year and on significant risks/concern arising from assessments of health and safety practices and working conditions

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.

	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 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Employees	-	-	Not Applicable	Not Applicable
Workers	-	-	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.**

	% of value chain partners (by value of business done with such partners) that were assessed
Health and Safety Practices	Approx. 80%
Working Conditions	Approx. 80%

Prior to working with any supplier, the Company undertakes a business audit and all such points are evaluated on-site. The Company also reviews its suppliers on a regular basis to make sure they are operating in accordance with Company's standards.

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.

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
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	FY2022 -23			FY 2021-22		
	Total (A)	No. of Employees / Workers covered (B)	% (B/A)	Total (C)	No. of Employees / Workers covered (D)	% (D/C)
			Employees			
Permanent	863	817	94.67%	888	649	73.08%
Other than Permanent	-	N.A.	N.A.	-	N.A.	N.A.
Total Employees	**863**	**817**	**94.67%**	**888**	**649**	**73.08%**
			Workers			
Permanent	605	483	79.83%	549	409	74.50%
Other than Permanent	1427	811	56.83%	1521	N.A.	0.00%
Total Workers	**2032**	**1294**	**63.68%**	**2070**	**409**	**19.76%**

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

Category	FY2022 -23					FY 2021-22				
	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)
					Employees					
Permanent	**863**	**N.A.**	**N.A.**	**863**	**100.00%**	**888**	**N.A.**	**N.A.**	**888**	**100.00%**
Male	833	N.A.	N.A.	833	100.00%	849	N.A.	N.A.	849	100.00%
Female	30	N.A.	N.A.	30	100.00%	39	N.A.	N.A.	39	100.00%
Other than Permanent	**0**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**0**	**N.A.**	**N.A.**	**N.A.**	**N.A.**
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.
					Workers					
Permanent	**605**	**N.A.**	**N.A.**	**605**	**100.00%**	**549**	**N.A.**	**N.A.**	**549**	**100.00%**
Male	590	N.A.	N.A.	590	100.00%	543	N.A.	N.A.	543	100.00%
Female	15	N.A.	N.A.	15	100.00%	6	N.A.	N.A.	6	100.00%
Other than Permanent	**1427**	**515**	**36.09%**	**912**	**63.91%**	**1521**	**567**	**37.28%**	**954**	**62.72%**
Male	1409	515	36.55%	894	63.45%	1476	567	38.41%	909	61.59%
Female	18	N.A.	N.A.	18	100.00%	45	N.A.	N.A.	45	100.00%

3. **Details of remuneration/salary/wages, in the following format.**

	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	66,00,600	1	N.A.
Key Managerial Personnel	3	66,00,600	0	N.A.
Employees other than BOD and KMP	830	6,34,974	30	5,32,380
Workers	590	2,99,592	15	1,97,508

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.

	FY 2022-23 (Current Financial Year)			FY 2021-22 (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
Sexual Harassment	-	-	-	-	-	-
Discrimination at workplace	-	-	-	-	-	-
Child Labour	-	-	-	-	-	-
Forced Labour / Involuntary Labour	-	-	-	-	-	-
Wages	-	-	-	-	-	-
Other human rights related issues	-	-	-	1	1	The complaint pending has been duly resolved

7. 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 Company's Whistle Blower Policy, which is available at 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.

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

Yes

9. Assessments for the year (22-23).

	% of your Plants and Offices that were assessed (by entity or statutory authorities or third parties)
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	

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 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
Child Labor	In all of our dealings, the Company expects its value chain partners to uphold the same values, beliefs, and business ethics as the Company. However no formal examination of value chain partners has been conducted
Forced / Involuntary Labour	
Sexual harassment	
Discrimination at workplace	
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 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total electricity consumption (A)	85,566 GJ	75,302 GJ
Total fuel consumption (B)	21,878 GJ	18,920 GJ
Energy consumption through other sources (Solar) (C)	13,411GJ	7,361 GJ
Total energy consumption (A+B+C)	1,20,855 GJ	1,01,583 GJ
Energy intensity per rupee of turnover *(Total energy consumption/turnover in rupees)*	0.0000058	0.0000063
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.

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 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	68,309	54,762
(iii) Third party water	41,398	38,727
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**1,09,707**	**93,489**
Total volume of water consumption (in kilolitres)	**1,09,707**	**93,489**
Water intensity per rupee of turnover *(Water consumed / turnover)*	0.0000046	0.0000050
Water 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.

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

Yes, Company has established waste water treatment system on all 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.

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

Gurgaon

Parameter	Please specify unit	FY 2022-23 (Current Financial Year) Process Stack	FY 2021-22 (Previous Financial Year) Process Stack
NOx	mg/NM³	31.9	33.4
SOx	mg/NM³	<5	<5
Particulate matter (PM)	mg/NM³	24.77	21.13
CO (Carbon Dioxide)	%	8.2	8.6
Others – Hydrocarbon	--	--	--

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

Parameter	Please specify unit	FY 2022-23 (Current Financial Year) Diesel Genset-1	FY 2021-22 (Previous Financial Year) Diesel Genset-1
NOx	gm/kwh	0.46	Not measured
SOx	gm/kwh	0.021	Not measured
Particulate matter (PM)	gm/kwh	0.09	Not measured
CO (Carbon Monoxide)	gm/kwh	0.32	Not measured
Others – Hydrocarbon	gm/kwh	0.17	Not measured

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

Parameter	Please specify unit	FY 2022-23 (Current Financial Year) Diesel Genset-2	FY 2021-22 (Previous Financial Year) Diesel Genset-2
NOx	mg/NM³	162	Not measured
SOx	mg/NM³	11.4	Not measured
Particulate matter (PM)	mg/NM³	63.80	Not measured
CO (Carbon Monoxide)	mg/NM³	69.3	Not measured
Others – Hydrocarbon	mg/NM³	26	Not measured

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

Dharuhera -1

Parameter	Please specify unit	FY 2022-23 (Current Financial Year) Diesel Genset	FY 2021-22 (Previous Financial Year) Diesel Genset
NOx	gm/Kwh	1.04	0.73
SOx	gm/Kwh	--	0.07
SOx	mg/Nm3	20.40	--
Particulate matter (PM)	gm/Kwh	0.12	0.11
CO (Carbon Monoxide)	gm/Kwh	0.49	0.25
Others – Hydrocarbon	gm/Kwh	0.04	0.07

Yes, independent assessment has been done by external agency named Universal Analytical Lab, Dharuhera

Dharuhera -2

Parameter	Please specify unit	FY 2022-23 (Current Financial Year) Process Stack	FY 2021-22 (Previous Financial Year) Process Stack
NOx	mg/Nm3	<5	14.06
SOx	mg/Nm3	<3	3.87
Particulate matter (PM)	mg/Nm3	30.75	38.2
CO (Carbon Monoxide)	%	<0.2	0.1
Others	--	--	--

Yes, independent assessment has been done by external agency named Environment Pollution Analysis Lab, Bhiwadi, Alwar in FY 2021-22 and Universal Analytical Lab, Dharuhera in FY 22-23

Parameter	Please specify unit	FY 2022-23 (Current Financial Year) DG Genset	FY 2021-22 (Previous Financial Year) DG Genset
NOx	mg/Nm3	0.52	0.56
SOx	mg/Nm3	27.2	21.5
Particulate matter (PM)	mg/Nm3	0.15	0.13
CO (Carbon Monoxide)	gm/Kwh	0.33	0.33
Others – Hydrocarbon	gm/Kwh	0.049	0.045

Yes, independent assessment has been done by external agency named Environment Pollution Analysis Lab, Bhiwadi, Alwar in FY 2021-22 and Universal Analytical Lab, Dharuhera in FY 22-23

Dharuhera -3

Parameter	Please specify unit	FY 2022-23 (Current Financial Year) PNG Genset	FY 2021-22 (Previous Financial Year) DG Genset
NOx	gm/kwh	0.07	1.145
Particulate matter (PM)	gm/kwh	0.054	0.1605
CO (Carbon Monoxide)	gm/kwh	0.06	0.315
Others – Hydrocarbon	gm/Kwh	0.015	0.16

Yes, independent assessment has been done by external agency named Universal Analytical Lab, Dharuhera

Parameter	Please specify unit	FY 2022-23 (Current Financial Year) Process Stack	FY 2021-22 (Previous Financial Year) Process Stack
NOx	mg/Nm3	<5	<5
SOx	mg/Nm3	<2	<2
Particulate matter (PM)	mg/Nm3	17.1	17.1
CO (Carbon Monoxide)	%	<0.2	<0.2
Others	--	--	--

Yes, independent assessment has been done by external agency named Universal Analytical Lab, Dharuhera

Bawal

Parameter	Please specify unit	FY 2022-23 (Current Financial Year) Diesel Genset	FY 2021-22 (Previous Financial Year) Diesel Genset
NOx	gm/kwh	0.87	0.89
SOx	mg/NM³	27.13	27.12
Particulate matter (PM)	gm/kwh	0.18	0.14
CO (Carbon Monoxide)	gm/kwh	0.51	0.65
Others – Hydrocarbon	gm/kwh	0.03	0.04

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

Chennai

Parameter	Please specify unit	FY 2022-23 (Current Financial Year) Process Stack	FY 2021-22 (Previous Financial Year) Process Stack
NOx	mg/NM³	22	12
SOx	mg/NM³	8	5.2
Particulate matter (PM)	mg/NM³	16	14
CO (Carbon Monoxide)	%	0.2	0.2
Others	--	--	--

Yes, independent assessment has been done by external agency named Eco Services India Pvt. Limited, Guindy, Chennai

Parameter	Please specify unit	FY 2022-23 (Current Financial Year) Diesel Genset	FY 2021-22 (Previous Financial Year) Diesel Genset
NOx	mg/NM³	135.74	81.22
SOx	mg/NM³	6.36	12.77
Particulate matter (PM)	mg/NM³	39.27	35.22
CO (Carbon Monoxide)	%	0.20	0.20
Others	--	--	--

Yes, independent assessment has been done by external agency named Eco Services India Pvt. Limited, Guindy, Chennai

Figures shown above are based on the latest report issued by external agency during F.Y 2022-23 and F.Y. 2021-22 respectively and calculated using Average/Weighted Average Method

6. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	2121	1706
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	17826	15687
Total Scope 1 and Scope 2 emissions per rupee of turnover	Metric tonnes of CO_2 equivalent	0.0000010	0.0000011
Total Scope 1 and Scope 2 emission 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.

7. 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:

- Energy Efficiency Improvements: Implementing energy-efficient technologies such as LED lighting and energy-efficient manufacturing processes and conducted plantation drive in all Company's Plants.
- Renewable Energy: Reducing its dependence on fossil fuels by investing in renewable energy sources such as solar.
- 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.

8. Provide details related to waste management by the entity, in the following format.

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	111.11	109.89
E-waste (B)	17.19	35.19
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	N.A.	N.A.
Battery waste (E)	N.A.	N.A.
Radioactive waste (F)	N.A.	N.A.
Other Hazardous waste. Please specify, if any. (G) (Hazardous waste are ETP sludge, Paint sludge, Grinding sludge)	209.33	111.52
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	N.A.	N.A.
Total (A+B+C+D+E+F+G+H)	**337.63**	**256.60**
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	N.A.	N.A.
(ii) Re-used	N.A.	N.A.
(iii) Other recovery operations	N.A.	N.A.
Total	**N.A.**	**N.A.**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
(i) Incineration	N.A.	N.A.
(ii) Landfilling	N.A.	N.A.
(iii) Other disposal operations (dispose off to the authorized recycler)	337.63	256.60
Total	**337.63**	**256.60**

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.

9. 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.

Further, all relevant Plant locations have Waste Water Treatment Plant (WWTP) which is combination of Effluent treatment plant (ETP) and Sewage Treatment Plant (STP).

10. 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.

11. 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.

12. 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. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A)	0	0
Total fuel consumption (B)	0	0
Energy consumption through other sources (C) Solar	13,411	7,361
Total energy consumed from renewable sources (A+B+C)	**13,411**	**7,361**
From non-renewable sources		
Total electricity consumption (D)	85,566	75,302
Total fuel consumption (E)	21,878	18,920
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	**1,07,444**	**94,222**

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. **Provide the following details related to water discharged:**

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	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.	
- No treatment		
- With treatment – please specify level of treatment		
(ii) To Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) To 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		
Total water discharged (in kilolitres)		

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. **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:

Gurgaon

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	34,400	27,443
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres)	34,400	27,443
Total volume of water consumption (in kilolitres)	34,400	27,443
Water intensity per rupee of turnover *(Water consumed / turnover)*	0.000011	0.0000093
Water intensity *(optional)* – the relevant metric may be selected by the entity	-	-

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	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.	
- 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		
Total water discharged (in kilolitres)		

Dharuhera

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	64,428.50	51,863.30
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres)	64,428.50	51,863.30
Total volume of water consumption (in kilolitres)	64,428.50	51,863.30
Water intensity per rupee of turnover *(Water consumed / turnover)*	0.0000076	0.0000077
Water intensity *(optional)* – the relevant metric may be selected by the entity		
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	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.	
- 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		
Total water discharged (in kilolitres)		

Bawal

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	333	271
(iii) Third party water	6998	8181
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres)	7331	8452
Total volume of water consumption (in kilolitres)	7331	8452
Water intensity per rupee of turnover *(Water consumed / turnover)*	0.00000087	0.0000014
Water intensity *(optional)* – the relevant metric may be selected by the entity		

Parameter	FY 2022-23 (Current Financial Year) / FY 2021-22 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)	
(i) Into Surface water	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.
- 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	
Total water discharged (in kilolitres)	

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.

4. **Please provide details of total Scope 3 emissions & its intensity, in the following format:**

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	The Company is not measuring Scope 3 emissions	
Total Scope 3 emissions per rupee of turnover			
Total Scope 3 emission 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.

5. **With respect to the ecologically sensitive areas reported at Question 10 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

6. **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.**

Sr.No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	We are Currently in the process of replacement of diesel generators with Piped Natural Gas (PNG) generators	In response to the growing concern over environmental pollution and the need for sustainable energy solutions, an initiative has been launched to replace diesel generators with Piped Natural Gas (PNG) generators. This forward-thinking approach aims to mitigate the adverse effects of diesel combustion on air quality and reduce greenhouse gas emissions. By transitioning to PNG generators, this initiative seeks to promote cleaner and more sustainable energy generation in various sectors.	Actual outcome will be evaluated once the PNG generators become fully operational
2.	We have expanded up our solar power capacity to 3883 KWP across India plants.	Recognizing the immense potential of solar energy as a clean and renewable power source, an initiative has been launched to expand solar power generation capacity. Company's forward-looking endeavor aims to harness the abundant sunlight and unlock the numerous environmental and economic benefits associated with solar energy. By scaling up solar power infrastructure, this initiative strives to foster a sustainable energy future while reducing greenhouse gas emissions and move towards carbon neutrality.	Reduced Green House Gases emissions and less sensitivity to changes in cost of fossil fuels for smooth running of operations. Currently 15% of total power consumption is through solar energy

7. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/web link.**

For handling emergencies and reducing risks to the environment and people's health, the company has emergency protocols built into its management system. To efficiently handle emergencies, a list of potential emergency circumstances have been created, along with the roles and duties of all people involved. Safety drills/mock drill are carried out quarterly or as directed by the plan to assess emergency preparedness. Employees and the emergency handling teams participate in training and awareness sessions to get them ready for real-world emergencies.

8. **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

9. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

Approximately 80% value chain partners were assessed for environmental impacts.

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.**

4 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.	Automotive Component Manufacturing Association Of India (ACMA)	National
2.	Society of Indian Automobile Manufacturers	National
3.	Federation of Indian Chamber of Commerce	National
4.	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
N.A.	N.A.	N.A.

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 (ACMA, SIAM), of which it is a member.

S.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
N.A.					

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.

Sl.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.**

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directly sourced from MSMEs / small producers	15%	13.5%
Sourced directly from within the district and neighboring districts	70%	67.0%

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 2022-23, 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.	Allocation for Construction of isolation cum maternity ward in Community Health Centre, Bawal	160	100%
2.	Allocation of amount to Bharat Vikas Parishad Maharana Pratap Nyas for its Charitable Hospital - Vivekanand Arogya Kendra, Gurugram to purchase the medical machine / equipment i.e. Zeiss IOL Master 700 for its Day Care Centre for Cancer Treatment	227	More than 80%
3.	Providing 100 LPH Water Purification Unit with Water Cooler (Capacity-150 Ltr.) to Govt. Primary School, Gurjar Majri	130	100%
4.	Provided new Braillers (typewriter) to the Captain Chandan Lal Special School for Blind, Gurugram	110	100%
5.	Provided new Braille Books to the Blind Captain Chandan Lal Special School for Blind, Gurugram	110	100%
6.	Provided Water Cooler (Capacity-150 Ltr.) to Govt Primary School, Sulkha, Rewari	101	100%
7.	Deployment of Computer Teacher in Govt. Sr. Sec. School Banipur Village (Salary of FY 2022-23)	332	100%
8.	Renovation of Traffic Police Office building, Dharuhera	Traffic police office staff and General Public	-

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 its 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.**

Category	FY 2022-23 (Current Financial Year)		Remarks	FY 2021-22 (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	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Cyber-Security	-	-	-	-	-	-
Delivery of essential services	-	-	-	-	-	-
Restrictive Trade Practices	-	-	-	-	-	-
Unfair Trade Practices	-	-	-	-	-	-
Other	-	-	-	-	-	-

4. **Details of instances of product recalls on account of safety issues:**

	Numbers	Reasons for recall
Voluntary Recalls	-	Not Applicable
Forced Recalls	-	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

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/Index.aspx.

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

5. Provide the following information relating to data breaches.

a. Number of instances of data breaches along-with impact : Nil

b. Percentage of data breaches involving personally identifiable information of customers : Nil

FORM – A : PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

Power and Fuel Consumption			2022-2023						
			Gurugram[1]	Dharuhera-1[2]	Chennai[3]	Sanand[4]	Dharuhera- 2[5]	Dharuhera-3[6]	Bawal[7]
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	-	971562	1133826	565348
	Total Amount	INR	2287799	3377909	1176482	-	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	-

Power and Fuel Consumption			2021-2022						
			Gurugram[1]	Dharuhera-1[2]	Chennai[3]	Sanand[4]	Dharuhera- 2[5]	Dharuhera-3[6]	Bawal[7]
State Electricity Board									
1.	Power Units purchased (KWH)	(Units)	4564968	2963265	2257485	457267	2856590	4977790	2001586
	Total Amount	INR	38703183	23400309	19592638	3763022	22287047	39116544	16903131
	Rate per unit	INR	8.48	7.90	8.68	8.23	7.80	7.85	8.44
2.	Captive Generation DG Set (KWH)	(Units)	51924	42431	112774	-	29528	52458	99229
	Amount	INR	1171820	839422	3871699	-	685560	1409832	2604614
	Rate per unit	INR	22.57	19.78	34.33	-	23.22	26.88	26.25
	Fixed Cost	INR	3953405	2998000	-	-	2178000	2194000	-
3.	Diesel consumption	(Litres)	15399	14222	35717	-	11149	18512	33114
	Total Amount	INR	1171820	839422	3223565	-	645409	1409832	2450613
	Rate per litre	INR	76.10	59.02	90.25	-	57.89	76.16	74.00
	Litre per unit	INR	0.30	0.34	0.32	-	0.38	0.35	0.33
4.	Solar Power	(Units)	414015	469100	128760.00	-	276695	402894	478701
	Total Amount	INR	2054988	2974328	879807	-	1878496	2617124	1101012
	Rate per unit	INR	4.96	6.34	6.83	-	6.79	6.50	2.30*

* In Bawal 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 Gurugram Plant during financial year 2022-23 – INR 0.61 million.**

Above saving achieved by taking the following initiatives:

1) Replaced old air conditioner units with inverter type air conditioner units at Plant-4 (saving of INR 0.0051 million).

2) Optimise the use of air in air gauges by providing sensor (saving of INR 0.454 million).

3) Provided motion sensor in washroom Plant-1 (saving of INR 0.0031 million).

4) Provided VFD on F30 flaring machine hydraulic motor (saving of INR 0.06 million).

5) Provided timer for gangway lighting (saving of INR 0.033 million).

6) Provided motorise valve to reduce air consumption on column 1&2 line (saving of INR 0.0031 million).

7) Provided temperature controller on baneberry for keeping food hot (canteen) (saving in INR 0.011 million).

8) Provided localise chiller units on injection moulding machine Plant-4 (saving in INR 0.034 million).

9) Exhaust fan interlocking with nearby office lighting. (saving in INR 0.001 million).

10) Replaced defective air gun (nozzle dia more) (saving in INR 0.006 million).

② **Total saving achieved at DHR-1 Plant during the financial year 2022-23 – INR 0.43 million.**

Above major saving were achieved by taking the following initiatives :

1) Installed solar plant 2.8 kwp for admin lighting & fan units saved - 3862 (saving of INR 0.03 million).

2) Installed solar plant 2.8 kwp for canteen lighting & fans saved units - 4993 (saving of INR 0.04 million).

3) Replaced FDV 15 kw Induction motor with energy efficient motor - 2 nos. unit saved – 2800 (saving of INR 0.02 million).

4) Replaced FDV 15 kw Induction motor with energy efficient motor - 2 nos. unit saved – 2800 (saving of INR 0.02 million).

5) Reduced speed of cooling tower pump in winter season by using FDV - VFD., unit saved – 7935 (saving of INR 0.06 million).

6) Replaced FDV water pump 1.5 KW with 0.7 KW single phase pump - 2 nos. unit saved – 4203 (saving of INR 0.03 million).

7) Reduced air compressor units by eliminating air leakages in Plant, unit saved – 987 (saving of INR 0.01 million).

8) Closed FDV air points which are not in use to reduce FDV Units unit saved – 1113 (saving of INR 0.01 million).

9) Optimized air pressure compressor setting unit saved – 12560 (saving of INR 0.10 million).

③ **Total savings achieved at Chennai Plant during the financial year 2022-23 – INR 0.56 million.**

Above saving were achieved by taking the following initiatives:

1) In house solar generation with additional 419kw PV solar panel -0.70 lakhs units (savings INR 0.40 million).

2) Switch off the unwanted running of the motor during cycle time by changing the PLC program sequence - (savings INR 0.026 million).

3) Providing VFD (variable frequency drive) for broaching machine - 9000 units saved (savings INR 0.088 million).

4) Conversion of lights to solar LED high bay lamp in peripheral areas- 3157 units saved - (savings INR 0.03 million).

5) Providing BLDC (brushless direct current motor) fan motor for FDV (forced draft ventilation) in shop floor for lowering shop floor area - 1473, units saved- (savings INR 0.014 million).

⑤ **Total saving achieved at Dharuhera Plant (2) during financial year 2022-2023 – INR 0.14 Million**

Above saving achieved by taking the following initiatives:

1) Energy efficient motor (2 nos.) installed on FDV no.-2&3 (saving of INR 0.0093 million).

2) Energy efficient pumps (2 nos.) installed on bay-1 cooling tower (saving of INR 0.008 million).

3) VFD (1 nos.) Installed on cooling tower pump (saving of INR 0.036 million).

4) Solar street light (1 nos.) installed on DG area (saving of INR 0.0005 million).

5) FDV water pump replaced from 1.5 kw to 0.5 kw (2 nos.) assembly line-1 & HSG (saving of INR 0.0068 million).

6) Diaphragm valve installed on Rack bar line no.-3 (saving of INR 0.007 million).

7) Tool room light replaced from 38 watt to 29 watt (8 nos.) (saving of INR 0.0002 million).

8) Mist collector replaced on rack bar-1 linear buffing machine (L20) for easy maintenance and energy saving, 3 HP motor replaced with 1 HP motor (saving of INR 0.02 million).

9) Mist collector replaced on rack bar-3 linear buffing machine (L40) for easy maintenance and energy saving, 3 HP motor replaced with 1 HP motor (saving of INR 0.01 million).

10) Mist collector replaced on rack bar-3 cylindrical buffing machine (L39) for easy maintenance and energy saving,

3 HP motor replaced with 1 HP motor (saving of INR 0.01 million).

11) Idle Circuit implemented on pinion line-4 & assembly line-4 (saving of INR 0.002 million).

12) 3 nos. Coolant pump (2.25 KW+1.1KW+1.1 KW) replaced with 1 no. 3 KW pump on H37 Milling machine (saving of 1.5 KW) (saving of INR 0.03 million).

13) Energy efficient motor (1 no.) installed on softener making Inlet pump (saving of INR 0.0001 million).

⑥ **Total saving achieved at Dharuhera Plant-3 during Financial Year 2022-2023 INR 3.51 million**

1. 720 KW new solar plant has been installed to reduce CO_2 emission and dependency on electricity board supply (saving of INR 2.67 million).
2. Energy efficient motor of same rating (1 no.) to be installed on 160 ton press (saving of INR 0.03 million).
3. Stopped running of one FDV unit by relay outing of lines (saving of INR 0.13 million).
4. 3.7 KW old pump replaced with IE3 pump 2.2 Kw pump (saving of INR 0.05 million).
5. Energy efficient mist killer installation on torsion bar line (3 lines) (saving of INR 0.02 million).
6. Energy efficient motor (1 no.) installed on 100 ton press of same rating (saving of INR 0.02 million).
7. Eliminated compressed air leakages by regular inspection of joints (monthly) (saving of INR 0.02 million).
8. Energy efficient motor (1 no.) installed on 45 ton press of same rating (saving of INR 0.01 million).
9. Cooling tower pumps capacity reduced 37KW from 45 KW by installation energy efficient pump (saving of INR 0.38 million).
10. Timer provided in AC to off AC in lunch time and after 5PM every day (saving of INR 0.0013 million).
11. Timer installation on street lights (saving of INR 0.004 million).
12. Idle running stoppage circuit implemented (saving of INR 0.004 million).
13. Tube light height reduced to improve lux level (saving of INR 0.01 million).
14. Modification of electrical circuit (delta to star conversion) (3 no.) (saving of INR 0.06 million).
15. Air shut off valve installation (saving of INR 0.11 million).
16. Energy efficient gun installation on 46 nos. station (saving of INR 0.01 million).

⑦ **Total saving achieved at Bawal Unit during financial year 2022-23 – INR 0.646 Million**

Above saving achieved by taking the following initiatives:

1) Plant air pressure reduced from 5.3 to 4.6 bar. (saving of INR 0.169 million).

2) 80 KW solar installation in PPA Mode. (saving of INR 0.257 million).

3) AC switch off by doing partition in white room (saving of INR 0.160 million).

4) AC switch off by doing partition in standard room (saving of INR 0.050 million).

5) ECO type drain valve used on air receiver (saving of INR 0.010 million).

FORM - B : PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

A.	**Technology Absorption**		
1.	Efforts in brief towards Technology Absorption and Innovation	a)	Development of new generation CEPS → feasibility done and concept finalised. Proto sample development is in progress.
		b)	Development of non-guided collapse manual column to replace current guided column keeping specification unchanged.
		c)	Concept of incorporating angle sensor in manual column for commercial vehicle finalised and proto samples are in preparation.
		d)	Feasibility and development of new steel material with changed heat treatment concept is under progress. Proto samples prepared and under validation.
		e)	New RBS type steering gear developed and validated. SOP - 1st Quarter FY'2023.
2.	Benefits derived as a results of above efforts e.g. Product Improvement, Cost Reduction, Product Development, Import Substitution etc.	a)	Development of new generation CEPS is for more robust design and market competitiveness.
		b)	Development of non-guided column is to improve ENCAP rating.
		c)	Incorporation of angle sensor in manual column is to meet regulatory requirement implemented in near future and to improve stability of vehicle.
		d)	Development of new steel will enable to develop light-weight product, making the product more competitive without compromising current specification.
3.	Information regarding imported technology (Imported during last three years), if any		Yes
	a) Details of technology imported		Drive shaft technology imported
	b) Technology import from		JTEKT Corporation, Japan
	c) Year of import		2021
	d) Whether the technology been fully absorbed		Yes
	e) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof		--

B.	**Research and Development**		
1.	Specific areas in which R&D carried out by the Company.	a)	Not Applicable
2.	Benefits derived as a result of the above R&D.	a)	Not applicable
3.	Expenditure on R&D	a)	Capital Expenditure of INR Nil.
		b)	Revenue expenditure of INR 56.26 lakhs.

FORM - C : FOREIGN EXCHANGE EARNING AND OUTGO

During the year the Company's export sales amounted to INR 7,895.51 lakhs. Foreign Exchange outflow on account of import of raw material, spares and tools during the year was INR 19,208.06 lakhs.

For and on behalf of the Board

Hitoshi Mogi
Chairman & Managing Director
[DIN 08741355]

Place : Gurugram
Dated : 22 May 2023

ANNEXURE - VI(a)

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	14.11
Mr Sudhir Chopra, Executive Vice Chairman ①	22.71
Mr. Akihiko Kawano, Dy. Managing Director ②	9.81
Mr. Satoshi Komeda, Director (Operations) ③	10.70
Mr. Rajiv Chanana, Director & CFO ④	17.63

① Completed his tenure as Executive Vice Chairman as well as Director of the Company effective from the close of business hours of 31 May 2022.

② Rescinded from the position of Dy. Managing Director as well as Director of the Company with effect from the close of working hours of 30 April 2022.

③ Appointed as an Additional Director, in the capacity of Director (Operations), with remuneration, effective from 1 June 2022, whose appointment was confirmed by the shareholders of the Company at 38 Annual General Meeting held on 26 August 2022.

④ Appointed as an Additional Director in the capacity of Director & CFO, with remuneration, effective from 1 June 2022, whose appointment was confirmed by the shareholders of the Company at 38 Annual General Meeting held on 26 August 2022.

(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	0%
Mr Sudhir Chopra, Executive Vice Chairman ①	0%
Mr. Akihiko Kawano, Dy. Managing Director ②	0%
Mr. Satoshi Komeda, Director (Operations) ③	0%
Mr. Rajiv Chanana, Director & CFO ④	11.30%
Mr. Ashish Srivastava, Company Secretary	4.30%

① Completed his tenure as Executive Vice Chairman as well as Director of the Company effective from the close of business hours of 31 May 2022.

② Rescinded from the position of Dy. Managing Director as well as Director of the Company with effect from the close of working hours of 30 April 2022.

③ Appointed as an Additional Director, in the capacity of Director (Operations), with remuneration, effective from 1 June 2022, whose appointment was confirmed by the shareholders of the Company at 38 Annual General Meeting held on 26 August 2022.

④ Appointed as an Additional Director in the capacity of Director & CFO, with remuneration, effective from 1 June 2022, whose appointment was confirmed by the shareholders of the Company at 38 Annual General Meeting held on 26 August 2022.

(c) the percentage increase in the median remuneration of employees in the financial year

10.74%

(d) the number of permanent employees on the rolls of Company

1447

(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

The average increase in cost of employees other than managerial personnel in 2022-23 was 10.17%. Percentage increase (+) / decrease (-) in the managerial remuneration for the year was (-11.95%).

(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

Hitoshi Mogi
Chairman & Managing Director
[DIN 08741355]

Place : Gurugram
Dated : 22 May 2023

ANNEXURE - VI(b)

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.	Name	Age (Years)	Designation / Nature of Employment	Remuneration (INR)	Qualification	Experience (Years)	Date of Employment	Last Employment	% of shares held in the Co .	Whether related to any director
1.	Mr. Yuiga Ino	41	Sr. Vice President	1,52,43,469	Graduate	18	16-Oct-17	JTEKT Corporation, Japan	0.00%	No
2.	Mr. Kenji Okazaki	53	Sr. Vice President	1,83,08,940	Graduate in Arts Business Administration	27	06-Apr-18	JTEKT Corporation, Japan	0.00%	No
3.	Mr. Shinji Yamakawa	56	Sr. Vice President	1,61,34,543	Graduate	27	07-Oct-20	JTEKT Corporation, Japan	0.00%	No
4.	Mr. Minoru Sugisawa	52	Sr. Vice President	1,80,69,360	Graduate	24	30-Mar-21	JTEKT Corporation, Japan	0.00%	No
5.	Mr. Eiji Maekawa	53	Sr. Vice President	1,57,94,681	Graduate	24	30-Mar-21	JTEKT Corporation, Japan	0.00%	No
6.	Mr. Yasushi Shidahara	52	Sr. Vice President	1,55,92,417	Graduate	23	25-Mar-22	JTEKT Corporation, Japan	0.00%	No
7.	Mr. Mihau Tabata*	53	Sr. Vice President	1,03,74,670	Graduate	24	20-Jun-22	JTEKT Corporation, Japan	0.00%	No
8.	Mr. Hironori Yamato	53	Asst. Vice President	1,64,96,881	Degree of Associate of Mech. Engg	26	03-Jul-18	JTEKT Corporation, Japan	0.00%	No
9.	Mr. Kazuyoshi Fukumoto	54	Asst. Vice President	1,39,65,046	Graduate in Mechanical Engineer	27	04-Jul-18	JTEKT Corporation, Japan	0.00%	No
10.	Mr. Satoshi Kakutani	47	Asst. Vice President	1,39,12,889	Graduate in Materials	23	26-Mar-19	JTEKT Corporation, Japan	0.00%	No
11.	Mr. Tsuyoshi Yamada	39	General Manager	1,40,21,923	Graduate	15	03-Jul-18	JTEKT Corporation, Japan	0.00%	No
12.	Mr. Yasunori Imamura	45	General Manager	1,50,35,656	Graduate	21	01-Apr-19	JTEKT Corporation, Japan	0.00%	No
13.	Mr. Yoshiya Funakoshi	33	General Manager	1,04,54,454	Graduate	10	07-Oct-20	JTEKT Corporation, Japan	0.00%	No
14.	Mr. Sudhir Chopra*	65	Executive Vice Chairman	41,03,100	B.Com, FCS, LL.B.	45	15-May-93	Samtel India Limited	0.00%	No
15.	Mr. Rajiv Chanana*	57	Director & CFO	1,06,79,642	Chartered Accountant	26	25-Mar-09	Deutsche Postbank Home Finance Ltd.	0.00%	No

Note

* Indicates earnings for part of the financial year 2022-23.

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 : 22 May 2023

INDEPENDENT AUDITOR'S REPORT

To the Members of JTEKT India Limited
Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of JTEKT India Limited (the "Company") which comprise the standalone balance sheet as at 31 March 2023, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant 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 standalone 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 2023, 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 Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules 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 standalone financial statements.

Key Audit Matter(s)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone 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 2.3 to standalone financial statements

The key audit matter	How the matter was addressed in our audit
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. 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.	In view of the significance of the matter we applied the following audit procedures in this area, to obtain sufficient appropriate audit evidence: • We assessed the appropriateness of the Company's accounting policies for revenue recognition by comparing with applicable accounting standards. • We evaluated the design, implementation and operating effectiveness of key internal controls over recognition of revenue. • 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. • 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. • We scrutinized journal entries related to revenue recognised during the year based upon specified risk-based criteria, to identify unusual or irregular items; and • We considered the adequacy of the disclosures in accordance with the relevant accounting standard.

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 Company's annual report, but does not include the financial statements and auditor's report(s) thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Standalone 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 standalone 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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 Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 standalone 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 standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for 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 standalone 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 standalone 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.

c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

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

e. On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls with reference to standalone 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 2023 on its financial position in its standalone financial statements - Refer Note 38B to the standalone 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 to the standalone 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 to the standalone 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 standalone 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.

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
ICAI Firm's Registration No. :101248W/W-100022

Shashank Agarwal
Partner
Membership No. :095109
ICAI UDIN:23095109BGZAEP9448

Place: Gurugram
Date: 22 May 2023

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of JTEKT India Limited for the year ended 31 March 2023

(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.

(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 (except plant and machinery) are verified in year and plant and machinery 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 standalone 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 in 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). Accordingly, the process of mutation of name is pending as at 31 March 2023.
Building at Bawal	2,457.63	JTEKT Sona Automotive India Limited	No	2018-19	
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 2023.

*the Gross block as at 31 March 2023 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 delivery/receipts has 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 (Amounts in INR lakhs)
Aggregate amount during the year -Others (Employees)	9.81
Balance outstanding as at balance sheet date - Others (Employees)	6.35

(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 generally been regularly deposited with the appropriate authorities, though there have been slight delays in a few cases of Provident Fund and tax collected at source.

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 2023 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	8.8	-	2009-10	Commissioner of Appeals (Service Tax)-
Central Excise Act, 1944	Excise Duty	6.26	-	2007-08 & 2008-09	Commissioner of Appeals (Central Excise)
Central Excise Act, 1944	Excise Duty	139.25	3.15	2008-09	CESTAT, Chennai (Central Excise)
Central Excise Act, 1944	Excise Duty	449.8	8.36	2007-08 to 2011-12	CESTAT, New Delhi (Central Excise)
Central Excise Act, 1944	Excise Duty	0.5	-	2010-11	Commissioner of Appeals (Central Excise)
Central Excise Act, 1944	Excise Duty	244.37	8.19	2012-13 to 2015-16	CESTAT, Chandigarh (Central Excise)
Central Excise Act, 1944	Excise Duty	219.94	-	2013-14 to 2017-18	Directorate General of Goods and Service Tax Intelligence, Gurugram Zonal unit (DGGSTI)
Goods and Services Act, 2017	Goods and Services Tax	29.14	-	2017-2018	Deputy 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 deduction u/s 80M	86.94	-	2020-21	Assistant commissioner of Income Tax- New Delhi

(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 standalone 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 subsidiaries, associates or joint ventures as defined under the Act.

(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 company (as defined under the Act). Further, the Company does not have any joint ventures or associate companies.

(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. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on 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 course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of 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 standalone 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 standalone 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
ICAI Firm's Registration No. :101248W/W-100022

Shashank Agarwal
Partner
Membership No. :095109
ICAI UDIN:23095109BGZAEP9448

Place: Gurugram
Date: 22 May 2023

Annexure B to the Independent Auditor's Report on the standalone financial statements of JTEKT India Limited for the year ended 31 March 2023

Report on the internal financial controls with reference to the aforesaid standalone 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)

Opinion

We have audited the internal financial controls with reference to financial statements of JTEKT India Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, 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 2023, 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").

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 standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls 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 standalone 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 standalone 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 standalone 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
ICAI Firm's Registration No. :101248W/W-100022

Shashank Agarwal
Partner
Membership No. :095109
ICAI UDIN:23095109BGZAEP9448

Place: Gurugram
Date: 22 May 2023

STANDALONE BALANCE SHEET
AS AT 31 MARCH 2023

(All amount are in INR lakhs, unless otherwise stated)

Particulars	Notes	As at 31 March 2023	As at 31 March 2022
Assets			
Non-current assets			
Property, plant and equipment	3A	42,169.24	34,094.86
Capital work-in-progress	3A	2,379.60	9,335.24
Investment property	3B	543.33	677.79
Intangible assets	3C	2,003.38	1,936.98
Financial assets			
(i) Investments	4	510.00	510.00
(ii) Loans	5	2.22	2.56
(iii) Other financial assets	6	334.33	261.03
Deferred tax assets (net)	19	1,223.94	908.29
Other tax assets (net)	7A	304.19	258.27
Other non-current assets	8	571.78	482.41
Total non-current assets		**50,042.01**	**48,467.43**
Current assets			
Inventories	9	17,681.98	13,730.91
Financial assets			
(i) Trade receivables	10	28,366.50	24,514.69
(ii) Cash and cash equivalents	11	3,671.81	6,151.66
(iii) Loans	5	4.13	7.34
(iv) Other financial assets	6	67.10	68.23
Current tax assets	7B	171.30	-
Other current assets	12A	1,609.51	1,626.54
Total current assets		**51,572.33**	**46,099.37**
Assets held for sale	12B	21.14	-
Total assets		**101,635.48**	**94,566.80**
Equity and Liabilities			
Equity			
Equity share capital	13	2,444.80	2,444.80
Other equity	14	65,162.00	58,223.72
Total equity		**67,606.80**	**60,668.52**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	15A	3,089.79	3,434.73
(ii) Lease liability	16	405.36	400.29
Provisions	18	894.89	995.82
Total non-current liabilities		**4,390.04**	**4,830.84**
Current liabilities			
Financial liabilities			
(i) Borrowings	15B	2,681.21	3,264.15
(ii) Trade payables	20		
Total outstanding dues of micro enterprises and small enterprises		507.15	716.57
Total outstanding dues of creditors other than micro enterprises and small enterprises		21,939.16	19,521.24
(iii) Other financial liabilities	17	2,002.66	3,278.42
Other current liabilities	21	1,327.51	1,875.54
Provisions	18	902.99	340.97
Current tax liabilities (net)	22	277.96	70.55
Total current liabilities		**29,638.64**	**29,067.44**
Total liabilities		**34,028.68**	**33,898.28**
Total equity and liabilities		**101,635.48**	**94,566.80**
Significant accounting policies	2		

The accompanying notes are an integral part of these Standalone 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

Place : Gurugram
Date : 22 May 2023

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

Hitoshi Mogi
Chairman & Managing Director
DIN 08741355

Hiroko Nose
Independent Director
DIN 06389168

Rajiv Chanana
Director & CFO
DIN 02630192

Saurabh Agrawal
Company Secretary
Membership No.: 36163

Place : Gurugram
Date : 22 May 2023

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH 2023

(All amount are in INR lakhs, unless otherwise stated)

Particulars	Notes	For the year ended 31 March 2023	For the year ended 31 March 2022
Income			
Revenue from operations	23	207,323.53	161,049.60
Other income	24	1,254.89	1,033.94
Total income (I)		**208,578.42**	**162,083.54**
Expenses			
Cost of materials consumed	25	150,391.67	115,217.44
Purchases of stock-in-trade	26	2,131.31	2,186.00
Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	(386.16)	(764.16)
Employee benefit expenses	28	20,105.62	18,953.99
Finance costs	29	472.02	366.96
Depreciation and amortisation expense	30	6,762.25	6,591.11
Other expenses	31	18,491.58	14,334.25
Total expenses (II)		**197,968.29**	**156,885.59**
Profit before exceptional items and tax (III = I - II)		**10,610.13**	**5,197.95**
Exceptional items (IV)	32	326.01	677.52
Profit before tax (V = III - IV)		**10,284.12**	**4,520.43**
Tax expense			
- Current tax		2,620.59	1,693.74
- Deferred tax credit		(315.67)	(487.00)
Total tax expense (VI)	33	**2,304.92**	**1,206.74**
Profit for the year (VII = V - VI)		**7,979.20**	**3,313.69**
Other comprehensive loss			
Items that will not be reclassified to profit or loss			
Loss on remeasurement of defined benefit obligation		(84.19)	(2.88)
Income tax relating to the above		21.19	0.72
Total other comprehensive loss for the year (net of tax) (VIII)		**(63.00)**	**(2.16)**
Total comprehensive income for the year (IX = VII + VIII) (Comprising Profit and Other Comprehensive loss for the year)		**7,916.20**	**3,311.53**
Earnings per equity share :	34		
Basic - Par value of INR 1 per share		3.26	1.36
Diluted - Par value of INR 1 per share		3.26	1.36
Significant accounting policies	2		

The accompanying notes are an integral part of these Standalone 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

Place : Gurugram
Date : 22 May 2023

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

Hitoshi Mogi
Chairman & Managing Director
DIN 08741355

Hiroko Nose
Independent Director
DIN 06389168

Rajiv Chanana
Director & CFO
DIN 02630192

Saurabh Agrawal
Company Secretary
Membership No.: 36163

Place : Gurugram
Date : 22 May 2023

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2023

(All amount are in INR lakhs, unless otherwise stated)

A. Equity share capital

Particulars	Note	Equity Shares	
		No. of shares in Lakhs	Amount
Balance as at 1 April 2021		**2,444.80**	**2,444.80**
Balance as at 1 April 2022	**13**	**2,444.80**	**2,444.80**
Balance as at 31 March 2023		**2,444.80**	**2,444.80**

B. Other equity

Particulars	Reserves and surplus				Remeasurement of employee benefit obligations	Total
	Capital reserve	Securities Premium	General reserve	Retained earnings		
Balance as at 1 April 2021	**2,434.23**	**8,070.76**	**8,190.71**	**36,583.20**	**-**	**55,278.90**
Profit for the year	-	-	-	3,313.69	-	3,313.69
Other comprehensive loss (net of tax)	-	-	-	-	(2.16)	(2.16)
Total comprehensive income for the year	2,434.23	8,070.76	8,190.71	39,896.89	(2.16)	58,590.44
Transferred to retained earnings	**-**	**-**	**-**	**(2.16)**	**2.16**	**-**
Contribution by and distribution to owner						
Dividend on equity shares	-	-	-	(366.72)	-	(366.72)
Balance as at 31 March 2022	**2,434.23**	**8,070.76**	**8,190.71**	**39,528.02**	**-**	**58,223.72**
Profit for the year	-	-	-	7,979.20	-	7,979.20
Other comprehensive loss (net of tax)	-	-	-	-	(63.00)	(63.00)
Total comprehensive income for the year	2,434.23	8,070.76	8,190.71	47,507.22	(63.00)	66,139.92
Transferred to retained earnings	**-**	**-**	**-**	**(63.00)**	**63.00**	**-**
Contribution by and distribution to owner						
Dividend on equity shares	-	-	-	(977.92)	-	(977.92)
Balance as at 31 March 2023	**2,434.23**	**8,070.76**	**8,190.71**	**46,466.30**	**-**	**65,162.00**

Notes:

1. During the year ended 31 March 2023 and 31 March 2022, the Company has paid dividend to its shareholders.
2. Refer note 14 for nature and purpose of other equity.

The accompanying notes are an integral part of these Standalone 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

Place : Gurugram
Date : 22 May 2023

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

Hitoshi Mogi
Chairman & Managing Director
DIN 08741355

Hiroko Nose
Independent Director
DIN 06389168

Rajiv Chanana
Director & CFO
DIN 02630192

Saurabh Agrawal
Company Secretary
Membership No.: 36163

Place : Gurugram
Date : 22 May 2023

STANDALONE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

(All amount are in INR lakhs, unless otherwise stated)

	Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(A)	**CASH FLOW FROM OPERATING ACTIVITIES**		
1.	**Profit before tax**	**10,284.12**	**4,520.43**
2.	**Adjustments for:**		
	Depreciation and amortisation expense	6,762.25	6,591.11
	Impairment of investment property	-	492.34
	Dividend income	(438.60)	(63.75)
	Interest income	(225.19)	(351.97)
	Profit on disposal of property, plant and equipment (net)	(87.11)	(29.18)
	Provision on obsolescence of inventory	513.83	39.00
	Interest expenses	472.02	366.96
	Unrealized foreign exchange loss	111.89	0.72
3.	**Operating profit before changes in following assets and liabilities (1+2)**	**17,393.21**	**11,565.66**
4.	**Changes in operating assets and liabilities**		
	Decrease in loans	3.55	12.63
	(Increase) in inventories	(4,464.90)	(1,343.23)
	(Increase) / decrease in other financial assets	(72.79)	0.62
	Decrease / (increase) in other assets	44.38	(241.11)
	(Increase) / decrease in trade receivables	(3,858.63)	1,408.35
	(Decrease) in other financial liabilities	(96.69)	(24.11)
	(Decrease) / increase in other liabilities	(548.03)	35.04
	Increase / (Decrease) in trade payables	2,132.03	(635.10)
	Increase in provisions	376.90	107.10
5.	**Cash generated from operating activities (3+4)**	**10,909.03**	**10,885.85**
6.	Income tax paid (net of refunds)	(2,641.50)	(1,309.30)
7.	**Net cash flow generated from operating activities (5-6)**	**8,267.53**	**9,576.55**
(B)	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment, capital work-in-progress and capital advances and capital payables	(8,211.95)	(11,867.53)
	Proceeds from disposal of property, plant and equipment	284.60	118.13
	Purchase of intangible assets	(1,110.33)	(84.69)
	Dividend received	438.60	63.75
	Interest received	225.81	352.62
	Net cash (used) in investing activities	**(8,373.27)**	**(11,417.72)**
(C)	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from long-term borrowings	1,268.80	3,647.93
	Repayment of long term borrowings	(1,811.75)	(1,138.49)
	Repayment of short-term borrowings (net)	(388.15)	(272.52)
	Dividend paid	(1,010.86)	(407.32)
	Interest paid	(397.12)	(295.10)
	Payment of lease liabilities including interest	(35.03)	(28.39)
	Net cash generated (used in) / from financing activities	**(2,374.11)**	**1,506.11**
(D)	**(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)**	**(2,479.85)**	**(335.06)**
	Cash and cash equivalents at the beginning of the year	6,151.66	6,486.72
	Cash and cash equivalents at the end of the year	**3,671.81**	**6,151.66**
	Cash and cash equivalents include :		
	Balances with banks:		
	– In current accounts	0.11	7.53
	– In cash credit accounts	39.63	397.73
	– In dividend accounts#	115.26	148.20
	– Bank deposits with original maturity less than 3 months	3,515.00	5,593.00
	Cash on hand	1.81	5.20
	Cash and cash equivalents at the end of the year	**3,671.81**	**6,151.66**

INR 115.26 lakhs (31 March 2022 : INR 148.20 lakhs) has restricted use.

STANDALONE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

(All amount are in INR lakhs, unless otherwise stated)

Change in liabilities arising from financing activities :

Particulars	As at 31 March 2023	As at 31 March 2022
Long-term borrowing as at the beginning of the year	5,174.92	2,665.48
Cash flows during the year		
-Repayment of long-term borrowings	(1,811.75)	(1,138.49)
-Proceeds from long-term borrowings	1,268.80	3,647.93
Long-term borrowings as at the end of the year	**4,631.97**	**5,174.92**
Short-term borrowing as at the beginning of the year	1,523.96	1,796.57
Cash flows during the year		
-Repayment of short-term borrowings (net)	(388.15)	(272.52)
-Unrealised exchange loss/(gain)	3.22	(0.09)
Short-term borrowings as at the end of the year	**1,139.03**	**1,523.96**
Interest Accrued on borrowings at the beginning of the year	11.20	3.79
Cash flows during the year		
-Interest on term loans and cash credit facilities		
-Interest to banks	373.62	261.95
-Bank charges	25.43	40.56
-Others	0.56	-
-Interest paid	(397.12)	(295.10)
Interest Accrued on borrowings at the end of the year	**13.69**	**11.20**
Lease liabilities at the beginning of the year	400.29	389.50
Cash flows during the year		
-Payment of Lease liabilities	(35.03)	(28.39)
Non-cash changes due to		
-Interest accrued	40.10	39.18
Lease liabilities at the end of the year	**405.36**	**400.29**

Notes:

1. The standalone cash flow statement has been prepared in accordance with "Indirect Method" as set out in Indian Accounting Standard-7 on "Statement on Cash Flows".
2. Refer note 2 for significant accounting policies.
3. The Company paid INR 63.94 lakhs for the year ended 31 March 2023 and INR 116.03 lakhs for the year ended 31 March 2022 towards Corporate Social Responsibility (CSR) expenditure (refer note 36).
4. Dividend paid amount includes amount transferred to Investor Protection Fund.

The accompanying notes are an integral part of these Standalone 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

Place : Gurugram
Date : 22 May 2023

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

Hitoshi Mogi
Chairman & Managing Director
DIN 08741355

Hiroko Nose
Independent Director
DIN 06389168

Rajiv Chanana
Director & CFO
DIN 02630192

Saurabh Agrawal
Company Secretary
Membership No.: 36163

Place : Gurugram
Date : 22 May 2023

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

(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. Significant accounting policies and Basis of preparation

2.1 Basis of preparation

(i) Statement of compliance

These Standalone 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 Standalone Financial Statements of the Company for the year ended 31 March 2023 are approved by the Company's Audit Committee and the Board of Directors on 22 May 2023.

(ii) Functional and presentation currency

These Standalone 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 Standalone 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 Standalone 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 Standalone 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(g) and (s).
- Assessment of useful life of property, plant and equipment and intangible asset – Note 2.3(a) and (b) and investment property.
- 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;

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

(All amount are in INR lakhs, unless otherwise stated)

- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities 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 significant accounting policies

In respect of new standards and amendments which became effective from 01 April 2022, there has been no material effect on the Company's Standalone Financial Statements.

2.3 Summary of significant accounting policies

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 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 Standalone 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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

(All amount are in INR lakhs, unless otherwise stated)

A property, plant and equipment is eliminated from the Standalone 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 Standalone 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 Standalone 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.

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 Standalone 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 less than INR 5,000 each are depreciated at the rate of 100% in the year of purchase.

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 (upto) 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 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 Standalone Statement of Profit or Loss in the period in which the expenditure is incurred.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

(All amount are in INR lakhs, unless otherwise stated)

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 Standalone 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 Standalone Statement of Profit and Loss as incurred.

Amortization

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization 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 amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets is recognized in the Standalone 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 six 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 Standalone 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.

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 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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

(All amount are in INR lakhs, unless otherwise stated)

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.

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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

(All amount are in INR lakhs, unless otherwise stated)

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 Standalone Statement of Profit and Loss. Impairment losses of continuing operations, including impairment on inventories, are recognized in the Standalone 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 Standalone 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 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.

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- 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.

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 Standalone 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 Standalone Statement of Profit and Loss are also recognized in OCI or the Standalone Statement of Profit and Loss, respectively).

j) Revenue recognition

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

However, 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.

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

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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 standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone 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 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 Standalone 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 Standalone 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.

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 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.

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Deferred tax liabilities are recognized for all taxable temporary differences.

Deferred tax assets – unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realized.

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 proceeds. These are presented as other operating revenue in the Standalone 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

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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 Standalone 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 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 Standalone 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

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credit method, which recognizes each year of service as giving rise to additional unit 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.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net defined benefit obligation as an expense in the Standalone Statement of Profit and Loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

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.

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

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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 Standalone Statement of Profit and Loss. The losses arising from impairment are recognized in the Standalone 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:

- 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

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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 solely 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 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.

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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 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:

a. Financial assets that are debt instruments, and are measured at amortized cost e.g., deposits and advances

b. Trade receivables that result from transactions that are within the scope of Ind AS 115

c. 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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

(All amount are in INR lakhs, unless otherwise stated)

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 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.

v) Corporate Social Responsibility ("CSR") expenditure

CSR expenditure incurred by the Company is charged to the Standalone 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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

(All amount are in INR lakhs, unless otherwise stated)

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. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its 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 amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact 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 definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

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FOR THE YEAR ENDED 31 MARCH 2023

(All amount are in INR lakhs, unless otherwise stated)

3A. Property, plant and equipment

Particulars	Gross carrying value						Accumulated depreciation					Net block	
Description	As at 1 April 2022	Additions	Sales/ Disposition	Transfer to Assets held for sale (Refer Note 12 B)	Transfer to investment property*	As at 31 March 2023	As at 1 April 2022	Depreciation for the year	Disposals	Transfer to investment property*	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022
Freehold land#	5,710.82	-	-	(21.14)	-	5,689.68	-	-	-	-	-	5,689.68	5,710.82
Building*#	17,494.78	687.42	7.43	-	-	18,174.77	3,993.90	726.32	4.77	-	4,715.45	13,459.32	13,500.88
Lease hold improvements	14.19	-	-	-	-	14.19	14.19	-	-	-	14.19	-	-
Plant & Machinery	42,440.22	12,041.63	1,168.37	-	-	53,313.48	30,148.00	4,049.52	1,015.32	-	33,182.20	20,131.28	12,292.22
Jigs & Fixtures	1,404.88	193.38	89.54	-	-	1,508.72	567.83	148.18	89.54	-	626.47	882.25	837.05
Electric installations	2,343.49	483.63	41.86	-	-	2,785.26	1,735.65	184.98	41.76	-	1,878.87	906.39	607.84
Furniture & Fixtures	332.01	29.89	12.04	-	-	349.86	244.26	29.34	12.03	-	261.57	88.29	87.75
Office equipment	2,342.44	238.41	45.91	-	-	2,534.94	1,696.07	307.18	40.29	-	1,962.96	571.98	646.37
Vehicles	754.50	202.51	118.70	-	-	838.31	369.00	130.05	83.24	-	415.81	422.50	385.50
R&D-Plant & Machinery	181.75	-	19.18	-	-	162.57	156.37	8.32	19.18	-	145.51	17.06	25.38
R&D-Office Equipment	13.09	-	-	-	-	13.09	12.04	0.56	-	-	12.60	0.49	1.05
Total	**73,032.17**	**13,876.87**	**1,503.03**	**(21.14)**	**-**	**85,384.87**	**38,937.31**	**5,584.45**	**1,306.13**	**-**	**43,215.63**	**42,169.24**	**34,094.86**

3A. Capital work-in-progress

Particulars	As at 1 April 2022	Additions	Capitalised	Other adjustments	As at 31 March 2023
Total	**9,335.24**	**7,339.95**	**13,876.87**	**418.72**	**2,379.60**

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	1,980.60	355.13	32.64	11.23	2,379.60

3A. Property, plant and equipment

Particulars	Gross carrying value						Accumulated depreciation					Net block	
Description	As at 1 April 2021	Additions	Sales/ Disposition	Transfer to Assets held for sale (Refer Note 12 B)	Transfer to investment property*	As at 31 March 2022	As at 1 April 2021	Depreciation for the year	Disposals	Transfer to investment property*	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021
Freehold land#	5,710.82	-	-	-	-	5,710.82	-	-	-	-	-	5,710.82	5,710.82
Building*#	18,820.13	91.08	42.39	-	1,374.04	17,494.78	3,579.15	747.12	19.06	313.31	3,993.90	13,500.88	15,240.98
Lease hold improvements	14.19	-	-	-	-	14.19	8.61	5.58	-	-	14.19	-	5.58
Plant & Machinery	39,119.58	3,924.30	547.54	-	56.12	42,440.22	26,982.34	3,736.54	530.07	40.81	30,148.00	12,292.22	12,137.24
Jigs & Fixtures	1,076.68	332.54	4.34	-	-	1,404.88	442.34	129.55	4.06	-	567.83	837.05	634.34
Electric installations	2,239.82	132.90	29.23	-	-	2,343.49	1,569.82	191.21	25.38	-	1,735.65	607.84	670.00
Furniture & Fixtures	345.35	27.02	40.36	-	-	332.01	251.62	26.63	33.99	-	244.26	87.75	93.73
Office equipment	2,217.52	136.27	11.35	-	-	2,342.44	1,407.44	299.98	11.35	-	1,696.07	646.37	810.08
Vehicles	825.59	87.75	158.84	-	-	754.50	347.44	143.06	121.50	-	369.00	385.50	478.15
R&D-Plant & Machinery	181.75	-	-	-	-	181.75	137.57	18.80	-	-	156.37	25.38	44.18
R&D-Office Equipment	13.09	-	-	-	-	13.09	10.67	1.37	-	-	12.04	1.05	2.42
Total	**70,564.52**	**4,731.86**	**834.05**	**-**	**1,430.16**	**73,032.17**	**34,737.00**	**5,299.84**	**745.41**	**354.12**	**38,937.31**	**34,094.86**	**35,827.52**

3A. Capital work-in-progress

Particulars	As at 1 April 2021	Additions	Capitalised	Other adjustments	As at 31 March 2022
Total	**592.20**	**13,474.90**	**4,731.86**	**-**	**9,335.24**

CWIP aging 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	9,182.63	134.89	17.72	-	9,335.24

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Notes:-

*(i). During the previous year ended 31 March 2022, the Company has shifted its operations at Sanand facility to other locations. The building, leasehold land and plant and machinery at Sanand facility are planned to be leased out. Accordingly, the Company has reclassified these assets as investment property. Also refer note 32.

(ii). Building at Sanand (Gross block) as at 31 March 2022 amounting to INR 1,374.04 lakhs, net block as at 31 March 2022 INR 1,060.73 lakhs is constructed on leasehold land. Same has been transferred to Investment property as at 31 March 2022.

$ There are no projects in capital-work-in progress as at 31 March 2023 and 31 March 2022, whose completion is overdue or cost has exceeded in comparision to its original plan.

Title deed of immovable property as at 31 March 2023 and 31 March 2022

Relevant line item in the Balance Sheet	Description of Property	Gross carrying value	Title deeds held in name of	Whether promoter, director or 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 2023.
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	
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 2023.

** The gross block and net block as at 31 March 2023 and 31 March 2022 of the said land is INR 1.00

(i) Contractual obligations : refer note 38A for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(ii) 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	
Description	As at 1 April 2022	Additions	Sales/ Disposition	Other adjustments	As at 31 March 2023	As at 1 April 2022	Additions	Depreciation for the year	Disposals	Impairment (refer note 2)	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022
Leasehold 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
Total	**1,536.97**	**-**	**-**	**-**	**1,536.97**	**859.18**	**-**	**134.46**	**-**	**-**	**993.64**	**543.33**	**677.79**

3B. Investment property

Particulars	Gross carrying value					Accumulated depreciation						Net block	
Description	As at 1 April 2021	Additions	Sales/ Disposition	Other adjustments	As at 31 March 2022	As at 1 April 2021	Additions	Depreciation for the year	Disposals	Impairment (refer note 2)	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021
Leasehold land (ROU assets)	-	106.81	-	-	106.81	-	12.72	-	-	-	12.72	94.09	-
Building	-	1,374.04	-	-	1,374.04	-	313.31	-	-	492.34	805.65	568.39	-
Plant & Machinery	-	56.12	-	-	56.12	-	40.81	-	-	-	40.81	15.31	-
Total	**-**	**1,536.97**	**-**	**-**	**1,536.97**	**-**	**366.84**	**-**	**-**	**492.34**	**859.18**	**677.79**	**-**

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(All amount are in INR lakhs, unless otherwise stated)

Notes:-

1) Refer note 41 for disclosure of leases under Ind AS 116.

2) (i). During the previous year ended 31 March 2022, the Company has shifted its operations at Sanand facility to other locations. The building, leasehold land and plant and machinery at Sanand facility are planned to be leased out. Accordingly, the Company has reclassified these assets as investment property. Also refer note 32.

(ii). Building at Sanand (Gross block) as at 31 March 2022 amounting to INR 1,374.04 lakhs, net block as at 31 March 2022 INR 1,060.73 lakhs is constructed on leasehold land. Same has been transferred to Investment property as at 31 March 2022.

3) There is no restrictions on the realisability of investment property or the remittance of income and proceeds of disposal.

4) There are no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

5) The Company's investment property consist of Land, building and plant and machinery situated at Sanand, Gujarat. The fair value of the Investment property as at 31 March 2023 is INR 628.52 lakhs (previous year : INR 677.79 lakhs) respectively, 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.

6) Information with respect to the amounts recognised in the statement of profit and loss for:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Rental income from investment property	-	-
Direct operating expenses (including repairs and maintenance) arising from investment property	-	-

3C. Intangible assets

Particulars	Gross carrying value					Amortisation				Net block	
Description	As at 1 April 2022	Additions	Sales/ Disposition	Other adjustments	As at 31 March 2023	As at 1 April 2022	Amortisation for the year	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	152.56	-	-	2,494.35	1,473.62	433.68	-	1,907.30	587.05	868.17
New product development	4,957.00	957.77	1,744.06	-	4,170.71	3,903.19	604.59	1,743.47	2,764.31	1,406.40	1,053.81
Total	**7,349.13**	**1,110.33**	**1,744.06**	**-**	**6,715.40**	**5,412.15**	**1,043.34**	**1,743.47**	**4,712.02**	**2,003.38**	**1,936.98**

3C. Intangible assets under development

Particulars	As at 1 April 2022	Additions	Capitalised	Other adjustments	As at 31 March 2023
Total	**-**	**1,110.33**	**1,110.33**	**-**	**-**

3C. Intangible assets

Particulars	Gross carrying value					Amortisation				Net block	
Description	As at 1 April 2021	Additions	Sales/ Disposition	Other adjustments	As at 31 March 2022	As at 1 April 2021	Amortisation for the year	Disposals	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021
R&D-Computer softwares	50.34	-	-	-	50.34	30.02	5.32	-	35.34	15.00	20.32
Computer softwares	2,450.00	84.72	192.93	-	2,341.79	1,232.91	433.64	192.93	1,473.62	868.17	1,217.09
New product development	5,498.79	-	541.79	-	4,957.00	3,600.34	844.33	541.48	3,903.19	1,053.81	1,898.45
Total	**7,999.13**	**84.72**	**734.72**	**-**	**7,349.13**	**4,863.27**	**1,283.29**	**734.41**	**5,412.15**	**1,936.98**	**3,135.86**

3C. Intangible assets under development

Particulars	As at 1 April 2021	Additions	Capitalised	Other adjustments	As at 31 March 2022
Total	**-**	**84.72**	**84.72**	**-**	**-**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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(All amount are in INR lakhs, unless otherwise stated)

3D. Right-of-use assets

Particulars	Gross carrying value						Accumulated depreciation					Net block	
Description	As at 1 April 2022	Additions	Sales/ Disposition	Other adjustments	Transfer to investment property*	As at 31 March 2023	As at 1 April 2022	Depreciation for the year	Disposals	Transfer to investment property*	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022
Leasehold land	-	-	-	-	-	-	-	-	-	-	-	-	-
Building	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

3D. Right-of-use assets

Particulars	Gross carrying value						Accumulated depreciation					Net block	
Description	As at 1 April 2021	Additions	Sales/ Disposition	Other adjustments	Transfer to investment property*	As at 31 March 2022	As at 1 April 2021	Depreciation for the year	Disposals	Transfer to investment property*	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021
Leasehold land	106.81	-	-	-	106.81	-	8.48	4.24	-	12.72	-	-	98.33
Building	87.44	-	87.44	-	-	-	83.69	3.74	87.44	-	-	-	3.75
Total	**194.25**	**-**	**87.44**	**-**	**106.81**	**-**	**92.17**	**7.98**	**87.44**	**12.72**	**-**	**-**	**102.08**

Notes:-

*(i). During the previous year ended 31 March 2022, the Company has shifted its operations at Sanand facility to other locations. The building, leasehold land and plant and machinery at Sanand facility are planned to be leased out. Accordingly, the Company has reclassified these assets as investment property. Also refer note 32.

(ii). Building at Sanand (Gross block) as at 31 March 2022 amounting to INR 1,374.04 lakhs, net block as at 31 March 2022 INR 1,060.73 lakhs is constructed on leasehold land. Same has been transferred to Investment property as at 31 March 2022.

4. Investments

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current investments		
Investments at cost		
Investment in subsidiary		
Investments in equity shares (Unquoted)	510.00	510.00
JTEKT Fuji Kiko Automotive India Limited		
5,099,993 (31 March 2022: 5,099,993) Equity Shares of INR 10 each fully paid up		
Total investments	**510.00**	**510.00**
Aggregate amount of unquoted investments	**510.00**	**510.00**

Disclosure required under Section 186(4) of the Companies Act 2013

Investment in Equity shares				As at 31 March 2023	As at 31 March 2022
Name	Investment amount / consideration	No. of share allotted / received from transfer	Date of allotment/ disposal/ transfer	% of total share capital	% of total share capital
JTEKT Fuji Kiko Automotive India Limited	198.15	19,815,000	22 Nov 2007	51%	51%
	10.00	99,993	22 Nov 2007		
	301.85	30,185,000	13 Jun 2008		

5. Loans

Particulars	As at 31 March 2023		As at 31 March 2022	
	Current	Non-current	Current	Non-current
(Unsecured considered good, unless stated otherwise)				
Loans to employees	4.13	2.22	7.34	2.56
Total	**4.13**	**2.22**	**7.34**	**2.56**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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(All amount are in INR lakhs, unless otherwise stated)

6. Other financial assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	Current	Non-current	Current	Non-current
Security deposits	54.25	334.33	66.60	261.03
Interest accrued but not due on deposits	1.01	-	1.63	-
Advance to employees	11.84	-	-	-
Total	**67.10**	**334.33**	**68.23**	**261.03**

7A. Other tax assets (net)

Particulars	As at 31 March 2023	As at 31 March 2022
Advance income tax and tax deducted at source [net of provisions INR 3,945.09 lakhs (31 March 2022 INR 2,251.84 lakhs)]	304.19	258.27
Total	**304.19**	**258.27**

7B. Current tax assets

Particulars	As at 31 March 2023	As at 31 March 2022
Other tax assets	171.30	-
Total	**171.30**	**-**

8. Other non-current assets

Particulars	As at 31 March 2023	As at 31 March 2022
(Unsecured considered good, unless stated otherwise)		
Capital advances	483.59	366.87
Prepaid expenses	88.19	115.54
Total	**571.78**	**482.41**

9. Inventories

Particulars	As at 31 March 2023	As at 31 March 2022
(Valued at lower of cost and net realisable value)		
Raw materials and components *	9,455.33	6,066.46
Work-in-progress **	1,453.91	1,249.44
Finished goods ***	3,988.63	3,806.94
Stock-in-trade	0.08	0.08
Stores and spares	1,207.04	1,111.02
Loose tools and consumables	2,162.87	1,615.97
Total	**18,267.86**	**13,849.91**
Less: Provision on inventory obsolescence	(585.88)	(119.00)
Total	**17,681.98**	**13,730.91**

* Includes material in transit INR 1,304.07 lakhs (31 March 2022 INR 929.29 lakhs)

** Includes material with the vendors sent for job work INR 154.13 lakhs (31 March 2022 INR 56.37 lakhs)

*** Includes goods in transit INR 2,317.10 lakhs (31 March 2022 INR 2,617.07 lakhs)

Notes:

(i) Inventories have been pledged as security for liabilities, for details refer note 45.

(ii) During the year Company has recorded write-downs of INR 585.88 lakhs (previous year INR 119.00 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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

(All amount are in INR lakhs, unless otherwise stated)

10. Trade receivables

Particulars	As at 31 March 2023	As at 31 March 2022
(unsecured and considered good, unless otherwise stated)		
Trade receivables	27,826.18	24,132.95
Unbilled revenue	540.32	381.74
Total	**28,366.50**	**24,514.69**
Dues from related parties (refer note 40)	9,968.19	10,688.12

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	24,898.39	3,462.61	5.04	0.46	-	-	28,366.50
(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	-	-	-	-	-	-	-

Trade Receivables ageing schedule as at 31 March 2022

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	22,618.75	1,891.06	4.42	0.46	-	-	24,514.69
(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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

(All amount are in INR lakhs, unless otherwise stated)

11. Cash and cash equivalents

Particulars	As at 31 March 2023	As at 31 March 2022
Balances with banks		
-in current accounts	0.11	7.53
-in cash credit accounts	39.63	397.73
-in dividend accounts#	115.26	148.20
-bank deposits with original maturity less than 3 months	3,515.00	5,593.00
Cash on hand	1.81	5.20
Total	**3,671.81**	**6,151.66**

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.

12A. Other current assets

Particulars	As at 31 March 2023	As at 31 March 2022
(Unsecured considered good, unless stated otherwise)		
Advance to suppliers	76.90	79.52
Balances with statutory/government authorities	598.03	756.70
Prepaid expenses	799.55	736.13
Net defined benefit asset - gratuity plan	65.78	-
Export incentive receivable	15.93	51.16
Other receivable	53.32	3.03
Total	**1,609.51**	**1,626.54**

Note :

(i) Other current assets have been pledged as security for liabilities, for details refer note 45.

12B. Assets held for sale

Particulars	As at 31 March 2023	As at 31 March 2022
Property, plant and equipment		
Freehold land	21.14	-
Total	**21.14**	**-**

The Board of Directors in its meeting held 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 standalone financial statements for the year ended 31 March 2023 (also refer note no 52).

13. Equity share capital

Particulars	As at 31 March 2023	As at 31 March 2022
Authorised capital		
871,000,000 (31 March 2022 : 871,000,000) Equity Shares of INR 1/- each	8,710.00	8,710.00
	8,710.00	**8,710.00**
Issued, subscribed and fully paid up equity share capital		
244,480,469 (31 March 2022 : 244,480,469) Equity Shares of INR 1/- each fully paid up	2,444.80	2,444.80
	2,444.80	**2,444.80**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

(All amount are in INR lakhs, unless otherwise stated)

a) Reconciliation of equity shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of shares	Amount	No. of shares	Amount
Equity shares at the beginning of the year	244,480,469	2,444.80	244,480,469	2,444.80

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 1/- 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.

c) Details of shareholders holding more than 5% shares in the Company

Name of shareholder	As at 31 March 2023		As at 31 March 2022	
	No. of shares	% holding	No. of shares	% holding
Equity shares of INR 1/- each fully paid up				
JTEKT Corporation, Japan	167,059,997	68.33%	169,559,997	69.36%
Maruti Suzuki India Ltd.	13,800,000	5.64%	13,800,000	5.64%

d) Details of shares held by Ultimate Holding Company/Holding Company and/or their Subsidiaries/Associates

Name of shareholder	As at 31 March 2023		As at 31 March 2022	
	No. of shares	% holding	No. of shares	% holding
Equity shares of INR 1/- each fully paid up				
JTEKT Corporation, Japan	167,059,997	68.33%	169,559,997	69.36%

e) Promoters holding as on 31 March 2023 and 31 March 2022

Shares held by promoters at the end of year	As at 31 March 2023		As at 31 March 2022		Change during the year
Promoters Name	No. of shares	% holding	No. of shares	% holding	
JTEKT Corporation, Japan	167,059,997	68.33%	169,559,997	69.36%	Change in during the year-1.03%
Maruti Suzuki India Ltd.	13,800,000	5.64%	13,800,000	5.64%	0.00

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 2023	As at 31 March 2022
Securities premium		
Balance at the beginning and end of the year	**8,070.76**	**8,070.76**
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.		
General reserve		
Balance at the beginning and end of the year	**8,190.71**	**8,190.71**
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 Standalone Statement of Profit and Loss.		

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

(All amount are in INR lakhs, unless otherwise stated)

Particulars	As at 31 March 2023	As at 31 March 2022
Surplus in the Standalone Statement of Profit and Loss		
Opening balance	39,528.02	36,583.20
Add: profit for the year	7,979.20	3,313.69
Less: dividend on equity shares	(977.92)	(366.72)
Add: transferred from OCI (remeasurement of employee benefit obligations)	(63.00)	(2.16)
Closing balance	**46,466.30**	**39,528.02**
Capital reserve		
Balance at the beginning and end of the year	**2,434.23**	**2,434.23**

The capital reserve is the accumulated surplus not available for distribution of dividend and expected to remain invested permanently. 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'.

Particulars	As at 31 March 2023	As at 31 March 2022
Items of other comprehensive income, net of tax		
Remeasurement of employee benefit obligations		
Balance as at the beginning of the year	-	-
Recognised during the period	(63.00)	(2.16)
Less: transferred to retained earnings	63.00	2.16
Closing balance	**-**	**-**
Total	**65,162.00**	**58,223.72**

15. Borrowings

15A. Non-current borrowings

Particulars	As at 31 March 2023	As at 31 March 2022
Secured loans		
Term loans		
Indian rupee loan from banks	-	619.11
Total secured borrowings (including current maturities)	**-**	**619.11**
Unsecured loan		
Term loan		
Indian rupee loan from bank	4,631.97	4,555.81
Total unsecured borrowings (including current maturities)	**4,631.97**	**4,555.81**
Total borrowings (including current maturities)	**4,631.97**	**5,174.92**
Less: Current maturities of borrowings (refer note 15B):		
Indian rupee loan from banks	1,542.18	1,740.19
Total current maturities of borrowings	**1,542.18**	**1,740.19**
Total borrowings (excluding current maturities)	**3,089.79**	**3,434.73**

Notes:

1. Refer note 48 - Financial risk management for liquidity risk.
2. Refer note 45 - Assets pledged as security.

15B. Current borrowings

Particulars	As at 31 March 2023	As at 31 March 2022
Secured		
Cash credit and packing credit	1.11	-
Current maturities of long-term borrowings (refer note no 15A)	-	619.11
Total secured current borrowings	**1.11**	**619.11**
Unsecured		
Cash credit, packing credit and factoring loan from banks	1,137.92	1,523.96
Current maturities of long-term borrowings (refer note no 15A)	1,542.18	1,121.08
Total unsecured current borrowings	**2,680.10**	**2,645.04**
Total current borrowings	**2,681.21**	**3,264.15**

Notes:

1. Refer note 48 - Financial risk management for liquidity risk.
2. Refer note 45 - Assets pledged as security.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

(All amount are in INR lakhs, unless otherwise stated)

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 2023	As at 31 March 2022
Secured Indian rupee loans from banks					
1.	IDFC Bank	Repayable in 20 quarterly installments with 12 months morotorium (repayment starting from March-2018) - 4 installments of INR 150 lakhs each, - 4 installments of INR 200 lakhs each, - 1 installment of INR 800 lakhs, - 8 installments of INR 138 lakhs each and, - 4 installments of INR 173 lakhs each	Pari passu first charge over the entire movable fixed assets of the Company and equitable mortage of land situated at 38/6, National Highway no.8 Delhi Jaipur Highway, Gurgaon 122001 and land situated at Plot no. 32 and 19 Dharuhera Industrial Area, Phase-2 Dharuhera, District Rewari (Haryana).	-	519.11
2.	Indusind Bank-2	Repayable in 20 quarterly installments of INR 50 lakhs each with 12 months morotorium (repayment starting from June-2018)	Pari passu first charge over the entire movable fixed assets of the Company and equitable mortage of land situated at 38/6, National Highway no.8 Delhi Jaipur Highway, Gurgaon 122001 and land situated at Plot no. 32 and 19 Dharuhera Industrial Area, Phase-2 Dharuhera, District Rewari (Haryana).	-	100.00
				-	**619.11**
Unsecured Indian rupee loan from bank					
1.	MUFG Bank	Repayable in 17 quarterly installments with 12 months morotorium (repayment starting from December-2021) - 01 installment 0f INR 87.20 lakhs, - 01 installment of INR 259.52 lakhs, - 15 installments of INR 277.44 lakhs each, 31 March 2022 - Repayable in 17 quarterly installments with 12 months morotorium (repayment starting from December-2021) - 01 installment of INR 87.20 lakhs, - 16 installments of INR 259.52 lakhs each.	Unsecured, Corporate Guarantee given by parent company "JTEKT Corporation, Japan"	3,051.84	3,892.80
2.	Sumitomo Mitsui Banking Corporation	Repayable in 17 quarterly installments with 12 months morotorium (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 31 March 2022 - Repayable in 16 quarterly installments of INR 41.44 lakhs each with 12 months morotorium (repayment starting from December-2022)	Unsecured, Corporate Guarantee given by parent company "JTEKT Corporation, Japan"	1,580.13	663.01
				4,631.97	**4,555.81**

Rate of interest: The long term borrowings interest rate for company ranges from 6.00% to 9.35% in FY-2023 (6.00% to 9.60% in FY-2022). The Company's long term borrowings have weighted average rate of 6.51% in FY-2023 (7.11% in FY-2022)

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

(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 2023	As at 31 March 2022
Secured short-term loans from banks				
1.	State Bank of India - Cash Credit	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%)	1.11	-
			1.11	**-**
Unsecured short-term loan from bank				
1.	Sumitomo Mitsui Banking Corporation - Packing Credit	Unsecured, Corporate Guarantee given by parent company "JTEKT Corporation, Japan"	1,010.11	387.94
2.	HDFC Bank - Bill Discounting	Unsecured	80.54	287.31
3.	Standard Chartered Bank - Cash Credit & Packing Credit	Unsecured, Corporate Guarantee given by parent company "JTEKT Corporation, Japan"	47.27	848.71
			1,137.92	**1,523.96**

Notes:

(i) Quarterly returns / statements filed by the Company with the Banks or Financial Instutition are in agreement with the Book of Accounts.

(ii) The loans were utilized for the purpose they were availed.

(iii) The loan arrangements outstanding as at 31 March 2023 does not specify any financial covenants.

16. Lease liability

Particulars	As at 31 March 2023	As at 31 March 2022
	Non-current	**Non-current**
Lease liability (refer note no 41)	405.36	400.29
Total	**405.36**	**400.29**

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 2023	As at 31 March 2022
	Current	**Current**
Interest accrued but not due on borrowings	13.69	11.20
Security deposit payables	29.60	21.10
Unclaimed dividends #	115.26	148.20
Forward exchange contracts used for hedging*	75.19	79.52
Employee related dues	1,013.70	1,118.88
Creditors for capital goods		
Total outstanding dues of micro enterprises and small enterprises@	239.95	213.38
Total outstanding dues of creditors other than micro enterprises and small enterprises@	515.27	1,686.14
Total	**2,002.66**	**3,278.42**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

(All amount are in INR lakhs, unless otherwise stated)

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	466.89	36.61	11.77	-	-	515.27
(iii)	Disputed dues –MSME	-	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-	-

Creditors for capital goods ageing schedule as at 31 March 2022

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	213.38	-	-	-	-	213.38
(ii)	Others	1,604.82	57.33	-	-	23.99	1,686.14
(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 2023		As at 31 March 2022	
	Current	Non-current	Current	Non-current
Provision for employee benefits				
Gratuity (refer note no 39)	-	-	35.18	80.34
Compensated absences (refer note no 39)	222.15	864.36	206.79	887.36
Others				
Provision for warranties*	116.90	30.53	99.00	28.12
Provision for contingencies*	563.94	-	-	-
Total	**902.99**	**894.89**	**340.97**	**995.82**

***Movement in provision related to during the year :**

Particulars	Provision for warranties		Provision for contingencies	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
At the beginning of the year	127.12	114.88	-	-
Additions during the year	123.99	92.19	563.94	-
Utilised during the year	(103.68)	(79.95)	-	-
At the end of the year	**147.43**	**127.12**	**563.94**	**-**

a) The provision for warranties relates mainly to inventories sold during the year ended 31 March 2023 and 31 March 2022. 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.

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 563.94 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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

(All amount are in INR lakhs, unless otherwise stated)

19. Deferred tax assets / (liabilities) (net)

Particulars	As at 31 March 2023	As at 31 March 2022
Deferred tax liability arising on account of :		
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.	103.64	39.42
ii) Discounting of long term warranty	1.38	1.23
iii) Measurement of financial liabilities carried at amortised cost	-	0.03
Total deferred tax liability	**105.02**	**40.68**
Deferred tax asset arising on account of :		
i) Property, plant and equipment and intangible assets	470.49	486.63
ii) Effect of expenditure debited to Statement of Profit and Loss account but allowed for tax purposes in subsequent years when actually paid	458.37	321.85
iii) Provision of inventory obsolescence	147.45	29.95
iv) Impact of Ind AS 116	77.27	76.00
v) Employee Seperation Cost	88.85	30.94
vi) Adjustments for derivatives recognised through fair value hedge	14.41	3.60
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	-
Total deferred tax asset	**1,328.96**	**948.97**
Net deferred tax asset	**1,223.94**	**908.29**

Movement in deferred tax assets / (liability) for the year ended 31 March 2023

Particulars	As at 1 April 2022	Recognised in other comprehensive income	Recognised in Statement of Profit and Loss	As at 31 March 2023
Deferred tax assets / (liability) :				
Property, plant and equipment, investment property and intangible assets	486.63	-	(16.14)	470.49
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)	-	(64.22)	(103.64)
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	3.60	-	10.81	14.41
Effect of expenditure debited to Statement of Profit and Loss account but allowed for tax purposes in subsequent years when actually paid	321.85	-	136.54	458.37
Provision of inventory obsolescence	29.95	-	117.50	147.45
Impact of Ind AS 116	76.00		1.27	77.27
Employee Seperation 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
Total	**908.29**	**-**	**315.67**	**1,223.94**

Movement in deferred tax asset / (liability) for the year ended 31 March 2022

Particulars	As at 1 April 2021	Recognised in other comprehensive income	Recognised in Statement of Profit and Loss	As at 31 March 2022
Deferred tax assets / (liability) :				
Property, plant and equipment, investment property and intangible assets	58.75	-	427.88	486.63
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.	(46.44)	-	7.02	(39.42)
Discounting of long term warranty	(1.29)	-	0.06	(1.23)
Measurement of financial liabilities carried at amortised cost	(0.15)	-	0.12	(0.03)
Adjustments for derivatives recognised through fair value hedge	12.86	-	(9.26)	3.60
Effect of expenditure debited to Statement of Profit and Loss account but allowed for tax purposes in subsequent years when actually paid	305.09	-	16.76	321.85
Provision of inventory obsolescence	20.13	-	9.82	29.95
Impact of Ind AS 116	72.34	-	3.66	76.00
Employee Seperation Cost	-	-	30.94	30.94
Total	**421.29**	**-**	**487.00**	**908.29**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

(All amount are in INR lakhs, unless otherwise stated)

20. Trade payables

Particulars	As at 31 March 2023	As at 31 March 2022
Total outstanding dues of micro enterprises and small enterprises#	507.15	716.57
Total outstanding dues of creditors other than micro enterprises and small enterprises#	21,939.16	19,521.24
Total	**22,446.31**	**20,237.81**
Dues to related parties (refer note 40)	7,436.49	3,879.39

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	507.15	-	-	-	-	507.15
(ii)	Others	21,811.60	39.48	35.01	6.42	46.65	21,939.16
(iii)	Disputed dues –MSME	-	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-	-

Trade Payables ageing schedule as at 31 March 2022

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	716.57	-	-	-	-	716.57
(ii)	Others	19,263.32	200.64	8.14	32.54	16.60	19,521.24
(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 2023	As at 31 March 2022
i)	The principal amount remaining unpaid to any supplier as at the year end.	747.10	929.95
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)	-	-
Total		**747.10**	**929.95**

The company exposure to currency and liquidity risk related to trade payables is disclosed in note 48.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
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(All amount are in INR lakhs, unless otherwise stated)

21. Other current liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Advance from customers	230.21	224.99
Statutory dues*	1,097.30	1,650.55
Total	**1,327.51**	**1,875.54**

* Taxes payable includes withholding tax, Goods and Service Tax, Provident Fund etc.

22. Current tax liabilities (net)

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for income tax (net of advance tax and TDS INR 2,547.47 lakhs) (31 March 2022 : INR 1,645.13 lakhs)	277.96	70.55
Total	**277.96**	**70.55**

23. Revenue from operations

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Sale of products	205,347.83	159,546.27
Sale of services	140.40	116.53
Other operating revenues		
-Scrap sale	1,644.22	1,257.87
-Export incentives	191.08	128.93
Total	**207,323.53**	**161,049.60**

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 diaggregated by major product lines, geographical market (refer segment note no. 42) and timing of revenue recognition.

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Sale of products		
-Steering product	190,014.44	143,930.99
-Drive line product	15,333.39	15,615.28
Sale of services	140.40	116.53
Other operating revenues		
-Scrap sale	1,644.22	1,257.87
-Export incentives	191.08	128.93
Total	**207,323.53**	**161,049.60**

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 standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone 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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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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 2023	For the year ended 31 March 2022
Other non operating income		
Interest income on:		
-Bank deposits	214.70	203.40
-Others	10.49	148.57
Rental income	27.99	13.47
Dividend from equity investments	438.60	63.75
Gain on sale of property, plant & equipment (net)	87.11	29.18
Foreign exchange gain including mark to market valuation (net)	252.02	330.57
Business support income	212.57	209.46
Miscellaneous income	11.41	35.54
Total	**1,254.89**	**1,033.94**

25. Cost of materials consumed

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Inventory at the beginning of the year	6,066.46	5,665.83
Add: purchases during the year	153,780.54	115,618.07
Less: inventory at the end of the year	9,455.33	6,066.46
Total	**150,391.67**	**115,217.44**

26. Purchases of stock-in-trade

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Purchases of stock-in-trade	2,131.31	2,186.00
Total	**2,131.31**	**2,186.00**

27. Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening inventories		
Work-in-progress	1,249.44	1,017.65
Finished goods	3,806.94	3,274.57
Stock-in-trade	0.08	0.08
Closing inventories		
Work-in-progress	1,453.91	1,249.44
Finished goods	3,988.63	3,806.94
Stock-in-trade	0.08	0.08
Net (increase)	**(386.16)**	**(764.16)**

28. Employee benefit expenses

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries wages and bonus	16,978.09	16,227.07
Contribution to provident and other funds (refer note 39)	1,244.14	1,030.97
Staff welfare expenses	1,883.39	1,695.95
Total	**20,105.62**	**18,953.99**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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(All amount are in INR lakhs, unless otherwise stated)

29. Finance costs

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest expense on financial liabilities not measured at FVTPL		
-Interest to banks	373.62	261.95
-Interest on lease liabilities (refer note 41)	40.10	39.17
-Interest to others	32.87	25.28
Bank charges	25.43	40.56
Total	**472.02**	**366.96**

30. Depreciation and amortisation expense

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation on property, plant and equipment (refer note 3A)	5,584.45	5,299.84
Depreciation on investment property (refer note 3B)	134.46	-
Amortisation on intangible assets (refer note 3C)	1,043.34	1,283.29
Depreciation on right-of-use assets (refer note 3D & 41)	-	7.98
Total	**6,762.25**	**6,591.11**

31. Other expenses

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Consumption of stores and spares	2,769.59	2,153.79
Loose tools consumed	2,132.25	1,636.19
Power and fuel	2,304.87	1,952.35
Repairs and maintenance		
-Plant & machinery	843.99	851.04
-Buildings	121.28	167.93
-Others	949.34	918.05
Royalty	2,661.05	2,006.52
Rent (refer note 41)	296.47	328.78
Rates and taxes	591.52	68.90
Insurance	251.33	236.56
Travelling, conveyance and vehicle expenses	361.37	332.54
Communication and stationery expenses	163.21	88.47
Legal and professional charges	626.54	436.12
Security charges	259.02	267.18
Selling expenses	2,352.36	1,764.62
Packing material	826.19	705.28
CSR expenditure (refer note 36)	63.94	100.40
Provision on obsolescence of inventory (refer note 9)	513.83	39.00
Director's fees, allowances and expenses	142.25	71.40
Payments to auditors		
As Auditor		
Statutory audit fee	53.00	53.00
Tax audit fee	2.50	6.90
Limited review	25.50	23.85
In other capacity		
Other matters	11.50	21.25
Reimbursement of expenses	5.71	1.78
Miscellaneous expenses	162.97	102.35
Total	**18,491.58**	**14,334.25**

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32. Exceptional items

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Employee separation cost-voluntary retirement compensation*	326.01	153.68
Loss on shifting of Sanand operations**		
- Impairment loss on investment property	-	492.34
- Relocation cost	-	31.50
Total	**326.01**	**677.52**

* During the year ended 31 March 2023 and 31 March 2022, a voluntary retirement scheme ('VRS') was offered to the workmen and the Company has incurred cost of INR 326.01 lakhs and INR 153.68 lakhs respectively. Accordingly, the Company has recorded the VRS cost as an exceptional item.

** During the year ended 31 March 2022, the Company has shifted its manufacturing opertations at Sanand facility to other locations. Owing to the said relocation, the Company has 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 and relocation expenses of INR 31.50 lakhs in the year ending 31 March 2022 as an exceptional item.

33. Tax expense

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Income tax recognised in the statement of profit or loss:		
Current income tax		
- In respect of the current year	2,814.32	1,692.35
- In respect of the prior years	(193.73)	1.39
Deferred tax		
- Relating to origination and reversal of temporary differences	(315.67)	(487.00)
Income tax expenses reported in the statement of profit or loss	**2,304.92**	**1,206.74**

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 2023		For the year ended 31 March 2022	
Profit for the year		**10,284.12**		**4,520.43**
Statutory income tax rate	25.17%	2,588.31	25.17%	1,137.70
Expenditure for which deduction is not allowed under Income Tax Act	0.90%	92.85	1.85%	83.69
Deduction allowed for dividend income from subsidiary	-1.07%	(110.39)	-0.35%	(16.04)
Tax pertaining to earlier years	-0.22%	(22.43)	0.03%	1.39
Refund for dividend distribution tax of previous year paid by erstwhile amalgmated company that JTEKT Sona Automotive India Limited	-1.67%	(171.30)	0.00%	-
Long term capital loss balance carried forward	-0.58%	(60.13)	0.00%	-
Effect of difference in book value of assets held for sale and value for tax purpose	-0.12%	(11.99)	0.00%	-
Effective tax rate	**22.41%**	**2,304.92**	**26.70%**	**1,206.74**

Income tax recognised in Other Comprehensive Income

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Deferred tax related to items recognised in OCI during the year:		
Loss on remeasurement of defined benefit obligation	21.19	0.72
Income tax expenses reported in Other Comprehensive Income	**21.19**	**0.72**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
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(All amount are in INR lakhs, unless otherwise stated)

34. Earnings per equity share

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit attributable to equity shareholders	7,979.20	3,313.69
Basic average number of equity shares outstanding during the year (Nos.)	244,480,469	244,480,469
Weighted average number of equity shares outstanding during the year (Nos.)	244,480,469	244,480,469
Nominal value of equity shares in INR	1.00	1.00
Earnings per equity share in INR		
Basic	3.26	1.36
Diluted	3.26	1.36

35. Group information

The Company has following investment in subsidiary:

Name of the entity	Principal place of business	Relationship	Percentage of ownership interest	
			As at 31 March 2023	As at 31 March 2022
JTEKT Fuji Kiko Automotive India Limited	India	Subsidiary	51.00%	51.00%

36. Expenditure on Corporate Social Responsibility (CSR)

	Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
i)	Amount required to be spent by the company during the year	63.33	100.40
ii)	Amount of expenditure incurred	63.94	87.90
iii)	Shortfall at the end of the year	-	12.50
iv)	Total of pervious years shortfall	-	-
v)	Reason for shortfall :- In the previous year, the Company as a part of its rural development program aimed at promoting Health Care has taken up a project to construct an Isolation cum Maternity ward at Community Health Care Centre, Bawal, Haryana. The Initial process of identification of land and receiept of necessary approval was completed and work on this project had started. Since the project involved civil construction activity which is time consuming, we have finished this CSR project in the current year. The amount has been subsequently deposited in separate CSR Unspent Bank account within 30 days of year end 31 March 2022 and has been utilized as on 31 March 2023.		
vi)	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		
vii)	Details of related party transactions	-	-

37. Research and development expenses (R&D expenses)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Salary and allowance	56.12	100.24
Components, tools and spares	0.14	1.29
Total	**56.26**	**101.54**

38. Contingent liabilities and commitments (to the extent not provided for)

A. Capital commitments

Particulars	As at 31 March 2023	As at 31 March 2022
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	9,581.45	3,005.97
Total	**9,581.45**	**3,005.97**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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(All amount are in INR lakhs, unless otherwise stated)

B. Contingent liabilities

Particulars		Period covered	As at 31 March 2023	As at 31 March 2022
Contingent liabilities, not acknowledged as debt, include:				
1.	**Claims against the Company not acknowledged as debt on account of # *:**			
(a)	**Excise duty matters**			
	Show cause notices received and pending with Adjudication Authority	2000-01 to 2017-18	1,720.27	3,016.62
	Cases pending before Appellate authorities in respect of which the company has filed appeals.	2007-08 to 2015-16	1,060.15	799.44
			2,780.42	**3,816.06**
(b)	**Service tax matters**			
	Show cause notices received and pending with Adjudication Authority	2004-05 to 2017-18	64.22	80.62
	Cases pending before Appellate authorities in respect of which the company has filed appeals.	2009-10 to 2015-16	8.80	8.43
			73.02	**89.05**
(c)	**VAT matters**			
	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	2,043.05	1,918.10
(d)	**Stamp Duty matters**			
	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	1,515.82
(e)	**Income tax matters**			
	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 2018-19	140.53	53.60
(f)	**Goods and Service Tax**			
	Claim of CGST pertaining to Tran-1 pending with the GST Department		29.13	-
Total			**6,581.97**	**7,392.63**

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 standalone 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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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(All amount are in INR lakhs, unless otherwise stated)

* 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, Superannuation 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 2023	For the year ended 31 March 2022
a) Employer's contribution to Provident Fund	681.11	633.42
b) Employer's contribution to Employee State Insurance Corporation	19.56	22.80
c) Punjab labour welfare fund (PLWF)	7.25	7.05
d) Employer's contribution to National Pension Scheme (NPS)	144.77	134.50
	852.69	**797.77**

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.

(i) Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets:

Description	As at 31 March 2023	As at 31 March 2022
Liability for gratuity	3,769.32	3,651.57
Plan assets for gratuity	3,835.10	3,536.05
Net defined benefit (asset) / liability	**(65.78)**	**115.52**

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

Description	For the year ended 31 March 2023	For the year ended 31 March 2022
Current service cost *	230.22	223.42
Net interest cost	26.50	0.88
Past service cost	122.09	-
Expense recognised in the Statement of Profit and Loss	**378.81**	**224.30**
Actuarial loss recognised during the year	84.19	2.88
Amount recognised in the total comprehensive income	**463.00**	**227.18**

* Current service cost includes contribution of LIC premium amounting to INR 10.25 lakhs (previous year INR 9.88 lakhs).

(iii) Movement in the present value of defined benefit obligation recognised in the balance sheet is as under:

Description	As at 31 March 2023	As at 31 March 2022
Present value of defined benefit obligation as at the start of the year	**3,651.57**	**3,547.06**
Current service cost	219.96	213.54
Interest cost	244.66	223.47
Past service cost	122.09	-
Actuarial loss on obligation	132.24	28.83
Benefits paid	(601.20)	(361.33)
Present value of defined benefit obligation as at the end of the year	**3,769.32**	**3,651.57**

(iv) Movement in the plan assets recognised in the balance sheet is as under:

Description	As at 31 March 2023	As at 31 March 2022
Fair Value of plan assets at start of the year	**3,536.05**	**3,433.16**
Interest income	218.16	222.59
Employer contribution	634.04	215.68
Benefit Paid	(601.20)	(361.33)
Actuarial gain on plan assets	48.05	25.95
Fair Value of plan assets at the end of the year	**3,835.10**	**3,536.05**

(v) Remeasurement recognised in other comprehensive loss is as under:

Description	For the year ended 31 March 2023	For the year ended 31 March 2022
Actuarial loss on defined benefit obligation	132.24	28.83
Return on plan assets excluding interest income	(48.05)	(25.95)
Amount recognised in Other Comprehensive loss	**84.19**	**2.88**

(vi) Bifurcation of actuarial loss on defined benefit obligation:

Description	For the year ended 31 March 2023	For the year ended 31 March 2022
Actuarial gain from change in financial assumption	(109.80)	(71.62)
Actuarial loss from experience adjustment	242.04	100.45
Amount recognised in the Other Comprehensive Income	**132.24**	**28.83**

(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 :

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(All amount are in INR lakhs, unless otherwise stated)

Description	As at 31 March 2023	As at 31 March 2022
Discount rate	7.3% p.a.	6.7% p.a.
Rate of increase in compensation level	6.0% p.a.	6.0% 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 2023	As at 31 March 2022
Mortality table	IALM (2012-14)	IALM (2012-14)
Retirement age		
- Mr. Sudhir Chopra	-	65
- Others	58	58
Attrition rate		
- Up to 30 years	9.80%	9.80%
- 31 to 44 years	9.80%	9.80%
- Above 44 years	9.80%	9.80%

(viii) Sensitivity analysis for gratuity liability

Description	As at 31 March 2023	As at 31 March 2022
Impact of the change in discount rate		
Present value of obligation at the end of the year	3,769.32	3,651.57
- Impact due to increase of 1%	(169.71)	(167.58)
- Impact due to decrease of 1%	186.64	184.44
Impact of the change in salary increase		
Present value of obligation at the end of the year	3,769.32	3,651.57
- Impact due to increase of 1%	187.19	183.90
- Impact due to decrease of 1%	(173.26)	(170.16)

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.

Sensitivities due to mortality and withdrawals are not material and hence impact of change is not calculated. Sensitivity 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.

(ix) Maturity profile of defined benefit obligation

Description	As at 31 March 2023	As at 31 March 2022
(i) Weighted Average duration of the defined benefit obligation	8 Yrs	7 Yrs
(ii) Duration of defined benefit payments		
Duration (Years)		
1	638.58	579.03
2	644.18	624.03
3	549.46	541.53
4	476.42	458.48
5	472.63	412.35
Above 5	2957.57	2758.59
Total	**5738.84**	**5374.02**

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(All amount are in INR lakhs, unless otherwise stated)

(x) Enterprise best estimate of contribution during next year is INR 181.40 lakhs (previous year INR 291.78 lakhs).

C. Other long-term employee benefits

During the year ended 31 March 2023, the Company has created provision for compensated absences towards earned leave amounting to INR 206.34 lakhs (previous year expense of INR 292.32 lakhs). The Company has created provision towards sick leave amounting to INR 0.00 lakhs (previous year INR 0.70 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 standalone 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
1. JTEKT Corporation, Japan	Full year

ii) Subsidiary:

Name of party	Period
1. JTEKT Fuji Kiko Automotive India Limited	Full year

iii) 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	W.e.f. 01 June 2022	Director (Operations)
5. Mr. Rajiv Chanana	Up to 31 May 2022	Chief Financial Officer
	W.e.f. 01 June 2022	Director & CFO
6. Mr. Takumi Matsumoto	Full year	Director
7. Mr. Toshiya Miki	Up to 31 May 2022	Nominee of Maruti Suzuki India Limited
8. Mr. Taku Sumino	W.e.f. 01 June 2022	Nominee of Maruti Suzuki India Limited
9. Mr. Hidehito Araki	Full year	Independent Director
10. Ms. Hiroko Nose	Full year	Independent Woman Director
11. Mr. Inder Mohan Singh	Full year	Independent Director
12. Lt. Gen. Praveen Bakshi (Retd)	Full year	Independent Director
13. Mr. Masahiko Morimoto	Full year	Independent Director
14. Mr. Ashish Srivastava	Full year	Company Secretary
15. Mr. Hirofumi Matsuoka	Up to 26 May 2021	Director
16. Mrs. Geeta Mathur	Up to 09 June 2021	Independent Woman Director
17. Mr. Nitin Sharma	Up to 16 September 2021	Company Secretary

iv) 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

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Name of party	Period
7. Koyo Kowa Co Limited	Full year
8. JTEKT Micromatic Machinery India Pvt Limited (formerly known as Toyoda Micromatic Machinery India Pvt Limited)	Full year
9. Fuji Auto AB Sweden	Full year
10. Fuji Autotech France	Full year
11. JTEKT Electronics India Pvt Limited (formerly known as Koyo Electronics India Pvt 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

Transactions with the above parties:

Particulars	Holding Company		Subsidiary		Key management personnel		Other related parties		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Advance Paid	-	-	62.55	28.90	-	-	-	-	62.55	28.90
Advance Received	-	-	-	-	-	-	-	71.48	-	71.48
Business Support Income (including taxes)	-	0.41	70.46	74.44	-	-	147.74	150.00	218.20	224.85
Cash Discount Paid	-	-	-	-	-	-	1.44	2.56	1.44	2.56
Commission to Non Executive Directors	-	-	-	-	136.89	50.40	-	-	136.89	50.40
Director Sitting Fee	-	-	-	-	28.75	19.50	2.50	1.50	31.25	21.00
Dividend Paid	668.24	254.34	-	-	0.02	0.01	55.20	20.70	723.46	275.05
Dividend Received	-	-	438.60	63.75	-	-	-	-	438.60	63.75
Corporate guarantee on loans from bank*	5,941.13	6,350.90	-	-	-	-	-	-	5,941.13	6,350.90
Guarantee Fee Paid	11.42	6.21	-	-	-	-	-	-	11.42	6.21
Interest Income	-	-	-	-	-	-	0.62	0.40	0.62	0.40
Purchase of Capital Goods (Including Tax)	47.98	265.58	13.58	-	-	-	289.21	251.37	350.77	516.95
Purchase of Goods (Including Tax)	8,144.76	4,908.48	16,530.57	12,656.87	-	-	7,942.13	5,950.73	32,617.46	23,516.08
Receiving of Services (Including Taxes)	54.93	51.80	-	-	-	-	81.17	6.49	136.10	58.29
Reimbursement of Expenses Paid (Including Taxes)	1,024.93	1,072.72	-	-	-	-	2.42	0.44	1,027.35	1,073.16
Reimbursement of Expenses Recovered (Including Taxes)	39.17	23.16	5.78	1.94	-	-	1.92	7.91	46.87	33.01
Rental Income (Including Taxes)	-	-	5.76	4.64	-	-	27.27	11.26	33.03	15.90
Royalty	2,661.05	2,014.42	-	-	-	-	-	-	2,661.05	2,014.42
Sale of Capital Goods (Including Taxes)	-	-	-	-	-	-	1,261.01	-	1,261.01	-
Sale of goods (Including Taxes) (Net of Warranty)#	138.50	70.80	3,843.81	2,857.18	-	-	140,150.43	115,915.80	144,132.74	118,843.78
Post employment benefits	-	-	-	-	14.15	5.14	-	-	14.15	5.14
Short-term employee benefits	-	-	-	-	316.68	462.44	-	-	316.68	462.44
Technical Support Fee	957.77	7.04	-	-	-	-	-	-	957.77	7.04

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Outstanding balances	Holding Company		Subsidiary		Key management personnel		Other related parties		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Outstanding Balance (Debit)	10.81	2.99	375.65	376.93	-	-	9,644.28	10,337.13	10,030.74	10,717.05
Outstanding Balance (Credit)	5,052.36	2,314.87	1,209.76	1,247.51	136.89	100.80	1,064.17	768.10	7,463.18	4,431.28
Investments (Debit)	-	-	510.00	510.00	-	-	-	-	510.00	510.00
Post employement benefits (Credit)	-	-	-	-	49.65	126.16	-	-	49.65	126.16
Corporate Gaurantee on Loan (Credit)	5,941.13	6,350.90	-	-	-	-	-	-	5,941.13	6,350.90

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	5,941.13	6,350.90
Purchase of Goods (Including Tax)	JTEKT Corporation, Japan	Holding Company	8,144.76	4,908.48
	JTEKT Fuji Kiko Automotive India Limited	Subsidiary	16,530.57	12,656.87
	JTEKT Bearings India Pvt Limited (formerly known as Koyo Bearings India Pvt Limited)	Other related parties	4,496.85	3,251.27
Royalty	JTEKT Corporation, Japan	Holding Company	2,661.05	2,014.42
Sale of goods (Net of Warranty)	JTEKT Fuji Kiko Automotive India Limited	Subsidiary	3,843.81	2,857.18
	Maruti Suzuki India Limited	Other related parties	140,073.74	115,687.96

* Loans of INR 5,941.13 lakhs (31 March 2022: INR 6,350.90 lakhs) against the corporate guarantee given by the holding company, JTEKT Corporation, Japan.

Net of warranty claims INR 16.50 Lakhs (Previous Year INR 24.61 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.

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 2023	31 March 2022
Short-term leases	280.47	311.83
Leases of low value assets	16.00	16.95
Variable lease payments	-	-
Total	**296.47**	**328.78**

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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 2023	Net carrying amount as on 31 March 2023	Depreciation charge for the year ended 31 March 2022	Net carrying amount as on 31 March 2022
Leasehold land	4.24	89.85	4.24	94.09
Buildings	-	-	3.74	-
Total	**4.24**	**89.85**	**7.98**	**94.09**

C. Amount recognised in Statements of Profit & Loss

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation on right-of-use assets	4.24	7.98
Interest on lease liabilities	40.10	39.17
Rental expenses relating to short term leases	280.47	311.83
Rental expenses relating to leases of low value assets	16.00	16.95
Total	**340.81**	**375.93**

D. Amount recognised in Statements of cash flows

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Total Cash out flow for the leases (including short-term leases)	331.50	357.16

E. The weighted average incremental borrowing rate applied to lease liabilities is 9.95%.

F. Maturity of lease liabilities

The lease liabilities are secured by the related underlying assets. Future minimum lease payments were as follows:

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**
Net present values	**(4.51)**	**(4.97)**	**(5.49)**	**(6.07)**	**(6.70)**	**433.10**	**405.36**

31 March 2022	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	35.03	36.03	36.03	36.03	36.03	944.69	**1,123.84**
Interest expense	40.10	40.54	41.00	41.52	42.10	518.29	**723.55**
Net present values	**(5.07)**	**(4.51)**	**(4.97)**	**(5.49)**	**(6.07)**	**426.40**	**400.29**

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 significantly similar and not subject to materially different risk and rewards. The revenues, total

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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 2023	For the year ended 31 March 2022
Revenue from external customers		
India	199,428.02	155,361.66
USA	7,680.28	5,361.23
France	76.73	-
Japan	138.50	326.71
Total	**207,323.53**	**161,049.60**

Non current assets

Particulars	As at 31 March 2023	As at 31 March 2022
India	50,042.01	48,467.43
Abroad	-	-
Total	**50,042.01**	**48,467.43**

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 2023	As at 31 March 2022
Maruti Suzuki India Limited	140,073.74	115,687.96

43. 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 2022 and expects such records to be in existence latest by November 2023 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.

44. Dividend

The board of directors of the Company in its meeting held on 22 May 2023, proposed a dividend of INR 1,222.40 lakhs (INR 0.50 per share) (previous year INR 977.92 lakhs (INR 0.40 per share)) to the equity shareholders. 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

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Dividend remitted (gross) (Rupees)	668.28	254.35
Number of non resident shareholders	2	2
Number of shares held	16,70,69,997	169,569,997
Year to which dividend relates	2021-22	2020-21

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45. Assets pledged as security

Particulars	As at 31 March 2023	As at 31 March 2022
Current assets		
Financial assets		
Pari-passu charge		
- Trade receivables	28,366.50	24,514.69
- Cash and cash equivalents	-	6,151.66
- Loans	4.13	7.34
- Other financial assets	67.10	68.23
Inventories	17,681.98	13,730.91
Other current assets	1,609.51	1,626.54
Total current assets pledged as security	**47,729.22**	**46,099.37**
Non-current assets		
Pari-passu charge		
- Property, plant and equipment	31,291.26	23,203.79
- Capital work-in-progress	2,379.60	9,335.24
- Intangible assets	2,003.38	1,936.98
- Loans	2.22	2.56
- Other financial assets	334.33	261.03
- Income tax assets	304.19	258.27
- Other non-current assets	571.78	482.41
Total non-current assets pledged as security	**36,886.76**	**35,480.28**
Total assets pledged as security	**84,615.98**	**81,579.65**

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

(a) recognised and measured at fair value and

(b) 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 within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

Level 1: quoted 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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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 2023				As at 31 March 2022			
			Carrying amount	FVTPL	FVOCI	Amortised cost	Carrying amount	FVTPL	FVOCI	Amortised cost
Financial assets										
Non current										
Loans										
- Loan to employees	b		2.22	-	-	2.22	2.56	-	-	2.56
Other financial assets										
- Security deposits	b		334.33	-	-	334.33	261.03	-	-	261.03
Current										
Trade receivables	a		28,366.50	-	-	28,366.50	24,514.69	-	-	24,514.69
Cash and cash equivalents	a		3,671.81	-	-	3,671.81	6,151.66	-	-	6,151.66
Loans										
- Loan to employees	a		4.13	-	-	4.13	7.34	-	-	7.34
Other financial assets										
- Security deposits	a		54.25	-	-	54.25	66.60	-	-	66.60
- Interest accrued but not due on deposits	a		1.01	-	-	1.01	1.63	-	-	1.63
- Advance to employees	a		11.84	-	-	11.84	-	-	-	-
Total			**32,446.09**	**-**	**-**	**32,446.09**	**31,005.51**	**-**	**-**	**31,005.51**

Particulars	Note	Level of hierarchy	As at 31 March 2023				As at 31 March 2022			
			Carrying amount	FVTPL	FVOCI	Amortised cost	Carrying amount	FVTPL	FVOCI	Amortised cost
Financial liabilities										
Non current										
Borrowings	c		3,089.79	-	-	3,089.79	3,434.73	-	-	3,434.73
Lease liability	c		405.36	-	-	405.36	400.29	-	-	400.29
Current										
Borrowings	c		2,681.21	-	-	2,681.21	3,264.15	-	-	3,264.15
Lease liability	c		-	-	-	-	-	-	-	-
Trade payable										
- Total outstanding dues of micro enterprises and small enterprises	a		507.15	-	-	507.15	716.57	-	-	716.57
- Total outstanding dues of creditors other than micro enterprises and small enterprises	a		21,939.16	-	-	21,939.16	19,521.24	-	-	19,521.24
Other financial liabilities										
- Interest accrued but not due on borrowings	a		13.69	-	-	13.69	11.20	-	-	11.20
- Security deposits	a		29.60	-	-	29.60	21.10	-	-	21.10
- Unclaimed dividends	a		115.26	-	-	115.26	148.20	-	-	148.20
- Forward exchange contracts used for hedging	d	2	75.19	75.19	-	-	79.52	79.52	-	-
- Employee dues	a		1,013.70	-	-	1,013.70	1,118.88	-	-	1,118.88
- Creditors for capital goods	a		755.22	-	-	755.22	1,899.52	-	-	1,899.52
Total			**30,625.33**	**75.19**	**-**	**30,550.14**	**30,615.40**	**79.52**	**-**	**30,535.88**

a. 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.

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b. 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.

c. Fair value of borrowing is considered to be the same as its carrying value, as there is an 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 2023 and 31 March 2022.

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) **Key analytical ratios**

S. 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	1.74	1.59	9.72%	-
(b)	Debt-Equity Ratio (in times)	Total debt	Shareholder's equity	0.09	0.12	21.93%	-
(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)	6.68	7.20	7.29%	-

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S. No.	Ratio	Numerator	Denominator	Current year	Previous year	% variance	Reasons for variance (where variance is more than 25%)
(d)	Return on Equity Ratio (in %)	Net Profits after taxes less preference dividend (if any)	Average shareholder's equity	12.44%	5.60%	122.24%	Net profits after tax has increased due to higher sales volume in the current year. However, there has been no fresh infusion to the shareholder's equity during the year. Accordingly, the ratio has increased during the current year.
(e)	Inventory turnover ratio (in times)	Cost of goods sold	Average inventory	9.69	8.92	7.93%	-
(f)	Trade Receivables turnover ratio (in times)	Net credit sales	Average accounts receivable	7.84	6.39	22.78%	-
(g)	Trade payables turnover ratio (in times)	Net credit purchases	Average trade payables	7.31	5.74	27.18%	Ratio has increased due to increase in business volumes.
(h)	Net capital turnover ratio (in times)	Net sales	Working capital	9.45	9.46	0.04%	-
(i)	Net profit ratio (in %)	Net profit	Net sales	3.85%	2.06%	87.05%	Net profits after tax has increased due to higher sales volume and cost control measures taken by the management in the current year. Accordingly, the ratio has increased during the current year.
(j)	Return on Capital employed (in %)	Earning before interest and taxes	Capital employed	14.58%	7.21%	102.14%	Ratio has increased due to higher profits earned by the Company in the current year.
(k)	Return on investment	Return	Weighted average of the Investment (equity)	86.00%	12.50%	588.00%	During the current year, Subsidiary Company has declared higher dividend as compared to the previous year. Accordingly, the ratio has increased during the current year.

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

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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.

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

(All amount are in INR lakhs, unless otherwise stated)

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.

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) Financials assets for which allowance is measured using 12 months expected credit losses.

Particulars	As at 31 March 2023	As at 31 March 2022
Loans	6.35	9.90
Other financials assets	401.43	329.26

(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 2023	0-6 months	6-12 months	More than 12 months
Gross carrying amount	28,366.50	28,361.00	5.04	0.46
Expected credit loss (Loss allowance provision)	-	-	-	-
Carrying amount of trade receivables	28,366.50	28,361.00	5.04	0.46

Particulars	As at 31 March 2022	0-6 months	6-12 months	More than 12 months
Gross carrying amount	24,514.69	24,509.81	4.42	0.46
Expected credit loss (Loss allowance provision)	-	-	-	-
Carrying amount of trade receivables	24,514.69	24,509.81	4.42	0.46

(c) The Company's exposure to credit risk for trade receivable by geographic region is as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
India	27,791.86	23,907.17
USA	512.86	592.32
France	32.31	12.21
Japan	29.46	2.99
Total	**28,366.50**	**24,514.69**

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 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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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(All amount are in INR lakhs, unless otherwise stated)

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 2023 and 31 March 2022 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 2023	Contractual cash flows				
	Carrying value as at 31 March 2023	Less than 1 year	1-2 year	2-3 year	More than 3 years
Non derivative financial liabilities					
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	22,446.31	22,446.31	-	-	-
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	1,013.70	1,013.70	-	-	-
- Creditors for capital goods	755.22	755.22	-	-	-
Derivative financial liabilities					
Other financial liabilities					
- Forward exchange contracts used for hedging	75.19	75.19	-	-	-
Total	**30,625.33**	**27,166.20**	**1,578.21**	**1,300.77**	**1,263.61**

31 March 2022	Contractual cash flows				
	Carrying value as at 31 March 2022	Less than 1 year	1-2 year	2-3 year	More than 3 years
Non derivative financial liabilities					
Borrowings (including interest accrued but not due on borrowings)	6,710.08	3,275.23	1,203.83	1,203.83	1,027.19
Trade payables	20,237.81	20,237.81	-	-	-
Lease liability	400.29	35.03	36.03	36.03	1,016.75
Other financial liabilities					
- Security deposits	21.10	21.10	-	-	-
- Unclaimed dividends	148.20	148.20	-	-	-
- Employee dues	1,118.88	1,118.88	-	-	-
- Creditors for capital goods	1,899.52	1,899.52	-	-	-
Derivative financial liabilities					
Other financial liabilities					
- Forward exchange contracts used for hedging	79.52	79.52	-	-	-
Total	**30,615.40**	**26,815.29**	**1,239.86**	**1,239.86**	**2,043.94**

NOTES FORMING PART OF THE STANDALONE 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 2023 and 31 March 2022. 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 2023 and 31 March 2022.

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 2023		As at 31 March 2022	
	Foreign currency	Rupee INR	Foreign currency	Rupee INR
Financial assets				
Receivables (trade & others)				
USD	6.28	512.86	7.86	592.32
EURO	0.37	32.31	0.35	28.83
JPY	48.19	29.46	4.88	2.99
Financial liabilities				
Payables (trade & other)				
USD	0.65	53.62	2.55	194.19
EURO	0.09	8.31	0.20	17.53
JPY	1,051.49	657.18	1,621.86	1,016.42
SEK	0.06	0.52	-	-
Borrowings - others				
USD	**12.23**	**1,010.11**	**9.40**	**715.81**

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 2023		As at 31 March 2022	
	Foreign currency	Rupee INR	Foreign currency	Rupee INR
Financial liabilities				
Payables (trade & other)				
USD	6.17	509.77	2.95	224.55
JPY	6,030.93	3,769.33	2,290.95	1,435.74
CHF	0.19	17.15	0.09	7.38

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The following significant exchange rates were applied at the year end:

Particulars	Year end rates	
	As at 31 March 2023	As at 31 March 2022
Financial assets		
Receivables (trade & others)		
USD / INR	81.67	75.32
EURO / INR	88.45	82.38
JPY / INR	0.61	0.61
Financial liabilities		
Payables (trade & other)		
USD / INR	82.57	76.17
EURO / INR	90.68	85.59
JPY / INR	0.63	0.63
CHF / INR	-	83.03
SEK / INR	8.01	-
Borrowings		
USD / INR	82.57	76.17

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 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Receivables (trade & others)	Statement of profit and loss	USD	5.13	5.92	(5.13)	(5.92)
	Statement of profit and loss	EURO	0.32	0.29	(0.32)	(0.29)
	Statement of profit and loss	JPY	0.29	0.03	(0.29)	(0.03)
Payables (trade & other)	Statement of profit and loss	USD	(0.54)	(1.94)	0.54	1.94
	Statement of profit and loss	EURO	(0.08)	(0.18)	0.08	0.18
	Statement of profit and loss	JPY	(6.57)	(10.16)	6.57	10.16
	Statement of profit and loss	SEK	(0.01)	-	0.01	-
Borrowings - others	Statement of profit and loss	USD	(10.10)	(7.16)	10.10	7.16

(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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

(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 2023	Outstanding principal (in Foreign currency) As at 31 March 2022
Forward contracts	Hedge taken for the purpose of hedging its foreign currency exposures in trade payables / trade receivables	USD	6.17	2.95
Forward contracts	Hedge taken for the purpose of hedging its foreign currency exposures in trade payables / trade receivables	JPY	6,030.93	2,290.95
Forward contracts	Hedge taken for the purpose of hedging its foreign currency exposures in trade payables / trade receivables	CHF	0.19	0.09

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 2023, 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	Year end rates	
	As at 31 March 2023	As at 31 March 2022
Variable rate borrowing	2,719.16	2,806.08
Fixed rate borrowing	3,051.84	3,892.80
Total borrowings	**5,771.00**	**6,698.88**

Sensitivity

Below is the sensitivity of profit or loss and equity changes in interest rates.

Particulars	As at 31 March 2023	As at 31 March 2022
Interest sensitivity*		
Interest rates – increase by 50 bps basis points	13.60	14.03
Interest rates – decrease by 50 bps basis points	(13.60)	(14.03)

** 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 STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

(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 2023	As at 31 March 2022
Total borrowings (includes Non-Current borrowings, current borrowings and current maturities of non current borrowings)	5,771.00	6,698.88
Less : cash and cash equivalent	(3,671.81)	(6,151.66)
Net debt	**2,099.19**	**547.22**
Total equity	67,606.80	60,668.52
Debt ratio	**0.03**	**0.01**

ii) Dividend

Particulars	As at 31 March 2023	As at 31 March 2022
Dividend not recognised at the end of the reporting period:	1,222.40	977.92
Proposed final dividend per share INR 0.50 per share (31 March 2022: INR 0.40 per share)		

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. During the current year, the Board of directors of the Company has approved the scheme of amalgamation between the Company ('Amalgamated Company') and JTEKT Fuji Kiko Automotive India Limited ('Amalgamating Company') with effect from appointed date of 1 April 2022, subject to requisite approvals of shareholders, creditors, National Company Law Tribunal and other relevant statutory or regulatory authorities.

The Company has received approvals from the Securities and Exchange Board of India and Stock Exchanges. Further, the Company has filed application with Hon'ble National Company Law Tribunal for necessary approvals.

52. Material non-adjusting subsequent event

The Board of Directors in its meeting held on 28 March 2023, approved the disposal of a land parcel of one acre situated at Gurugram having carrying value of INR 21.14 lakhs as at 31 March 2023. The transaction was completed subsequent to the year end at a consideration of INR 780 lakhs. Accordingly, the sale transaction has been considered as material subsequent non adjusting event. The carrying value of the land has been transferred to 'Assets held for sale' as at 31 March 2023.

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

Place : Gurugram
Date : 22 May 2023

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

Hitoshi Mogi
Chairman & Managing Director
DIN 08741355

Hiroko Nose
Independent Director
DIN 06389168

Rajiv Chanana
Director & CFO
DIN 02630192

Saurabh Agrawal
Company Secretary
Membership No.: 36163

Place : Gurugram
Date : 22 May 2023

INDEPENDENT AUDITOR'S REPORT

To the Members of JTEKT India Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of JTEKT India Limited (hereinafter referred to as the "Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2023, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs of the Group as at 31 March 2023, of its consolidated profit and other comprehensive loss, consolidated changes in equity and consolidated cash flows for the year then ended.

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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated 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 2.4 to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
The Group'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 Group and its external stakeholders focus on revenue as a key performance metric. 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.	In view of the significance of the matter we applied the following audit procedures in this area, to obtain sufficient appropriate audit evidence: • We assessed the appropriateness of the Group's accounting policies for revenue recognition by comparing with applicable accounting standards. • We evaluated the design, implementation and operating effectiveness of key internal controls over recognition of revenue. • 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. • 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. • We scrutinized journal entries related to revenue recognised during the year based upon specified risk-based criteria, to identify unusual or irregular items; and • We considered the adequacy of the disclosures in accordance with the relevant accounting standard.

Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and auditor's report(s) thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 appropriateness of this assumption. 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 consolidated 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 Group to cease to continue as a going concern.

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

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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 consolidated 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, to the extent applicable, 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 of the aforesaid consolidated financial statements.

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

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

e. On the basis of the written representations received from the directors of the Holding Company as on 31 March 2023 taken on record by the Board of Directors of the Holding Company and its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company incorporated in India 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 consolidated financial statements disclose the impact of pending litigations as at 31 March 2023 on the consolidated financial position of the Group. Refer Note 38B to the consolidated financial statements.

b. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2023.

c. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India during the year ended 31 March 2023.

d (i) The management of the Holding Company and its subsidiary company incorporated in India whose financial statements have been audited under the Act have represented that, to the best of their knowledge and belief, as disclosed in the Note 47(v) to the consolidated 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 Holding Company or its subsidiary 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 Holding Company or its subsidiary company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management of the Holding Company and its subsidiary company incorporated in

India whose financial statements have been audited under the Act have represented that, to the best of their knowledge and belief, as disclosed in the Note 47(vi) to the consolidated financial statements, no funds have been received by the Holding Company or its subsidiary company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary 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 Holding Company and its subsidiary companies incorporated in India 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 consolidated financial statements, the Board of Directors of the Holding Company and its subsidiary companies incorporated in India have 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.

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 during the current year by the Holding Company and its subsidiary company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary company 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
ICAI Firm's Registration No. :101248W/W-100022

Shashank Agarwal
Partner
Membership No. :095109
ICAI UDIN:23095109BGZAEQ5832

Place: Gurugram
Date: 22 May 2023

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of JTEKT India Limited for the year ended 31 March 2023

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

(xxi) In our opinion and according to the information and explanations given to us, there are no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order, 2020 reports of the companies incorporated in India and included in the consolidated financial statements.

For B S R & Co. LLP
Chartered Accountants
ICAI Firm's Registration No. :101248W/W-100022

Shashank Agarwal
Partner
Membership No. :095109
ICAI UDIN:23095109BGZAEQ5832

Place: Gurugram
Date: 22 May 2023

Annexure B to the Independent Auditor's Report on the consolidated financial statements of JTEKT India Limited for the year ended 31 March 2023

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

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

Opinion

In conjunction with our audit of the consolidated financial statements of JTEKT India Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company and such company incorporated in India under the Act which is its subsidiary company, as of that date.

In our opinion, the Holding Company and such company incorporated in India which is its subsidiary company, have, 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 2023, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls 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").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The respective 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 respective 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 the respective 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 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 consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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 consolidated 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 consolidated 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 consolidated 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
ICAI Firm's Registration No. :101248W/W-100022

Shashank Agarwal
Partner
Membership No. :095109
ICAI UDIN:23095109BGZAEQ5832

Place: Gurugram
Date: 22 May 2023

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2023

(All amount are in INR lakhs, unless otherwise stated)

Particulars	Notes	As at 31 March 2023	As at 31 March 2022
Assets			
Non-current assets			
Property, plant and equipment	3A	45,154.00	36,868.99
Capital work-in-progress	3A	2,511.60	9,663.17
Investment property	3B	543.33	677.79
Intangible assets	3C	2,358.27	2,333.50
Financial assets			
(i) Loans	4	2.22	2.56
(ii) Other financial assets	5	346.11	268.83
Deferred tax assets (net)	19	1,221.54	905.84
Other tax assets (net)	6A	307.37	265.17
Other non-current assets	7	511.63	546.87
Total non-current assets		**52,956.07**	**51,532.72**
Current assets			
Inventories	8	18,762.44	14,487.58
Financial assets			
(i) Trade receivables	9	28,057.23	24,166.67
(ii) Cash and cash equivalents	10	4,659.93	6,381.44
(iii) Other bank balances	11	1,000.00	1,658.00
(iv) Loans	4	4.13	7.34
(v) Other financial assets	5	68.41	101.15
Current tax assets	6B	171.30	-
Other current assets	12A	1,724.16	1,646.51
Total current assets		**54,447.60**	**48,448.69**
Assets held for sale	12B	21.14	-
Total assets		**107,424.81**	**99,981.41**
Equity and Liabilities			
Equity			
Equity share capital	13	2,444.80	2,444.80
Other equity	14	67,832.21	60,738.30
Equity attributable to the owners of the company		**70,277.01**	**63,183.10**
Non-controlling interests		**3,094.89**	**2,943.86**
Total Equity		**73,371.90**	**66,126.96**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	15A	3,089.79	3,434.73
(ii) Lease liability	16	405.36	400.29
Provisions	18	963.10	1,059.82
Deferred tax liabilities (net)	19	54.63	95.79
Total non-current liabilities		**4,512.88**	**4,990.63**
Current liabilities			
Financial liabilities			
(i) Borrowings	15B	2,681.21	3,264.15
(ii) Trade payables	20		
Total outstanding dues of micro enterprises and small enterprises		548.81	872.82
Total outstanding dues of creditors other than micro enterprises and small enterprises		21,475.91	18,903.72
(iii) Other financial liabilities	17	2,113.03	3,374.75
Other current liabilities	21	1,438.96	1,999.80
Provisions	18	1,004.15	361.56
Current tax liabilities (net)	22	277.96	87.02
Total current liabilities		**29,540.03**	**28,863.82**
Total liabilities		**34,052.91**	**33,854.45**
Total equity and liabilities		**107,424.81**	**99,981.41**
Significant accounting policies	2		

The accompanying notes are an integral part of these consolidated 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

Place : Gurugram
Date : 22 May 2023

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

Hitoshi Mogi
Chairman & Managing Director
DIN 08741355

Hiroko Nose
Independent Director
DIN 06389168

Rajiv Chanana
Director & CFO
DIN 02630192

Saurabh Agrawal
Company Secretary
Membership No.: 36163

Place : Gurugram
Date : 22 May 2023

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH 2023

(All amount are in INR lakhs, unless otherwise stated)

Particulars	Notes	For the year ended 31 March 2023	For the year ended 31 March 2022
Income			
Revenue from operations	23	204,393.06	158,879.69
Other income	24	856.24	1,022.92
Total income (I)		**205,249.30**	**159,902.61**
Expenses			
Cost of materials consumed	25	145,137.75	111,352.91
Purchases of stock-in-trade	26	8.18	76.42
Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	(532.45)	(729.96)
Employee benefit expenses	28	21,617.55	20,362.79
Finance costs	29	473.78	372.91
Depreciation and amortisation expense	30	7,319.68	7,087.86
Other expenses	31	19,481.17	15,084.21
Total expenses (II)		**193,505.66**	**153,607.14**
Profit from continuing operations before exceptional items and share of profit of equity accounted investees and income tax (III = I - II)		**11,743.64**	**6,295.47**
Exceptional items (IV)	32	**326.01**	**677.52**
Profit before tax (V = III - IV)		**11,417.63**	**5,617.95**
Tax expense			
- Current tax		3,062.83	2,012.86
- Deferred tax credit		(356.87)	(506.78)
Total tax expense (VI)	33	**2,705.96**	**1,506.08**
Profit for the year (VII =V - VI)		**8,711.67**	**4,111.87**
Other comprehensive (loss) / income			
Items that will not be reclassified to profit or loss			
(Loss) / Income on remeasurement of defined benefit obligation		(90.08)	18.14
Income tax relating to the above		22.67	(4.57)
Total other comprehensive (loss) / income for the year (net of tax) (VIII)		**(67.41)**	**13.57**
Total comprehensive income for the year (IX=VII+VIII) (Comprising Profit and Other Comprehensive (loss) / Income for the year)		**8,644.26**	**4,125.44**
Profit for the year attributable to			
(a) Owners of the Company		8,137.08	3,690.53
(b) Non controlling interest		574.59	421.34
		8,711.67	**4,111.87**
Other comprehensive (loss) / income for the year attributable to			
(a) Owners of the Company		(65.25)	5.86
(b) Non controlling interest		(2.16)	7.71
		(67.41)	**13.57**
Total comprehensive income for the year			
(a) Owners of the Company		8,071.83	3,696.39
(b) Non controlling interest		572.43	429.05
		8,644.26	**4,125.44**
Earnings per equity share :	34		
Basic - Par value of INR 1 per share		3.33	1.51
Diluted - Par value of INR 1 per share		3.33	1.51
Significant accounting policies	2		

The accompanying notes are an integral part of these consolidated 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

Place : Gurugram
Date : 22 May 2023

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

Hitoshi Mogi
Chairman & Managing Director
DIN 08741355

Hiroko Nose
Independent Director
DIN 06389168

Rajiv Chanana
Director & CFO
DIN 02630192

Saurabh Agrawal
Company Secretary
Membership No.: 36163

Place : Gurugram
Date : 22 May 2023

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2023

(All amount are in INR lakhs, unless otherwise stated)

A. Equity share capital

Particulars	Note	Equity Shares	
		No. of shares in Lakhs	Amount
Balance as at 1 April 2021		**2,444.80**	**2,444.80**
Balance as at 1 April 2022	13	**2,444.80**	**2,444.80**
Balance as at 31 March 2023		**2,444.80**	**2,444.80**

B. Other equity

Particulars	Attributable to owners of the Company					Total attributable to owners of the Company	Attributable to non controlling interest	Total
	Reserves and surplus				Remeasurement of employee benefit obligations			
	Securities Premium	General reserve	Capital reserve	Retained earnings				
Balance as at 1 April 2021	**8,070.76**	**8,190.71**	**2,434.23**	**38,712.92**	**-**	**57,408.62**	**2,576.06**	**59,984.68**
Profit for the year	-	-	-	3,690.53	-	3,690.53	421.34	4,111.87
Other comprehensive (loss) /income (net of tax)	-	-	-	-	5.86	5.86	7.71	13.57
Total comprehensive income for the year	-	-	-	3,690.53	5.86	3,696.40	429.05	4,125.45
Transferred to retained earnings	-	-	-	**5.86**	**(5.86)**	**-**	**-**	**-**
Contribution by and distribution to owner								
Dividend on equity shares	-	-	-	(366.72)	-	(366.72)	(61.25)	(427.97)
Balance as at 31 March 2022	**8,070.76**	**8,190.71**	**2,434.23**	**42,042.60**	**-**	**60,738.30**	**2,943.86**	**63,682.16**
Profit for the year	-	-	-	8,137.08	-	8,137.08	574.59	8,711.67
Other comprehensive income (net of tax)	-	-	-	-	(65.25)	(65.25)	(2.16)	(67.41)
Total comprehensive income for the year	-	-	-	8,137.08	(65.25)	8,071.83	572.43	8,644.26
Transferred to retained earnings	**-**	**-**	**-**	**(65.25)**	**65.25**	**-**	**-**	**-**
Contribution by and distribution to owner								
Dividend on equity shares	-	-	-	(977.92)	-	(977.92)	(421.40)	(1,399.32)
Balance as at 31 March 2023	**8,070.76**	**8,190.71**	**2,434.23**	**49,136.51**	**-**	**67,832.21**	**3,094.89**	**70,927.10**

Notes:
1. During the year ended 31 March 2023 and 31 March 2022, the Company has paid dividend to its shareholders.
2. Refer note 14 for nature and purpose of other equity.

The accompanying notes are an integral part of these consolidated 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

Place : Gurugram
Date : 22 May 2023

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

Hitoshi Mogi
Chairman & Managing Director
DIN 08741355

Hiroko Nose
Independent Director
DIN 06389168

Rajiv Chanana
Director & CFO
DIN 02630192

Saurabh Agrawal
Company Secretary
Membership No.: 36163

Place : Gurugram
Date : 22 May 2023

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

(All amount are in INR lakhs, unless otherwise stated)

	Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(A)	**CASH FLOW FROM OPERATING ACTIVITIES**		
1.	**Profit before tax**	**11,417.63**	**5,617.95**
2.	**Adjustments for:**		
	Depreciation and amortisation expense	7,319.68	7,087.86
	Impairment of investment property	-	492.34
	Interest income	(291.69)	(417.01)
	Profit on disposal of property, plant and equipment (net)	(99.19)	(30.62)
	Provision on obsolescence of inventory	513.83	39.00
	Interest expenses	473.78	372.91
	Unrealized foreign exchange loss	111.89	0.72
3.	**Operating profit before changes in following assets and liabilities (1+2)**	**19,445.93**	**13,163.15**
4.	**Changes in operating assets and liabilities**		
	(Increase) / decrease in loans	(17.25)	12.63
	(Increase) in inventories	(4,788.70)	(1,480.34)
	(Increase) / decrease in other financial assets	(64.92)	5.88
	(Increase) in other assets	(39.74)	(136.99)
	(Increase) / decrease in trade receivables	(3,897.39)	1,466.32
	(Decrease) in other financial liabilities	(89.53)	(20.88)
	(Decrease) in other liabilities	(560.82)	(33.67)
	Increase / (Decrease) in trade payables	2,171.71	(715.31)
	Increase in provisions	455.77	124.63
5.	**Cash generated from operating activities (3+4)**	**12,615.06**	**12,385.42**
6.	Income tax paid (net of refunds)	(3,095.02)	(1,633.41)
7.	**Net cash flow generated from operating activities (5-6)**	**9,520.04**	**10,752.01**
(B)	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment, capital work-in-progress and capital advances and capital payables	(8,527.81)	(12,064.31)
	Proceeds from disposal of property, plant and equipment	307.42	132.10
	Purchase of intangible assets	(1,205.80)	(94.40)
	Proceeds from redemption of deposit / (purchase) of fixed deposit with original maturity more than 3 months (net)*	658.00	(933.00)
	Interest received	323.91	397.93
	Net cash (used) in investing activities	**(8,444.28)**	**(12,561.68)**
(C)	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from long-term borrowings	1,268.80	3,647.93
	Repayment of long term borrowings	(1,811.75)	(1,138.49)
	Repayment of short-term borrowings (net)	(388.15)	(272.52)
	Dividend paid	(1,432.26)	(468.57)
	Interest paid	(398.88)	(301.05)
	Payment of lease liabilities including interest	(35.03)	(28.38)
	Net cash generated (used in) / from financing activities	**(2,797.27)**	**1,438.92**
(D)	**(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)**	**(1,721.51)**	**(370.75)**
	Cash and cash equivalents at the beginning of the year	6,381.44	6,752.19
	Cash and cash equivalents at the end of the year	**4,659.93**	**6,381.44**
	Cash and cash equivalents include :		
	Balances with banks:		
	– In current accounts	108.23	32.31
	– In cash credit accounts	39.63	397.73
	– In dividend accounts#	115.26	148.20
	– Bank deposits with original maturity less than 3 months	4,395.00	5,798.00
	Cash on hand	1.81	5.20
	Cash and cash equivalents at the end of the year	**4,659.93**	**6,381.44**

INR 115.26 lakhs (31 March 2022 : INR 148.20 lakhs) has restricted use.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

(All amount are in INR lakhs, unless otherwise stated)

Change in liabilities arising from financing activities :

Particulars	As at 31 March 2023	As at 31 March 2022
Long-term borrowing as at the beginning of the year	5,174.92	2,665.48
Cash flows during the year		
-Repayment of long-term borrowings	(1,811.75)	(1,138.49)
-Proceeds from long-term borrowings	1,268.80	3,647.93
Long-term borrowings as at the end of the year	**4,631.97**	**5,174.92**
Short-term borrowing as at the beginning of the year	1,523.96	1,796.57
Cash flows during the year		
-Repayment of short-term borrowings (net)	(388.15)	(272.52)
-Unrealised exchange loss/(gain)	3.22	(0.09)
Short-term borrowings as at the end of the year	**1,139.03**	**1,523.96**
Interest Accrued on borrowings at the beginning of the year	11.20	3.79
Cash flows during the year		
-Interest on term loans and cash credit facilities		
-Interest to banks	373.62	261.95
-Bank charges	27.06	40.56
-Others	0.56	-
-Interest paid	(398.75)	(295.10)
Interest Accrued on borrowings at the end of the year	**13.69**	**11.20**
Lease liabilities at the beginning of the year	400.29	389.50
Cash flows during the year		
-Payment of Lease liabilities	(35.03)	(28.38)
Non-cash changes due to		
-Interest accrued	40.10	39.17
Lease liabilities at the end of the year	**405.36**	**400.29**

***Redemption/(Purchase of fixed deposit) (having maturity of more than 3 months) (net) :**

Particulars	As at 31 March 2023	As at 31 March 2022
- Redemption of fixed deposit - having maturity of more than 3 months	3,123.57	725.00
- Purchase of fixed deposit - having maturity of more than 3 months	-2,465.57	-1,658.00
Net movement	**658.00**	**(933.00)**

Notes:

1. The consolidated cash flow statement has been prepared in accordance with "Indirect Method" as set out in Indian Accounting Standard-7 on "Statement on Cash Flows".
2. Refer note 2 for significant accounting policies.
3. The Group paid INR 84.22 lakhs for the year ended 31 March 2023 and INR 162.52 lakhs for the year ended 31 March 2022 towards Corporate Social Responsibility (CSR) expenditure (refer note 36).
4. Dividend paid amount includes amount transferred to Investor Protection Fund.

The accompanying notes are an integral part of these consolidated 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

Place : Gurugram
Date : 22 May 2023

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

Hitoshi Mogi
Chairman & Managing Director
DIN 08741355

Hiroko Nose
Independent Director
DIN 06389168

Rajiv Chanana
Director & CFO
DIN 02630192

Saurabh Agrawal
Company Secretary
Membership No.: 36163

Place : Gurugram
Date : 22 May 2023

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

(All amount are in INR lakhs, unless otherwise stated)

1. Corporate Information

JTEKT India Limited ('the Company' or 'the Parent 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. JTEKT India Limited group (the Parent Company and its subsidiary company, together referred to as "the Group") is primarily engaged in the business of manufacturing steering systems & other auto components for the passenger car and utility vehicle manufacturers in the automobile sector.

2. Significant accounting policies, Basis of consolidation and Basis of preparation

2.1 Basis of preparation

(i) Statement of compliance

These Consolidated Financial Statements of the Group 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) (Amendment) Rules as amended from time to time and other relevant provisions of the Act.

These Consolidated Financial Statements for the year ended 31 March 2023 are approved by the Parent Company's Audit Committee and its Board of Directors on 22 May 2023.

Details of the Group's accounting policies are included in Note 2.4

(ii) Functional and presentation currency

These Consolidated Financial Statements are presented in Indian Rupees (INR), which is also the Group's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise stated.

(iii) Basis of measurement

These Consolidated 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 Consolidated 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 Consolidated 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 2.4(h) and 2.4(s)
- Assessment of useful life of property, plant and equipment and intangible asset – Note 2.4(b) and 2.4(c) and investment property 2.4 (e)
- Estimation of obligations relating to employee benefits: key actuarial assumptions – Note 39
- Valuation of Inventories – Note 2.4(i)
- Recognition and measurement of provision and contingency: Key assumption about the likelihood and magnitude of an outflow of resources – Note 38 B.

(v) Current versus non-current classification

The Group 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 Group classifies all other assets as non-current.

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A liability is current when:

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

The Group 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 Group 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 Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group 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 Parent 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 Group 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 Group 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 Basis of consolidation

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
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(All amount are in INR lakhs, unless otherwise stated)

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiary. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the Consolidated Financial Statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and property, plant and equipment ('PPE'), are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the Consolidated Financial Statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiary to bring its accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

i. Subsidiary

Subsidiary is an entity controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statement of subsidiary is included in the Consolidated Financial Statements from the date on which control commences until the date on which control ceases. The subsidiary company which is included in the consolidation and the Parent Company's holding therein is as under:

S. No.	Name of the Subsidiary Company	Nature of relation	Ownership in %			Country of Incorporation and Principal place of Business
			2022-23	2021-22	2020-21	
1.	JTEKT Fuji Kiko Automotive India Limited (JFIN)	Subsidiary	51.00	51.00	51.00	India

Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the Consolidated Financial Statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent Group, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

ii. Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquirer's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

iii. Loss of control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognized in Consolidated Statement of Profit and Loss.

2.3 Changes in significant accounting policies

In respect of new standards and amendments which became effective from 01 April 2022, there has been no material effect on the Group's Consolidated Financial Statements.

2.4 Summary of significant accounting policies

a. Business combinations

In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from 1 April 2016. As such, Indian GAAP balances

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relating to business combinations entered into before that date. The same first time adoption exemption is also used for associates.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree 's identifiable net assets. Acquisition-related costs are expensed as incurred. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

(a) Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

(b) Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.

(c) Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognized in Consolidated Statement of Profit & Loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognized in Consolidated Statement of Profit and Loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent settlement is accounted for within equity.

Business Combinations 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.

b. 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 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

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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 Consolidated 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 Consolidated 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 disposal of property, plant and equipment is recognized in the Consolidated 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 Group.

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 Consolidated 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 Group 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 less than INR 5,000 each are depreciated at the rate of 100% in the year of purchase.

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 (upto) the date on which the asset is ready for use (disposed of).

c. **Intangible assets**

Recognition and initial measurement

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an item

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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 condition for its intended use. Any trade discounts 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 Consolidated 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 Consolidated 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 Consolidated Statement of Profit and Loss as incurred.

Amortization

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization 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 amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets is recognized in the Consolidated Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

- Software

Software purchased by the Group are amortized on a straight line basis in six 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 Consolidated 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.

d. Leases

The Group's lease asset classes primarily consist of leases for Land and Buildings. The Group, 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 Group 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 Group'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 Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group 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 is recorded in

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profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group 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 Group recognises the lease payments associated with these leases as an expense over the lease term.

The Group 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.

e. 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 Group 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 Group. 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 Group 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 Group 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.

f. 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.

g. 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.

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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.

h. Impairment of non-financial assets

The Group 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 Group 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 Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group'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 Group 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 Group'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, is recognized in the Consolidated Statement of Profit and Loss. Impairment losses of continuing operations, including impairment on inventories, are recognized in the Consolidated 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 Group 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 Group 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 Consolidated 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.

i. Inventories

Inventories which include raw materials, components, stores and spares, work in progress, finished goods

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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 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 material, 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.

The comparison of cost and net realizable value is made on an item-by-item basis.

j. Foreign currency transactions

Transactions in foreign currencies are initially recorded by the Group 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 Consolidated 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 Consolidated Statement of Profit and Loss are also recognized in OCI or the Consolidated Statement of Profit and Loss, respectively).

k. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group 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 Group on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

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

Sale of goods

The Group 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: Recognize 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 unconditional right

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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.

Contracts are subject to modification to account for changes in contract specifications and requirements. The Group reviews modification 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 Group's contracts with customers could include promises to transfer products to a customer. The Group 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 Group 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 Group uses judgement to determine an appropriate standalone selling price for a performance obligation. The Group allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract.

d) The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group 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 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 Consolidated 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.

l. Income tax

Income tax expense comprises current and deferred tax. It is recognized in Consolidated 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.

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 Consolidated

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

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 liabilities are recognized for all taxable temporary differences.

Deferred tax assets – unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realized.

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 Group 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.

m. Recognition of Dividend Income and Interest income

Dividend income is recognized when the Group'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 Group 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.

n. Government grants

The Group 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 proceeds. These are presented as other operating revenue in the Standalone Statement of Profit and Loss.

o. Segment reporting

Basis for segmentation

An operating segment is a component of the Group 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 Group's other components, and for which discrete financial information is available. The Group is primarily engaged in the manufacturing of auto components of four wheeler industry. All operating segments' operating results are reviewed regularly by the Group'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 risk 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

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the shareholders of the Group 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 Group 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 Group expects some or all of a provision to be reimbursed the expense relating to a provision is presented in the Consolidated 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 Group 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 Group has a present legal or constructive 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 into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions to the Regional Provident Fund Commissioner towards provident fund, 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 Consolidated 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 Group operates a defined benefit gratuity plan, which requires contributions to be made to LIC of India. There are no other obligations other

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than the contribution payable to the respective trust.

The Group 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 Group'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 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.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to Consolidated Statement of Profit and Loss in subsequent periods.

Past service costs are recognized in Consolidated Statement of Profit and Loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognizes the following changes in the net defined benefit obligation as an expense in the Consolidated Statement of Profit and Loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

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 Group 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.

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 Group 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.

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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 Group 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 Consolidated Statement of Profit and Loss. The losses arising from impairment are recognized in the Consolidated Statement of Profit and Loss. This category generally applies to trade and other receivables. Group 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 Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Consolidated 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 Consolidated 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 Group 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 Group 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.

Financial assets: Business model assessment

The Group 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:

- 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 Group'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

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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 Group 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 Group 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 Group's claim to cash flows from specified assets (e.g. non - recourse features)

A prepayment feature is consistent with the solely 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 Consolidated Statement of Profit and 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 Consolidated Statement of Profit and Loss. Any gain or loss on derecognition is recognized in Consolidated Statement of Profit and 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 Consolidated Statement of Profit and 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 Consolidated Statement of Profit and 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 Consolidated Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in Consolidated Statement of Profit and Loss. Any gain or loss on derecognition is also recognized in Consolidated Statement of Profit and Loss.

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Derecognition

Financial assets

The Group 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 Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group 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 Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group 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 Consolidated Statement of Profit and Loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group 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 Group 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 Consolidated Statement of Profit and Loss.

Impairment of financial assets

The Group 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 Group 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 Group 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 Group in accordance with the contract and the cash flows that the Group 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 Consolidated Statement of 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 Group determines that the debtor does not have assets or sources of income that could generate 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 Group's procedures for the recovery of amount due.

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Impairment of financial instruments

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

a. Financial assets that are debt instruments, and are measured at amortized cost e.g., deposits and advances

b. Trade receivables that result from transactions that are within the scope of Ind AS 115

c. Financial guarantee contracts that are not measured as at FVTPL.

The Group follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

The application of simplified approach does not require the Group 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 Group 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 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 Group 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 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 Consolidated Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Consolidated 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 Group 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 Group 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. 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.

u. 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 Group's cash management.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

(All amount are in INR lakhs, unless otherwise stated)

v. **Cash dividend and non-cash distribution to equity holders of the parent**

The Group 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 Group. 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.

w. **Corporate Social Responsibility ("CSR") expenditure**

CSR expenditure incurred by the Group is charged to the Consolidated Statement of Profit and Loss.

x. **Research and development**

Expenditure on research and development activities is recognized in the Consolidated 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 Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognized in Consolidated Statement of Profit and Loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses, if any.

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 Group 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. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Group does not expect this amendment to have any significant impact in its 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 amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group does not expect this amendment to have any significant impact 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 definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its financial statements.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

(All amount are in INR lakhs, unless otherwise stated)

3A. Property, plant and equipment

Particulars	Gross carrying value						Accumulated depreciation					Net block	
Description	As at 1 April 2022	Additions	Sales/ Disposition	Transfer to Assets held for sale (Refer Note 12 B)	Transfer to investment property*	As at 31 March 2023	As at 1 April 2022	Depreciation for the year	Disposals	Transfer to investment property*	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022
Freehold land#	6,273.52	-	-	(21.14)	-	6,252.38	-	-	-	-	-	6,252.38	6,273.52
Building*#	18,637.46	687.42	7.43	-	-	19,317.45	4,278.58	771.92	4.77	-	5,045.73	14,271.72	14,358.88
Lease hold improvements	14.19	-	-	-	-	14.19	14.19	-	-	-	14.19	-	-
Plant & Machinery	45,570.11	12,616.51	1,252.39	-	-	56,934.23	32,013.82	4,386.42	1,088.60	-	35,311.64	21,622.59	13,556.29
Jigs & Fixtures	1,404.88	193.38	89.54	-	-	1,508.72	567.83	148.18	89.54	-	626.47	882.25	837.05
Electric installations	2,461.93	483.63	41.86	-	-	2,903.70	1,842.47	188.98	41.76	-	1,989.69	914.01	619.46
Furniture & Fixtures	386.04	31.03	12.04	-	-	405.03	275.72	34.98	12.03	-	298.67	106.36	110.32
Office equipment	2,443.33	275.32	47.29	-	-	2,671.36	1,757.78	326.88	41.67	-	2,042.99	628.37	685.55
Vehicles	811.90	231.27	118.70	-	-	924.47	396.99	138.53	83.24	-	452.28	472.19	414.91
R&D-Plant & Machinery	181.53	-	19.18	-	-	162.35	169.57	8.32	19.18	-	158.71	3.64	11.96
R&D-Office Equipment	13.09	-	-	-	-	13.09	12.04	0.56	-	-	12.60	0.49	1.05
Total	**78,197.98**	**14,518.56**	**1,588.43**	**(21.14)**	**-**	**91,106.97**	**41,328.99**	**6,004.77**	**1,380.79**	**-**	**45,952.97**	**45,154.00**	**36,868.99**

3A. Capital work-in-progress

Particulars	As at 1 April 2022	Additions	Capitalised	Other adjustments	As at 31 March 2023
Total	**9,663.17**	**7,522.89**	**14,255.74**	**418.72**	**2,511.60**

CWIP aging 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	2,112.60	355.13	32.64	11.23	2,511.60

3A. Property, plant and equipment

Particulars	Gross carrying value						Accumulated depreciation					Net block	
Description	As at 1 April 2021	Additions	Sales/ Disposition	Transfer to Assets held for sale (Refer Note 12 B)	Transfer to investment property*	As at 31 March 2022	As at 1 April 2021	Depreciation for the year	Disposals	Transfer to investment property*	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021
Freehold land#	6,273.52	-	-	-	-	6,273.52	-	-	-	-	-	6,273.52	6,273.52
Building*#	19,962.49	91.40	42.39	-	1,374.04	18,637.46	3,816.99	793.96	19.06	313.31	4,278.58	14,358.88	16,145.50
Lease hold improvements	14.19	-	-	-	-	14.19	8.61	5.58	-	-	14.19	-	5.58
Plant & Machinery	42,113.18	4,146.53	633.48	-	56.12	45,570.11	28,648.77	4,017.59	611.73	40.81	32,013.82	13,556.29	13,464.41
Jigs & Fixtures	1,076.68	332.54	4.34	-	-	1,404.88	442.34	129.55	4.06	-	567.83	837.05	634.34
Electric installations	2,358.26	132.90	29.23	-	-	2,461.93	1,672.59	195.26	25.38	-	1,842.47	619.46	685.67
Furniture & Fixtures	394.54	33.38	41.88	-	-	386.04	279.21	31.87	35.36	-	275.72	110.32	115.33
Office equipment	2,302.59	152.30	11.56	-	-	2,443.33	1,451.18	318.16	11.56	-	1,757.78	685.55	851.41
Vehicles	874.36	105.21	167.67	-	-	811.90	369.91	149.13	122.05	-	396.99	414.91	504.45
R&D-Plant & Machinery	181.53	-	-	-	-	181.53	150.77	18.80	-	-	169.57	11.96	30.76
R&D-Office Equipment	13.09	-	-	-	-	13.09	10.67	1.37	-	-	12.04	1.05	2.42
Total	**75,564.43**	**4,994.26**	**930.55**	**-**	**1,430.16**	**78,197.98**	**36,851.04**	**5,661.27**	**829.20**	**354.12**	**41,328.99**	**36,868.99**	**38,713.39**

3A. Capital work-in-progress

Particulars	As at 1 April 2021	Additions	Capitalised	Other adjustments	As at 31 March 2022
Total	**1,031.79**	**13,513.28**	**4,881.90**	**-**	**9,663.17**

CWIP aging 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	9,205.25	440.20	17.72	-	9,663.17

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Notes:-

*(i). During the previous year ended 31 March 2022, the Company has shifted its operations at Sanand facility to other locations. The building, leasehold land and plant and machinery at Sanand facility are planned to be leased out. Accordingly, the Company has reclassified these assets as investment property. Also refer note 32.

(ii). Building at Sanand (Gross block) as at 31 March 2022 amounting to INR 1,374.04 lakhs, net block as at 31 March 2022 INR 1,060.73 lakhs is constructed on leasehold land. Same has been transferred to Investment property as at 31 March 2022.

$ There are no projects in capital-work-in progress as at 31 March 2023 and 31 March 2022, whose completion is overdue or cost has exceeded in comparision to its original plan.

Title deed of immovable property as at 31 March 2023 and 31 March 2022

Relevant line item in the Balance Sheet	Description of Property	Gross carrying value	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 2023.
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	
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 2023.

** The gross block and net block as at 31 March 2023 and 31 March 2022 of the said land is INR 1.00

(i) Contractual obligations : refer note 38A for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(ii) 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	
Description	As at 1 April 2022	Additions	Sales/ Disposition	Other adjustments	As at 31 March 2023	As at 1 April 2022	Additions	Depreciation for the year	Disposals	Impairment (refer note 2)	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
Total	**1,536.97**	**-**	**-**	**-**	**1,536.97**	**859.18**	**-**	**134.46**	**-**	**-**	**993.64**	**543.33**	**677.79**

3B. Investment property

Particulars	Gross carrying value					Accumulated depreciation						Net block	
Description	As at 1 April 2021	Additions	Sales/ Disposition	Other adjustments	As at 31 March 2022	As at 1 April 2021	Additions	Depreciation for the year	Disposals	Impairment (refer note 2)	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021
Leasedhold land (ROU assets)	-	106.81	-	-	106.81	-	12.72	-	-	-	12.72	94.09	-
Building	-	1,374.04	-	-	1,374.04	-	313.31	-	-	492.34	805.65	568.39	-
Plant & Machinery	-	56.12	-	-	56.12	-	40.81	-	-	-	40.81	15.31	-
Total	**-**	**1,536.97**	**-**	**-**	**1,536.97**	**-**	**366.84**	**-**	**-**	**492.34**	**859.18**	**677.79**	**-**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

(All amount are in INR lakhs, unless otherwise stated)

Notes:-

1) Refer note 41 for disclosure of leases under Ind AS 116.

2) (i). During the previous year ended 31 March 2022, the Company has shifted its operations at Sanand facility to other locations. The building, leasehold land and plant and machinery at Sanand facility are planned to be leased out. Accordingly, the Company has reclassified these assets as investment property. Also refer note 32.

(ii). Building at Sanand (Gross block) as at 31 March 2022 amounting to INR 1,374.04 lakhs, net block as at 31 March 2022 INR 1,060.73 lakhs is constructed on leasehold land. Same has been transferred to Investment property as at 31 March 2022.

3) There is no restrictions on the realisability of investment property or the remittance of income and proceeds of disposal.

4) There are no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

5) The Company's investment property consist of Land, building and plant and machinery situated at Sanand, Gujarat. The fair value of the Investment property as at 31 March 2023 is INR 628.52 lakhs (previous year : INR 677.79 lakhs) respectively, 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.

6) Information with respect to the amounts recognised in the statement of profit and loss for:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Rental income from investment property	-	-
Direct operating expenses (including repairs and maintenance) arising from investment property	-	-

3C. Intangible assets

Particulars	Gross carrying value					Amortisation				Net block	
Description	As at 1 April 2022	Additions	Sales/ Disposition	Other adjustments	As at 31 March 2023	As at 1 April 2022	Amortisation for the year	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	2,446.77	170.60	-	-	2,617.37	1,505.28	451.61	-	1,956.89	660.48	941.49
New product development	5,719.51	1,035.21	1,744.06	-	5,010.66	4,342.50	723.77	1,743.47	3,322.80	1,687.86	1,377.01
Total	**8,216.62**	**1,205.81**	**1,744.06**	**-**	**7,678.37**	**5,883.12**	**1,180.45**	**1,743.47**	**5,320.10**	**2,358.27**	**2,333.50**

3C. Intangible assets under development

Particulars	As at 1 April 2022	Additions	Capitalised	Other adjustments	As at 31 March 2023
Total	-	1,205.81	1,205.81	-	-

3C. Intangible assets

Particulars	Gross carrying value					Amortisation				Net block	
Description	As at 1 April 2021	Additions	Sales/ Disposition	Other adjustments	As at 31 March 2022	As at 1 April 2021	Amortisation for the year	Disposals	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021
R&D-Computer softwares	50.34	-	-	-	50.34	30.02	5.32	-	35.34	15.00	20.32
Computer softwares	2,545.28	94.42	192.93	-	2,446.77	1,247.81	450.40	192.93	1,505.28	941.49	1,297.47
New product development	6,261.30	-	541.79	-	5,719.51	3,921.10	962.89	541.49	4,342.50	1,377.01	2,340.20
Total	**8,856.92**	**94.42**	**734.72**	**-**	**8,216.62**	**5,198.93**	**1,418.61**	**734.42**	**5,883.12**	**2,333.50**	**3,657.99**

3C. Intangible assets under development

Particulars	As at 1 April 2021	Additions	Capitalised	Other adjustments	As at 31 March 2022
Total	-	94.42	94.42	-	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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(All amount are in INR lakhs, unless otherwise stated)

3D. Right-of-use assets

Particulars	Gross carrying value						Accumulated depreciation					Net block	
Description	As at 1 April 2022	Additions	Sales/ Disposition	Other adjustments	Transfer to investment property*	As at 31 March 2023	As at 1 April 2022	Depreciation for the year	Disposals	Transfer to investment property*	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022
Leasehold land	-	-	-	-	-	-	-	-	-	-	-	-	-
Building	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

3D. Right-of-use assets

Particulars	Gross carrying value						Accumulated depreciation					Net block	
Description	As at 1 April 2021	Additions	Sales/ Disposition	Other adjustments	Transfer to investment property*	As at 31 March 2022	As at 1 April 2021	Depreciation for the year	Disposals	Transfer to investment property*	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021
Leasehold land	106.81	-	-	-	106.81	-	8.48	4.24	-	12.72	-	-	98.33
Building	87.44	-	87.44	-	-	-	83.69	3.74	87.44	-	-	-	3.75
Total	**194.25**	**-**	**87.44**	**-**	**106.81**	**-**	**92.17**	**7.98**	**87.44**	**12.72**	**-**	**-**	**102.08**

Notes:-

*(i). During the previous year ended 31 March 2022, the Company has shifted its operations at Sanand facility to other locations. The building, leasehold land and plant and machinery at Sanand facility are planned to be leased out. Accordingly, the Company has reclassified these assets as investment property. Also refer note 32.

(ii). Building at Sanand (Gross block) as at 31 March 2022 amounting to INR 1,374.04 lakhs, net block as at 31 March 2022 INR 1,060.73 lakhs is constructed on leasehold land. Same has been transferred to Investment property as at 31 March 2022.

4. Loans

Particulars	As at 31 March 2023		As at 31 March 2022	
	Current	Non-current	Current	Non-current
(Unsecured considered good, unless stated otherwise)				
Loans to employees	4.13	2.22	7.34	2.56
Total	**4.13**	**2.22**	**7.34**	**2.56**

5. Other financial assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	Current	Non-current	Current	Non-current
Security deposits	55.12	346.11	67.47	268.83
Interest accrued but not due on deposits	1.45	-	33.68	-
Advance to employees	11.84	-	-	-
Total	**68.41**	**346.11**	**101.15**	**268.83**

6A. Other tax assets (net)

Particulars	As at 31 March 2023	As at 31 March 2022
Advance income tax and tax deducted at source [net of provisions INR 4,385.85 lakhs (31 March 2022 INR 2,778.75 lakhs)]	307.37	265.17
Total	**307.37**	**265.17**

6B. Current tax assets

Particulars	As at 31 March 2023	As at 31 March 2022
Other tax assets	171.30	-
Total	**171.30**	**-**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

(All amount are in INR lakhs, unless otherwise stated)

7. Other non-current assets

Particulars	As at 31 March 2023	As at 31 March 2022
(Unsecured considered good, unless stated otherwise)		
Capital advances	423.44	429.73
Prepaid expenses	88.19	117.14
Total	**511.63**	**546.87**

8. Inventories

Particulars	As at 31 March 2023	As at 31 March 2022
(Valued at lower of cost and net realisable value)		
Raw materials and components *	10,241.69	6,662.94
Work-in-progress **	1,501.20	1,268.61
Finished goods ***	4,194.35	3,894.49
Stock-in-trade	0.08	0.08
Stores and spares	1,248.13	1,164.49
Loose tools and consumables	2,162.87	1,615.97
Total	**19,348.32**	**14,606.58**
Less: Provision on inventory obsolescence	(585.88)	(119.00)
Total	**18,762.44**	**14,487.58**

* Includes material in transit INR 1,500.28 lakhs (31 March 2022 INR 1,052.50 lakhs).

** Includes material with the vendors sent for job work INR 159.70 lakhs (31 March 2022 INR 63.97 lakhs).

*** Includes goods in transit INR 2,317.10 lakhs (31 March 2022 INR 2,617.07 lakhs).

Notes:

(i) Inventories have been pledged as security for liabilities, for details refer note 45.

(ii) During the year Group has recorded write-downs of INR 585.88 lakhs (previous year INR 119.00 lakhs). These adjustments 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 2023	As at 31 March 2022
(unsecured and considered good, unless otherwise stated)		
Trade receivables	27,516.91	23,784.93
Unbilled revenue	540.32	381.74
Total	**28,057.23**	**24,166.67**
Dues from related parties (refer note 40)	9,656.61	10,340.14

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 FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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(All amount are in INR lakhs, unless otherwise stated)

Trade Receivables ageing schedule as at 31 March 2022

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	22,270.73	1,891.06	4.42	0.46	-	-	24,166.67
(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 Group's exposure to credit, currency and liquidity risk, refer note 48.

10. Cash and cash equivalents

Particulars	As at 31 March 2023	As at 31 March 2022
Balances with banks		
-in current accounts	108.23	32.31
-in cash credit accounts	39.63	397.73
-in dividend accounts#	115.26	148.20
-bank deposits with original maturity less than 3 months	4,395.00	5,798.00
Cash on hand	1.81	5.20
Total	**4,659.93**	**6,381.44**

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 year.

\# Earmarked unpaid dividend accounts are restricted in use as it relates to unclaimed dividends or unpaid dividend.

11. Other bank balances

Particulars	As at 31 March 2023	As at 31 March 2022
Bank deposits with original maturity more than 3 months but remaining less than 12 months	1,000.00	1,658.00
Total	**1,000.00**	**1,658.00**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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(All amount are in INR lakhs, unless otherwise stated)

12A. Other current assets

Particulars	As at 31 March 2023	As at 31 March 2022
(Unsecured considered good, unless stated otherwise)		
Advance to suppliers	160.74	98.13
Balances with statutory/government authorities	600.92	756.70
Prepaid expenses	804.67	737.49
Net defined benefit asset - gratuity plan	88.58	-
Export incentive receivable	15.93	51.16
Other receivable	53.32	3.03
Total	**1,724.16**	**1,646.51**

Note :

(i) Other current assets have been pledged as security for liabilities, for details refer note 45.

12B. Assets held for sale

Particulars	As at 31 March 2023	As at 31 March 2022
Property, plant and equipment		
Freehold land	21.14	-
Total	**21.14**	**-**

The Board of Directors in its meeting held 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 consolidated financial statements for the year ended 31 March 2023 (also refer note no 52)

13. Equity share capital

Particulars	As at 31 March 2023	As at 31 March 2022
Authorised capital		
871,000,000 (31 March 2022 : 871,000,000) Equity Shares of INR 1/- each	8,710.00	8,710.00
	8,710.00	**8,710.00**
Issued, subscribed and fully paid up equity share capital		
244,480,469 (31 March 2022 : 244,480,469) Equity Shares of INR 1/- each fully paid up	2,444.80	2,444.80
	2,444.80	**2,444.80**

a) Reconciliation of equity shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of shares	Amount	No. of shares	Amount
Equity shares at the beginning of the year	244,480,469	2,444.80	244,480,469	2,444.80
Equity shares at the beginning and end of the year	**244,480,469**	**2,444.80**	**244,480,469**	**2,444.80**

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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

(All amount are in INR lakhs, unless otherwise stated)

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.

c) Details of shareholders holding more than 5% shares in the Company

Name of shareholder	As at 31 March 2023		As at 31 March 2022	
	No. of shares	% holding	No. of shares	% holding
Equity shares of INR 1/- each fully paid up				
JTEKT Corporation, Japan	167,059,997	68.33%	169,559,997	69.36%
Maruti Suzuki India Ltd.	13,800,000	5.64%	13,800,000	5.64%

d) Details of shares held by Ultimate Holding Company/Holding Company and/or their Subsidiaries/Associates

Name of shareholder	As at 31 March 2023		As at 31 March 2022	
	No. of shares	% holding	No. of shares	% holding
Equity shares of INR 1/- each fully paid up				
JTEKT Corporation, Japan	167,059,997	68.33%	169,559,997	69.36%

e) Promoters holding as on 31 March 2023 and 31 March 2022

Shares held by promoters at the end of year	As at 31 March 2023		As at 31 March 2022		Change during the year
Promoters Name	No. of shares	% holding	No. of shares	% holding	
JTEKT Corporation, Japan	167,059,997	68.33%	169,559,997	69.36%	Change during the year -1.03%
Maruti Suzuki India Ltd.	13,800,000	5.64%	13,800,000	5.64%	0.00%

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 2023	As at 31 March 2022
Securities premium		
Balance at the beginning and end of the year	**8,070.76**	**8,070.76**
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.		
General reserve		
Balance at the beginning and end of the year	**8,190.71**	**8,190.71**
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 Consolidated Statement of Profit and Loss.		
Surplus in the Consolidated Statement of Profit and Loss		
Opening balance	42,042.60	38,712.92
Add: profit for the year	8,137.08	3,690.53
Less: dividend on equity shares	(977.92)	(366.72)
Add: transferred from OCI (remeasurement of employee benefit obligations)	(65.25)	5.86
Closing balance	**49,136.51**	**42,042.60**

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FOR THE YEAR ENDED 31 MARCH 2023

(All amount are in INR lakhs, unless otherwise stated)

Particulars	As at 31 March 2023	As at 31 March 2022
Capital reserve		
Balance at the beginning and end of the year	**2,434.23**	**2,434.23**

The capital reserve is the accumulated surplus not available for distribution of dividend and expected to remain invested permanently. 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'.

Particulars	As at 31 March 2023	As at 31 March 2022
Items of other comprehensive income, net of tax		
Remeasurement of employee benefit obligations		
Balance as at the beginning of the year	-	-
Recognised during the period	(65.25)	5.86
Less: transferred to retained earnings	65.25	(5.86)
Closing balance	**-**	**-**
Total	**67,832.21**	**60,738.30**

15. Borrowings

15A. Non-current borrowings

Particulars	As at 31 March 2023	As at 31 March 2022
Secured loans		
Term loans		
Indian rupee loan from banks	-	619.11
Total secured borrowings (including current maturities)	**-**	**619.11**
Unsecured loan		
Term loan		
Indian rupee loan from bank	4,631.97	4,555.81
Total unsecured borrowings (including current maturities)	**4,631.97**	**4,555.81**
Total borrowings (including current maturities)	**4,631.97**	**5,174.92**
Less: Current maturities of borrowings (refer note 15B):		
Indian rupee loan from banks	1,542.18	1,740.19
Total current maturities of borrowings	**1,542.18**	**1,740.19**
Total borrowings (excluding current maturities)	**3,089.79**	**3,434.73**

Notes:

1. Refer note 48 - Financial risk management for liquidity risk.
2. Refer note 45 - Assets pledged as security.

15B. Current borrowings

Particulars	As at 31 March 2023	As at 31 March 2022
Secured		
Cash credit and packing credit	1.11	-
Current maturities of long-term borrowings (refer note no 15A)	-	619.11
Total secured current borrowings	**1.11**	**619.11**
Unsecured		
Cash credit, packing credit and factoring loan from banks	1,137.92	1,523.96
Current maturities of long-term borrowings (refer note no 15A)	1,542.18	1,121.08
Total unsecured current borrowings	**2,680.10**	**2,645.04**
Total current borrowings	**2,681.21**	**3,264.15**

Notes:

1. Refer note 48 - Financial risk management for liquidity risk.
2. Refer note 45 - Assets pledged as security.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

(All amount are in INR lakhs, unless otherwise stated)

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 2023	As at 31 March 2022
Secured Indian rupee loans from banks					
1	IDFC Bank	Repayable in 20 quarterly installments with 12 months morotorium (repayment starting from March-2018) - 4 installments of INR 150 lakhs each, - 4 installments of INR 200 lakhs each, - 1 installment of INR 800 lakhs, - 8 installments of INR 138 lakhs each and, - 4 installments of INR 173 lakhs each	Pari passu first charge over the entire movable fixed assets of the Company and equitable mortage of land situated at 38/6, National Highway no.8 Delhi Jaipur Highway, Gurgaon 122001 and land situated at Plot no. 32 and 19 Dharuhera Industrial Area, Phase-2 Dharuhera, District Rewari (Haryana).	-	519.11
2	Indusind Bank-2	Repayable in 20 quarterly installment of INR 50 lakhs each with 12 months morotorium (repayment starting from June-2018)	Pari passu first charge over the entire movable fixed assets of the Company and equitable mortage of land situated at 38/6, National Highway no.8 Delhi Jaipur Highway, Gurgaon 122001 and land situated at Plot no. 32 and 19 Dharuhera Industrial Area, Phase-2 Dharuhera, District Rewari (Haryana).	-	100.00
				-	**619.11**
Unsecured Indian rupee loan from bank					
1.	MUFG Bank	Repayable in 17 quarterly installments with 12 months morotorium (repayment starting from December-2021) - 01 installment of INR 87.20 lakhs, - 01 installment of INR 259.52 lakhs, - 15 installments of INR 277.44 lakh each, 31 March 2022 - Repayable in 17 quarterly installments with 12 months morotorium (repayment starting from December-2021) - 01 installment of INR 87.20 lakhs, - 16 installments ofINR 259.52 lakhs each,	Unsecured Corporate Guarantee given by parent company "JTEKT Corporation, Japan"	3,051.84	3,892.80
2.	Sumitomo Mitsui Banking Corporation	Repayable in 17 quarterly installments with 12 months morotorium (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 31 March 2022- Repayable in 16 quarterly installments of INR 41.44 lakhs each with 12 months morotorium (repayment starting from December-2022)	Unsecured Corporate Guarantee given by parent company "JTEKT Corporation, Japan"	1,580.13	663.01
				4,631.97	**4,555.81**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
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(All amount are in INR lakhs, unless otherwise stated)

Rate of interest: The long term borrowings interest rate for company ranges from 6.00% to 9.35% in FY-2023 (6.00% to 9.60% in FY-2022). The Company's long term borrowings have weighted average rate of 6.51% in FY-2023 (7.11 % in FY-2022).

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 2023	As at 31 March 2022
Secured short-term loans from banks				
1.	State Bank of India - Cash Credit	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%)	1.11	-
			1.11	**-**
Unsecured short-term loan from bank				
1.	Sumitomo Mitsui Banking Corporation - Packing Credit	Unsecured, Corporate Guarantee given by parent company "JTEKT Corporation, Japan"	1,010.11	387.94
2.	HDFC Bank - Bill Discounting	Unsecured	80.54	287.31
3.	Standard Chartered Bank - Cash Credit & Packing Credit	Unsecured, Corporate Guarantee given by parent company "JTEKT Corporation, Japan"	47.27	848.71
			1,137.92	**1,523.96**

Notes:

(i) Quarterly returns / statements filed by the Company with the Banks or Financial Instutition are in agreement with the Books of Accounts.

(ii) The loans were utilized for the purpose they were availed.

(iii) The loan arrangements outstanding as at 31 March 2023 does not specify any financial covenants.

16. Lease liability

Particulars	As at 31 March 2023	As at 31 March 2022
	Non-current	Non-current
Lease liability (refer note no 41)	405.36	400.29
Total	**405.36**	**400.29**

The Group's exposure to currency and liquidity risks related to the above financial liabilities is disclosed in note 48.

17. Other financial liabilities - current

Particulars	As at 31 March 2023	As at 31 March 2022
	Current	Current
Interest accrued but not due on borrowings	13.69	11.20
Security deposit payables	29.60	21.10
Unclaimed dividends #	115.26	148.20
Forward exchange contracts used for hedging*	75.19	79.52
Employee related dues	1,098.41	1,196.41
Creditors for capital goods		
Total outstanding dues of micro enterprises and small enterprises@	239.95	213.38
Total outstanding dues of creditors other than micro enterprises and small enterprises@	540.93	1,704.94
Total	**2,113.03**	**3,374.75**

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(All amount are in INR lakhs, unless otherwise stated)

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	-	-	-	-	-	-

Creditors for capital goods ageing schedule as at 31 March 2022

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	213.38	-	-	-	-	213.38
(ii) Others	1,623.62	57.33	-	-	23.99	1,704.94
(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 Group'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 Group 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 Group (refer note 20).

18. Provisions

Particulars	As at 31 March 2023		As at 31 March 2022	
	Current	Non-current	Current	Non-current
Provision for employee benefits				
Gratuity (refer note 39)	-	-	35.18	80.34
Compensated absences (refer note 39)	225.90	924.62	210.33	943.41
Others				
Provision for warranties*	133.95	38.48	116.05	36.07
Provision for contingencies*	644.30	-	-	-
Total	**1,004.15**	**963.10**	**361.56**	**1,059.82**

***Movement in provision related to during the year :**

Particulars	Provision for warranties		Provision for contingencies	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
At the beginning of the year	152.12	139.88	-	-
Additions during the year	123.99	92.19	644.30	-
(Deletions) in the discounted amount arising from passage of time	(103.68)	(79.95)	-	-
At the end of the year	**172.43**	**152.12**	**644.30**	**-**

a) The provision for warranties relates mainly to inventories sold during the year ended 31 March 2023 and 31 March 2022. The provision is based on estimates made from historical warranty data associated with similar products and also includes specific warranty claim received by the Group from its customers. The Group expects to incur the related expenditure over the next few years.

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.

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(All amount are in INR lakhs, unless otherwise stated)

19. Deferred tax assets / (liabilities) (net)

Particulars		As at 31 March 2023	As at 31 March 2022
Deferred tax liability arising on account of :			
i)	Property, plant and equipment and intangible assets	62.49	109.40
ii)	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	39.42
iii)	Adjustment of unrealized gain / loss	2.41	2.44
iv)	Discounting of long term warranty	1.38	1.23
v)	Measurement of financial liabilities carried at amortised cost	-	0.03
Total deferred tax liability		**175.66**	**152.52**
Deferred tax asset arising on account of :			
i)	Property, plant and equipment and intangible assets	470.49	486.63
ii)	Effect of expenditure debited to Statement of Profit and Loss account but allowed for tax purposes in subsequent years when actually paid	471.98	335.45
iii)	Provision of inventory obsolescence	147.45	29.95
iv)	Adjustments for derivatives recognised through fair value hedge	14.41	3.60
v)	Impact of Ind AS 116	77.27	76.00
vi)	Employee Seperation Cost	88.85	30.94
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	-
Total deferred tax asset		**1,342.57**	**962.57**
Net deferred tax asset		**1,166.91**	**810.05**

Reflected in Balance Sheet as follows:

Deferred tax (assets)/liabilities (net)

Particulars	As at 31 March 2023	As at 31 March 2022
Deferred tax assets	1,221.54	905.84
Deferred tax liabilities	(54.63)	(95.79)
Deferred tax assets/(liabilities) (net)	**1,166.91**	**810.05**

Deferred tax assets and deferred tax liabilities on different tax entities are not offset since legally enforceable right does not exists to set off current tax assets against current tax liabilities. Accordingly deferred tax liabilities of INR 54.63 lakhs as at 31 March 2023 (31 March 2022 : INR 95.79 lakh) pertaining to the subsidiary company is not offset with the deferred tax assets of the Company.

Movement in deferred tax assets/(liability) for the year ended 31 March 2023

Particulars	As at 1 April 2022	Recognised in other comprehensive income	Recognised in Statement of Profit and Loss	31 March 2023
Deferred tax assets / (liability) :				
Property, plant and equipment, investment property and intangible assets	377.23	-	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)
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	3.60	-	10.81	14.41
Effect of expenditure debited to Statement of Profit and Loss account but allowed for tax purposes in subsequent years when actually paid	335.45	-	136.54	471.98
Provision of inventory obsolescence	29.95	-	117.50	147.45
Adjustment of unrealized gain / loss	(2.44)	-	0.03	(2.41)
Impact of Ind AS 116	76.00	-	1.27	77.27
Employee Seperation 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
Total	**810.05**	**-**	**356.87**	**1,166.91**

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(All amount are in INR lakhs, unless otherwise stated)

Movement in deferred tax asset/liability for the year ended 31 March 2022

Particulars	As at 1 April 2021	Recognised in other comprehensive income	Recognised in Statement of Profit and Loss	31 March 2022
Deferred tax assets / (liability) :				
Property, plant and equipment, investment property and intangible assets	(73.29)	-	450.52	377.23
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.	(46.44)	-	7.02	(39.42)
Discounting of long term warranty	(1.29)	-	0.06	(1.23)
Measurement of financial liabilities carried at amortised cost	(0.15)	-	0.12	(0.03)
Adjustments for derivatives recognised through fair value hedge	12.86	-	(9.26)	3.60
Effect of expenditure debited to Statement of Profit and Loss account but allowed for tax purposes in subsequent years when actually paid	320.29	-	15.16	335.45
Provision of inventory obsolescence	20.13	-	9.82	29.95
Adjustment of unrealized gain / loss	(1.18)	-	(1.26)	(2.44)
Impact of Ind AS 116	72.34	-	3.66	76.00
Employee Seperation Cost	-	-	30.94	30.94
Total	**303.27**	**-**	**506.78**	**810.05**

20. Trade payables

Particulars	As at 31 March 2023	As at 31 March 2022
Total outstanding dues of micro enterprises and small enterprises#	548.81	872.82
Total outstanding dues of creditors other than micro enterprises and small enterprises#	21,475.91	18,903.72
Total	**22,024.72**	**19,776.54**
Dues to related parties (refer note 40)	6,712.54	2,896.01

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	-	-	-	-	-	-

Trade Payables ageing schedule as at 31 March 2022

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	872.82	-	-	-	-	872.82
(ii) Others	18,601.98	241.66	10.94	32.54	16.60	18,903.72
(iii) Disputed dues –MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

There are no Micro and Small Enterprises, to whom the Group 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 Group.

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Total outstanding dues of micro enterprises and small enterprises including capital creditors:-

Particulars		As at 31 March 2023	As at 31 March 2022
i)	The principal amount remaining unpaid to any supplier as at the year end.	788.76	1,086.20
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 Group 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)	-	-
Total		**788.76**	**1,086.20**

The Group exposure to currency and liquidity risk related to trade payables is disclosed in note 48.

21. Other current liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Advance from customers	230.14	224.97
Statutory dues*	1,208.82	1,774.83
Total	**1,438.96**	**1,999.80**

* Taxes payable includes withholding tax, Goods and Service Tax, Provident Fund etc.

22. 22. Current tax liabilities (net)

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for income tax (net of advance tax and TDS INR 2,547.47 lakhs) (31 March 2022 : INR 1,956.21 lakhs)	277.96	87.02
Total	**277.96**	**87.02**

23. Revenue from operations

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Sale of products	202,372.48	157,337.33
Sale of services	140.40	116.53
Other operating revenues		
-Scrap sale	1,689.10	1,296.90
-Export incentive	191.08	128.93
Total	**204,393.06**	**158,879.69**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

(All amount are in INR lakhs, unless otherwise stated)

a) Disaggregated revenue information

The Group 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 diaggregated by major product lines, geographical market (refer segment note no. 42) and timing of revenue recognition.

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Sale of products		
Steering product	187,039.09	141,722.05
Drive line product	15,333.39	15,615.28
Sale of services	140.40	116.53
Other operating revenues		
-Scrap sale	1,689.10	1,296.90
-Export incentives	191.08	128.93
Total	**204,393.06**	**158,879.69**

b) Performance obligation

The Group's contracts with customers includes promises to transfer products and rendering of services to the customer. The Group 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 Group uses judgement to determine an appropriate consolidated selling price for a performance obligation. The Group allocates the transaction price to each performance obligation on the basis of the relative consolidated selling price of each distinct product or service promised in the contract. The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group 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. Group 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 2023	For the year ended 31 March 2022
Other non operating income		
Interest income on:		
-Bank deposits	281.20	268.44
-Others	10.49	148.57
Rental income	23.11	9.67
Gain on sale of property, plant & equipment (net)	99.18	30.62
Foreign exchange gain including mark to market valuation (net)	267.09	368.37
Business support income	154.58	146.23
Miscellaneous income	20.59	51.02
Total	**856.24**	**1,022.92**

25. Cost of materials consumed

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Inventory at the beginning of the year	6,662.94	6,131.28
Add: purchases during the year	148,716.50	111,884.57
Less: inventory at the end of the year	10,241.69	6,662.94
Total	**145,137.75**	**111,352.91**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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(All amount are in INR lakhs, unless otherwise stated)

26. Purchases of stock-in-trade

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Purchases of stock-in-trade	8.18	76.42
Total	**8.18**	**76.42**

27. Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening inventories		
Work-in-progress	1,268.61	1,044.98
Finished goods	3,894.49	3,388.16
Stock-in-trade	0.08	0.08
Closing inventories		
Work-in-progress	1,501.20	1,268.61
Finished goods	4,194.35	3,894.49
Stock-in-trade	0.08	0.08
Net (increase)	**(532.45)**	**(729.96)**

28. Employee benefit expenses

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries wages and bonus	18,295.45	17,444.22
Contribution to provident and other funds (refer note 39)	1,290.86	1,104.28
Staff welfare expenses	2,031.24	1,814.29
Total	**21,617.55**	**20,362.79**

29. Finance costs

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest expense on financial liabilities not measured at FVTPL		
-Interest to banks	373.62	262.64
-Interest on lease liabilities (refer note 41)	40.10	39.17
-Interest to others	33.00	28.88
Bank charges	27.06	42.22
Total	**473.78**	**372.91**

30. Depreciation and amortisation expense

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation on property, plant and equipment (refer note 3A)	6,004.77	5,661.27
Depreciation on investment property (refer note 3B)	134.46	-
Amortisation on intangible assets (refer note 3C)	1,180.45	1,418.61
Depreciation on right-of-use assets (refer note 3D & 41)	-	7.98
Total	**7,319.68**	**7,087.86**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

(All amount are in INR lakhs, unless otherwise stated)

31. Other expenses

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Consumption of stores and spares	3,006.95	2,209.19
Loose tools consumed	2,132.25	1,753.11
Power and fuel	2,414.07	2,025.45
Repairs and maintenance		
-Plant & machinery	970.92	930.16
-Buildings	144.91	181.08
-Others	994.17	966.93
Royalty	2,852.99	2,195.39
Rent (refer note 41)	297.16	338.99
Rates and taxes	681.91	76.03
Insurance	261.07	248.46
Travelling, conveyance and vehicle expenses	381.16	360.57
Communication and stationery expenses	170.62	97.79
Legal and professional charges	651.21	452.25
Security charges	283.23	290.72
Selling expenses	2,370.01	1,773.70
Packing material	840.20	713.71
CSR expenditure (refer note 36)	84.22	123.30
Provision on obsolescence of inventory (refer note 8)	513.83	39.00
Director's fees, allowances and expenses	149.00	77.90
Payments to auditors		
As Auditor		
Statutory audit fee	60.50	60.50
Tax audit fee	4.00	9.40
Limited review	28.50	27.06
In other capacity		
Other matters	12.50	24.25
Reimbursement of expenses	5.91	2.15
Miscellaneous expenses	169.88	107.12
Total	**19,481.17**	**15,084.21**

32. Exceptional items

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Employee separation cost-voluntary retirement compensation*	326.01	153.68
Loss on shifting of Sanand operations**		
- Impairment loss on investment property	-	492.34
- Relocation cost	-	31.50
Total	**326.01**	**677.52**

* During the year ended 31 March 2023 and 31 March 2022, a voluntary retirement scheme ('VRS') was offered to the workmen and the Company has incurred cost of INR 326.01 lakhs and INR 153.68 lakhs respectively. Accordingly, the Company has recorded the VRS cost as an exceptional item.

** During the year ended 31 March 2022, the Company has shifted its manufacturing opertations at Sanand facility to other locations. Owing to the said relocation, the Company has 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 and relocation expenses of INR 31.50 lakhs in the year ending 31 March 2022 as an exceptional item.

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(All amount are in INR lakhs, unless otherwise stated)

33. Tax expense

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Income tax recognised in the statement of profit or loss:		
Current income tax		
- In respect of the current year	3,256.56	2,011.47
- In respect of the prior years	(193.73)	1.39
Deferred tax		
- Relating to origination and reversal of temporary differences	(356.87)	(506.78)
Income tax expenses reported in the statement of profit or loss	**2,705.96**	**1,506.08**

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 2023		For the year ended 31 March 2022	
Profit for the year		**11,417.63**		**5,617.95**
Statutory income tax rate	25.17%	2,873.59	25.17%	1,413.93
Expenditure for which deduction is not allowed under Income Tax Act	0.86%	97.95	1.59%	89.45
Tax pertaining to earlier years	-0.20%	(22.43)	0.02%	1.39
Refund for dividend distribution tax of previous year paid by erstwhile amalgmated company that JTEKT Sona Automotive India Limited	-1.50%	(171.30)	0.00%	-
Long term capital loss balance carried forward	-0.53%	(60.13)	0.00%	-
Effect of difference in book value of assets held for sale and value for tax purpose	-0.11%	(11.99)	0.02%	1.31
Others	0.00%	0.27	0.00%	-
Effective tax rate	**23.70%**	**2,705.96**	**26.81%**	**1,506.08**

Income tax recognised in Other Comprehensive Income

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Deferred tax related to items recognised in OCI during the year:		
Loss on remeasurement of defined benefit obligation	22.67	(4.57)
Income tax expenses reported in Other Comprehensive Income	**22.67**	**(4.57)**

34. Earnings per equity share

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit attributable to equity shareholders	8,137.08	3,690.53
Basic average number of equity shares outstanding during the year (Nos.)	244,480,469	244,480,469
Weighted average number of equity shares outstanding during the year (Nos.)	244,480,469	244,480,469
Nominal value of equity shares in INR	1.00	1.00
Earnings per equity share in INR		
Basic	3.33	1.51
Diluted	3.33	1.51

35. Group information

(i) Information about subsidiary

The Group's details at 31 March 2023 is set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of the entity	Principal place of business	Country of incorporation	% equity Interest	
			31 March 2023	31 March 2022
JTEKT Fuji Kiko Automotive India Limited	Automobile industry	India	51.00%	51.00%

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(All amount are in INR lakhs, unless otherwise stated)

(ii) Additional information as required under Schedule III to the Companies Act, 2013.

As at 31 March 2023

Name of the Entity	Net Assets (Total Assets - Total Liabilities)		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount	As % of Consolidated profit or loss	Amount	As % of Consolidated profit or loss	Amount
	%	INR	%	INR	%	INR	%	INR
Parent Company								
JTEKT India Limited	92.14%	67,606.80	91.59%	7,979.20	93.46%	(63.00)	91.58%	7,916.20
Subsidiary - Indian								
JTEKT Fuji Kiko Automotive India Limited	8.61%	6,315.99	13.46%	1,172.59	6.54%	(4.41)	13.51%	1,168.18
Elimination	-0.75%	(550.89)	-5.05%	(440.12)	-	-	-5.09%	(440.12)
Total	**100.00%**	**73,371.90**	**100.00%**	**8,711.67**	**100.00%**	**(67.41)**	**100.00%**	**8,644.26**

As at 31 March 2022

Name of the Entity	Net Assets (Total Assets - Total Liabilities)		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount	As % of Consolidated profit or loss	Amount	As % of Consolidated profit or loss	Amount
	%	INR	%	INR	%	INR	%	INR
Parent Company								
JTEKT India Limited	91.75%	60,668.52	80.59%	3,313.69	-15.92%	(2.16)	80.27%	3,311.53
Subsidiary - Indian								
JTEKT Fuji Kiko Automotive India Limited	9.09%	6,007.81	20.91%	859.85	115.92%	15.73	21.22%	875.58
Elimination	-0.83%	(549.37)	-1.50%	(61.67)	-	-	-1.49%	(61.67)
Total	**100.00%**	**66,126.96**	**100.00%**	**4,111.87**	**100.00%**	**13.57**	**100.00%**	**4,125.44**

(iii) Summarised financial information for subsidiary that has non-controlling interest that are material to the Group:

The tables below provide summarised financial information for the subsidiary. The information disclosed reflects the amounts presented in the financial statements of the subsidiary and not JTEKT India Limited's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method.

Summarised balance sheet	JTEKT Fuji Kiko Automotive India Limited	
	As at 31 March 2023	As at 31 March 2022
Current assets	4,422.20	3,992.16
Current liabilities	1,486.83	1,416.03
Net current assets	**2,935.37**	**2,576.13**
Non-current assets	3,503.44	3,591.47
Non-current liabilities	122.82	159.79
Net non-current assets	**3,380.62**	**3,431.68**
Net Assets	**6,315.99**	**6,007.81**
Accumulated NCI	**3,094.89**	**2,943.86**

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(All amount are in INR lakhs, unless otherwise stated)

Summarised statement of profit and loss	**JTEKT Fuji Kiko Automotive India Limited**	
	Year ended 31 March 2023	**Year ended 31 March 2023**
Revenue	12,977.37	9,938.79
Profit for the year	1,172.59	859.85
Other comprehensive gain income (net of tax)	(4.41)	15.73
Total comprehensive income	**1,168.18**	**875.58**
Total comprehensive income allocated to NCI	572.43	429.05

Summarised cash flow statements	**JTEKT Fuji Kiko Automotive India Limited**	
	Year ended 31 March 2023	**Year ended 31 March 2022**
Cash flows from operating activities	1,320.25	1,175.57
Cash flows used in investing activities	299.84	(1,080.31)
Cash flows used in financing activities	(861.76)	(130.95)
Net (decrease) in cash and cash equivalents	**758.33**	**(35.69)**

36. Expenditure on Corporate Social Responsibility (CSR)

	Particulars	**For the year ended 31 March 2023**	**For the year ended 31 March 2022**
i)	Amount required to be spent by the Group during the year	83.36	123.30
ii)	Amount of expenditure incurred	84.22	110.80
iii)	Shortfall at the end of the year	-	12.50
iv)	Total of pervious years shortfall	-	-
v)	Reason for shortfall :- In the previous year, the Group as a part of its rural development program aimed at promoting Health Care has taken up a project to construct an Isolation cum Maternity ward at Community Health Care Centre, Bawal, Haryana. The Initial process of identification of land and receiept of necessary approval was completed and work on this project had started. Since the project involved civil construction activity which is time consuming, we have finished this CSR project in the current year. The amount has been subsequently deposited in separate CSR Unspent Bank account within 30 days of year end 31 March 2022 and has been utilized as on 31 March 2023.		
vi)	Nature of CSR activities :- Group has on going projects such as Promoting Healthcare including preventive health care, Promoting Education, Promoting Sanitation and Rural Development Projects		
vii)	Details of related party transactions	-	-

37. Research and development expenses (R&D expenses)

Particulars	**For the year ended 31 March 2023**	**For the year ended 31 March 2022**
Salary and allowance	56.12	100.24
Components, tools and spares	0.14	1.29
Total	**56.26**	**101.54**

38. Contingent liabilities and commitments (to the extent not provided for)

A. Capital commitments

Particulars	**As at 31 March 2023**	**As at 31 March 2022**
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	9,628.76	3,140.49
Total	**9,628.76**	**3,140.49**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
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B. Contingent liabilities

Particulars		Period covered	As at 31 March 2023	As at 31 March 2022
Contingent liabilities, not acknowledged as debt, include:				
1.	**Claims against the Group not acknowledged as debt on account of # *:**			
(a)	**Excise duty matters**			
	Show cause notices received and pending with Adjudication Authority	2000-01 to 2017-18	1,720.27	3,016.62
	Cases pending before Appellate authorities in respect of which the Group has filed appeals.	2007-08 to 2015-16	1,060.15	799.44
			2,780.42	**3,816.06**
(b)	**Service tax matters**			
	Show cause notices received and pending with Adjudication Authority	2004-05 to 2017-18	64.22	80.62
	Cases pending before Appellate authorities in respect of which the Group has filed appeals.	2009-10 to 2015-16	8.80	8.43
			73.02	**89.05**
(c)	**VAT matters**			
	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 Group is yet to be decided by the regular benches of Supreme Court.	2007-08 to 2017-18	2,043.05	1,918.10
(d)	**Stamp Duty matters**			
	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	1,515.82
(e)	**Income tax matters**			
	Cases pending before Appellate Authorities in respect of which the Group has filed appeal. The Group 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 2018-19	140.53	53.60
(f)	**Goods and Service Tax**			
	Claim of CGST pertaining to Tran-1 pending with the GST Department		29.13	-
Total			**6,581.97**	**7,392.63**

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 Group 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 Group will not be material.

\# The Group 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 consolidated financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

The Group has assessed that it is only possible, but not probable, that outflow of economic resources will be required.

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* Does not include certain Labour related claims which are disputed by the Group. Management does not expect any material liability on this account as they feel that the claims raised on the Group are not tenable in law.

39. Employee benefit obligations

A. Defined Contribution Plan

The Group makes contributions, determined as a specified percentage of employee salaries, towards Provident Fund, Superanuation Fund, Punjab Labour Welfare Fund (PLWF) and Employee State Insurance scheme ('ESI') and National Pension Scheme (NPS) which are collectively defined as defined contribution plan. The Group 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 2023	For the year ended 31 March 2022
a) Employer's contribution to Provident Fund	724.24	672.04
b) Employer's contribution to Employee State Insurance Corporation	22.68	25.90
c) Punjab labour welfare fund (PLWF)	7.72	7.64
d) Employer's contribution to National Pension Scheme (NPS)	144.77	134.50
	899.41	**840.08**

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 Group made annual contributions to the LIC of India of an amount advised by the LIC.

The above defined benefit plan exposes the Group 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 Group 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 Group 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.

(i) Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets:

Description	As at 31 March 2023	As at 31 March 2022
Liability for gratuity	3,935.93	3,794.28
Plan assets for gratutiy	4,024.51	3,717.99
Net defined benefit (asset) / liability	**(88.58)**	**76.29**

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

Description	For the year ended 31 March 2023	For the year ended 31 March 2022
Current service cost *	252.54	245.22
Net interest income / (cost)	23.68	(1.03)
Past service cost	122.09	-
(Increase) / decrease in unrecoginsed assets	(19.65)	11.12
Expense recognised in the Statement of Profit and Loss	**378.66**	**255.31**
Actuarial loss recognised during the year	90.08	(18.14)
Amount recognised in the total comprehensive income	**468.74**	**237.17**

* Current service cost includes contribution of LIC premium amounting to INR 10.25 lakhs (previous year INR 9.88 lakhs).

(iii) Movement in the present value of defined benefit obligation recognised in the balance sheet is as under:

Description	As at 31 March 2023	As at 31 March 2022
Present value of defined benefit obligation as at the start of the year	**3,794.28**	**3,687.63**
Current service cost	242.29	235.34
Interest cost	254.91	233.03
Past service cost	122.09	-
Actuarial loss on obligation	134.96	8.84
Benefits paid	(612.59)	(370.56)
Present value of defined benefit obligation as at the end of the year	**3,935.93**	**3,794.28**

(iv) Movement in the plan assets recognised in the balance sheet is as under:

Description	As at 31 March 2023	As at 31 March 2022
Fair Value of plan assets at start of the year	**3,717.99**	**3,601.85**
Interest income	231.24	234.06
Employer contribution	640.12	216.43
Benefit Paid	(609.72)	(361.33)
Actuarial loss on plan assets	44.88	26.98
Fair Value of plan assets at the end of the year	**4,024.51**	**3,717.99**

(v) Remeasurement recognised in other comprehensive loss is as under:

Description	For the year ended 31 March 2023	For the year ended 31 March 2022
Actuarial loss on defined benefit obligation	134.96	8.84
Return on plan assets excluding interest income	(44.88)	(26.98)
Amount recognised in Other Comprehensive loss	**90.08**	**(18.14)**

(vi) Bifurcation of actuarial loss on defined benefit obligation:

Description	For the year ended 31 March 2023	For the year ended 31 March 2022
Actuarial (gain) from change in financial assumption	(115.43)	(81.80)
Actuarial loss from experience adjustment	250.39	90.64
Amount recognised in the Other Comprehensive Income	**134.96**	**8.84**

(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

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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 Group :

Description	As at 31 March 2023	As at 31 March 2022
Discount rate	7.30% to 7.40% p.a.	6.70% to 7.20% p.a.
Rate of increase in compensation level	6.0% to 10.0% 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 2023	As at 31 March 2022
Mortality table	IALM (2012-14)	IALM (2012-14)
Retirement age		
- Mr. Sudhir Chopra	-	65
- Others	58	58
Attrition rate		
- Up to 30 years	3.00% to 9.8%	3.00% to 9.8%
- 31 to 44 years	2.00% to 9.8%	2.00% to 9.8%
- Above 44 years	1.00% to 9.8%	1.00% to 9.8%

(viii) Sensitivity analysis for gratuity liability

Description	As at 31 March 2023	As at 31 March 2022
Impact of the change in discount rate		
Present value of obligation at the end of the year	3,935.93	3,794.28
- Impact due to increase of 1%	(194.68)	(189.57)
- Impact due to decrease of 1%	217.25	211.64
Impact of the change in salary increase		
Present value of obligation at the end of the year	3,935.93	3,794.28
- Impact due to increase of 1%	216.70	210.07
- Impact due to decrease of 1%	(197.89)	(191.82)

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occuring 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 holiding all other assumptions constant.

Sensitivities due to mortality and withdrawls are not material and hence impact of change is not calculated. Sensitivity 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.

(ix) Maturity profile of defined benefit payments

Description	As at 31 March 2023	As at 31 March 2022
(i) Weighted Average duration of the defined benefit obligation	8 Yrs	7 Yrs
(ii) Duration of defined benefit payments		
Duration (Years)		
1	640.94	580.91
2	646.70	626.04
3	552.19	543.75
4	479.32	465.24
5	475.62	414.82
Above 5	3,620.46	3,331.20
Total	**6,415.23**	**5,961.96**

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(x) Group's best estimate of contribution during next year is INR 181.40 lakhs (previous year INR 291.78 lakhs).

C. Other long-term employee benefits

During the year ended 31 March 2023, the Group has created provision for compensated absences towards earned leave amounting to INR 229.59 lakhs (previous year expense of INR 301.30 lakhs). The Group has created provision towards sick leave amounting to INR 0.00 lakhs (previous year written back INR 0.70 lakhs). The Group 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 consolidated financial statements, parties are considered to be related to the Group, if the Group 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 Group 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
1. 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	W.e.f. 01 June 2022	Director (Operations)
5. Mr. Rajiv Chanana	Up to 31 May 2022	Chief Financial Officer
	W.e.f. 01 June 2022	Director & CFO
6. Mr. Takumi Matsumoto	Full year	Director
7. Mr. Toshiya Miki	Up to 31 May 2022	Nominee of Maruti Suzuki India Limited
8. Mr. Taku Sumino	W.e.f. 01 June 2022	Nominee of Maruti Suzuki India Limited
9. Mr. Hidehito Araki	Full year	Independent Director
10. Ms. Hiroko Nose	Full year	Independent Woman Director
11. Mr. Inder Mohan Singh	Full year	Independent Director
12. Lt. Gen. Praveen Bakshi (Retd)	Full year	Independent Director
13. Mr. Masahiko Morimoto	Full year	Independent Director
14. Mr. Ashish Srivastava	Full year	Company Secretary
15. Mr. Hirofumi Matsuoka	Up to 26 May 2021	Director
16. Mrs. Geeta Mathur	Up to 09 June 2021	Independent Woman Director
17. Mr. Nitin Sharma	Up to 16 September 2021	Company Secretary

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 Pvt Limited (formerly known as Toyoda Micromatic Machinery India Pvt Limited)	Full year
9. Fuji Auto AB Sweden	Full year
10. Fuji Autotech France	Full year
11. JTEKT Electronics India Pvt Limited (formerly known as Koyo Electronics India Pvt Limited)	Full year

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Name of party	Period
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. Shey Fu Koyo (Xiamen) Mechanical Industry 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 Received	-	-	-	-	-	71.48	-	71.48
Business Support Income (including taxes)	-	0.41	-	-	147.74	150.00	147.74	150.41
Cash Discount Paid	-	-	-	-	1.44	2.56	1.44	2.56
Commission to Non Executive Directors	-	-	136.89	50.40	-	-	136.89	50.40
Director Sitting Fee	-	-	32.00	24.50	2.50	1.50	34.50	26.00
Dividend Paid	668.24	254.34	0.02	0.01	476.60	81.95	1,144.86	336.30
Corporate guarantee on loans from bank*	5,941.13	6,350.90	-	-	-	-	5,941.13	6,350.90
Guarantee Fee Paid	11.42	6.21	-	-	-	-	11.42	6.21
Interest Income	-	-	-	-	0.62	0.40	0.62	0.40
Purchase of Capital Goods (Including Tax)	47.98	265.58	-	-	444.77	258.53	492.75	524.11
Purchase of Goods (Including Tax)	8,144.76	4,908.48	-	-	9,679.21	7,129.66	17,823.97	12,038.14
Receiving of Services (Including Taxes)	54.93	51.80	-	-	96.58	6.70	151.51	58.50
Reimbursement of Expenses Paid (Including Taxes)	1,024.93	1,072.72	-	-	202.05	216.67	1,226.98	1,289.39
Reimbursement of Expenses Recovered (Including Taxes)	39.17	23.16	-	-	2.35	7.91	41.52	31.07
Rental Income (Including Taxes)	-	-	-	-	27.27	11.26	27.27	11.26
Royalty	2,661.05	2,014.42	-	-	191.94	188.87	2,852.99	2,203.29
Sale of Capital Goods (Including Taxes)	-	-	-	-	1,261.01	-	1,261.01	-
Sale of goods (Including Taxes) (Net of Warranty)#	138.50	70.80	-	-	140,167.47	115,940.32	140,305.97	116,011.12
Post employment benefits	-	-	14.15	5.14	-	-	14.15	5.14
Short-term employee benefits	-	-	316.68	462.44	-	-	316.68	462.44
Technical Support Fee	957.77	7.04	-	-	-	-	957.77	7.04

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)	10.81	2.99	-	-	9,645.80	10,337.18	9,656.61	10,340.17
Outstanding Balance (Credit)	5,052.36	2,314.87	136.89	100.80	1,549.98	1,032.23	6,739.23	3,447.90
Post employement benefits (Credit)	-	-	49.65	126.16	-	-	49.65	126.16
Corporate Gaurantee on Loan (Credit)	5,941.13	6,350.90	-	-	-	-	5,941.13	6,350.90

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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	5,941.13	6,350.90
Purchase of Goods (Including Tax)	JTEKT Corporation, Japan	Holding Company	8,144.76	4,908.48
	JTEKT Bearings India Pvt Limited (formerly known as Koyo Bearings India Limited)	Other related parties	5,133.12	3,706.73
Royalty	JTEKT Corporation, Japan	Holding Company	2,661.05	2,014.42
Sale of goods (Net of Warranty)	Maruti Suzuki India Limited	Other related parties	140,073.74	115,439.36

* Loans of INR 5,941.13 lakhs (31 March 2022: INR 6,350.90 lakhs) against the corporate guarantee given by the holding company, JTEKT Corporation, Japan.

Net of warranty claims INR 16.50 Lakhs (Previous Year INR 24.61 lakhs).

All transactions with these related parties are priced on an arm's length basis.

41. Lease related disclosures

The Group 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 Group 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 Group to sublease the asset to another party, the right-of-use asset can only be used by the Group. Some leases contain an option to extend the lease for a further term. The Group is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings and other premises the Group 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 Group is required to pay maintenance fees in accordance with the lease contracts.

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 2023	31 March 2022
Short-term leases	281.16	322.04
Leases of low value assets	16.00	16.95
Variable lease payments	-	-
Total	**297.16**	**338.99**

B. Lease under Ind AS 116

The Details of the right-of-use assets held by the Group is as follows:

Particulars	Depreciation charge for the year ended 31 March 2023	Net carrying amount as on 31 March 2023	Depreciation charge for the year ended 31 March 2022	Net carrying amount as on 31 March 2022
Leasedhold land	4.24	89.85	4.24	94.09
Buildings	-	-	3.74	-
Total	**4.24**	**89.85**	**7.98**	**94.09**

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C. Amount recognised in Statements of Profit & Loss

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation on right-of-use assets	4.24	7.98
Interest on lease liabilities	40.10	39.17
Rental expenses relating to short term leases	281.16	322.04
Rental expenses relating to leases of low value assets	16.00	16.95
Total	**341.50**	**386.14**

D. Amount recognised in Statements of cash flows

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Total Cash out flow for the leases (including short-term leases)	332.19	367.37

E. The weighted average incremental borrowing rate applied to lease liabilities is 9.95%.

F. Maturity of lease liabilities

The lease liabilities are secured by the related underlying assets. Future minimum lease payments were as follows:

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**
Net present values	**(4.51)**	**(4.97)**	**(5.49)**	**(6.07)**	**(6.70)**	**433.10**	**405.36**

31 March 2022	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	35.03	36.03	36.03	36.03	36.03	944.69	**1,123.84**
Interest expense	40.10	40.54	41.00	41.52	42.10	518.29	**723.55**
Net present values	**(5.07)**	**(4.51)**	**(4.97)**	**(5.49)**	**(6.07)**	**426.40**	**400.29**

42. Segment information

The Group 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 Group'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 Group operates is 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 Group'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:

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Revenue from Operations

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue from external customers		
India	196,486.66	153,183.66
USA	7,680.28	5,361.23
France	76.73	-
Japan	149.39	334.80
Total	**204,393.06**	**158,879.69**

Non current assets

Particulars	As at 31 March 2023	As at 31 March 2022
India	52,956.07	51,532.72
Abroad	-	-
Total	**52,956.07**	**51,532.72**

Major customer

Group 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 2023	As at 31 March 2022
Maruti Suzuki India Limited	140,073.74	115,439.36

43. Transfer pricing

The Group 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 Group is in the process of updating the documentation of the international transactions entered into with the associated enterprises from April 2022 and expects such records to be in existence latest by November 2023 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.

44. Dividend

The board of directors of the Company in its meeting held on 22 May 2023, proposed a dividend of INR 1,222.40 lakhs (INR 0.50 per share) (previous year INR 977.92 lakhs (INR 0.40 per share)) to the equity shareholders. 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

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Dividend remitted (gross) (Rupees)	668.28	254.35
Number of non resident shareholders	2	2
Number of shares held	16,70,69,997	169,569,997
Year to which dividend relates	2021-22	2020-21

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45. Assets pledged as security

Particulars	As at 31 March 2023	As at 31 March 2022
Current assets		
Financial assets		
Pari-passu charge		
- Trade receivables	28,366.50	24,514.69
- Cash and cash equivalents	-	6,151.66
- Loans	24.93	7.34
- Other financial assets	55.26	68.23
Inventories	17,681.98	13,730.90
Other current assets	1,600.55	1,626.54
Total current assets pledged as security	**47,729.22**	**46,099.36**
Non-current assets		
Pari-passu charge		
- Property, plant and equipment	31,291.26	23,203.79
- Capital work-in-progress	2,379.60	9,335.22
- Intangible assets	2,003.38	1,936.98
- Loans	2.22	2.56
- Other financial assets	334.33	261.03
- Income tax assets	304.19	258.27
- Other non-current assets	571.78	482.41
Total non-current assets pledged as security	**36,886.76**	**35,480.26**
Total assets pledged as security	**84,615.98**	**81,579.62**

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

(a) recognised and measured at fair value and

(b) 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 group 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 within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: quoted 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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ii) Financial instruments by category & fair value

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments.

Particulars	Note	Level of hierarchy	As at 31 March 2023				As at 31 March 2022			
			Carrying amount	FVTPL	FVOCI	Amortised cost	Carrying amount	FVTPL	FVOCI	Amortised cost
Financial assets										
Non current										
Loans										
- Loan to employees	b		2.22	-	-	2.22	2.56	-	-	2.56
Other financial assets										
- Security deposits	b		346.11	-	-	346.11	268.83	-	-	268.83
Current										
Trade receivables	a		28,057.23	-	-	28,057.23	24,166.67	-	-	24,166.67
Cash and cash equivalents	a		4,659.93	-	-	4,659.93	6,381.44	-	-	6,381.44
Other bank balances	a		1,000.00	-	-	1,000.00	1,658.00	-	-	1,658.00
Loans										
- Loan to employees	a		4.13	-	-	4.13	7.34	-	-	7.34
Other financial assets										
- Security deposits	a		55.12	-	-	55.12	67.47	-	-	67.47
- Interest accrued but not due on deposits	a		1.45	-	-	1.45	33.68	-	-	33.68
- Advance to employees	a		11.84	-	-	11.84	-	-	-	-
Total			**34,138.03**	**-**	**-**	**34,138.03**	**32,585.99**	**-**	**-**	**32,585.99**

Particulars	Note	Level of hierarchy	As at 31 March 2023				As at 31 March 2022			
			Carrying amount	FVTPL	FVOCI	Amortised cost	Carrying amount	FVTPL	FVOCI	Amortised cost
Financial liabilities										
Non current										
Borrowings	c		3,089.79	-	-	3,089.79	3,434.73	-	-	3,434.73
Lease liability	c		405.36	-	-	405.36	400.29	-	-	400.29
Current										
Borrowings	c		2,681.21	-	-	2,681.21	3,264.15	-	-	3,264.15
Lease liability	c		-	-	-	-	-	-	-	-
Trade payable										
- Total outstanding dues of micro enterprises and small enterprises	a		548.81	-	-	548.81	872.82	-	-	872.82
- Total outstanding dues of creditors other than micro enterprises and small enterprises	a		21,475.91	-	-	21,475.91	18,903.72	-	-	18,903.72
Other financial liabilities										
- Interest accrued but not due on borrowings	a		13.69	-	-	13.69	11.20	-	-	11.20
- Security deposits	a		29.60	-	-	29.60	21.10	-	-	21.10
- Unclaimed dividends	a		115.26	-	-	115.26	148.20	-	-	148.20
- Forward exchange contracts used for hedging	d	2	75.19	75.19	-	-	79.52	79.52	-	-
- Employee dues	a		1,098.41	-	-	1,098.41	1,196.41	-	-	1,196.41
- Creditors for capital goods	a		780.88	-	-	780.88	1,918.32	-	-	1,918.32
Total			**30,314.11**	**75.19**	**-**	**30,238.92**	**30,250.46**	**79.52**	**-**	**30,170.94**

a. 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.

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b. 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.

c. Fair value of borrowing is considered to be the same as its carrying value, as there is an 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 2023 and 31 March 2022.

47. Other Statutory Information

i) No proceedings have been initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder.

ii) The Group 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 Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

v) The Group 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 Group (Ultimate Beneficiaries) or

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

vi) The Group 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 Group 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 Group 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 Group has not been declared as a wilful defaulter by any bank or financial institution or other lender.

ix) The Group 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 Group has not revalued its Property, Plant and equipments and intangible assets and Investment property.

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ix) **Key analytical ratios**

S. 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	1.84	1.68	9.81%	-
(b)	Debt-Equity Ratio (in times)	Total debt	Shareholder's equity	0.09	0.11	21.78%	-
(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)	7.24	8.04	9.98%	-
(d)	Return on Equity Ratio (in %)	Net Profits after taxes less preference dividend (if any)	Average shareholder's equity	12.49%	6.40%	95.25%	Net profits after tax has increased due to higher sales volume in the current year. However, there has been no fresh infusion to the shareholder's equity during the year. Accordingly, the ratio has increased during the current year.
(e)	Inventory turnover ratio (in times)	Cost of goods sold	Average inventory	8.70	8.04	7.56%	-
(f)	Trade Receivables turnover ratio (in times)	Net credit sales	Average accounts receivable	7.83	6.38	22.67%	-
(g)	Trade payables turnover ratio (in times)	Net credit purchases	Average trade payables	7.12	5.57	27.66%	Ratio has increased due to increase in business volumes.
(h)	Net capital turnover ratio (in times)	Net sales	Working capital	8.21	8.11	1.15%	-
(i)	Net profit ratio (in %)	Net profit	Net sales	4.26%	2.59%	64.69%	Net profits after tax has increased due to higher sales volume and cost control measures taken by the management in the current year. Accordingly, the ratio has increased during the current year.
(j)	Return on Capital employed (in %)	Earning before interest and taxes	Capital employed	14.95%	8.17%	82.97%	Ratio has increased due to higher profits earned by the Group in the current year.
(k)	Return on investment	Return	Weighted average of the Investment (equity)	Nil	Nil	N.A.	There are no investment at Group level

48. Financial risk management

The Group is primarily engaged in the manufacturing steering systems and other auto componets for passenger and utlity vehicle manufactures. The Group's principal financial liabilities, comprises loans and borrowings, trade and other payables. The main

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(All amount are in INR lakhs, unless otherwise stated)

purpose of these financial liabilities is to support the Group's operations. The Group'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 Group also enters into derivative transactions viz. Cost Currency Interest Rate Swap and Principal and Interest Swaps as required.

The Group 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 Group's activities makes it susceptible to various risks. The Group has taken adequate measures to address such concerns by developing adequate systems and practices. The Group's overall risk management program focuses on the unpredictability of markets and seeks to manage the impact of these risks on the Group's financial performance.

The Group's senior management oversee the management of these risks and advises on financial risks and the appropriate financial risk governance framework for the Group. The board provides assurance to the shareholders that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group'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 Group's policy that no trading in derivatives for speculative purposes may be undertaken.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, 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 Group's activities. The Group, 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 Group's audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. 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 denominates 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 Group 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 Group assesses at each date of balance sheet position whether a financial asset or a Group of financial assets is impaired. The Group recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

(All amount are in INR lakhs, unless otherwise stated)

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.

Group'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 Group.

Before accepting any new customer, the Group 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 Group 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) Financials assets for which allowance is measured using 12 months expected credit losses.

Particulars	As at 31 March 2023	As at 31 March 2022
Loans	6.35	9.90
Other financials assets	414.52	369.98

(b) The ageing analysis of trade receivables for which loss allowance is measured using Life time expeceted credit losses as at the reporting data is as follows:

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

Particulars	As at 31 March 2022	0-6 months	6-12 months	More than 12 months
Gross Carrying amount	24,166.67	24,161.79	4.42	0.46
Expected credit loss (Loss allowance provision)	-	-	-	-
Carrying amount of trade receivables	24,166.67	24,161.79	4.42	0.46

(c) The Group's exposure to credit risk for trade receivable by geographic region is as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
India	27,576.23	23,559.15
USA	419.22	592.32
France	32.31	12.21
Japan	29.46	2.99
Total	**28,057.23**	**24,166.67**

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 Group'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 credit limits are reviewed by the Group'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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

(All amount are in INR lakhs, unless otherwise stated)

The Group 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 Group 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 2023 and 31 March 2022 is Re-presented by the carrying amount of each financial asset.

B) Liquidity risk

Liquidity risk refers to the risk that the Group 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 Group 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 Group'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 Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group 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 Group's financial liabilities based on contractual undiscounted payments and includes contractual interest payments:

31 March 2023		Contractual cash flows			
	Carrying value as at 31 March 2023	Less than 1 year	1-2 year	2-3 year	More than 3 years
Non derivative financial liabilities					
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	-	-	-
Derivative financial liabilities					
Other financial liabilities					
- Forward exchange contarcts used for hedging	75.19	75.19	-	-	-
Total	**30,314.11**	**26,854.98**	**1,578.21**	**1,300.77**	**1,263.61**

31 March 2022		Contractual cash flows			
	Carrying value as at 31 March 2022	Less than 1 year	1-2 year	2-3 year	More than 3 years
Non derivative financial liabilities					
Borrowings (including interest accrued but not due on borrowings)	6,710.08	3,275.23	1,203.83	1,203.83	1,027.19
Trade payables	19,776.54	19,776.54	-	-	-
Lease liability	400.29	35.03	36.03	36.03	1,016.75
Other financial liabilities					
- Security deposits	21.10	21.10	-	-	-
- Unclaimed dividends	148.20	148.20	-	-	-
- Employee dues	1,196.41	1,196.41	-	-	-
- Creditors for capital goods	1,918.32	1,918.32	-	-	-
Derivative financial liabilities					
Other financial liabilities					
- Forward exchange contarcts used for hedging	79.52	79.52	-	-	-
Total	**30,250.46**	**26,450.35**	**1,239.86**	**1,239.86**	**2,043.94**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

(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 2023 and 31 March 2022. 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 2023 and 31 March 2022.

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 Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency).

The Group manages its foreign currency risk by entering into derivatives. When a derivative is entered into for the purpose of hedging, the Group 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 2023		As at 31 March 2022	
	Foreign currency	Rupee INR	Foreign currency	Rupee INR
Financial assets				
Receivables (trade & others)				
USD	6.28	512.86	7.86	592.32
EURO	0.37	32.31	0.35	28.83
JPY	48.19	29.46	4.98	3.05
Financial liabilities				
Payables (trade & others)				
USD	0.65	53.62	2.55	194.19
EURO	0.09	8.31	0.20	17.53
JPY	1,051.49	657.18	1,621.86	1,016.42
SEK	0.06	0.52	-	-
Borrowings - others				
USD	**12.23**	**1,010.11**	**9.40**	**715.81**

The outstanding forward exchange contracts and currency swap & interest rate swap contracts as at the end of the year entered by the Group for the purpose of hedging its foreign currency exposures are as follows:

Particulars	As at 31 March 2023		As at 31 March 2022	
	Foreign currency	Rupee INR	Foreign currency	Rupee INR
Financial liabilities				
Payables (trade & others)				
USD	6.17	509.77	2.95	224.55
JPY	6,030.93	3,769.33	2,290.95	1,435.74
CHF	0.19	17.15	0.09	7.38

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FOR THE YEAR ENDED 31 MARCH 2023

(All amount are in INR lakhs, unless otherwise stated)

The following significant exchange rates were applied at the year end:

Particulars	Year end rates	
	As at 31 March 2023	As at 31 March 2022
Financial assets		
Receivables (trade & others)		
USD / INR	81.67	75.32
EURO / INR	88.45	82.38
JPY / INR	0.61	0.61
Financial liabilities		
Payables (trade & other)		
USD / INR	82.57	76.17
EURO / INR	90.68	85.59
JPY / INR	0.63	0.63
CHF / INR	-	83.03
SEK / INR	8.01	-
Borrowings		
USD / INR	82.57	76.17

Sensitivity analysis

Any changes in the exchange rate of foreign currency against INR is not expected to have significant impact on the Group'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 Group 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 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Receivables (trade & others)	Statement of profit and loss	USD	5.13	5.92	(5.13)	(5.92)
	Statement of profit and loss	EURO	0.32	0.29	(0.32)	(0.29)
	Statement of profit and loss	JPY	0.29	0.03	(0.29)	(0.03)
Payables (trade & others)	Statement of profit and loss	USD	(0.54)	(1.94)	0.54	1.94
	Statement of profit and loss	EURO	(0.08)	(0.18)	0.08	0.18
	Statement of profit and loss	JPY	(6.57)	(10.16)	6.57	10.16
	Statement of profit and loss	SEK	(0.01)	-	0.01	-
Borrowings - others	Statement of profit and loss	USD	(10.10)	(7.16)	10.10	7.16

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

(All amount are in INR lakhs, unless otherwise stated)

(ii) Foreign exchange derivative contracts

The Group 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 Group may keep the exposures unhedged or hedged only as a part of the total exposure. The Group does not enter into a foreign exchange derivative transactions for speculative purposes.

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 2023	Outstanding principal (in Foreign currency) As at 31 March 2022
Forward contracts	Hedge taken for the purpose of hedging its foreign currency exposures in trade payables / trade receivables	USD	6.17	2.95
Forward contracts	Hedge taken for the purpose of hedging its foreign currency exposures in trade payables / trade receivables	JPY	6,030.93	2,290.95
Forward contracts	Hedge taken for the purpose of hedging its foreign currency exposures in trade payables / trade receivables	CHF	0.19	0.09

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 Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with fixed interest rates.

The Group 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 Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. At 31 March 2023, the Group is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Group's investments in Fixed Deposits are all at fixed interest rates.

Interest rate risk exposure

Below is the overall exposure of the Group to interest rate risk:

Particulars	Year end rates	
	As at 31 March 2023	As at 31 March 2022
Variable rate borrowing	2,719.16	2,806.08
Fixed rate borrowing	3,051.84	3,892.80
Total borrowings	**5,771.00**	**6,698.88**

(All amount are in INR lakhs, unless otherwise stated)

Sensitivity

Below is the sensitivity of profit or loss and equity changes in interest rates.

Particulars	As at 31 March 2023	As at 31 March 2022
Interest sensitivity*		
Interest rates – increase by 50 bps basis points	13.60	14.03
Interest rates – decrease by 50 bps basis points	(13.60)	(14.03)

** Holding all other variables constant*

(ii) Assets

The Group'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.

c) Equity Price risk

The Group's equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

49. Capital management

i) The Group'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 Group 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 Group 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 2023	As at 31 March 2022
Total borrowings (includes Non-Current borrowings, current borrowings and current maturities of non current borrowings)	5,771.00	6,698.88
Less : cash and cash equivalent	(4,659.93)	(6,381.44)
Net debt	**1,111.07**	**317.44**
Total equity	70,277.01	63,183.10
Debt ratio	**0.02**	**0.01**

ii) Dividend

Particulars	As at 31 March 2023	As at 31 March 2022
Dividend not recognised at the end of the reporting period:	1,222.40	977.92
Proposed final dividend per share INR 0.50 per share (31 March 2022: INR 0.40 per share)		

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

(All amount are in INR lakhs, unless otherwise stated)

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 Group 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. During the current year, the Board of directors of the Company has approved the scheme of amalgamation between the Company ('Amalgamated Company') and JTEKT Fuji Kiko Automotive India Limited ('Amalgamating Company') with effect from appointed date of 1 April 2022, subject to requisite approvals of shareholders, creditors, National Company Law Tribunal and other relevant statutory or regulatory authorities.

The Company has received approvals from the Securities and Exchange Board of India and Stock Exchanges. Further, the Company has filed application with Hon'ble National Company Law Tribunal for necessary approvals.

52. Material non-adjusting subsequent event

The Board of Directors in its meeting held on 28 March 2023, approved the disposal of a land parcel of one acre situated at Gurugram having carrying value of INR 21.14 lakhs as at 31 March 2023. The transaction was completed subsequent to the year end at a consideration of INR 780 lakhs. Accordingly, the sale transaction has been considered as material subsequent non adjusting event. The carrying value of the land has been transferred to 'Assets held for sale' as at 31 March 2023.

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

Place : Gurugram
Date : 22 May 2023

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

Hitoshi Mogi
Chairman & Managing Director
DIN 08741355

Hiroko Nose
Independent Director
DIN 06389168

Rajiv Chanana
Director & CFO
DIN 02630192

Saurabh Agrawal
Company Secretary
Membership No.: 36163

Place : Gurugram
Date : 22 May 2023

FORM AOC - 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures

Part "A" : Subsidiary

Statement pursuant to section 129 (3) of the Companies Act, 2013 related to subsidiary company

(INR/Lakhs)

1.	Name of the subsidiary	JTEKT Fuji Kiko Automotive India Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.
3.	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiary	N.A.
4.	Equity share capital	1,000.00
5.	Other equity	5,315.99
6.	Total assets	7,925.64
7.	Total liabilities	1,609.65
8.	Investments	-
9.	Revenue from operations	12,977.37
10.	Profit before taxation	1,573.67
11.	Provision for taxation	401.08
12.	Profit after taxation	1,172.59
13.	Other comprehensive income	(4.41)
14.	Total comprehensive income	1,168.18
15.	Proposed dividend (%)	116.80%
16.	% of shareholding	51%

Notes:

(a) There is no subsidiary which is yet to commence operations.

(b) There is no subsidiary which has been liquidated or sold during the year.

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

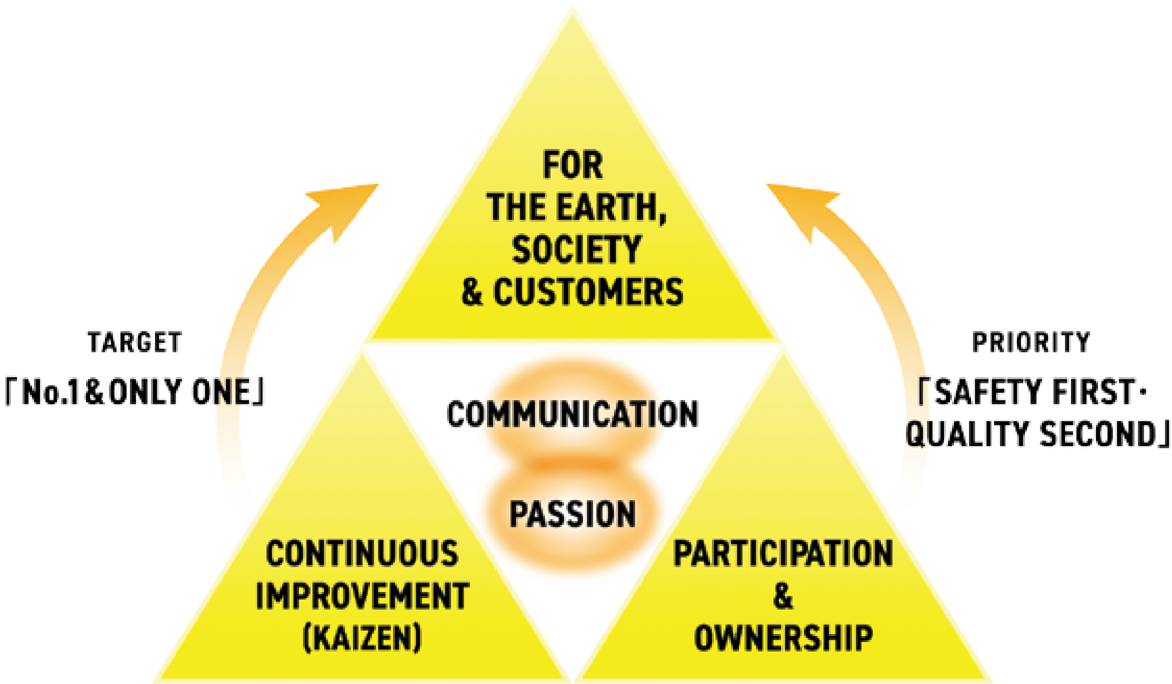
Hitoshi Mogi
Chairman & Managing Director
DIN 08741355

Hiroko Nose
Independent Director
DIN 06389168

Rajiv Chanana
Director & CFO
DIN 02630192

Saurabh Agrawal
Company Secretary
Membership No.: 36163

Place : Gurugram
Date : 22 May 2023



JTEKT BASIC PRINCIPLE

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