JTEKT

JTEKT INDIA LIMITED

1st August, 2022

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 38th Annual General Meeting of the Company and Annual Report 2021-22.

Dear Sir,

We wish to inform you that 38th Annual General Meeting of the Members of the Company will be held on **Friday, the 26th August, 2022 at 10.00 a.m.** through Video Conferencing / Other Audio Visual Means.

In compliance with Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, enclosed please find herewith the Notice of 38th Annual General Meeting and Annual Report for the Financial Year 2021-22 of the Company.

We request you to take the same on record.

Thanking you,

Yours faithfully,
For **JTEKT India Limited**

Ashish Srivastava
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 Thirty Eighth 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 : 26th August, 2022

Time : 10:00 AM (IST)

to transact the following business:

ORDINARY BUSINESS

1) To receive, consider and adopt the audited Standalone and Consolidated Financial Statement for the financial year ended 31st March, 2022, including audited Balance Sheet as at 31st March, 2022, 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) To declare dividend for the financial year ended 31st March, 2022.

3) To appoint a Director in place of Mr. Takumi Matsumoto (DIN 09214828) who retires by rotation and being eligible, offers himself for re-appointment.

4) **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 139, Section 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force) M/s BSR & Co LLP, Chartered Accountants (ICAI registration No. 101248W/W-100022), be and is hereby re-appointed as the Statutory Auditor of the Company, to hold office for a term of five consecutive years from the conclusion of 38th Annual General Meeting till the conclusion of 43rd Annual General Meeting of the Company to be held in the year 2027, at such remuneration, as recommended by the Audit Committee and may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors from time to time."

SPECIAL BUSINESS

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

"**RESOLVED THAT** Mr. Satoshi Komeda (DIN 09607693) 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. Satoshi Komeda (DIN 09607693) as Director (Operations) of the Company for a period of three (3) years with effect from 1st June, 2022.

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. Satoshi Komeda in the capacity of Director (Operations) of the Company during his tenure of 3 (three) years commencing from 1st June, 2022 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."

6) 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. Satoshi Komeda (DIN 09607693) as Director (Operations) of the Company, for a term of 3 (three) years with effect from 1st June, 2022 till 31st May, 2025, as detailed in the explanatory statement annexed hereto and set out in the draft Agreement submitted to this meeting and initialled by the Chairman of the Meeting for the purpose of identification, which Agreement 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. Satoshi Komeda, Director (Operations) 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. Satoshi Komeda, Director (Operations) 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."

7) **To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to provisions of Sections 152, 160 and any other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Regulation 17A, 36 and any other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Taku Sumino (DIN: 09608944), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 1st June, 2022, in terms of Section 161(1) of the Act and Article 97 of the Articles of Association of the Company and whose term of office expires at the Annual General Meeting and in respect of whom the Company has received a notice in writing, under Section 160 of the Act, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, whose period of office shall be liable to determination by retirement of Directors by rotation."

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

"RESOLVED THAT Mr. Rajiv Chanana (DIN 02630192), the Chief Financial Officer of the Company 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. Rajiv Chanana as Director & CFO of the Company for a period of three (3) years with effect from 1st June, 2022.

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. Rajiv Chanana in the capacity of Director & CFO of the Company during his tenure of 3 (three) years commencing from 1st June, 2022 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 authorised 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."

9) **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. Rajiv Chanana as Director & CFO of the Company, for a term of 3 (three) years with effect from 1st June, 2022 till 31st May, 2025, as detailed in the explanatory statement annexed hereto and set out in the draft Agreement submitted to this meeting and initialled by the Chairman of the Meeting for the purpose of identification, which

Agreement 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. Rajiv Chanana, Director & CFO 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. Rajiv Chanana, Director & CFO 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."

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

"**RESOLVED THAT** pursuant to provisions of Sections 149, 150,152 and any other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being inforce) read with Schedule IV to the Act and Regulation 16(b)of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Masahiko Morimoto (DIN 06933969), who was appointed as an Additional Director & Independent Director of the Company by the Board of Directors with effect from 11th November, 2021, in terms of Section 161 of the Act and Article 97 of the Articles of Association of the Company and whose term of office expires at this Annual General Meeting, and in respect of whom the Company has received a notice in writing under Section 160 of the Act, proposing his candidature for the office of an Independent Director not liable to retire by rotation, be and is hereby appointed as an Independent Non-Executive Director of the Company to hold office for a period of five (5) years with effect from 11th November, 2021."

11) **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 Regulation 23 and such other applicable regulations, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the approval of the Members of the Company be and is hereby accorded to enter into or to be entered into the following material related party transactions by the Company for sale / purchase of components / goods and availing / providing of services for the maximum amounts, as mentioned below :

Name of Related Party	**Maximum Amount (INR / Crores) per Annum**
Maruti Suzuki India Limited	3,000*
JTEKT Corporation, Japan	400*
JTEKT Fuji Kiko Automotive India Limited	400*

*(plus applicable taxes in force like GST etc.)

RESOLVED FURTHER THAT the Board of Directors of the Company and/or a Committee thereof, be and are hereby authorized to do or cause to be done all such acts, matters, deeds and things and to settle any questions, difficulties, doubts that may arise with regard to any transaction with the related party and execute or authorize any person(s) to execute all such agreements, documents and writings and to make such filings, as may be necessary, relevant, usual, customary or desirable for the purpose of giving effect to this resolution."

Place : Registered Office:
UGF-6, Indraprakash
21, Barakhamba Road
New Delhi 110 001
Dated : 20th May, 2022

By Order of the Board

Ashish Srivastava
Company Secretary
[Membership No. – A20141]

NOTES:

1) Considering the present Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 2 / 2022 dated May 5, 2022 read together with circulars dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 8, 2021, December 14, 2021, (collectively referred to as "MCA Circulars") permitted convening the Annual General Meeting ("AGM" / "Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without the physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 ('the Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.

2) A 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 2013-14, 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 2015 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 the 13th August, 2022 to Friday the 26th August, 2022 (both days inclusive).

11) Dividend to Shareholders, as recommended by the Directors for the year ended 31st March, 2022, 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 12th August, 2022; 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 12th August, 2022.

   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 0.40 per equity share of INR 1/- each for the year ended 31st March, 2022 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 Friday 2nd September, 2022, 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 April 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) 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 38th Annual General Meeting.

15) 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.

16) 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 no.

    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.

17) 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.

18) Electronic copy of all relevant documents referred to in the accompanying Notice of the 38th 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.

19) During 38th 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 2021-22 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 2021-22 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 will be open, during Saturday, 20th August, 2022 to Monday, 22nd August, 2022. 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 Monday, 22nd August, 2022
- End of remote e-voting : 5:00 p.m. on Thursday, 25th August, 2022

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., Friday, 19th August, 2022 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.

Type of Shareholders	Login Method
	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.
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 of a member whose e-mail address is not registered / updated with the Company / KFinTech / Depository Participant(s), please follow the following steps to generate your login credentials:

i) Members who have not registered their e-mail address and in consequence, the Annual Report and Notice of AGM could not be served, may temporarily get their e-mail address and mobile number provided with the Company's Registrar, by clicking the link https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx. Members are requested to follow the process as guided to capture the e-mail address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any query, member may write to einward.ris@kfintech.com or investorgrievance@jtekt.co.in.

ii) Alternatively, member may send an e-mail request at the email id einward.ris@kfintech.com along with scanned copy of the signed request letter providing the e-mail address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual Report, Notice of AGM and the e-voting instructions.

iii) After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.

III) 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, 19th August, 2022 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 forty-eight hours of the conclusion of the Meeting and the same, along with the consolidated Scrutiniser's Report, will be placed on the website of the Company: www.jtekt.co.in 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

M/s BSR & Co LLP, Chartered Accountants (ICAI registration No. 101248W/W-100022), were appointed as the Statutory Auditors of the Company by the Members at the 33rd Annual General Meeting of the Company held on 22nd August, 2017 for a period of five (5) consecutive years until the conclusion of 38th Annual General Meeting.

Considering the industry experience, quality of audit, independence, technical skills of BSR & Co LLP and based on the recommendation of Audit Committee, the Board of Directors approved their appointment as Statutory Auditors for another term of five (5) consecutive years from the conclusion of 38th Annual General Meeting until the conclusion of the 43rd Annual General Meeting, subject to approval of the Members, on such remuneration as recommended by the Audit Committee and as may be mutually agreed between the Board of Directors and the Statutory Auditors from time to time.

The Statutory Auditors have confirmed their eligibility, submitted the certificate in writing that they are not disqualified to hold the office of the statutory auditor and given their consent for the aforesaid appointment. Further, BSR & Co LLP confirmed that they hold a valid peer review certificate issued by the Institute of Chartered Accountants of India.

None of the Directors or the Key Managerial Personnel and their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

The Board recommends passing of the resolution as set out under Item No. 4 as an ordinary resolution for approval by the Members.

Resolution No. 5 and 6

Keeping in view the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company has appointed Mr. Satoshi Komeda (DIN 09607693) as an Additional Director of the Company effective from 1st June, 2022, 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. Komeda 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. Satoshi Komeda as Director of the Company. Keeping in view of Mr. Komeda'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 20th May, 2022, appointed Mr. Satoshi Komeda, as Director (Operations) of the Company, for a period of three (3) years with effect from 1st June, 2022 to 31st May, 2025, with remuneration, subject to the approval of the shareholders and such other sanction(s) as may be necessary.

Mr. Satoshi Komeda does not hold any Equity Shares of the Company. Mr. Komeda 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. Satoshi Komeda as Director (Operations) 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. Satoshi Komeda are as under:

(I) Mr. Satoshi Komeda as Director (Operations) shall be reporting to the Board of Directors of the Company. As Director (Operations) he 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 Lacs Only) per month.

b) Perquisites

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

ii) Mr. Satoshi Komeda 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. Satoshi Komeda shall also be entitled to reimbursement of salary of a servant. The value of this perquisites shall be restricted to an amount equivalent to INR 7,500/- (Rupees Seven Thousand Five Hundred Only) per month.

iv) Mr. Satoshi Komeda 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).

v) Provision for reimbursement of Club Membership Fees subject to maximum INR 5,200/- per month.

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

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

viii) 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. Satoshi Komeda as the Director (Operations) of the Company, the above remuneration shall be the minimum remuneration payable to Mr. Satoshi Komeda.

III) The appointment is for a period effective from 1st June, 2022 to 31st May, 2025, which may be terminated by either party giving the other party three (3) months' notice.

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

V) The Director (Operations) 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 Director (Operations) 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 Director (Operations) 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 Director (Operations) 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 Steering Systems, Propeller Shafts, Axle Assemblies and other automobile components for its various customers viz. Maruti Suzuki, Suzuki Motor Gujarat, Mahindra & Mahindra, Tata Motors, Honda Cars India, Fiat India PCA, Toyota Kirloskar, 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, 2017	Year ended 31st March, 2018	Year ended 31st March, 2019	Year ended 31st March, 2020	Year ended 31st March, 2021
Gross Income	133107.66	157211.04	178566.74	154189.26	135798.25
Net Profit as per Profit & Loss Account	2358.52	5607.70	6844.37	2528.83	1199.51
Amount of Dividend Paid	993.71	993.82	1955.84	855.68	366.72
Rate of Dividend Declared	50%	50%	80%	35%	15%
Export performance and net foreign exchange	7189.09	9252.77	10524.33	9795.89	5843.79

(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 holds 20.10% stake in the Equity Share Capital of the Company.

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 has 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%.

At present, the JTEKT's shareholding in the Company stands at 69.36%.

II. INFORMATION ABOUT THE APPOINTEE

(1) Background Details: The appointee is a graduate from Osaka Institute of Technology, Japan and has working experience of over three decades.

(2) Past Remuneration : (In previous employment, JTEKT Corporation, Japan) INR 65.14 lakhs Per Annum (approximately).

(3) Recognition or awards: NIL

(4) Job profile and his suitability: The appointee is Director (Operations) 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.

(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 Osaka Institute of Technology, 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, profile of the position etc.

(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, the Financial and Technical Collaborator of the Company, Mr. Satoshi Komeda 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, 2022 to cover the remuneration payable to the Director (Operations).

(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. 5 and 6 of the accompanying notice for approval of the members.

Except Mr. Satoshi Komeda, 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 Director (Operations) effective from 1st June, 2022 to 30th May, 2025.

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. Satoshi Komeda 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 resolution is accordingly recommended for members' approval.

Resolution No. 7

Keeping in view the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company has appointed Mr. Taku Sumino (DIN 09608944) as an Additional Director of the Company effective from 1st June, 2022 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, as an Additional Director, Mr. Taku Sumino holds office of Director only up to the date of ensuing Annual General Meeting of the Company and is eligible for being appointed as Director.

As required by Section 160 of the Companies Act, 2013, a notice has been received proposing the appointment of Mr. Taku Sumino as Director of the Company. Keeping in view of Mr. Taku Sumino's rich experience and knowledge, the Board considers it desirable that the Company should avail the benefits of his expertise.

Mr. Taku Sumino does not hold any Equity Shares of the Company. Mr. Taku Sumino is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as Director.

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 appointment set out at Item no. 7 of the accompanying notice for approval of the members.

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. Taku Sumino 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 resolution is accordingly recommended for members' approval.

Resolution No. 8 and 9

Keeping in view the recommendations of the Nomination and Remuneration Committee and also as part of its drive to inculcate professionalism in management of business, the Board of Directors in their meeting held on 20th May, 2022 co-opted Mr. Rajiv Chanana, Chief Financial Officer, on the Board of the Company as an Additional Director effective from 1st June, 2022, 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. Rajiv Chanana 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. Rajiv Chanana as Director of the

Company. Keeping in view of Mr. Chanana'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 20th May, 2022, appointed Mr. Rajiv Chanana, as Director & CFO of the Company, for a period of three (3) years with effect from 1st June, 2022 to 31st May, 2025, with remuneration, subject to the approval of the shareholders and such other sanction(s) as may be necessary.

Mr. Rajiv Chanana holds 3000 nos. of Equity Shares of INR 1/- each of the Company. Mr. Chanana 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. Rajiv Chanana as Director & CFO of the Company 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. Rajiv Chanana are as under:

(I) Mr. Rajiv Chanana as Director & CFO shall be reporting to the Board of Directors of the Company as per the organization structure approved by the Board of Directors from time to time and he shall also perform such other duties and services as shall from time to time be entrusted to him by the Board of Directors and/or the Chairman & Managing Director of the Company

(II) Remuneration

a) Salary

INR 4,42,000/- (Rupees Four Lacs Forty Two Thousand Only) per month.

b) Perquisites

i) In addition to the above remuneration, Mr. Rajiv Chanana, Director & CFO of the Company shall be entitled to furnished accommodation (including gas, electricity, water etc.) or House Rent Allowance. The value of this perquisite shall be restricted to an amount equivalent to 60% of the basic salary per month.

ii) Mr. Rajiv Chanana, Director & CFO shall also be entitled to perquisites like Medical reimbursement, Leave Travel Concession for self and family. The value of these perquisites shall be restricted to an amount equivalent to INR 7,250/- (Rupees Seven Thousand Two Hundred Fifty only) per month.

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

iii) Provision for use of chauffeur driven Company Car for official duties (running and maintenance thereof by the Company) and telephone(s) at residence (including payment of local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling of perquisites. In case, the Company Car is not provided, then a Car allowance of INR 50,000/- (Rupees Fifty Thousand only) per month shall be provided along with Chauffer and conveyance as per Company's Policy.

iv) Company's contribution to Provident Fund and National Pension Scheme Fund as per Company's Policy.

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

vi) Encashment of leave as per Company's policy.

III) Annual Bonus

In addition to the above salary and perquisites, Mr. Rajiv Chanana shall be entitled to annual bonus as may be decided by the Board of Directors of the Company based upon the financial results of the Company for the relevant year subject to a maximum of INR 9,00, 000/-.

In the absence or inadequacy of profits in any financial year during the currency of the tenure of Mr. Rajiv Chanana as Director & CFO of the Company, the above remuneration shall be the minimum remuneration payable to Mr. Rajiv Chanana.

IV) The appointment is effective from 1st June, 2022 till 31st May, 2025, which may be terminated by either party giving the other party three months' notice.

V) The appointment of the Director & CFO shall be liable to retire by rotation.

VI) The Director & CFO shall not be entitled to supplement his earnings under the Agreement with any buying or selling commission.

VII) The Director & CFO 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 Director & CFO shall not take up any other employment / assignment and further shall not draw any remuneration, commission, fees etc. from any other source, whether in India or abroad.

VIII) The terms and conditions of the said appointment and / or Agreement(s) 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 Director & CFO 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 Steering Systems, Propeller Shafts, Axle Assemblies and other automobile components for its various customers viz. Maruti Suzuki, Suzuki Motor Gujarat, Mahindra & Mahindra, Tata Motors, Honda Cars India, Fiat India PCA, Toyota Kirloskar, 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, 2017	Year ended 31st March, 2018	Year ended 31st March, 2019	Year ended 31st March, 2020	Year ended 31st March, 2021
Gross Income	133107.66	157211.04	178566.74	154189.26	135798.25
Net Profit as per Profit & Loss Account	2358.52	5607.70	6844.37	2528.83	1199.51
Amount of Dividend Paid	993.71	993.82	1955.84	855.68	366.72
Rate of Dividend					
Declared	50%	50%	80%	35%	15%
Export performance and net foreign exchange	7189.09	9252.77	10524.33	9795.89	5843.79

(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 holds 20.10% stake in the Equity Share Capital of the Company.

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 has 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%.

At present, the JTEKT's shareholding in the Company stands at 69.36%.

II. INFORMATION ABOUT THE APPOINTEE

(1) Background Details: The appointee is a graduate from Shri Ram College of Commerce and is a Fellow Member of the Institute of Chartered Accountants of India. He has experience of over 30 years in various Corporates disciplines.

(2) Past Remuneration : Mr. Rajiv Chanana, being Chief Financial Officer of JTEKT India Limited, has drawn the remuneration amounting to INR 95.55 lakhs during the financial year 2021-22.

(3) Recognition or awards: NIL

(4) Job profile and his suitability: The appointee is the Director & CFO of the Company and shall be reporting to the Board of Directors of the Company as per the organization structure approved by the Board of Directors from time to time and he shall also perform such other duties and services as shall from time to time be entrusted to him by the Board of Directors and/or the Chairman & Managing Director of the Company. Keeping in view of his experience and knowledge, he is best suited for the position.

(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 graduate from Shri Ram College of Commerce and is a Fellow Member of the Institute of Chartered Accountants of India and has working experience of over three decades. 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, profile of the position etc.

(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, Mr. Rajiv Chanana 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, 2022 to cover the remuneration payable to the Director & CFO.

(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. 8 and 9 of the accompanying notice for approval of the members.

Except Mr. Rajiv Chanana, being the appointee and shareholder, none of the Directors and/or Key Managerial Personnel of the Company and their relatives is in any way, concerned or interested financially or otherwise in the resolution pertaining to his appointment as Director & CFO effective from 1st June, 2022 to 31st May, 2025.

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. Rajiv Chanana 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 resolution is accordingly recommended for members' approval.

Resolution No. 10

Keeping in view the recommendations of the Nomination & Remuneration Committee, the Board of Directors of the Company, in its meeting held on 11th November, 2021, has appointed Mr. Masahiko Morimoto (DIN 06933969) as an Additional Director w.e.f. 11th November, 2021 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. Morimoto holds office till the date of the ensuing Annual General Meeting and is eligible for being appointed as an Independent Director. The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 (the 'Act') from a Member signifying his intention to propose the appointment of Mr. Masahiko Morimoto as a Director of the Company. The Company has also received a declaration from Mr. Morimoto 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. Masahiko Morimoto 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. Morimoto 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. Masahiko Morimoto does not hold by himself or for any other person on a beneficial basis, any shares in the Company. Mr. Masahiko Morimoto is not related to any other Director and Key Managerial Personnel of the Company.

A copy of the draft letter of appointment for Independent Directors, setting out the terms and conditions for appointment of Independent Directors is available for inspection by the Members at the registered office of the Company during business hours on any working day.

The Board considers that his association would be of immense benefit to the Company and it is desirable to appoint Mr. Masahiko Morimoto as an Independent Non-Executive Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Masahiko Morimoto as an Independent Non-Executive Director for a period of five (5) years with effect from 11th November, 2021, for the approval by the members of the Company.

Except Mr. Masahiko Morimoto, 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. 10 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.

The resolution is accordingly recommended for members' approval.

Resolution No. 11

In terms of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended vide SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021, effective 1st April, 2022, states that all material related party transaction ('RPT') with an aggregate value exceeding INR1,000 crore or 10% of annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower, shall require approval of shareholders by means of an ordinary resolution, even if such transactions are in the ordinary course of business of the concerned company and at an arm's length basis.

The shareholders of the Company in the Annual General Meeting held on 9th August, 2019 had earlier approved the Material Transactions with the following related parties for sale / purchase of components / goods and availing / providing of services :

- Maruti Suzuki India Limited for the maximum amount up to INR 2,000 crores per annum *(plus applicable taxes in force like GST etc.)*
- JTEKT Corporation, Japan for the maximum amount up to INR 400 crores per annum *(plus applicable taxes in force like GST etc.)*
- JTEKT Fuji Kiko Automotive India Limited for the maximum amount up to INR 400 crores per annum *(plus applicable taxes in force like GST etc.)*

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 enhanced limits as stated in the relevant resolution.

The management has provided the Audit Committee with the details of the proposed related party transactions including material terms and basis of pricing. The Audit Committee, after reviewing all necessary information, has granted approval for entering into the above-mentioned related party transactions. The Committee has noted that the said transactions will be on an arms' length basis and in the ordinary course of business of the Company.

In order to comply with the requirements of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company proposes the members to approve the material related party transactions, as stated in the relevant resolution, the details of which are mentioned below:

Sl.No.	Particulars		Details		
1.	Type, material terms and particulars of the proposed transaction.	:	Sale of Steering Systems and components thereof, Reimbursement of expenses payable, cash discount, interest income, tooling cost recovery	Import of component, Royalty, Technical Support, Reimbursement of Expenses Paid / Received; Purchase of capital goods/ Machines and Sale of Samples / Components.	Sales, Purchase of goods, sharing of expenses, reimbursement of expenses payable, testing samples rejections.
2.	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 holding 5.64% of equity shares in the capital of the Company. MSIL is a major customer contributing approx. 71.8% to the revenue of the Company for FY 2021-22.	JTEKT Corporation, Japan ('JTEKT') JTEKT is Technical and Financial Collaborator of the Company and is also the holding company of your Company. JTEKT currently holds 69.36% of equity shares in the capital of the Company.	JTEKT Fuji Kiko Automotive India Limited ('JFIN') JFIN is a subsidiary company which has been promoted by your Company in Technical and Financial Collaboration with Fuji Kiko Co. Ltd. for the manufacturing of steering column; intermediate shaft and other automotive components. Your Company currently holds 51% of equity shares in the capital of JFIN.
3.	Tenure of the proposed transaction (particular tenure shall be specified).	:	Recurring nature - It is a long term ongoing agreement unless terminated by the parties otherwise. Proposing revision in monetary limit from INR 2000 crores to INR 3000 crores from FY 2022-23 onwards till the time there is need to increase this limit.	Recurring nature – The company has executed long term arrangements unless terminated by the parties otherwise. The monetary limit is proposed to be maintained at already approved level of INR 400 Crores.	Recurring nature - It is a long term ongoing agreement unless terminated by the parties otherwise. The monetary limit is proposed to be maintained at already approved level of INR 400 Crores.

Sl.No.	Particulars		Details		
4.	Value of the proposed transaction.	:	INR 3000 crores per annum plus applicable taxes in force	INR 400 crores per annum plus applicable taxes in force	INR 400 crores per annum plus applicable taxes in force
5.	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 1157 crores executed between the Company and MSIL during FY 2021-22 accounted for 72.4% of the Consolidated Turnover of INR 1599.02 crores for FY 2021-22 of the Company. The proposed limit of INR 3000 crores is based on mid-term business plans and after considering expected growth in Company's business with MSIL. The said proposed limit of INR 3000 crores is 187.6% of the Consolidated Turnover of INR 1599.02 crores for FY 2021-22 of the Company.	The value of related party transactions of INR 150.26 crores executed between the Company and JTEKT during FY 2021-22 accounted for 9.4% of the Consolidated Turnover of INR 1599.02 crores for FY 2021-22 of the Company. The proposed limit of INR 400 crores is based on mid-term business plan and after considering expected growth in Company's business with JTEKT. The said proposed limit of INR 400 crores is 25% of the Consolidated Turnover of INR 1599.02 crores for FY 2021-22 of the Company.	The value of related party transactions of INR 156.87 crores executed between the Company and JFIN during FY 2021-22 accounted for 9.81% of the Consolidated Turnover of INR 1599.02 crores for FY 2021-22 of the Company. The proposed limit of INR 400 crores is based on mid-term business plan and after considering expected growth in Company's business with JFIN. The said proposed limit of INR 400 crores is 25% of the Consolidated Turnover of INR 1599.02 crores for FY 2021-22 of the Company and 397.65% of the Standalone Turnover of INR 100.59 crores for FY 2021-22 of JFIN. The said transaction(s) include supply of components by JFIN, which are manufactured by using certain parts manufactured by the Company.
6.	If the transaction relates to any loans, intercorporate deposits, advances or investments made or given by the listed entity or its subsidiary: i) details of the source of funds in connection with the proposed transaction; ii) where any financial indebtedness is incurred to make or give loans, intercorporate deposits, advances or investments, • nature of indebtedness; • cost of funds; and • tenure; iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and iv) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.	:	Not Applicable		

Sl.No.	Particulars		Details		
7.	Justification as to why the RPT is in the interest of the listed entity.	:	Arrangement is commercially beneficial.	Arrangement is commercially beneficial.	Arrangement is commercially beneficial.
8.	A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders.	:	Not Applicable		
9.	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 3000 crores is equivalent to 3.58% of the consolidated turnover of MSIL for FY 2021-22.	Proposed limit of INR 400 crores is equivalent to 0.49% of the consolidated turnover of JTEKT for FY 2021-22.	Proposed limit of INR 400 crores is equivalent to 397.65% of the standalone turnover of INR 100.59 crores of JFIN for FY 2021-22.
10.	Any other information that may be relevant.	:	All important information forms part of the statement setting out material facts pursuant to Section 102(1) of the Companies Act, 2013 which has been mentioned in the foregoing paragraphs.		

Members may note that in terms of the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the related parties as defined thereunder (whether such related party(ies) is a party to the aforesaid transaction or not) shall not vote to approve resolution under Item No. 11.

Name of the Directors / Key Managerial Personnel who is related, if any: Except to the extent of their shareholding interest, if any, none of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, "financially or otherwise", in this resolution except:

- Mr. Hitoshi Mogi, Chairman & Managing Director, to the extent being representative of JTEKT Corporation, Japan and Nominee Director of JTEKT India Limited on the Board of JTEKT Fuji Kiko Automotive India Limited.
- Mr. Sudhir Chopra, Executive Vice Chairman, to the extent being Nominee Director of JTEKT India Limited on the Board of JTEKT Fuji Kiko Automotive India Limited.
- Mr. Takumi Matsumoto, Director, to the extent being representative of JTEKT Corporation, Japan.
- Mr. Toshiya Miki, Director, to the extent being Nominated by MSIL on the Board of the Company.

The resolution is accordingly recommended for members' approval.

By Order of the Board

Place : Registered Office:
UGF-6, Indraprakash
21, Barakhamba Road
New Delhi 110 001
Dated : 20th May, 2022

Ashish Srivastava
Company Secretary
[Membership No. – A20141]

DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT

General information as per Secretarial Standards 2 and Regulation 36 of SEBI(LODR) 2015 regarding Mr. Takumi Matsumoto (Item No. 3)

(a)	Brief resume of the director	Mr. Takumi Matsumoto (DIN 09214828), aged 60 years, is a Japanese national who after completing his Masters from Kobe University in year 1986, joined Drive Train Division of Toyota Motor Corporation. In the year 2010, he was transferred to Hybrid and Electric Division of Toyota Motor Corporation. In the year 2015, Mr. Matsumoto joined JTEKT Corporation as Managing Officer. During the same year, he was elevated to the position of Executive Managing Officer and was given the responsibility as Chief of Driveline System Business Unit. In the year 2016, he was appointed as one of the Board Members of JTEKT Corporation in the capacity of Executive Director. Presently Mr. Takumi Matsumoto is associated with JTEKT Corporation as a Board Member (Senior Executive Officer) with the responsibility as Chief of Automotive Business Unit and Research and Development Centre.
(b)	Nature of his expertise in specific functional areas	Mr. Takumi Matsumoto is a professional having working experience in various fields of over three decades.
(c)	Disclosure of relationships between directors and key managerial personnel inter-se	Except Mr. Takumi Matsumoto, being the appointee, Mr. Satoshi Komeda and Mr. Hitoshi Mogi, 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. Takumi Matsumoto 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. Takumi Matsumoto does not hold any Equity Shares in the Share Capital of the Company.
(f)	Terms and conditions of appointment or re-appointment	The Board of Directors of the Company, keeping in view the recommendations of the Nomination & Remuneration Committee, had appointed Mr. Takumi Matsumoto as an Additional Director of the Company effective from 1st July, 2021 and the same was approved by the shareholder of the Company in the 37th Annual General Meeting. Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Takumi Matsumoto's office is liable to determination by retirement of directors by rotation and being eligible, offers himself for re-appointment. Subject to proposed re-appointment, Mr. Takumi Matsumoto shall continue to be appointed as Non-Executive Director of the Company.
(g)	The number of Meetings of the Board attended during the year	Since Mr. Takumi Matsumoto was appointed effective from 1st July, 2021, therefore, as per his entitlement he has attended all the three Board Meetings during FY 2021-22.
(h)	Membership / Chairmanship of Committees of other Boards	Mr. Takumi Matsumoto is not a member of any of the Committees of other Boards.

General information as per Secretarial Standards 2 and Regulation 36 of SEBI(LODR) 2015 regarding Mr. Satoshi Komeda (Item No. 5 and 6)

(a)	Brief resume of the director	Mr. Satoshi Komeda (DIN 09607693) is a 57 years old Japanese national, who after completing his Graduation in 1988 from Osaka Institute of Technology, joined P.E. Department of JTEKT Corporation (earlier known as Koyo Seiko Co., Ltd.). After a decade of working experience, Mr. Komeda was deputed in Societe De Mecanique D'irigny S.A., France,. In the year 2006, Mr. Komeda was assigned the responsibilities of Koyo Steering Systems, Czech Republic. During the period from 2012 to 2018, Mr. Komeda served for various other Companies of JTEKT Group situated in Japan, Mexico and North America. At present, Mr. Komeda is associated with JTEKT Corporation, Japan as Senior General Manager.
(b)	Nature of his expertise in specific functional areas	Mr. Komeda has the vast experience in the field of factory engineering and manufacturing operations.
(c)	Disclosure of relationships between directors and key managerial personnel inter-se	Except Mr. Satoshi Komeda, 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. Satoshi Komeda 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. Satoshi Komeda 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. Satoshi Komeda as an Additional Director in the capacity of Director (Operations), with remuneration, of the Company, for a period of three years effective from 1st June, 2022 to 31st May, 2025. The detailed terms and conditions of appointment of Mr. Satoshi Komeda are given in the explanatory statement of the proposed resolution number 5 and 6 of 38th Annual General Meeting Notice attached hereto. Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Satoshi Komeda'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	Since Mr. Satoshi Komeda was appointed as an Additional Director, in the capacity of Director (Operations) effective from 1st June, 2022, therefore, he was not entitled to attend any meeting of the Board of Directors of the Company held in FY 2021-22.
(h)	Membership/Chairmanship of Committees of other Boards.	Mr. Satoshi Komeda is not a member of any of the Committees of other Boards.

General information as per Secretarial Standards 2 and Regulation 36 of SEBI(LODR) 2015 regarding Mr. Taku Sumino (Item No. 7)

(a)	Brief resume of the director	Mr. Taku Sumino (DIN 09608944) is a 50 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 MSIL as Executive Officer (QA).
(b)	Nature of his expertise in specific functional areas	Mr. Taku Sumino has the vast experience in the field of Engineering Quality and Quality Design & Assurance.
(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 Director who shall not be entitled to the remuneration except sitting fee. 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	Since Mr. Taku Sumino was appointed as an Additional Director effective from 1st June, 2022, therefore, he was not entitled to attend any meeting of the Board of Directors of the Company held in FY 2021-22.
(h)	Membership/Chairmanship of Committees of other Boards.	Mr. Taku Sumino is not a member of any of the Committees of other Boards.

General information as per Secretarial Standards 2 and Regulation 36 of SEBI(LODR) 2015 regarding Mr. Rajiv Chanana (Item No. 8 and 9)

(a)	Brief resume of the director	Mr. Rajiv Chanana (DIN 02630192), aged 56 years, is a Graduate from Shri Ram College of Commerce and is a Fellow Member of the Institute of Chartered Accountants of India. He has experience of over 30 years in various Corporates disciplines. In the past, he has worked with prestigious companies namely, Shri Ram Industrial Enterprises Ltd. (part of DCM Group), Indo Rama Synthetics India Limited and Deutsche Postbank Home Finance Limited. Mr. Rajiv Chanana joined the Company in the year 2009 as Chief Financial Officer and rose to the level of Senior Vice President.
(b)	Nature of his expertise in specific functional areas	Mr. Rajiv Chanana has cross cultural experience in the areas of Finance, M&A, Fund (Treasury) Management, Capital / Money Market operations, ALM Risk Management, Accounts, Budgeting, Cost Control / Cost Management, Direct / Indirect Taxation, Compliances management, ERP-SAP System Implementation and MIS Development in diversified sectors such as manufacturing & financial services.
(c)	Disclosure of relationships between directors and key managerial personnel inter-se	Except Mr. Rajiv Chanana, being the appointee and shareholder, none of the Directors and/or Key Managerial Personnel of the Company and their relatives is in any way, concerned or interested financially or otherwise in the resolution pertaining to his appointment.
(d)	Names of listed entities in which the person also holds the directorship and the membership of Committees of the Board	Mr. Rajiv Chanana does not hold the directorship and membership of the Committees of the Board of Directors in any other listed company in India.
(e)	Shareholding of director in company.	Mr. Rajiv Chanana holds 3000 Equity Shares of INR 1/- each in the Share Capital 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. Rajiv Chanana as an Additional Director in the capacity of Director & CFO, with remuneration, of the Company, for a period of three years effective from 1st June, 2022 to 31st May, 2025. The detailed terms and conditions of appointment of Mr. Rajiv Chanana are given in the explanatory statement of the proposed resolution number 8 and 9 of 38th Annual General Meeting Notice attached hereto. Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Rajiv Chanana's office is liable to determination by retirement of directors by rotation.
(g)	The number of Meetings of the Board attended during the year	Since Mr. Rajiv Chanana was appointed as an Additional Director in the capacity of Director & CFO effective from 1st June, 2022, therefore, he was not entitled to attend any meeting of the Board of Directors of the Company held in FY 2021-22.
(h)	Membership/Chairmanship of Committees of other Boards.	Mr. Rajiv Chanana is not a member of any of the Committees of other Boards during the financial year 2021-22.

General information as per Secretarial Standards 2 and Regulation 36 of SEBI(LODR) 2015 regarding Mr. Masahiko Morimoto (Item No. 10)

(a)	Brief resume of the director	Mr. Masahiko Morimoto (DIN 06933969), aged 50 years, is a law graduate from Kyoto University, Japan and Konan University Law School, Japan (Honor & Juris Doctor) and also was admitted to the Bar Council in Japan in 2019. After studying at National University of Singapore Extension (English Language Program) in Singapore, came to India to provide business consultancy services to Japanese companies located in India.
(b)	Nature of his expertise in specific functional areas	Mr. Masahiko Morimoto is a professional having working experience in the field of business consultancy.
(c)	Disclosure of relationships between directors and key managerial personnel inter-se	Except Mr. Masahiko Morimoto, 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. Masahiko Morimoto 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. Masahiko Morimoto 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. Masahiko Morimoto as an Additional Director in the capacity of an Independent Director of the Company effective from 11th November, 2021. Mr. Masahiko Morimoto shall not be liable to retire by rotation.
(g)	The number of Meetings of the Board attended during the year	Since Mr. Masahiko Morimoto was appointed effective from 11th November, 2021, therefore, he was entitled to attend only two Board Meetings during FY 2021-22, out of which he has attend one Board Meeting.
(h)	Membership / Chairmanship of Committees of other Boards	Mr. Masahiko Morimoto is not a member of any of the Committees of any other Board.

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

In accordance with the provisions of the Income Tax Act, 1961 ('the Act') as amended by and read with the provisions of the Finance Act, 2020, with effect from April 1, 2020, dividend declared and paid by the Company is taxable in the hands of the shareholders. The Company is required to deduct tax at source ('TDS') from dividend to be paid to the shareholders at the applicable rates.

Details that should be completed and/or updated, as applicable

All Members are requested to ensure that the below details are completed and/or updated, as applicable, in their respective demat account/s maintained with the Depository Participant/s; or in case of shares held in physical form, with the Company, by 12th August, 2022. Please note that these details as available on Book Closure Date in the Register of Members/Register of Beneficial Ownership will be relied upon by the Company, for the purpose of complying with the applicable TDS provisions:

1. Valid Permanent Account Number
2. Residential status as per the Act i.e. Resident or Non-Resident for FY 2022-23
3. Category of the Member
4. Email Address
5. Address

Members are requested to take note of the TDS rates and documents, if any, required to be submitted to the Company by **12th August, 2022** for their respective category, in order to comply with the applicable TDS provisions.

A) <u>For Resident Shareholders</u>

1. Where, the Permanent Account Number ('PAN') is available and is valid,
   a) Tax shall be deducted at source in accordance with the provisions of the Income Tax Act, 1961 at 10% on the amount of dividend payable.
   b) No tax shall be deducted in case of a resident individual shareholder, if:
      i) the amount of such dividend in aggregate paid or likely to be paid during the relevant financial year does not exceed **INR 5,000**; OR
      ii) the eligible shareholder provides Self-attested copy of PAN, duly signed Form 15G or Form 15H (as applicable) provided that all the prescribed eligibility conditions are met.
2. Where the PAN is either not available or is invalid, tax shall be deducted at the prescribed rate or 20%, whichever is higher.
3. As per Section 206AB of the Income Tax Act, TDS is required to be deducted at twice the applicable rates, if Income Tax Return is not filed by the resident members for preceding financial year, for which the time limit for filing has expired. In this regard, the Company would rely on Compliance Check Utility made available by Central Board of Direct Taxes.
4. In order to provide exemption from withholding of tax, the following categories of shareholders must provide a self-declaration and supporting documents as listed below:
   a) **Insurance companies:** A declaration that they are beneficial owners of shares held; self-declaration and self-attested copy of valid IRDA registration certificate needs to be submitted;
   b) **Mutual Funds:** A declaration that they are governed by the provisions of section 10(23D) of the Act. Self-declaration and self-attested copy of valid SEBI registration certificate needs to be submitted;
   c) **Alternative Investment Fund (AIF) established in India:** A declaration that their income is exempt under section 10(23FBA) of the Act and they are established as Category I or Category II AIF under the SEBI regulations along with self-attested copy of the valid SEBI registration.
5. TDS is required to be deducted at the rate prescribed in the lower tax withholding certificate issued u/s 197 of the Act, if such valid certificate is provided.

B) <u>For Non-Resident Shareholders</u>

1. Tax is required to be deducted in accordance with the provisions of the Income Tax Act, 1961 at applicable rates in force. As per relevant provisions, tax shall be deducted at the rate of 20% (plus applicable surcharge and cess) on the amount of dividend payable.
2. Tax shall be deducted at source @ 20% (plus applicable surcharge and cess) on dividend paid to Foreign Institutional Investors ('FII') and Foreign Portfolio Investors ('FPI').
3. As per the provisions of the Income Tax Act, 1961, the non-resident shareholder may have an option to be governed by the provisions of the Double Tax Avoidance Agreement ('DTAA') between India and the country of tax residence of the shareholder, if such DTAA provisions are more beneficial to them. To avail the DTAA benefits, the non-resident shareholder shall furnish the following documents:

a) Self-attested copy of PAN, if allotted by the Indian Income Tax Authorities;

b) Self-attested Tax Residency Certificate (TRC) for Financial Year 2022-23 issued by the tax authorities of the country of which shareholder is a resident, evidencing and certifying shareholder's tax residency status during the Financial Year 2022-23;

c) Completed and duly signed Self-Declaration in Form 10F.

d) Self-declaration in the prescribed format, certifying the following points:

i) Shareholder is and will continue to remain a tax resident of the country of its residence during the Financial Year 2022-23;

ii) Shareholder is eligible to claim the beneficial DTAA rate for the purposes of tax withholding on dividend declared by the Company;

iii) Shareholder has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner;

iv) Shareholder is the ultimate beneficial owner of its shareholding in the Company and dividend receivable from the Company; and

v) Shareholder does not have a taxable presence or a permanent establishment in India during the Financial Year 2022-23.

e) A lower/ nil tax deduction certificate, if any, obtained by the shareholder from the Indian income tax authorities subject to the provisions of the applicable DTAA.

C) <u>Other General information for the Members</u>

1) For all self-attested documents, Members must mention on the document "certified true copy of the original". For all documents being sent / accepted by email, the Member undertakes to send the original document/s on the request by the Company.

2) In case, the dividend income is assessable to tax in the hands of a person other than the registered Member as on the Book Closure Date, the registered Member is required to furnish a declaration containing the name, address, PAN of the person to whom TDS credit is to be given and reasons for giving credit to such person.

3) Application of TDS rate is subject to necessary due diligence and verification by the Company of the shareholder details as available in register of Members on the Book Closure Date, documents, information available in public domain, etc. In case of ambiguous, incomplete or conflicting information, or the valid information/documents not being provided, the Company will arrange to deduct tax at the maximum applicable rate.

4) The Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction/withholding on dividend amounts. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by Non-Resident Shareholder.

5) In case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details/ documents from shareholders, option is available to file the return of income as per Income Tax Act, 1961 and claim an appropriate refund, if eligible.

6) In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided / to be provided by the Member/s, such Member/s will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any appellate proceedings.

7) The Forms 15G/15H/10F for tax exemption can be downloaded from the Company's website (Investor Section).

8) The documents (duly completed and signed – carrying Complete name, address, folio/DP Id, PAN, financial year etc.) are required to be mailed at investorgrievance@jtekt.co.in and original should be sent at the registered office address of the Company.

9) **Please note that duly completed and signed documents needs to be submitted on or before Friday, 12th August, 2022** in order to enable the Company to determine and deduct appropriate TDS / Withholding Tax. Incomplete and/ or unsigned forms and declarations will not be considered by the Company. **No communication on the tax determination/ deduction shall be considered after Friday, 12th August, 2022**.

Disclaimer: This Communication shall not be treated as an advice from the Company or its employees or its affiliates. Shareholders should obtain tax advice related to their tax matters from a tax professional.

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

FORMAT FOR DECLARATION FOR CLAIMING BENEFITS UNDER DTAA

Date: ....

JTEKT INDIA LIMITED
UGF-6, Indraprakash Building,
21, Barakhamba Road,
New Delhi - 110001

Subject: Declaration for eligibility to claim benefit under Agreement For Avoidance Of Double Taxation between Government of India and Government of .... <mention country of tax residency> ("DTAA"), as modified by Multilateral Instrument ("MLI"), if applicable

With reference to above, I/We wish to declare as below

1) I / We, ... <full name of the shareholder>, having permanent account number (PAN) under the Indian Income Tax Act, ... <mention PAN>, and holding .... <mention number of shares held> number of shares of the Company under demat account number/ folio number .... as on the record date, am/ are a tax resident of .... <country name> in terms of Article 4 of the DTAA as modified by MLI (if applicable) and do not qualify as a 'resident' of India under section 6 of the Indian Income-tax Act, 1961 ("the IT Act"). A copy of the valid tax residency certificate for .... <period>, which is valid as on the Record Date, is attached herewith.

2) I/We am/are eligible to be governed by the provisions of the DTAA as modified by MLI (if applicable), in respect of the dividend income and meet all the necessary conditions to claim treaty rate.

3) I/We am/are the legal and beneficial owner of the dividend income to be received from the Company.

4) I/We do not have a Permanent Establishment ("PE") in India in terms of Article 5 of the DTAA as modified by MLI (if applicable) or a fixed base in India and the amounts paid/payable to us, in any case, are not attributable to the PE or fixed base, if any, which may have got constituted otherwise.

5) I/We do not have a PE in a third country and the amounts paid/payable to us, in any case, are not attributable to a PE in third jurisdiction, if any, which may have got constituted otherwise.

6) I/We do not have a Business Connection in India according to the provision of section 9(1)(i) of the IT Act and the amounts paid/ payable to us, in any case, are not attributable to business operations, if any, carried out in India.

7) I/We confirm that my affairs/affairs of .... <full name of the shareholder> were arranged such that the main purpose or the principal purpose thereof was not to obtain tax benefits available under the applicable tax treaty.

8) Further, our claim for relief under the tax treaty is not restricted by application of Limitation of Benefit clause, if any, thereunder.

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>

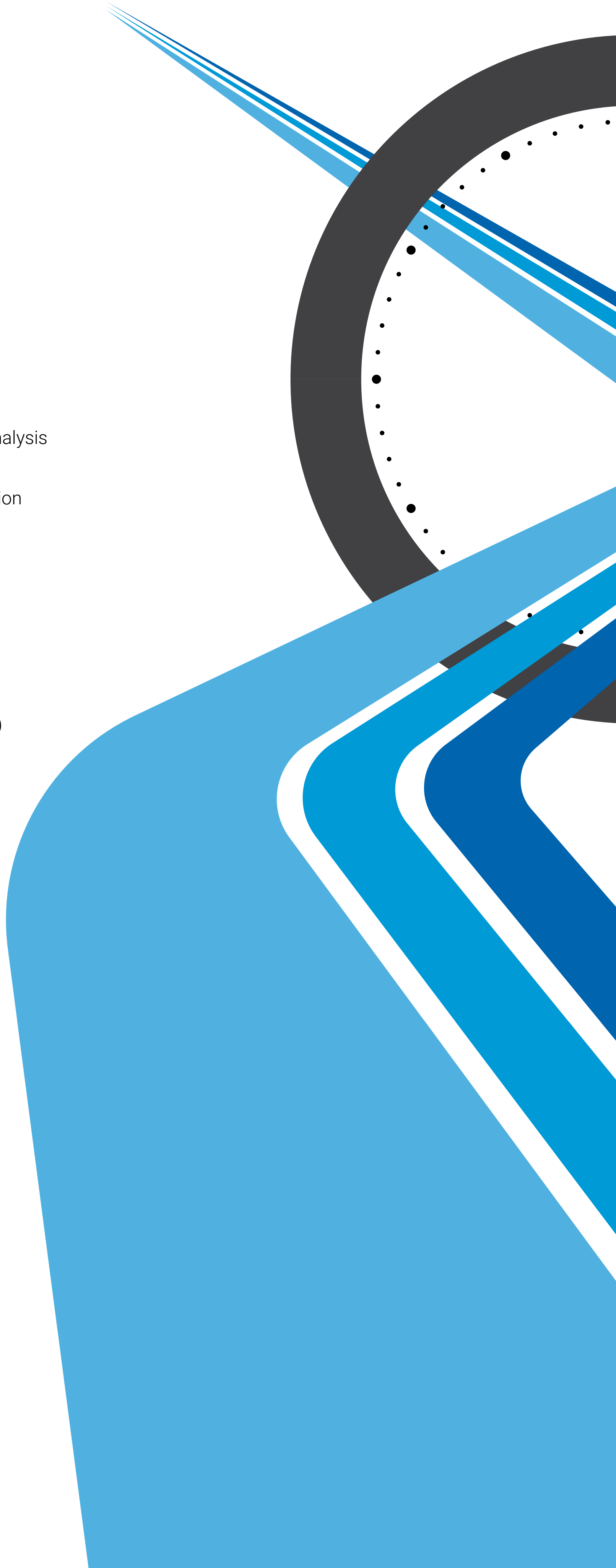
Rubber Stamp

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

Future Ready

JTEKT India Limited
Annual Report 2021-2022

CONTENTS



Corporate Overview

Management Reports

Financial Statements

The Graphic symbolizes the Company's efforts towards being future ready and being ahead of time. It shows pace, agility, swiftness and a keen motivation to stay on track to achieve its goal

FUTURE-READY

Being future-ready is to walk on the path of growth full of great prospects and amplifying skills and capabilities that act as a propellant for future progress. It does not only prepare us for the coming challenges but also makes us fortify our position in the future competitive environment. A future-ready company identifies and diligently invests in the growth and technical know-how that does not only keep it relevant with the changing market dynamics but also helps it acknowledge the importance of investment in value creation in a much more tangible manner. The instinctive zeal towards growth and development are key and we, at JTEKT India, have exhibited our commitment to our Group's vision of 'Shaping a Better Future' through the spirit of 'No 1 & Only One'.

Taking a leaf out of the book of our philosophy that put focus on contributing to the happiness of people and the abundance of society through product manufacturing that wins the trust of society, we have succeeded in creating a reliable and trustful brand.

Besides, our pledge to serve the automotive sector with integrity and passion can be seen in our manufacturing precision and excellence in the product line. Our affinity to ethics like trust, agility and responsibility has helped us serve our stakeholders – customers, employees, suppliers, regulators and shareholders with integrity.

With the purpose to make our organisation future-ready, we have heavily invested in cost optimisation, building and further fortifying our operational excellence, product innovation and enhancement, and making our supplier relations more agile. We are also devoted to our purpose of creating a talent pool, which is relevant, technologically equipped, skilled and versatile, thus, giving us an edge in the technological arena and helping us bring forth our innovations and cutting-edge product line in the vertical. Through our offerings, we make sure that our patrons or customers get a unique experience where they can avail their choice of products at a competitive price that is of quality par excellence.

During the year, we have focussed on innovation and have developed many local solutions for our customers that have resulted in assuring comfort to the end-users.

We also continue to put focus on market resilience, self-reliance, innovations, fashioning a gamut of portfolio of products replete with latest technologies, cost-effectiveness, operational efficiency, R&D, skill upgradation, training, promoting Green supply chain , cost and quality improvements, improving safety mindset, consolidating and strengthening manufacturing lines, locations to drive efficiency a notch higher and further fortifying our positioning in the vertical.

Keeping in mind our commitment to making JTEKT India future-ready, we are invested in seeking opportunities that would initiate and aid us in capacity building by creating additional manufacturing responsibilities. This will, in turn, help us ensure an uninterrupted supply of our product line to our parent's global customers.

Our time-to-time investment in further consolidating Company's ethical, economic, organisational, operational and human resource frameworks has already made us future-ready and helped us in continuing our journey with utmost confidence, and has made us shine out in what we do best – **"being No1 and Only One".**

JTEKT GROUP COMPANIES IN INDIA

- **JTEKT India Limited**
- **JTEKT Fuji Kiko Automotive India Limited**

  A leading manufacturer of Jacket Assembly for CEPS and Manual Steering Columns.
- **Koyo Bearings India Pvt. Ltd.**

  Hub Units, Tapered Roller Bearings and Single Ball Bearings.
- **Toyoda Micromatic Machinery India Pvt. Ltd.**

  Machines, Machine Tools Sales and After Sales Support & Service

WE ARE JTEKT INDIA

A subsidiary of the JTEKT Corporation, Japan, JTEKT India Limited is one of the leading automotive components manufacturers in India..

The Company holds the credit for manufacturing state-of-the-art automotive components like Rack and Pinion Steering systems, Hydraulic Power Steering systems and Driveline products. Taking its manufacturing precision a notch up, the Company also manufactures next-generation technology for automobiles like Column type Electric Power Steering.

JTEKT India Limited supplies its product line to OEMs such as Maruti Suzuki, Toyota, Tata Motors, Mahindra & Mahindra, General Motors, Fiat India, Isuzu Motors, Renault India, Honda and Nissan in India. Equipped with cutting-edge and high precision technology the Company has been producing product lines par excellence and exports its products to the USA, Europe, and Japan.

Going by the philosophy of striking a right chord with the customers and aiming to prioritize their requirements, the Company has focused on productivity and has set up five plants in Haryana and one in Tamil Nadu. This has helped the Company make its presence felt and further fortify its position in the automotive hubs of India.

> the Group is a global leader not only to automotive industry but has a best in class product line up for multiple industries

The Company is part of the Japan based JTEKT Group. With a revenue of 1,428 billion yen, the Group is a global leader not only to automotive industry but has a best in class product line up for multiple industries. For the automotive business, it supplies a wide range of products such as steering system components and drive line components to realize assuredness, safety and comfort. Group also has Bearings and Machine Tools as other product lines.

CHAIRMAN'S LETTER

Dear Shareholders,

The world has rarely been in a position where future readiness is necessary! And the situation right now is that. The continuous Covid-19 flare-ups and several subsequent subverting developments have adversely affected the world's economy. Moscow's invasion of Ukraine has made the inflation graph soar during this crisis time when the entire world is already besieged by the effect of the Covid-19 pandemic and is struggling to come back to normal.

The uncertainty is looming large in the market with supply chain bottlenecks. Inflation is at an all-time high and the global economy continues to feel the tremors due to developments like Omnicron and new Covid-19 variants. The head of the IMF, Kristalina Georgieva recently warned that the outlook for the global economy has "darkened significantly" in recent months and the world faces an increasing risk of recession in the next 12 months. The commodity price shock from the war in Ukraine had exacerbated the cost-of-living crisis for hundreds of millions of people.

In the last two years, the COVID-19 pandemic followed by lockdowns disrupted businesses and the demand for products dwindled. Globally, there were disruptions in Chinese parts exports, large-scale manufacturing interruptions across Europe and the closure of assembly plants in the United States.

Back home, the total automobile dispatches during the last financial year fell 6% in all segments, dragged down by lower sales of two-wheelers and entry-level cars amid rising vehicle and fuel costs, according to the Society of Indian Automobile Manufacturers (SIAM).

The overall PV segment registered a growth of 13.2% for FY21-22 as compared to the same period last year. The sale of the domestic PV segment for the financial year was at 3.1 million units, as compared to 2.7 million units in FY20-21. Within the PV category, the sales of passenger cars declined by (-) 4.9%. The bright spot in the category was utility vehicles. The demand for Utility vehicles continued as it posted a robust growth of 40.4% to close the year at 1.5 million units. Importantly the demand for this segment continued to be strong and it now accounts for 49% of the total PV market, an increase of 10% when compared to FY20-21.

Also, the CV segment witnessed a sharp increase of 26.0% as it achieved sales numbers for the fiscal at 0.71 million units as compared to 0.57 million units for FY20-21. Within this segment, Medium & Heavy Commercial Vehicles (M&HCVs) and Light Commercial Vehicles increased by 49.7% and 16.7%, respectively for the fiscal over the same period last year.

2W and 3W, which account for 78% of the total units sold in the country, saw de-growth of (-)10.5% for FY21-22 as compared to the same period last year. Within the 3W category, Passenger Carrier increased by 25.6% whereas Goods Carrier declined by (-) 7.9% for the fiscal. Within the 2w segment, Scooters, Motorcycles and Mopeds declined by (-) 10.6%, (-)10.3% and (-)23.3% respectively for FY21-22 as compared to the same period last year.

The recent government initiative of easing inflationary pressure by reducing central excise duty on petrol and diesel and change in the duty structure to moderate the price of steel and plastic has given much-needed relief to the Auto segment.

At JTEKT, we have been mindful of following the safety protocols and have embraced the ways of working in the new normal. We follow all SOPs in our factories and offices and continue to ensure the safety of our employees.

Throughout, we have been guided by our group's vision - "Shaping a better future through the spirit of No1 and Only One". Our exhibit of strength and commitment towards our vision has helped us post a profit at a time when the industry faced several adverse pressures. Our return on Capital Employed has improved and during the year under review, our subsidiary's revenue increased by 19% to reach ₹ 994 million. We worked on improving our capacity utilization to reduce the negative impact on profitability at JFIN, which also achieved a 100% OTIF (On Time in Full) delivery track record.

During the fiscal, our excellence in production got acknowledged and we received acclamation from Toyota Kirloskar Supplier Association wherein JTEKT India was conferred 2nd Position in Quality Circle Competition. Our Company also received a Certificate of Appreciation from Maruti Suzuki for Vendor System Audit Rating and accolades from FCA for the 'New Product Development' and 'Best Supplier' Awards.

The fiscal made us focus on enhancing our technological skills in product designing and testing under which we upgraded the number of testing facilities to achieve further reduction of set up time and achieve better work efficiency. We are also in the process of improving our testing capability for drive shafts, a new product added in the JIN portfolio.

During the year, we have worked on improving cost-effectiveness and focussed on self-reliance and providing good service to our patrons.

Like always, this year too, we have put focus on training and skill enhancement of our employees wherein we have introduced new programmes, including JIM (Japan India Institute for Manufacturing) training school at one of our plants located in Dharuhera. The purpose of this training program is to hire fresh diploma holder students directly from the colleges and to train them for 01 year and grow them as a future shop floor leaders. Under this scheme, we have hired 21 students (first batch) from the government colleges, who have been enthusiastic in learning the shop floor skills. For these efforts, we have received Certification of Accreditation at Ministry of Economy (Japan government)

Safety has been our focus and we have made Covid-19 vaccines available for all our employees and also mandated 'Covid appropriate behaviour' training from top to bottom. SoPs like proper sanitization of facilities and offices, sanitizers, masks, and social distancing are being religiously adhered to.

Due to the remote mode of working becoming the new normal, we have also emphasized cyber security wherein a data classification tool has been introduced to ensure confidentiality of the Company's proprietary information.

During the year, project JISCO (JTEKT India Supplier Connect) was also undertaken by the Company to digitize the supply chain process of the company and it has been successfully implemented in DHR-1 plant.

Currently, we at JTEKT, have six manufacturing locations equipped with solar power generating facilities with a generating capacity of 3201 KWp. We also plan to further increase the capacity in the coming years. Moreover, we are being cautious about our energy consumption and are relentlessly adopting energy-saving measures like efficient fixtures and equipment, zero water discharge through water recycling and much more.

Through relentless effort, JTEKT has been creating new benchmarks and this would have not been possible without your support. I express my gratitude to our bankers State Bank of India, , Standard Chartered Bank, , IDFC, IndusInd Bank, Sumitomo Mitsui Banking Corporation, MUFG Bank Limited and Mizuho Bank Limited for standing with us in thick and thin.

My special thanks to all our employees and their families who proved to be the stronghold of the JTEKT family and sailed through the testing time with much patience and braveness.

In the end, I would also like to thank our shareholders who never lost trust in us and gave relentless support to our endeavours.

Thank you,

Yours sincerely

Hitoshi Mogi

Chairman and Managing Director

BOARD AND LEADERSHIP

Mr. Hitoshi Mogi
Chairman & Managing Director

Mr. Sudhir Chopra
Executive Vice Chairman

Mr. Akihiko Kawano
Dy. Managing Director

Mr. Takumi Matsumoto
Director

Mr. Toshiya Miki
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. Sudhir Chopra
Executive Vice Chairman

Mr. Akihiko Kawano
Dy. Managing Director

Mr. Takumi Matsumoto
Director

Mr. Toshiya Miki
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

Operating Management

Mr. Hitoshi Mogi
Mr. Sudhir Chopra
Mr. Akihiko Kawano
Mr. Rajiv Chanana
Mr. Kenji Okazaki
Mr. Osamu Miyazaki
Mr. Minoru Hatanaka
Mr. S. Senthil Kumar
Mr. Akhil Kumar Jain
Mr. Jaydeep Kumar
Mr. Rakesh Garg
Mr. Narender Kumar
Mr. Jayabasker Govindaraj

Technical Partner

JTEKT Corporation, Japan

Auditors

M/s B S R & Co. LLP
Chartered Accountants
Building No. 10, 8th Floor,
Tower-B DLF Cyber City, Phase - II
Gurugram 122002 (Haryana).

Bankers

State Bank of India
Standard Chartered Bank
IndusInd Bank
IDFC First 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 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC SCENARIO

Global economic scenario

The global recovery is set to decelerate markedly amid continued COVID-19 flare-ups, diminished policy support, and lingering supply bottlenecks. The world economy continues to suffer from a series of destabilizing shocks. After more than two years of the pandemic, the Russian Federation's invasion of Ukraine and its global effects on commodity markets, supply chains, inflation, and financial conditions have steepened the slowdown in global growth. In contrast to that in advanced economies, output in Emerging Market and Developing Economies (EMDEs) will remain substantially below the pre-pandemic trend over the forecast horizon. The global outlook is clouded by various downside risks, including renewed COVID-19 outbreaks due to Omicron or new virus variants, the possibility of de-anchored inflation expectations, and the financial stress in the context to record-high debt levels. If some countries eventually require debt restructuring, the same will be more difficult to achieve than in the past.

Climate change may increase commodity price volatility, creating challenges for almost two-thirds of EMDEs that rely heavily on commodity exports and highlighting the need for asset diversification. Given limited policy space in EMDEs to support activity, if needed, these downside risks increase the possibility of a hard landing. These challenges underscore the importance of strengthened global cooperation to foster rapid and equitable vaccine distribution, proactive measures to enhance debt sustainability in under-developed countries, redoubled efforts to tackle climate change, and an emphasis on growth-enhancing policy interventions to promote green, resilient, and inclusive development and on reforms that broaden economic activity to decouple from global commodity markets.

According to the International Monetary Fund (IMF), US's GDP for Calendar Year (CY) 2021 grew by 5.7% as against -3.5% achieved in CY-20. Overall, the Advanced Economies too posted positive growth of 5.2% with the increase in GDP by Spain, the United Kingdom and France with a growth of 5.1%, 7.4% and 7% respectively. The traditional growing Emerging Markets & Developing Economies too performed better as they collectively posted a growth of 6.8%. (Source: IMF, World Economic Outlook, April 2021)

Indian economic scenario

India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers of the world over the next 10-15 years. India's Nominal GDP or GDP at Current Prices in the year 2021-22 is estimated to attain a level of ₹ 236.65 lakh crore, as against ₹ 198.01 lakh crore in 2020-21. The growth in GDP during 2021-22 is estimated at 8.7 percent as compared to a contraction of 6.6 percent in 2020-21. (Source: National Statistical Office Press Note dated 31.05.22)

Inflation has remained close to the upper band of the Reserve Bank of India (RBI), but should ebb as supply chain disruptions are overcome. Financial markets remain strong and capital inflows support the build-up in reserves. The appearance of a new virus variant, especially if combined with a relaxation of attitudes, is the major downside risk, together with a less supportive global economic and financial environment.

INDUSTRY

Global Auto Scenario

After the eye-popping rebound in global auto sales towards the end of 2020, it was mostly downhill for global auto

purchases through 2021. By year-end, annual sales totalled about 67 mn for a 4.5% y/y increase. Sales had started the year on a very strong note with annualised sales bouncing around 72 mn units in the initial months of the year, but this was followed by monthly declines thereafter as the semiconductor chip shortage hobbled auto production around the world and constrained sales activity. Thus, by December 2021, the annualised sales rate was only 64 mn units.

No region was unscathed in 2021 though there were some regional variances. Broadly speaking, at one end of the spectrum were the countries and regions where pandemic-related factors had decimated 2020 auto sales and continued to do so through much of 2021. These include many Western European countries, as well as Japan, where structural factors have also affected the recovery. For example, Western European sales posted the only regional decline in 2021 with a -2% y/y contraction on top of the massive -24% y/y decline in 2020. Annual sales in 2021 stood at 73% of pre-pandemic sales in 2019. With structural headwinds ahead including an aggressive shift to EVs, its auto sales recovery is likely to continue to lag other regions. Japanese auto sales also saw another drop in 2021 (-3% y/y) on the heels of the -12% decline in 2020. Annual sales in 2021 had recovered 86% of pre-pandemic sales but levels had already been sliding in the years before. A mediocre economic growth forecast suggests its auto sales recovery will also lag other markets.

North American auto sales offered a mixed story. Regional sales posted a 3.8% y/y improvement in 2021, with Canada and Mexico marginally pulling up the regional average (US: 3.1% y/y; CAN: 7.8% y/y; MEX: 6.8%). The slight over-performance was mostly a factor of the much deeper declines in 2020 relative to the US. Regional auto sales stood at about 89% of pre-pandemic levels with both Canada and the US at this mark while Mexican sales still sit 77% below 2019 levels. There should still be some rebound activity left—particularly in the US and Canada—in the years ahead as inventory recovers.

China stands on its own at the other end of the spectrum. Light vehicle sales grew by over 6% y/y in 2021, despite a relatively soft decline of 'only' -6% y/y in 2020. Sales activity had fully recovered pre-pandemic levels in 2021, and we expect it still has modest gains ahead. We have pencilled in sales expansion in the order of 3% y/y in the next two years.

Smaller South American markets are the unsung stars. While regional sales posted a healthy 11% improvement in 2021 (following the -26% decline in 2020), the Chile-Colombia-Peru troika saw auto sales rebound by 46% y/y in 2021. Chilean sales expanded by over 60% y/y with levels at 110% of pre-pandemic sales. These countries are likely to have solid sales ahead. [Source: Scotiabank Global Auto Report Jan 2022]

Indian Scenario

Car sales, buoyed by the need for personal mobility choices, climbed despite output disruptions caused by shortage of semi-conductor, reflecting sustained demand through a period FY21-22 that coincided with the lowest interest rates on record in the country. Passenger vehicle sales last fiscal rose 13% to cross the 3-million-unit mark for the third time even as higher ownership costs dented demand for entry-level bikes, pushing two-wheeler sales to the lowest in a decade. All segments are facing supply side challenges and the industry is yet to see complete recovery following the disruptions it has been facing since early 2020. Passenger vehicles, commercial vehicles and three-wheelers have witnessed a growth compared to a low base of the industry in FY20-21, but the two-wheeler segments further declined by (-) 11% from the previous year.

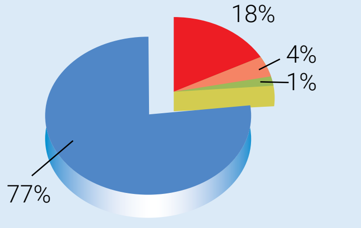
Production

As per SIAM, the industry produced a total of 22.93 million vehicles including Passenger Vehicle (PV), Commercial Vehicle (CV), Three wheelers (3W), Two wheelers (2W) and Quadricycles for FY21-22 as against 22.65 million units for FY20-21, registering a growth of 1.2% over the same period last year.

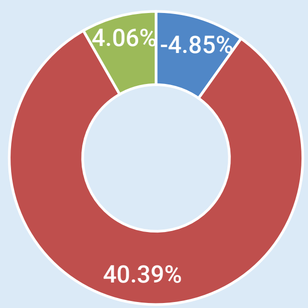
Domestic Growth

As per data from SIAM, the overall PV segment registered a growth of 13.2% for FY21-22 as compared to the same period last year. The sale of domestic PV segment for the financial year was at 3.1

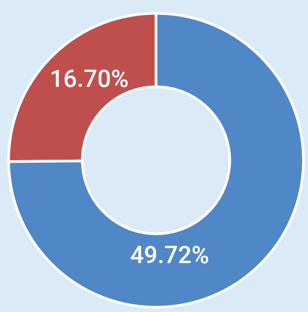
Domestic Market Share for 2021-22



Segment wise demand change in Passenger Vehicles



Segment wise demand change in Commercial Vehicles



Source: SIAM

million units, as compared to 2.7 million units in FY20-21. Within the PV category, the sales of passenger cars declined by (-) 4.9%. The bright spot in the category was utility vehicles. The demand for Utility vehicles continued as it posted a robust growth of 40.4% to close the year at 1.5 million units. Importantly the demand for this segment continued to be strong and it now accounts for 49% of the total PV market, an increase of 10% when compared to FY20-21.

The CV segment witnessed a sharp increase of 26.0% as it closed sales numbers for the fiscal at 0.71 million units as compared to 0.57 million units for FY20-21. Within this segment, Medium & Heavy Commercial Vehicles (M&HCVs) and Light Commercial Vehicles increased by 49.7% and 16.7%, respectively for the fiscal over the same period last year.

2W and 3W, which account for 78% of the total units sold in the country, saw a de-growth of (-)10.5% for FY21-22 as compared to the same period last year. Within the 3W category, Passenger Carrier increased by 25.6% whereas Goods Carrier declined by (-) 7.9% for the fiscal. Within the 2w segment, Scooters, Motorcycles and Mopeds declined by (-) 10.6%, (-)10.3% and (-)23.3% respectively for FY21-22 as compared to the same period last year.

Exports

According to SIAM, for FY21-22, overall automobile exports registered a growth of 35.9%. All segments including PV, CV, 3W and 2W exports grew by 42.9%, 83.4%, 27.2% and 35.3%, respectively as compared to FY20-21.

Outlook

The war in Ukraine has triggered a costly humanitarian crisis that demands a peaceful resolution. At the same time, economic damage from the conflict will contribute to a significant slowdown in global growth in 2022 and add to inflation. Fuel and food prices have increased rapidly, hitting vulnerable populations in low-income countries hardest.

Global growth is projected to slow from an estimated 6.1 percent in 2021 to 3.6 percent in 2022 and 2023. This is 0.8 and 0.2 percentage points lower for 2022 and 2023 than projected in January.

Beyond 2023, global growth is forecast to decline to about 3.3 percent over the medium term. War-induced commodity price increases and broadening price pressures have led to 2022 inflation projections of 5.7 percent in advanced economies and 8.7 percent in emerging market and developing economies—1.8 and 2.8 percentage points higher than projected last January. Multilateral efforts to respond to the humanitarian crisis, prevent further economic fragmentation, maintain global liquidity, manage debt distress, tackle climate change, and end the pandemic are essential.

For India, IMF has lowered its outlook by 0.8 percentage points, reflecting in part weaker domestic demand—as higher oil prices are expected to weigh on private consumption and investment—and drag from lower net exports. In its update in April, IMF had projected India's GDP to grow 8.2% in FY22-23, the highest among emerging and advanced economies.

The automotive industry in India will see the commercial vehicle and passenger vehicle segments drive recovery in the industry this fiscal, while two-wheelers and tractors are expected to underperform once again says a report by Crisil.

The Crisil research estimates that CV and PV volume could grow 18 percent and 12 percent, respectively in FY2022-23, after rising 26 percent and 13 percent, respectively over the last fiscal. The two-wheeler segment will see a modest sales growth of 6 percent after a 10 percent drop last fiscal, while tractor volume growth is expected to be flat or in the low single-digit compared with a 6 percent decline.

Crisil Research estimates that CV demand growth, particularly for medium and heavy commercial vehicles (MHCVs), is expected to be backed by replacement demand because of improved utilisation and profitability of fleet operators, and government spending on infrastructure. Light CVs will be propelled by a surge in e-commerce and better last-mile connectivity. In terms of the passenger vehicle segment, the volumes will be driven by the easing of chip shortages, particularly in the second half, as capacity additions by chip manufacturers come onstream, helping clear the sizeable order backlog built over the past 6-months.

Any resurgence in Covid-19 cases, continuing semi-conductor shortages, and the progress of monsoon will bear watching in the road ahead. (Source: Crisil Press Release on PV CV Growth dated May 20,2022)

Operational Performance and Financial Review

Financial Review

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: -

Debt Equity Ratio

The ratio has improved from a level of 0.11 to 0.08. The borrowings have significantly reduced from ₹ 740 million at the start of the financial year to ₹ 446 million at the end of the financial year. The reduction in Bank Borrowings has improved the interest coverage ratio from 4.30 times to 4.79 times.

Net Profit Margin

Net Profit margin improved from 0.91% to 2.09%, mainly due to higher sales in the current year. Further Return on Capital Employed has improved from 3.6% to 8.3%.

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

SUBSIDIARY PERFORMANCE HIGHLIGHTS

JTEKT Fuji Kiko Automotive India Limited (JFIN)

During the year under review, the subsidiary's revenue increased by 19% to reach ₹ 994 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 (₹ mn)	2021-22	2020-21
Revenue	994	836
EBITDA	157	106
EBITDA Margin	15.75%	12.7%
PAT	88	40
PAT Margin	8.81%	4.8%

Safety : - Achieved 963 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 installation, replacement with LED lights and automated timers, etc.

TECHNICAL CAPABILITY / RESEARCH & DEVELOPMENT

Committed to enhancing our technology and skills to be a front runner, JIN is continuously in the process of capability and skill enhancement in the area of product designing and testing. In this

	Consolidated		Standalone	
	2021-22	2020-21	2021-22	2020-21
Net Income from Operation	15,745	13,183	15,966	13,357
Other Operating Income	143	147	139	145
Total Revenue	**15,888**	**13,330**	**16,105**	**13,502**
Raw Material	11,070	9,171	11,664	9,663
Staff Cost	2,034	1,950	1,896	1,811
Other Expenditure	1,508	1,185	1,433	1,107
EBIDTA	**1,275**	**1,024**	**1,112**	**921**
Other Income	102	55	103	77
Depreciation and Amortisation	709	830	659	779
EBIT	**669**	**249**	**556**	**219**
Finance Charges	37	47	37	47
PBT before Exceptional Items	**631**	**202**	**520**	**172**
Exceptional Items	68		68	
Share of profit of associates				
PBT	**564**	**202**	**452**	**172**
Tax	151	67	121	52
PAT	**413**	**135**	**331**	**119**
Other Comprehensive Income	-	(2)	-	0
Total Comprehensive Income	**413**	**133**	**331**	**120**
Profit attributable to Owner	**413**	**133**	**331**	**120**
Capital Expenditure	1,361	287	1,356	242
EPS	1.51	0.48	1.36	0.50
D/E Ratio	**0.11**	**0.07**	**0.11**	**0.08**

RECOGNITION

During the fiscal, the Company received acclamation from Toyota Kirloskar Supplier Association for achieving 2nd Position in Quality Circle Competition. The Company also received a Certificate of Appreciation from Maruti Suzuki for Vendor System Audit Rating. Further, the Company received accolades from Fiat Chrysler Automotive in the 'New Product Development' and 'Best Supplier' Awards. These recognitions are testimony to its commitment to excellence in the delivery of products and customer satisfaction.

National Level Quality Circle Competition conducted by Toyota Kirloskar Supplier Association

New Product Development & Best Supplier awarded by FCA

Superior Performance – Vendor System Audit Rating

process, the Company has upgraded a number of testing facilities to achieve further reduction of set up time and achieve better work efficiency. Currently, as a continual improvement, initiative is also being taken to enhance our testing capability for drive shafts and new product addition in JIN portfolio.

During the financial year, in the Protocell section, the R&P MS Gear line was commissioned and it is capable of making Proto samples of R&P MS Gear thereby avoiding the dependence on use of mass production line for this purpose.

The technical centre in India is adding value to the Company by reducing turn-around time for new product developments, providing cost-effective solutions and develop products specific to the Indian market as well as support to Global Technical Centres by taken up design responsibility for projects which earlier used to be the responsibility of JTEKT, Japan.

After successful completion of data Capturing on Indian roads for the Drive Shaft business, JIN successfully developed Drive shaft for one of our esteemed Customers and is now in the process of mass production.

During the year, JIN has locally designed and developed many 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.

HUMAN RESOURCES

Human resources are undoubtedly the key resources in an organization. At JTEKT, human resource management spans from assessment of manpower need to the management and retention of manpower. Human resource department is responsible for effective designing and implementation of various policies, procedures and programs relating to human resource management. It is all about developing and managing knowledge, skills, creativity, aptitude and talent in the

organization. JTEKT is focusing on the engagement of Fresh young talent directly from Campus to nurture them to become future talent for the Company. India Technical Center has been set up to enhance the knowledge base and skill upgradation of existing & new employees.

During FY22, 1242 training sessions were organized for the employees involving 84,586 training hours for various learning & development activities. These trainings were attended by 14,928 participants.

The company has initiated a new way of flexible learning by launching E-Learning portal, where modules related to Technical & Behavioural skills have been uploaded. The best feature of this portal learning is that it can be accessed from any place & at any point of time. Last year, 580 employees used the E-learning platform for their learning & development covering a total of 5224 hours of training on various soft skills.

The Company has also initiated 2 days special training program on "Problem Solving" for Senior employees. Last year, we have conducted 07 batches, among them 96 senior members were trained on the subject. The purpose of initiating this training program is to train to use a multistep process to respond to a challenging situation & work that will help achieving Company's objectives.

In the last FY, we officially inaugurated JTEKT - JIM (Japan India Institute for Manufacturing) training school at one of our plants located in Dharuhera. To grace the occasion, His Excellency Mr. Satoshi Suzuki (Ambassador of Japan to India) attended the event as chief guest. Mr. Rajeev Ranjan IAS (Commissioner Gurugram Division); Mr. Hisashi Takeuchi (Joint Managing Director of Maruti Suzuki India Limited), Mr. Hisashi Kanda (General Manager from The Association for Overseas Technical Cooperation and Sustainable partnerships) were also present as the guests of honour. The purpose of this training program is to hire fresh diploma holder students directly from colleges and train them for 01 year and nurture them into future shop floor leaders. Under this scheme, we have hired 21 students from the government colleges, who are enthusiastic and eager to learn about the shop floor skills, and are doing a remarkable job at their work place. For these efforts, we have received Certification of Accreditation at the Ministry of Economy (Japanese government).

The Company and its parent, JTEKT Corporation, Japan, believe in the global rotation of employees. During the financial year, there were multiple employee exchange programs whereby the employees were exposed to global standards.

PURCHASING

JTEKT India Purchasing fosters its existing suppliers and keep potential suppliers in its supply chain who are open to improving their operations, upgrading their technology and partnering with the Company on a long term basis. JTEKT India Purchasing supports its suppliers in upgrading their processes, skills, Quality and technology for ensuring defect-free products.

Risk assessment is an integral part of purchasing activity directed towards the identification and mitigation of supply chain risks.

JTEKT India Purchasing promotes the Green supply chain with parts free from prohibited chemicals and recyclable packaging and through milk run to reduce waste. To automate and improve the efficiency of Purchasing, with IT support, JTEKT India Purchasing developed various systems to improve its digital footprint in the supply chain.

JTEKT India Purchasing also makes sure that its suppliers are taking the necessary safety measures to create safe and healthy environment. The Company's Safety team is regularly conducting audits at suppliers' end to validate these safety measures.

Cost and quality improvement is a continuous process in JTEKT India Purchasing through VA/VE, Localization and alternate sourcing with the objective to meet its customers' expectations.

SAFETY, SECURITY & SUSTAINABILITY

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

1. **Improving Safety Mindset –** 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 behavioural training programs to improve their mind-set on safety.
2. **Operator Risk Assessment –** This year, we started a new activity for identifying the Safety risks, which a machine operator is facing while working on a machine. Accordingly, 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
3. **New Safety Initiatives –** The Company has taken initiative to assure that all the employees must get the access to both the vaccines for Covid. The Company made arrangements with renowned hospitals to have camps within the Company's premises. In the case where the employees got vaccinated on their own, the Company allowed paid leave to such employees.

   The Company has taken a lot of precautions to run its operations safely during the ongoing pandemic period. Sanitization, masks, and social distancing facilities are provided according to approved standards. Detailed trainings sessions for each and every employee (including contract staff such as canteen, security, drivers etc.) are planned on a regular basis to ensure that everyone follows 'Covid appropriate behaviour'.

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 cyber

security posture of the company. Remote working and Work from Home (WFH) have become new phenomenon. We have setup Security operation centre to monitor cyber threats on real time basis and developed a response mechanism to mitigate the cyber risks. During the year, a cyber-security awareness campaign was launched across the company to bring cyber security awareness among the employee. The Company has also introduced a data classification tool to ensure confidentiality of the Company's proprietary information by classification of documents at the time of creation.

The Company undertook the project JISCO (JTEKT India Supplier Connect) to digitize the supply chain process of the company. The pilot project has been successfully implemented at our Dharuhera-1 plant with e-Kanban introduction for incoming parts to help inventory optimization and reduce the manual work in the operation. The same Kanban is being used to transact the material for consummation. The Company has further introduced the concept of 3-point check at the dispatch section to ensure 100% correct shipment to customer by scanning all three documents (Pick-up list, Customer Kanban and IP Kanban) before dispatch. The complete system is designed to bring the end-to-end integration of the process in the supply chain area.

RISKS AND CONCERNS

JIN 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 results from fluctuations in the currency market.

Human resource risk: Refers to the risk of losing out on the skilled workforce due to competition, risks related to health concerns caused by the COVID-19 pandemic.

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.

In addition to policies, procedures and guidelines, the internal controls system is facilitated by an automated "Compliance Manager Tool". This enables self-assessment by process owners on the status of all applicable regulatory compliances and internal controls. This embodies:

- Safeguarding our assets and prevention and detection of frauds and errors
- Accuracy and completeness of the accounting records
- Controls relating to adherence to the Company's policies
- Timely preparation of reliable financial information
- Each self-assessment is approved by an immediate superior
- Senior management reviews and deliberation upon and review self-assessments periodically
- Verifying the accuracy of sample self-assessments through periodic internal audits

  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 FY22, 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. During the financial year, the Company's CSR activities included Providing E-Learning Module to the Govt. Polytechnic College, Rewari, Braille Books and infrastructural facilities to the Blind School, Gurugram, Installation of Ceiling Fans in the College classrooms, Bawal, Medical equipment for Day Care Centre for Cancer patients at Aarogya Kendra, Gurugram and Providing covid relief material to District Rural Development Agency, Kanchipuram, Tamil Nadu.

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 3201 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 2022 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 2022

Name of Directors	Category
Mr. Hitoshi Mogi	Chairman & Managing Director (Executive Director)
Mr. Sudhir Chopra	Executive Vice Chairman (Executive Director)
Mr. Akihiko Kawano	Dy. Managing Director (Executive Director)
Mr. Takumi Matsumoto	Non-Executive Director
Mr. Toshiya Miki	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. Hirofumi Matsuoka, Non-Executive Director and Mrs. Geeta Mathur, Independent Woman Director (Non-Executive Director) rescinded from the position of Director with effect from the conclusion of the Board Meeting held on 26 May, 2021 and 9 June 2021 respectively. Further during the year Mr. Takumi Matsumoto was appointed as an Additional Director (Non-Executive Director) effective from 1 July 2021, whose appointment was confirmed by the shareholders of the Company at 37 Annual General Meeting held on 16 September 2021. The Board of Directors appointed Mr. Masahiko Morimoto as an Additional Director in the capacity of an Independent Director of the Company effective from 11 November 2021.

2. Number of Board Meetings

In the financial year ended on 31 March 2022, JIN held four Board Meetings on 26 May 2021, 12 August, 2021, 11 November 2021 and 10 February 2022. 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 2022, last Annual General Meeting of the Company held on 16 September 2021 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 2022 [see Table 2(B)].

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

Name of Directors	Board Meetings held during FY 2021-22		Whether attended last AGM	Directorships held in other companies incorporated in India		Membership of Committees of other Companies①	
	Eligibility	Attended		Public	Private	Member	Chairperson
Mr. Hitoshi Mogi	4	4	Yes	1	2	1	-
Mr. Sudhir Chopra	4	4	Yes	2	-	-	1
Mr. Akihiko Kawano	4	3	Yes	-	-	-	-
Mr. Hirofumi Matsuoka②	1	1	N.A.	N.A.	N.A.	N.A.	N.A.
Mr. Takumi Matsumoto③	3	3	Yes	-	-	-	-
Mr. Toshiya Miki	4	3	Yes	2	-	-	-
Mrs. Geeta Mathur④	1	1	N.A.	N.A.	N.A.	N.A.	N.A.
Mr. Inder Mohan Singh	4	3	Yes	2	-	3	-
Lt.Gen.Praveen Bakshi (Retd.)	4	4	Yes	1	-	-	-
Mr. Hidehito Araki	4	4	Yes	-	4	-	-
Mrs. Hiroko Nose	4	4	Yes	-	1	-	-
Mr. Masahiko Morimoto⑤	2	1	N.A.	-	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	-	-
Mr. Akihiko Kawano	-	-
Mr. Hirofumi Matsuoka②	N.A.	N.A.
Mr. Takumi Matsumoto③	-	-
Mr. Toshiya Miki	Bharat Seats Limited	Non-Executive & Non-Independent Director
Mrs. Geeta Mathur④	N.A.	N.A.
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 Morimoto⑤	-	-

Notes:

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

② Rescinded from the position of Director with effect from the conclusion of Board Meeting of the Company held on 26 May 2021.

③ Appointed as an Additional Director with effect from 1 July 2021 and his appointment was confirmed by the shareholders of the Company in the Annual General Meeting held on 16 September 2021.

④ Rescinded from the position of Independent Director with effect from 9 June 2021.

⑤ Appointed as an Additional Director in the capacity of an Independent Director of the Company with effect from 11 November 2021.

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. Sudhir Chopra	✓	✓	✓	✓	✓		✓	✓		✓
Mr. Akihiko Kawano	✓	✓	✓		✓	✓	✓			✓
Mr. Takumi Matsumoto		✓	✓	✓		✓	✓		✓	✓
Mr. Toshiya Miki		✓	✓	✓		✓			✓	✓
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 2022.

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. Toshiya Miki	-	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 (web link: http://www.jtekt.co.in/policies.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. The requisite resolution in order to comply with the aforesaid requirements of Listing Regulations as detailed at item number 11 of Annual General Meeting Notice and relevant explanatory statement as commended for shareholders' approval.

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 2022

(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.	-	66,42,096	19,04,400	-	85,46,496
Mr. Sudhir Chopra	None	N.A.	50,40,000	1,18,97,200	39,600	15,84,000	1,85,60,800
Mr. Akihiko Kawano	None	N.A.	-	48,98,794	18,09,778	-	67,08,572
Mr. Hirofumi Matsuoka②	None	50,000	-	N.A.	N.A.	N.A.	50,000
Mr. Takumi Matsumoto③	None	1,50,000	-	-	-	-	1,50,000

Name of Directors	Relationship with other Director	Sitting Fee[1]	Commission on profits	Salary	Perquisites	Provident Fund & National Pension Scheme	Total
Mr. Toshiya Miki[4]	None	1,50,000	-	N.A.	N.A.	N.A.	1,50,000
Mrs. Geeta Mathur[5]	None	1,00,000	3,07,317	N.A.	N.A.	N.A.	4,07,317
Lt. Gen. Praveen Bakshi (Retd.)	None	5,00,000	15,36,585	N.A.	N.A.	N.A.	20,36,585
Mr. Inder Mohan Singh	None	3,50,000	11,06,341	N.A.	N.A.	N.A.	14,56,341
Mr. Hidehito Araki	None	4,50,000	9,83,415	N.A.	N.A.	N.A.	14,33,415
Mrs. Hiroko Nose	None	3,00,000	9,83,415	N.A.	N.A.	N.A.	12,83,415
Mr. Masahiko Morimoto[6]	None	50,000	1,22,927	N.A.	N.A.	N.A.	1,72,927

Notes:

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

② Rescinded from the position of Director with effect from the conclusion of Board Meeting of the Company held on 26 May 2021.

③ Appointed as an Additional Director with effect from 1 July 2021 and his appointment was confirmed by the shareholders of the Company in the Annual General Meeting held on 16 September 2021.

④ Sitting Fee for attending the Board Meetings was paid to the nominating Company MSIL.

⑤ Rescinded from the position of Independent Director with effect from 9 June 2021.

⑥ Appointed as an Additional Director in the capacity of an Independent Director of the Company with effect from 11 November 2021.

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/Whole Time Director

As approved by the shareholders in 37 Annual General Meeting of the Company –

- an Agreement dated 15 March, 2022 was executed between the Company and Mr. Akihiko Kawano for his re-appointment as Dy. Managing Director with effect from 1 July 2021 to 30 June 2024, with remuneration; and
- an Agreement dated 28 March, 2022 was executed between the Company and Mr. Hitoshi Mogi for his appointment as Chairman & Managing Director with effect from 24 September 2020 to 31 March 2022, 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 20 May 2022 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 2022 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.

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, is the Secretary to the Committee. The Audit Committee regularly invites such executives as it considers appropriate, including the head of the finance function, the head of internal audit and the representative of the Statutory Auditors, to be present at the meetings of the Committee.

Composition of Audit Committee, its meetings and attendance record for the year ended 31 March 2022.

As on 31 March 2022, the Audit Committee comprises of Mrs. Hiroko Nose, Mr. Inder Mohan Singh, Lt. Gen. Praveen Bakshi (Retd.) and Mr. Akihiko Kawano. Except Mr. Akihiko Kawano, who is Dy. Managing Director of the Company, all other members of the Committee are Independent Directors. Further, members of the Audit Committee are competent and financially literate and Mrs. Hiroko Nose, the Chairperson of the Audit Committee has accounting and related financial management expertise.

During the year, the Audit Committee met five times i.e. on 25 May 2021, 12 August 2021, 11 November 2021, 10 February, 2022 and 25 March 2022 (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 2021-22

Name & Category of Directors	Position	Audit Committee meetings held during FY 2021-22	
		Eligibility	Attended
Mrs. Geeta Mathur① *(Independent Woman Director)*	Chairperson	1	1
Mrs. Hiroko Nose② *(Independent Woman Director)*	Chairperson	4	4
Mr. Inder Mohan Singh *(Independent Director)*	Member	5	4
Lt. Gen. Praveen Bakshi (Retd.) *(Independent Director)*	Member	5	5
Mr. Akihiko Kawano *(Dy. Managing Director)*	Member	5	4

Notes :

① Ceased to be a member of the of the Committee with effect from 9 June 2021.

② Appointed as one of the members as well as Chairperson of the Committee effective from 14 July 2021.

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.

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 2022.

As on 31 March 2022, the Stakeholders Relationship Committee comprises of Mr. Hidehito Araki, Mr. Sudhir Chopra and Mr. Akihiko Kawano.

The Committee met twice during the year i.e., on 4 August 2021 and 25 October 2021 (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 2021-22

Name & Category of Directors	Position	Stakeholders Relationship Committee Meetings held during FY 2021-22	
		Eligibility	Attended
Mr. Hidehito Araki *(Independent Director)*	Chairman	2	2
Mr. Sudhir Chopra *(Executive Vice-Chairman)*	Member	2	2
Mr. Akihiko Kawano *(Dy. Managing Director)*	Member	2	2

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 2022.

As on 31 March 2022, 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 2022, the Committee met four times i.e., on 13 May 2021, 29 June 2021, 10 November 2021 and 10 February 2022 (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 2021-22

Name & Category of Directors	Position	Nomination and Remuneration Committee Meetings held during FY 2021-22	
		Eligibility	Attended
Mr. Inder Mohan Singh *(Independent Director)*	Chairman	4	4
Lt. Gen. Praveen Bakshi (Retd.) *(Independent Director)*	Member	4	4
Mr. Hidehito Araki *(Independent Director)*	Member	4	4

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 2022.

As on 31 March 2022, the Risk Management Committee comprises of Mr. Hidehito Araki, Mr. Akihiko Kawano and Mr. Rajiv Chanana.

During the year, the Committee met twice i.e. on 11 November 2021 and 30 March 2022 (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 2021-22.

Name & Category of Directors	Position	Risk Management Committee Meetings held during FY 2021-22	
		Eligibility	Attended
Mrs. Geeta Mathur① *(Independent Woman Director)*	Chairperson	0	0
Mr. Hidehito Araki② *(Independent Director)*	Chairman	2	2
Mr. Akihiko Kawano (Dy. *Managing Director)*	Member	2	2
Mr. Rajiv Chanana *(Chief Financial Officer)*	Member	2	2

Notes :

① Ceased to be a member of the of the Committee with effect from 9 June 2021.

② Appointed as one of the members as well as Chairman of the Committee effective from 14 July 2021.

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 2022.

As on 31 March 2022, the Corporate Social Responsibility (CSR) Committee comprises of Lt. Gen. Praveen Bakshi (Retd.), Mr. Hidehito Araki and Mr. Akihiko Kawano.

During the year, the Committee met three times i.e., on 25 May 2021, 10 November 2021 and 10 March 2022 (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 2021-22.

Name & Category of Directors	Position	CSR Committee Meetings held during FY 2021-22	
		Eligibility	Attended
Lt. Gen. Praveen Bakshi (Retd.) *(Independent Director)*	Chairman	3	3
Mrs. Geeta Mathur① *(Independent Woman Director)*	Member	1	1
Mr. Hidehito Araki② *(Independent Director)*	Member	2	2
Mr. Akihiko Kawano *(Dy. Managing Director)*	Member	3	3

Notes :

① Ceased to be a member of the of the Committee with effect from 9 June 2021.

② Appointed as one of the members of the Committee effective from 14 July 2021.

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 2021-22:

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

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 disqualification 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 2021-22 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	:	6.90	2.50
Limited Review	:	23.85	3.21
Other Matters	:	21.25	3.00
Reimbursement of Expenses	:	1.78	0.36

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 2021-22:

Number of complaints filed	:	0
Number of complaints disposed	:	0
Number of complaints pending as on 31 March 2022	:	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. Takumi Matsumoto, retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment.

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company in their meeting held on 11 November 2021, appointed Mr. Masahiko Morimoto as an Independent Director of the Company with effect from 11 November 2021.

The Board of Directors of the Company in its meeting held on 20 May 2022, on the recommendation of the Nomination and Remuneration Committee, appointed the following additional directors / whole time directors :

- Mr. Satoshi Komeda as an Additional Director, in the capacity of Director (Operations) of the Company, with remuneration, for a period of three years effective from 1 June 2022;
- Mr. Rajiv Chanana as an Additional Director, in the capacity of Director & CFO of the Company, with remuneration, for a period of three years effective from 1 June 2022; and
- Mr. Taku Sumino as an Additional Director, as Nominee of Maruti Suzuki India Limited, effective from 1 June 2022.

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 26 August 2022.

As required, the brief profiles and other particulars of the Directors seeking appointment/re-appointment are given in the Notice of the 38 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. Ashish Srivastava, Company Secretary is the Compliance Officer of the Company.

The Board of Directors in their meeting held on 11 November 2021 took note of the resignation of Mr. Nitin Sharma from the post of Company Secretary / Compliance Officer / Key Managerial Personnel of the Company effective from 16 September 2021. Consequently, Mr. Ashish Srivastava, an Associate Member of the Institute of Company Secretaries of India was appointed as Company Secretary / Compliance Officer / Key Managerial Personnel with effect from 11 November 2021.

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. Since the criteria is fulfilled w.e.f. 11 November 2021 after the appointment of an Independent Director on the Board, the Company has made suitable representations, seeking waiver of the penalties, in terms of Policy for exemption of fines levied as per provisions of SEBI Standard Operating Procedure Circular, which are pending for consideration with the respective Stock Exchange.

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 except delay in compliance with Regulation 17(1) of Listing Regulations, the details of which are given in Point No. 6 above. The Corporate Governance Report of the Company for the Financial Year ended on 31 March 2022 is in compliance with the applicable requirements of SEBI as per Listing Regulations.

During the year ended on 31 March 2022, the Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

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 2019	9 August, 2019	04:00 P.M.	Air Force Auditorium Subroto Park New Delhi-110 010
31 March 2020	23 September 2020	11:00 A.M.	Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")
31 March 2021	16 September 2021	11:00 A.M.	Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")

9) Special Resolutions

In the ensuing 38 Annual General Meeting of the Company to be held on 26 August 2022, the shareholders' consent is being sought by way of Special Resolution for:

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

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

<u>37 Annual General Meeting held on 16 September 2021</u>

- 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.

<u>36 Annual General Meeting held on 23 September 2020</u>

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

<u>35 Annual General Meeting held on 09 August 2019</u>

- Appointment of Mr. Hirofumi Matsuoka as Director whose office is liable to retire by rotation.
- Appointment of Mr. Hidehito Araki as an Independent Director.
- Appointment of Mrs. Hiroko Nose as an Independent Woman Director.

- Appointment of Lt. Gen. Praveen Bakshi (Retd.) as an Independent Director.
- Appointment of Mr. Inder Mohan Singh as an Independent Director.
- Appointment of Mr. Hiroshi Iias an Executive Chairman and Non-rotational Director of the Company.
- Appointment of Mr, Sudhir Chopra as Executive Vice-Chairman of the Company whose period of office would be liable to determination by retirement of Directors by rotation.

10) Postal Ballots

During the year, the Company did not pass any Special Resolution through Postal Ballot. At the ensuing Annual General Meeting to be held on 26 August 2022 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 37 Annual General Meeting of the Company.

11) Recommendations of Committees

During the Financial Year ended on 31 March 2022, the Board of Directors had accepted all the recommendations of Committees of Directors of the Company.

12) Business Responsibility Report

Pursuant to the Regulation 34(2)(f) of the Listing Regulations, the Business Responsibility 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 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,
JTEKT India Limited
UGF-6, Indraprakash Building,
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 17-27, 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 2022. We have initialed 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, 2022, 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, 2022 except delay in compliance with Regulation 17(1) of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015(the "Listing Regulations")for which the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) have levied fines in terms of Standard Operating Procedure (SOP) prescribed under SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated 22nd January, 2020. However, the Company has made suitable representations seeking waiver of the fines in terms of Policy for exemption of fines levied as per the provisions of SEBI Standard Operating Procedure Circular, which are pending for consideration with the respective Stock Exchange.

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 : F008493D000354333

Place: New Delhi
Date : 20 May 2022

ADDITIONAL SHAREHOLDER INFORMATION

ANNUAL GENERAL MEETING

Date	:	26 August 2022 (Friday)
Venue	:	Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")
Time	:	10.00 A.M.

FINANCIAL CALENDAR

Financial year	:	1 April 2022 to 31 March 2023

For the year ending 31 March, 2023, results will be announced:

• First Quarter Financial Results	:	Tentatively in Second Week of August 2022
• Second Quarter and Half Yearly Financial Results	:	Tentatively in Second Week of November 2022
• Third Quarter Financial Results	:	Tentatively in Second Week of February 2022
• Fourth Quarter and Annual Financial Results	:	Tentatively in Third Week of May 2023

BOOK CLOSURE

The dates of book closure are from Saturday 13 August 2022 to Friday 26 August 2022 (both days inclusive).

DIVIDEND RATE

The Board of Directors of JIN, in their meeting held on 20 May 2022, has recommended the dividend of INR 0.40 per Equity Share of INR 1/- each for the year ended 31 March 2022. The dividend if approved by the Shareholders at the ensuing Annual General Meeting will be dispatched/credited on and after 2 September 2022.

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	25 April 2022
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 2022

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 2022.

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 2021	88.00	80.00	291405	88.15	80.05	3927731
May 2021	122.80	81.50	2720101	122.95	81.05	38487081
June 2021	116.75	102.85	1701650	116.85	103.00	13864957
July 2021	127.00	106.65	2016390	127.00	106.30	20021922
August 2021	132.75	96.90	1933917	132.90	97.15	21627148
September 2021	114.95	99.85	634496	115.95	99.75	7815936
October 2021	113.45	95.70	673470	114.00	96.05	5094881
November 2021	104.60	88.05	409077	105.80	88.05	4755246
December 2021	97.80	82.80	449835	97.80	70.05	3886717
January 2022	101.40	85.20	444965	101.70	85.05	4069117
February 2022	92.40	70.00	427608	91.80	71.25	3043266
March 2022	79.00	70.10	638726	78.40	70.05	4333065

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 2021-22.

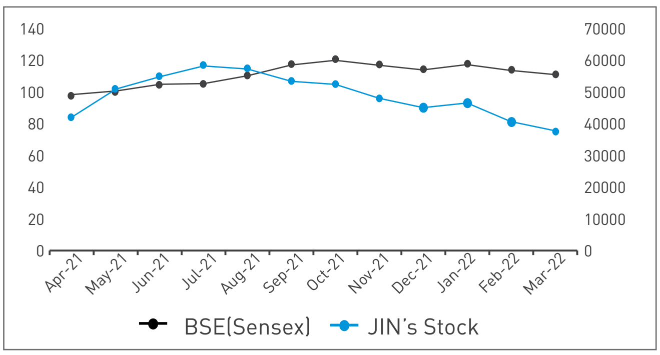
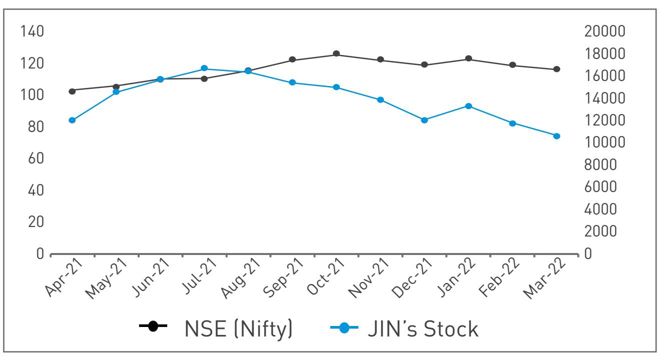


Chart B: The movement of JIN's share price on NSE vis-à-vis NSE Indices for the year 2021-22.



DISTRIBUTION OF SHAREHOLDING

For the distribution of shareholding and shareholding pattern of JIN as on 31 March 2022 see Table 2A and 2B respectively.

Table 2A : Distribution of Shareholding by size class as on 31 March 2022

Amount	Number of shareholders	Number of shares held	Shareholding (%)
Upto 5000	56,056	19,513,507	7.98
5001-10000	600	4,439,100	1.82
10001-20000	227	3,305,184	1.35
20001-30000	81	2,039,142	0.83
30001-40000	18	665,921	0.27
40001-50000	14	634,754	0.26
50001-100000	25	1,902,353	0.78
100001 & above	33	211,980,508	86.71
Total	**57,054**	**244,480,469**	**100.00**

Table 2B : Distribution of Shareholding by ownership as on 31 March 2022

Category	Number of shareholders	Number of shares held	Shareholding (%)
Foreign Body Corporate	1	16,95,59,997	69.36
Indian Company	1	1,38,00,000	5.64
Promoter & Promoter Group (A)	**2**	**18,33,59,997**	**75.00**
Bodies Corporate	273	17,15,284	0.70
Individuals and HUF	55921	3,36,59,638	13.77
Non resident Indians	754	16,94,818	0.69
Foreign Nationals	1	3,134	0.00
Mutual Funds	4	60,77,708	2.49
Foreign Portfolio Investors	23	1,12,15,247	4.59
Alternate Investment Funds	6	18,55,154	0.76
NBFC	1	10,000	0.00
Trusts	4	15,587	0.01
Clearing Members	63	3,04,951	0.12
IEPF	1	45,56,193	1.86
Unclaimed Suspense Account*	1	12,758	0.01
Public Shareholding (B)	**57052**	**6,11,20,472**	**25.00**
Total (A+B)	**57054**	**24,44,80,469**	**100.00**

*As per SEBI Circular No. CIR/CFD/DIL/10/2010 dated 16 December, 2010, the unclaimed Equity Shares of the Company have been consolidated under this Account.

SHARES HELD IN PHYSICAL AND DEMATERIALIZED FORM

As on 31 March 2022, 99.60% of JIN's shares were held in dematerialized form and the rest in physical form. The promoter & co-promoter owns 75.00% 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 2022

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 2021).	19	13270
Number of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year 2021-22.	0	0
Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year 2021-22.	0	0
Number of shares transferred from the Unclaimed Suspense Account to Investor Education and Protection Fund (IEPF) during the year 2021-22.	2	512
Aggregate number of shareholders and the outstanding shares in the Unclaimed Suspense Account as on 31 March 2022.	17	12758
The voting right shall remain frozen till the rightful owner of such shares claims the share.	17	12758

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 2015 and the corresponding dates when unclaimed dividends are due to be transferred to the Central Government. Table 4B gives the unclaimed dividend amount since 2015.

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

Year	Type	Date of declaration	Date due for transfer to Central Government
2015	Final	14 September 2015	14 October 2022
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

During the financial year under review, the Company has transferred INR 40,85,473/- to Investor Education and Protection Fund towards unclaimed dividend pertaining to the year ended 31 March, 2014.

Table 4B : Unclaimed dividend as on 31 March 2022

Year	Type	No. of warrants issued	No. of warrants unclaimed	% unclaimed	Amount of dividend (INR Lakhs)	Dividend unclaimed (INR Lakhs)	% unclaimed
2015	Final	56236	14253	25.36	1291.91	34.85	2.70
2016	Final	56590	14808	26.18	993.83	27.23	2.74
2017	Final	52820	11615	22.01	993.82	27.52	2.77
2018	Final	51983	9146	17.61	993.82	21.67	2.18
2019	Final	42190	4820	11.44	1955.84	32.47	1.66
2020	Final	45886	2389	5.22	778.13	3.04	0.39
2021	Final	57485	2084	3.63	331.91	1.41	0.42

NUMBER AND NATURE OF COMPLAINTS REGARDING SHARES

Table 5 : Details of Investor complaints regarding shares for the year 2021-22.

Nature of complaint	Number of complaints	Number redressed
Non-receipt of dividend / Interest / Redemption	3	3
Non-receipt of Annual Report	-	-
Non-receipt of Share Certificates	5	5
Others	-	-
Total	**8**	**8**

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 2022 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 Chopra	00058148	18/05/2017
3.	Mr. Akihiko Kawano	08160588	01/07/2018
4.	Mr. Hirofumi Matsuoka①	08192915	11/08/2018
5.	Mr. Takumi Matsumoto②	09214828	01/07/2021
6.	Mr. Toshiya Miki	07505339	05/08/2016
7.	Mrs. Geeta Mathur③	02139552	10/11/2017
8.	Mr. Inder Mohan Singh	07114750	18/05/2019
9.	Mr. Praveen Bakshi	08261443	18/05/2019
10.	Mr. Hidehito Araki	02517509	11/08/2018
11.	Mrs. Hiroko Nose	06389168	11/08/2018
12.	Mr. Masahiko Morimoto④	06933969	11/11/2021

① Rescinded from the position of Director with effect from the conclusion of the Board Meeting of the Company held on 26 May 2021.

② Appointed as an Additional Director in the capacity of Non-Executive of the Company with effect from 1 July 2021.

③ Rescinded from the position of Independent Director with effect from 9 June 2021.

④ Appointed as an Independent Director with effect from 11 November 2021.

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 : A021227D000351469

Dated : 20 May 2022
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, Chief Financial Officer 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 2022 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	**Rajiv Chanana**	**Hitoshi Mogi**
Dated: 20 May 2022	(Chief Financial Officer)	(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 2022.

For **JTEKT India Limited**

Place: Gurugram	**Hitoshi Mogi**
Dated: 20 May 2022	(Chairman & Managing Director)

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L29113DL1984PLC018415
2.	Name of the Company	JTEKT India Limited
3.	Registered Address	UGF-6 Indraprakash, 21, Barakhamba Road, New Delhi 110001.
4.	Website	www.jtekt.co.in
5.	E-mail id	investorgrievance@jtekt.co.in
6.	Financial Year reported	2021-22
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Auto Components - Manufacturing
8.	Key products/services that the Company manufactures/ provides (as in balance sheet)	Steering Gear Assembly and Drive Line Assembly
9.	Total number of locations where business activity is undertaken by the Company	Six (6)
	(a) Number of International Locations	Nil
	(b) Number of National Locations	Six (6)
10.	Markets served by the Company– Local/State/National/ International	National & International

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (INR)	INR 24,44,80,469 consisting of 24,44,80,469 nos. of Equity Shares of INR 1/- per share
2.	Total Turnover (INR)	INR 162083.54 lakhs
3.	Total profit after taxes (INR)	INR 3313.69 lakhs
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	INR 87.90 lakhs 2.65% of profit after tax
5.	List of activities in which expenditure in 4 above has been incurred:	Refer Annexure I of the Board's Report attached with this Annual Report.

SECTION C: OTHER DETAILS

1.	Does the Company have any Subsidiary Company/ Companies?	As on 31 March 2022, the Company has one (1) subsidiary i.e JTEKT Fuji Kiko Automotive India Limited.
2.	Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(ies)	JTEKT Fuji Kiko Automotive India Limited, the only Subsidiary of the Company, does not directly or indirectly, participate in BR initiatives of the Company.
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities?	No other entity / entities directly or indirectly, participate in BR initiatives of the Company.

SECTION D: BR INFORMATION

1.	Details of Director responsible for BR	
	(a) Details of the Director/Director responsible for implementation of the BR policy/policies:	
	Director Identification Number (DIN)	08741355
	Name	Mr. Hitoshi Mogi
	Designation	Chairman & Managing Director

2. Principle-wise (as per NVGs) BR Policy/policies

The National Voluntary Guidelines on Social, Environment and Economic Responsibilities of Business (NVGs), released by the Ministry of Corporate Affairs, has adopted nine areas of Business Responsibility.

Principle1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability (P1);

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle (P2);

Principle 3: Businesses should promote the wellbeing of all employees (P3);

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised (P4);

Principle 5: Businesses should respect and promote human rights (P5);

Principle 6: Businesses should respect, protect, and make efforts to restore the environment (P6);

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner (P7);

Principle 8: Businesses should support inclusive growth and equitable development (P8); and

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner (P9).

(a) Details of compliance (Reply in Y/N)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words) *	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Has the policy being approved by the Board? If yes, has it been signed by MD / owner / CEO / appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	(web link: http://www.jtekt.co.in/policies.html)								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

* The Whistle Blower Policy, Code of Conduct, Prevention of Sexual Harassment Policy and Corporate Social Responsibility Policy are framed as per the requirements of the respective legislations of India. Environment policy conforms to ISO - 14001 which is an international standard released by International Standards Organisation (ISO).

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why:

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	The company has not understood the Principles	Not Applicable								
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company.

The management regularly monitors the BR initiatives and a complete assessment is done at the end of the financial year.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

This BR Report of the Company is published annually as part of the Annual Report. The same can be assessed through the link: http://www.jtekt.co.in/annual-reports.html.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: ETHICS, TRANSPARENCY AND ACCOUNTABILITY

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes / No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

Yes, the Company has adopted Anti-corruption and Bribery policy and is imparting training on the same to employees of the Company on regular basis.

In order to give effective implementation to the policy necessary clauses related to Anti-corruption and Bribery forms part of agreement executed with suppliers, contractors and other outside party with whom company is dealing.

Since the Anti-corruption and Bribery Policy has been implemented in accordance with the global practice of holding company i.e. JTEKT Corporation hence it extends to Group companies and Joint Ventures of the Company.

The Company's Code of Conduct and Ethics also affirms its commitment to the highest standards of integrity and ethics.

Further, as per the requirement of Companies Act, Listing Agreement and JTEKT Global practices, the company has constituted Whistle Blower Committee, which has been also empowered to consider and investigate on the matters related to bribery and corruption.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

During the year 2021-22, the Company has received one whistle blower complaint and necessary actions are taken by management thereof. Apart from this the company has not received any other complaint on the subject matter.

Principle 2: PRODUCT LIFE CYCLE SUSTAINABILITY

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

(a) Manual Steering Gear (MS)

(b) Hydraulic Power Steering (HPS)

(c) Column type Electric Power Steering (CEPS)

(d) Manual Column

(e) Driveline Products (Drive Shafts, Axles, Differentials, Propeller Shafts)

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

(a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Company is committed to save resources by adopting latest technology for manufacturing of products such as CEPS, MS, HPS, Driveline products and Manual Column. Since these products also contribute to the total weight of the vehicle, the weight and physical size reduction is critical for fuel efficiency and vehicle compactness respectively considering environmental impact.

In this regard, globally efforts are being made for innovation of new materials and technologies to have light weight material of same strength. In this regard, JIN on one side is putting efforts to use lighter material and on other hand is using design expertise in optimising design and also adopting different technologies to reduce the weight of product, thus providing green product to reduce environmental impact. For all products mentioned above, technical team of JIN explored several methods of weight reduction such as weight optimisation under value addition activity, adoption of tubular technology in place of solid forged shafts, reducing sheet thickness and profile optimization through virtual simulation tools, promoting use of cold forged parts, yield improvement in die cast / press part components as well as other weight/ size reduction techniques to the steering technology for automobiles to provide safe, comfortable and environment-friendly products for the vehicles. The optimized designs and technologies resulted in saving of fuel to direct customer and raw materials and power consumption saving at JTEKT India and indirectly in entire supply chain.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Yes, the Company believes in sustainable sourcing. The Company foster its existing suppliers including transporters & other service providers and keep potential suppliers in our supply chain who are open to improve their operations, upgrade their technology in line with environmental requirement and work with us in a long term. The Company always keep its doors open for good and capable suppliers. The Company supports its suppliers in upgrading their operations, skills, quality improvement and technology for ensuring defect-free products to customers. Fair assessment of suppliers is done while evaluating their performance. High scoring suppliers get more business from the Company. The Company promotes green supply chain with parts free from prohibited chemicals in recyclable packaging to reduce waste through milk run. Waste reduction/adoption of green packaging is one of the important continuous activity at JTEKT India.

The Company also makes sure that its suppliers are taking safety measure for safe and healthy environment. Safety team provides training to suppliers for measures to be taken under any force majeure situation like Covid-19 is the recent case of such situation.

Safety teams conduct audit at suppliers' end also to make sure that safety measure are in line with requirement. This year the Company has taken objective for safety assessment of all suppliers.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

   (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

   Yes, the Company supports MSME suppliers and local suppliers(including transporters & other service providers). While developing parts, the Company makes sure that opportunities are given to MSME and local suppliers also. The Company prefers to develop parts locally within 100 KM area. The Company has many MSME suppliers in its supply chain and also upgrade them by providing training from time to time.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

   The focus of the Company is first to minimize the waste by product and process design and then to recycle the waste in the most environmentally sustainable manner. The Company recycles materials itself wherever it is usable within the Company. Materials which cannot be reused are disposed-off in a manner that waste will be recycled to the extent possible while meeting or exceeding the regulatory environmental norms.

Principle 3: EMPLOYEE WELL-BEING

1. Please indicate the total number of employees.

   As on 31 March 2022 the total number of employees were 2959 on standalone basis.

2. Please indicate the total number of employees hired on temporary/contractual/casual basis.

   As on 31 March 2022, the total number of outsourced personnel were 1392, on standalone basis.

3. Please indicate the number of permanent women employees.

   As on 31 March 2022, the total number of permanent women employees were 37, on standalone basis.

4. Please indicate the number of permanent employees with disabilities

   As on 31 March 2022, there was no permanent employee with disabilities.

5. Do you have an employee association that is recognized by management?

   The Company has a registered trade union at Gurugram location recognized by the management and affiliated to AITUC. At all other JIN locations there are various forums such as Work Committees, Safety Committees etc. which are available for association of workers.

6. What percentage of your permanent employees is members of this recognized employee association?

   As on 31 March 2022, approximately 13% of permanent employees are part of registered trade union on standalone basis.

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

S. No.	Category	No. of complaints filed during the Financial Year	No. of Complaints pending
1.	Child Labour	Nil	Nil
2.	Forced Labour	Nil	Nil
3.	Involuntary Labour	Nil	Nil
4.	Sexual Harassment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

Permanent Employees	78%
Permanent Women Employees	67%
Casual/Temporary/Contractual Employees	76%
Employees with Disabilities	N.A.

Principle 4: STAKEHOLDERS ENGAGEMENT

1. Has the company mapped its internal and external stakeholders? Yes/No

   Yes

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

   There are no identified disadvantaged, vulnerable & marginalized stakeholders.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

   Not Applicable

Principle 5: HUMAN RIGHTS

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?

   The Company is committed to human rights and the same had been embedded in the JTEKT India Limited 'Code of Conduct for Business Partners' which is applicable to all its business partners such as suppliers, vendors, subcontractors, distributors and agents of the Company. Further the Company's commitment to follow the basic principles of human rights also reflects within the various HR Policies and processes. All employees, including outsourced personnel, are sensitised to basic ethics, human rights as part of their orientation programme.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

   Other than one whistle blower complaint, there was no other compliant in FY 2021-22.

Principle 6: ENVIRONMENT

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/others.

   Environmental Policy of the Company is applicable to all the business units/groups and extends to business partners including suppliers, vendors and contractors.

2. Does the company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

   Yes, the Company has an 'Environment Policy' which guides the organisation to continually mitigate the impact on climate change and global warming as a result of our operations. The Company works continuously to reduce the waste and focused on creating green infrastructure which are designed for better energy efficiency and efficient operations. The 'Environment Policy' is displayed on the website of the Company (web link: http://www.jtekt.co.in/policies.html).

3. Does the company identify and assess potential environmental risks? Y/N

   Yes, potential environmental risks are identified as a part of the Company's risk management activity and feature in the Company's risk assessment documentation. The Company periodically reviews its environmental risks and undertakes initiatives to mitigate them.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

   All plants of JIN in India are certified for requirements under ISO 14001 (Environmental Management System). Audits by independent auditors are carried out to check the level of compliance. Environmental management system planning ensures that the corrective actions are close looped and issues are addressed within a reasonable time frame. Safety, Health and Environment (SHE) performance assessment is carried out periodically to review the situation and identify the areas for improvement. Objectives are established for the next year and improvement programs are prepared and deployed.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

   Yes, all the plants of JIN undertake specific projects for carbon dioxide emissions reduction and for implementation of energy efficient equipment. In this financial year, company has specially focussed on installing new solar power plants on the available roof space in few of its manufacturing plants.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

   All emissions and waste generated by the Company are within the permissible limits given by CPCB/SPCB.

7. Number of show cause/legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

   None.

Principle 7: POLICY ADVOCACY

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

   (a) The Automotive Component Manufacturers Association of India (ACMA).

   (b) The Confederation of Indian Industry (CII)

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

   No

Principle 8: INCLUSIVE GROWTH

1. Does the company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.

   The Company supports inclusive growth and equitable development through its Corporate Social Responsibility (CSR) programmes. The Company has aligned its CSR programmes/initiatives/activities with the requirements of Companies Act, 2013. The Company's CSR activities are being monitored by the CSR Committee constituted by the Board.

The details and impact of the CSR programmes/initiatives/ activities taken by the Company in the recognised fields are detailed in the CSR Report attached to the Annual Report of the Company.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?

   The Company carries such programmes / initiatives / activities directly as well as indirectly and strives to ensure a better quality of life for the people while contributing towards a strong economy. All our CSR efforts stem from our Corporate Social Responsibility (CSR) Policy and focus on some of the key priorities of the communities.

   Assistance of external agencies / expert may be taken as and when required.

3. Have you done any impact assessment of your initiative?

   No formal impact assessment of the initiatives has been undertaken by the Company.

4. What is your company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?

   Details of amount spent by the Company by way of CSR Programmes towards the development of the Community have been provided in Annexure I of the Board's Report for the financial year 2021-22.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

   The Company undertakes CSR activities after assessing the needs of the community. Further, all CSR activities are rolled out directly to the society. The Company believes that they will benefit the society at large. This helps in increased reach as well as ensuring the adoption of initiative by communities. Project teams track the reach and take necessary steps to make it successful.

Principle 9: CONSUMER VALUE

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?

   There are no customer complaints/consumers cases pending as on the end of financial year.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)

   No

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.

   No

4. Did your company carry out any consumer survey/consumer satisfaction trends?

   The Company conduct surveys for Original Equipment Manufacturers only.

BOARD'S REPORT

TO THE MEMBERS,

Your Directors have pleasure in presenting their 38 Annual Report together with audited accounts of the Company for the year ended 31 March 2022.

1) Financial Results

STANDALONE AND CONSOLIDATED PREFORMANCE OF THE COMPANY

(Amount in INR /Lakhs)

Particulars	Standalone		Consolidated	
	Current Year 31.03.2022	Previous Year 31.03.2021	Current Year 31.03.2022	Previous Year 31.03.2021
Total Income	1,62,084	1,35,798	1,59,903	1,33,842
Profit before interest , depreciation & tax	11,479	10,027	13,079	10,818
- Interest	367	466	373	472
- Depreciation & write offs	6,591	7,793	7,088	8,295
Profit before share of profit of Associates	4,520	1,768	5,618	2,051
Profit before tax	4,520	1,768	5,618	2,051
Less : Provision for tax	1,694	1,039	2,013	1,195
Provision for deferred tax liability / (assets)	(487)	(502)	(507)	(514)
Profit after tax	3,314	1,232	4,112	1,369
Less : Share of profit transferred to minority	-	-	421	196
Profit for the year	3,314	1,232	3,691	1,173
Retained Earnings				
Balance at the beginning of the year	36,583	36,244	38,713	38,427
Profit for the year	3,314	1,232	3,691	1,173
Payment of Dividend on equity shares	(367)	(856)	(367)	(856)
OCI Transfer to Retained Earnings	(2)	(37)	6	(31)
Balance at the end of the year	**39,528**	**36,583**	**42,043**	**38,713**

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

2) Impact of COVID-19 on the economy and Company's initiatives in addressing the challenges of the pandemic

The COVID-19 pandemic has led to the unprecedented health crisis and has disrupted economic activities and global trade while weighing on consumer sentiments. During the year under review, the nation experienced high severity and mortality of citizens brought by the second wave of the ongoing COVID-19 pandemic. With intermittent nationwide lockdowns and disruption in regular economic activities, there was price volatility of raw materials and sluggish market demand during first half of the year under review. However, the Company dealt with the pandemic by continuing to focus on operational excellence, marketing strategies and keeping its employees and community at the core of it.

The health and safety of employees and the communities in which the Company operates continue to be the foremost priority of the Company. To mitigate the risks and challenges faced by the Company during the pandemic, the Company enhanced safety and hygiene norms at offices, implemented work from home, staggered shift timings for safety of employees and leveraged digital platforms for its day-to-day operations.

During the challenging times, the Company maintained its liquidity position by minimizing cash outflows and maintaining a judicious mix of funding instruments to fulfil its operational requirements.

3) State of Affairs of the Company

The Company achieved revenue from operations of INR 161,050 lakhs during the year; with an increase of 19% compared to revenue achieved in the previous year.

The Company reported profit after tax of INR 3,314 lakhs, an increase of 169% compared to the previous year.

4) Capital Expenditure on tangible assets-standalone

This year, on standalone basis, we incurred a capital expenditure of INR 4,817 lakhs. This comprises:

- Building INR 91 lakhs.
- Plant and Machinery, jig & fixture etc. INR 4,257 lakhs.
- Office equipment and others INR 469 lakhs.

5) Dividend

Keeping in view the current year performance, your directors are pleased to recommend a dividend of INR 0.40 per equity share of the face value of INR 1/- each (@ 40%) out of profit for Financial Year 2021-22 resulting into distribution of sum of INR 977.92 lakhs towards dividend, payable to those shareholders whose name appear in the Register of Members as on the date of book closure. The dividend recommendation is in accordance with the Dividend Distribution Policy of the Company, which is available on the website of the Company at http://www.jtekt.co.in/policies.html.

During the previous Financial Year dividend was paid at the rate of 15% on the equity share capital of the Company.

No interim dividend was declared by the Board of Directors during Financial Year 2021-22.

6) Reserves

(Amount in INR/Lakhs)

Particulars	31 March 2022	31 March 2021
Balance as per last financial statements	36,583	36,244
Add: Profit for the year	3,314	1,232
Less: Appropriations		
Dividend paid	(367)	(856)
Less : OCI Transfer to Retained Earnings	(2)	(37)
Net surplus in the statement of Profit and loss account	39,528	36,583

7) Change of nature of Business

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

8) Share Capital

As on 31 March 2022:

(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 2021-22 the Company has not issued, changed, reclassified, converted or reduced any Equity Shares/Convertible Securities/Warrants/Sweat Equity Shares/Employee Stock Options.

As on 31 March 2022, 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.

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

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

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

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

11) Details in respect of adequacy of internal controls

The 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 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.

12) 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 FUJI KIKO Co. Ltd., Japan 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 2022, JFIN has achieved total revenue of INR 10,059.08 Lakhs and earned net profit of INR 859.85 Lakhs.

The Board of Directors of JFIN in their meeting held on 11 May 2022 have recommended the final dividend @ 86% for the financial year ended 31 March 2022.

13) 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.

14) 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 .

15) 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 last few years, your Company has been undertaking the CSR activities with a main focus on healthcare and rural development programs. During the FY 2021-22, the Company has further extended its areas of CSR activities and contributed for quality education and clean water & sanitation along with healthcare 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 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 receipt of necessary approval has been completed and work on this project has started. Since the project involves civil construction activity which is time consuming, we expect to finish this CSR project by September 2022. Except this project, the Company has successfully completed all other projects within the current financial year. However as per CSR Rules the unspent amount has been transferred to a special account (Unspent Corporate Social Responsibility Account). The CSR activities undertaken by the Company are scalable in future and moving forward the Company will endeavour to spend the complete amount on CSR activities in accordance with the 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.**

16) Number of meetings of the Board of Directors

The Board of Directors met 4 (four) times in the year ended 31 March 2022. The details of the Board Meetings and the attendance of the Directors are provided in the Corporate Governance Report.

17) 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.

18) 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 resolution in order to comply with the aforesaid requirements of Listing Regulations, was passed by the members of the Company in 35 Annual General Meeting of the Company held on 09 August 2019. 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 enhanced limits as stated in the relevant resolution, forms part of the Notice of the 38 Annual General Meeting of the Company.

19) Auditors

(A) Statutory Auditors

As per Section 139 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the term of M/s. B S R and Co. LLP, Chartered Accountants (ICAI Registration No.: 101248W/W-100022) ("BSR"), as the Statutory Auditors of the Company, expires at the conclusion of 38 Annual General Meeting of the Company.

The Board of Directors of the Company at their meeting held on 20 May 2022, on the recommendation of the Audit Committee, have made its recommendation for appointment of M/s. B S R & Co LLP Chartered Accountants (ICAI Registration No.: 101248W/W-100022) as the Statutory Auditors of the Company, by the members at the 38 Annual General Meeting of the Company for a term of five consecutive years. Accordingly, an ordinary resolution, proposing appointment of M/s. B S R & Co LLP Chartered Accountants as the Statutory Auditors of the Company for a term of five consecutive years i.e. from the conclusion of 38 Annual General Meeting till the conclusion of 43 Annual General Meeting of the Company pursuant to Section 139 of the Act, forms part of the Notice of the 38 Annual General Meeting of the Company. The Company has received their written consent and a certificate that they satisfy the criteria provided under Section 141 of the Act and that the appointment, if made, shall be in accordance with the applicable provisions of the Act and rules framed thereunder. M/s. B S R & Co LLP is a firm of Chartered Accountants registered with the Institute of Chartered Accountants of India. M/s.B S R & Co. LLP (Firm registration no 101248W/W-100022), is a member of the B S R & Affiliates network of firms registered with the Institute of Chartered Accountants of India. B S R & Co LLP has its presence in 14 cities in India with over 120 partners and an employee strength of over 5000 professionals. The network firms are engaged in audit, tax, and advisory services. The Firm has a client base spanning Indian businesses, multinationals, and listed companies in India across industry sectors.

(B) Secretarial Audit Report

Pursuant to Section 204 of the Companies Act, 2013, the Company had appointed Mr. Krishna Kumar 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 2021-22. The Company provided all assistance and facilities to the Secretarial Auditors for conducting their audit. The Report of Secretarial Auditors for the FY 2021-22 is annexed to this report as **Annexure – III**. The report does not contain any qualification.

(C) Audit Reports

1. The Auditors' Report for financial year 2021-22 does not contain any qualification, reservation or adverse remark. The Auditors' Report is enclosed with the financial statements in this Annual Report.
2. The Secretarial Auditors' Report for financial year 2021-22 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 2021-22 does not contain any qualification, reservation or adverse remark.

20) 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.

21) 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.

22) 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.

23) Business Responsibility Report

Pursuant to the Regulation 34(2)(f) of the Listing Regulations, the Business Responsibility 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 Policy and the same is available at the Company's website (web link: http://www.jtekt.co.in/policies.html).

24) 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.

25) 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.

26) Deposits

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

27) 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 2021-22.

28) Directors & Key Managerial Personnel

As on 31 March 2022, 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 Financial Year under review:

1) Mr. Hirofumi Matsuoka rescinded from the position of Director with effect from the conclusion of Board Meeting of the Company held on 26 May 2021.

2) Mrs. Geeta Mathur rescinded from the position of Independent Director with effect from 9 June 2021.

3) Mr. Takumi Matsumoto was appointed as an Additional Director in the capacity of Non-Executive Director of the Company with effect from 1 July 2021 and his appointment was confirmed by the shareholders of the Company in the Annual General Meeting held on 16 September 2021.

4) Mr. Masahiko Morimoto was appointed as an Additional Director in the capacity of an Independent Director of the Company with effect from 11 November 2021.

5) Mr. Nitin Sharma, Company Secretary and Whole-time Key Managerial Personnel rescinded the position of Company Secretary effective from the close of business hours of 16 September 2021 and also ceased to be the Whole-time Key Managerial Personnel.

6) Mr. Ashish Srivastava was appointed as Company Secretary as well as one of the Key Managerial Personnel of the Company effective from 11 November 2021.

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) Ms. Hiroko Nose

5) Mr. Masahiko Morimoto

Your Directors take this opportunity to place on record the appreciation of services rendered by Mr. Hirofumi Matsuoka and Mrs. Geeta Mathur, during his/her association as Non-Executive Director / Independent Director, with the Company.

Pursuant to the provisions of Section 152(6) read with the Articles of Association of the Company, Mr. Takumi Matsumoto (DIN: 09214828) will retire by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for reappointment.

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

29) 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.

30) Committee of Directors

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

31) 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 2021-22, 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 2021-22 and of the profit and loss 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.

32) Secretarial standards

The Company complies with all applicable secretarial standards.

33) 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 – IV** and forms part of this report.

34) 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.

35) 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 - V(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 2021-22 or part thereof, is attached herewith as **Annexure - V(b)** to this Report.

36) 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.

37) General

During the year, there were no transaction requiring disclosure or reporting in respect of matters relating to: (a) raising of funds through preferential allotment or qualified institutions placement; (b) pendency of any proceeding under the Insolvency and Bankruptcy Code, 2016; and (c) instance of one-time settlement with any bank or financial institution.

38) Acknowledgements

Your Directors acknowledge with gratitude the co-operation and support extended by the Company's customers namely Maruti Suzuki, Suzuki Motor Gujarat, Mahindra & Mahindra, Tata Motors, Honda Cars India, Fiat India PCA, Toyota Kirloskar, Club Car, E-z-go, Renault-Nissan, Isuzu, SML-Isuzu and Force Motors, the Financial Institutions, Banks, 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 : 20 May 2022

CSR REPORT

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)	3	3
2.	Mr. Akihiko Kawano	Member	3	3
3.	Mrs. Geeta Mathur*	Member (Independent Director)	3	1
4.	Mr. Hidehito Araki#	Member (Independent Director)	3	2

   * Ceased to be member w.e.f. 09.06.2021.
   # Appointed as member w.e.f.14.07.2021.

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.

   web link: http://www.jtekt.co.in/policies.html

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

   Since the value of CSR obligation of the Company is less than INR 100 million in the three immediately preceding financial years, hence it is not required to provide an impact assessment of CSR projects

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in INR)	Amount required to be set-off for the financial year, if any (in INR)
1.	-	Nil	Nil

6. Average net profit of the company as per Section 135(5).

   INR 5019.86 Lakhs

7. (a) Two percent of average net profit of the company as per Section 135(5)

   INR 100.40 Lakhs

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.

   Nil

   (c) Amount required to be set off for the financial year, if any

   \` Nil

   (d) Total CSR obligation for the financial year (7a+7b-7c).

   INR 100.40 Lakhs

8. (a) 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 Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
87,89,529.10	12,50,193.86	25.04.2022	Not Applicable		

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (in INR).	Amount spent in the current financial Year (in INR).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in INR)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in INR)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1.	Providing covid relief material to District Collector / Chairman, DRDA, Kanchipuram	Promoting healthcare	Yes	Kanchipuram, Tamil Nadu		4,93,650	Yes	N.A.	N.A.
2.	Contribution to Bharat Vikas Parishad for purchase of medical machines / equipment for its Day Care Centre for Cancer Treatment	Promoting healthcare	Yes	Gurgaon, Haryana		64,64,000	No	Bharat Vikas Parishad Maharana Pratap Nyas	CSR00005562
3.	Providing Semi-Automatic Delivery Table for female patients and affixing of aluminium partition in Maternity Ward in Primary Health Centre, Bawal	Promoting healthcare	Yes	Bawal, Haryana		57,114	Yes	N.A.	N.A.
4.	Providing E-Learning Module to the Govt. Polytechnic College, Dhamlawas	Education	Yes	Dhamlawas, Rewari		1,25,000.22	Yes	N.A.	N.A.
5.	Providing new Braille Books and infrastructural facilities to the Blind School, Gurugram	Education	Yes	Gurgaon, Haryana		8,79,764	Yes	N.A.	N.A.
6.	Construction of Washrooms in Government School, Sulkha and Police Station, Dharuhera	Promoting sanitation	Yes	Rewari, Haryana		4,69,640	Yes	N.A.	N.A.
7.	nstallation of 5 nos. of Solar Street Lights in the premises of the HUDA Dispensary, Rewari	Rural Development Projects	Yes	Rewari, Haryana		84,000	Yes	N.A.	N.A.
8.	Installation of Ceiling Fans in the College classrooms, Bawal (Installation cost)	Education	Yes	Bawal, Haryana		1,27,985.16	Yes	N.A.	N.A.
9.	Services of computer teacher (Feb-March 22 Salary)	Education	Yes	Banipur, Haryana		50,976	Yes	N.A.	N.A.
10.	Providing E-Learning Module to the Govt. Polytechnic College, Dhamlawas	Education	Yes	Dhamlawas, Rewari		37,399.72	Yes	N.A.	N.A.
	Total					**87,89,529.10**			

(d) Amount spent in Administrative Overheads

Nil

(e) Amount spent on Impact Assessment, if applicable

Nil (Not Applicable)

(f) Total amount spent for the Financial Year (8b+8c+8d+8e)

INR 87,89,529.10

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in INR)
(i)	Two percent of average net profit of the company as per Section 135(5)	1,00,39,722.96
(ii)	Total amount spent for the Financial Year	87,89,529.10
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(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

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6) (in INR)	Amount spent in the reporting Financial Year (in INR)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any.			Amount remaining to be spent in succeeding financial years (in INR)
				Name of the Fund	Amount (in INR)	Date of Transfer	
1.	2020-21	28,12,502.00	28,12,502.00	N.A.			Nil
2.	2019-20	Not required under applicable Law		N.A.			93,06,514*
3.	2018-19						1,08,69,038*

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

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1) Sl. No.	(2) Project ID	(3) Name of the Project	(4) Financial Year in which the project was commenced	(5) Project duration	(6) Total amount allocated for the project (in INR)	(7) Amount spent on the project in the reporting Financial Year (in INR)	(8) Cumulative amount spent at the end of reporting Financial Year (in INR)	(9) Status of the project - Completed / Ongoing
1.	FY31.03.2021_1	17 Tricycles distributed to under privileged handicapped persons	2021-22	11 months	1,41,240	1,41,041.25	1,41,041.25	Completed
2.	FY31.03.2021_2	Installation of New RO System-Bawal College	2021-22	8 months	2,27,740	2,27,740	2,27,740	Completed
3.	FY31.03.2021_3	Installation of water cooler with RO System in Malpura Government School and Police Station at Dharuhera	2021-22	9 months	4,00,000	2,73,299	2,73,299	Completed
4.	FY31.03.2021_4	Construction and Installation of Open Gym for students	2021-22	9 months	3,00,000	2,92,640	2,92,640	Completed
5.	FY31.03.2021_5	Installation of Ceiling Fans in the College classrooms	2021-22	11 months	2,02,942	1,48,786.2	1,48,786.2	Completed
6.	FY31.03.2021_6	Installation of 90 duel desk table for class room at Govt. Polytechnic, Rewari	2021-22	11 months	4,70,000	4,38,370	4,38,370	Completed

7.	FY31.03.2021_7	Plantation of 300 Nos. of Ashoka Tree with Tree Guard at Malpura Village	2021-22	9 months	4,40,000	4,65,000	4,65,000	Completed
8.	FY31.03.2021_8	Providing 1 facilty for E-learning setup at Govt. Polytechnic, Dhamlawas, Rewari	2021-22	11 months	1,61,184	87,600.50	87,600.50	Completed
9.	FY31.03.2021_9	Construction of Bus Stand in Lisana Village	2021-22	9 months	7,00,000	6,98,560	6,98,560	Completed
10.	FY31.03.2021_10	Deployment of Computer Teacher in Govt. Sr. Sec. School, Banipur Village	2021-22	9 months	1,82,560	39,465.05	39,465.05	Completed
	Total					**28,12,502**		

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

    (a) Date of creation or acquisition of the capital asset(s). NIL

    (b) Amount of CSR spent for creation or acquisition of capital asset. NIL

    (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. NIL

    (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). NIL

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5).

    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 receipt of necessary approval has been completed and work on this project has started. Since the project involves civil construction activity which is time consuming, we expect to finish this CSR project by Sep'22. Except this project, the Company has successfully completed all other projects within the current financial year. However as per CSR Rules the unspent amount has been transferred to a special account (Unspent Corporate Social Responsibility Account).

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

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

Place : Gurugram
Date : 19 May 2022

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 arm's 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 2022, 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 2022 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)	Business Support Income	0.41	Nil	April 2021 - March 2022	The related party transaction (RPTs) entered during the year were in the ordinary course of business and on arms length basis.	The said Related Party Transactions (RPT's) were approved by the Audit Committee and Board of Directors of the Company and are within the limits as approved by the Members by way of ordinary reslution at 35 Annual General Meeting held on 9 August 2019.
		Dividend Paid	254.34				
		Corporate guarantee on loans from bank	6,350.90				
		Guarantee Fee Paid	6.21				
		Purchase of Capital Goods	265.58				
		Purchase of Goods	4,908.48				
		Receiving of Services	51.80				
		Reimbursement of Expenses Paid	1,072.72				
		Reimbursement of Expenses Recovered	23.16				
		Royalty	2,014.42				
		Sale of goods (Net of Warranty)	70.80				
		Technical Support Fee	7.04				
		Total	**15,025.86**				
2.	JTEKT Fuji Kiko Automotive India Limited (Subsidiary)	Advance Paid for Tooling	28.90	28.90			
		Business Support Income	74.44				
		Dividend Received	63.75				
		Purchase of Goods	12,656.87				
		Reimbursement of Expenses Recovered	1.94				
		Rental Income	4.64				
		Sale of goods (Net of Warranty)	2,857.18				
		Total	**15,687.72**				
3.	Maruti Suzuki India Limited (Other Related Party)	Advance Received	71.48	Nil			
		Cash Discount Paid	2.56				
		Director Sitting Fee	1.50				
		Dividend Paid	20.70				
		Interest Income	0.40				
		Receiving of Services	1.06				
		Reimbursement of Expenses Paid	0.09				
		Sale of goods (Net of Warranty)	115,687.96				
		Total	**115,785.75**				

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
Chief Financial Officer

Ashish Srivastava
Company Secretary

Place : Gurugram
Date : 20 May 2022

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

For the financial year ended on March 31, 2022

[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, Indra Prakash, 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 me 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, 2022 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, 2022, 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) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and 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) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and 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, 2009; (Not applicable to the Company during the audit period)

(i) The Securities and Exchange Board of India (Buyback 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;

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 issued by The Institute of Company Secretaries of India with respect to board and general meetings.

b) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above, save and except delay in compliance with Regulation 17(1) of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") read with Section 149(4) of Companies Act, 2013 towards composition of Board with regard to Independent Director. The BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) have levied fines in terms of Standard Operating Procedure (SOP) prescribed under SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated 22nd January, 2020 for the same. However, the Company has made suitable representations seeking waiver of the fines in terms of Policy for exemption of fines levied as per the provisions of SEBI Standard Operating Procedure Circular, which are pending for consideration with the respective Stock Exchange.

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.

For KKS & Associates

Krishna Kumar Singh
Practicing Company Secretary
FCS No: 8493
COP No. : 9760
UDIN: F008493D000354366

Place: New Delhi
Date : 20th May, 2022

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

Annexure - A

To,
The Members,
JTEKT India Limited,
UGF-6, Indra Prakash, 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
Membership No: 8493
COP No. : 9760

Place: New Delhi
Date : 20 May, 2022

FORM – A : PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

Power and Fuel Consumption			2021-2022						
			Gurugram[1]	Dharuhera-1[2]	Chennai[3]	Sanand	Dharuhera- 2[4]	Dharuhera-3[5]	Bawal[6]
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	-	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*

Power and Fuel Consumption			2020-2021						
			Gurugram[1]	Dharuhera-1[2]	Chennai[3]	Sanand	Dharuhera- 2[4]	Dharuhera-3[5]	Bawal[6]
State Electricity Board									
1.	Power Units purchased (KWH)	(Units)	4027294	2567520	1797430	602768	2248210	4045980	1837606
	Total Amount	INR	34626126	20727988	16418313	4716837	18038885	32717047	14920035
	Rate per unit	INR	8.60	8.07	9.13	7.83	8.02	8.09	8.12
2.	Captive Generation DG Set (KWH)	(Units)	36184	28211	114093	-	30529	43226	18897
	Amount	INR	785883	887421	3106570	-	853550	1064082	1588884*
	Rate per unit	INR	21.72	31.45	27.23	-	27.96	24.62	84.08*
	Fixed Cost	INR	4407500	3456000	-	-	2472000	2472000	-
3.	Diesel consumption	(Litres)	12003	12295	39828	-	12091	14672	9806
	Total Amount	INR	785883	767296	2953953	-	742578	954082	617711
	Rate per litre	INR	65.47	62.41	74.17	-	61.42	65.03	62.99
	Litre per unit	INR	0.33	0.44	0.35	-	0.38	0.34	0.52
4.	Solar Power	(Units)	251509	392236	134532	-	259337	270516	512521
	Total Amount	INR	1506684	2641333	888280	-	1701437	1773938	1178798
	Rate per unit	INR	5.99	6.73	6.60	-	6.56	6.56	2.30*

** In Bawal unit the Solar power plant is owned by the company hence the per unit cost is low.*

① **Total saving achieved at Gurugram Plant during financial year 2021-22 – INR 0.92 million.**

Above saving achieved by taking the following initiatives:

1) Replaced Old Version FDV to Energy efficient FDV at Plant-2 (saving of INR 0.34 million).

2) Provided Chiller Unit 2.5 ton in place of cooling tower at Induction hardening machine. (saving of INR 0.31 million).

3) Panel Air Conditioner interlock with machine control (saving of INR 0.12 million)

4) Provided Energy efficient exhaust blower at tool room machine. (saving of INR 0.05 million).

5) Replaced high wattage LED light at periphery area (saving of INR 0.076 million).

6) FDV motor pulley dia increase from 4 inch to 8 inch (saving of INR 0.024 million).

② **Total saving achieved at Dharuhera Plant (1) during financial year 2021- 22 – INR 0.75 million.**

Above saving achieved by taking the following initiatives:

1) Installed VFD for cooling tower pump in winter season. (saving of INR 0.12 million).

2) Installation of 72.9 Kwp solar plants. (saving of INR 0.44 million)

3) Replaced FDV Standard motor with Energy efficient motors – 5 no's (saving of INR 0.052 million).

4) Installations of timers, independent switches for Lights & Fans (saving of INR 0.02 million)

5) Replaced FDV water pump to Energy efficient pumps -4 no's (saving of INR 0.017 million)

6) Installation of VFD on machines – 4 No's. (saving of INR 0.05 million)

7) Installed motion sensor for light & fan in office area (saving of INR 0.008 million).

8) Reduced air pressure at air guns, eliminate air leakage (saving of INR 0.04 million).

③ **Total saving achieved at Chennai Plant during financial year 2021-22 – INR 0.543 million.**

Above saving achieved by taking the following initiatives:

1) Providing VFD based Compressor, units saved - 34320 (saving of INR 0.343 million).

2) Providing capacity based control system in 90kw compressor, saved units - 20000 (saving of INR 0.20 million).

④ **Total saving achieved at Dharuhera Plant (2) during financial year 2021-2022 – INR 0.084 Million**

Above saving achieved by taking the following initiatives:

1) Energy efficient motor (2 no's) installed on FDV No-2. (saving of INR 0.010 million).

2) Energy efficient pumps (2 no's) installed on bay-1 cooling tower. (saving of INR 0.016 million).

3) VFD (1 no.) Installed on cooling tower pump. (saving of INR 0.007 million).

4) Solar street light (1 no's) installed on Gate no-1 (saving of INR 0.0007 million).

5) FDV water pump replaced from 1.5 kw to 0.5 kw (2 no's) (saving of INR 0.003 million).

6) VFD installation on Teeth Broach L-32 (DOJO side machine) (saving of INR 0.036 million).

7) Greasing unit running time reduced from continuous rotation to 5 minutes in every half hour. On K05 (1 No.), K08 (1 No.), L64 (3 Nos), H65 (1 No.), L45 (1 No), L46 (1 No.) & L48 (1 No.) (saving of INR 0.010 million).

8) VFD installed on washing pump on K-26 & H-29 machines. (saving of INR 0.006 million).

9) Head stock motor stopped during dressing time on K-33 & K-34 machine on Pinion-1 line. (saving of INR 0.001 million).

⑤ **Total saving achieved at Dharuhera Plant (3) during financial year 2021-22 – INR 0.25 million.**

Above saving achieved by taking the following initiatives:

1) Replacement of 2 Nos of ETP/ STP blowers with energy efficient (saving of INR 0.06 million)

2) IE3 class energy efficient motor installation in press machine. (saving of INR 0.05 million)

3) Replacement of 4 Nos of ETP/ STP pump with energy efficient. (saving of INR 0.06 million)

4) Replacement of 3 Nos of coolant pump with energy efficient. (saving of INR 0.03 million)

5) Eliminated 2 Nos of coolant motor by coolant tank modification (saving of INR 0.05 million)

⑥ **Total saving achieved at Bawal Unit during financial year 2021-22 – INR 0.274 Million**

Above saving achieved by taking the following initiatives:

1) Plant Air Pressure reduces from 5.4 to 5.3 Bar. (saving of INR 0.053 million).

2) VFD install in two Compressor Exhaust Motor. (saving of INR 0.086 million).

3) Portable AC switch off. (saving of INR 0.044 million).

4) Standard Room AC Switch OFF in Holidays & Non-working hours (saving of INR 0.028 million).

5) Air Compressor exhaust duct removed & exhaust fan switch off in winter. (saving of INR 0.063 million).

FORM - B : PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

A.	**Technology Absorption**		
1.	Efforts in brief towards Technology Absorption and Innovation	a)	Development of Collapsible extension shaft on Pinion for R&P HPS Gear → Concept developed and validated but idea dropped by Customer.
		b)	Development of sliding sleeve for "Resin type of Intermediate Shaft" design for commercial EPS application completed.
		c)	Development of Tilt-Telescopic steering column for Heavy Commercial vehicle completed.
		d)	Incorporation of Angle sensor by developing mounting arrangement on manual steering system. Implementation in process.
		e)	Development of first time Drive shaft in JTEKT India completed and SOP is from Aug'2022.
		f)	Design and Development of High Strength R&P MS Gear by strengthening of Rack bar by optimising metallurgical and Heat treatment process completed and in process of implementation.
		g)	Development of CEPS structure by JTETK India for commercial Vehicles. Design prototype prepared and under testing at Customer end.
		h)	Development of alternate steel is in process.
		i)	Feasibility for low cost Steering product is under progress.
2.	Benefits derived as a results of above efforts e.g. Product Improvement, Cost Reduction, Product Development, Import Substitution etc.	a)	Development of collapsible extension shaft for pinion is to improve ENCAP requirement at Vehicle level.
		b)	Development of Sliding sleeve reduced the cost and Import content in the Resin type sliding Intermediate shaft benefitting Vehicle Manufacturer / end user.
		c)	Development of Tilt / Telescopic column for CV provided ergonomic driving condition for Heavy commercial vehicle.
		d)	Development of Resin Coated Intermediate shaft enhanced strength and durability requirement for commercial vehicle.
		e)	Incorporation of Angle Sensor in Manual Column will help to improve safety of vehicle.
		f)	This development enhanced JTEKT India capability and entering into new business.
		g)	Development of High Strength MS gear by optimising Heat treatment parameters to achieve high strength specification requirement.
		h)	This indigenous CEPS development will be cost effective and enable JTEKT India to explore new business.
		i)	Development of high strength alternate steel lead to cost saving and weight reduction for same specification.
		j)	Development of Low Cost steering product makes JTEKT India more competitive.
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)	Research and Development work for refinement of Motor Control and communication software for advanced Electric Power Steering System for passenger car segment have been undertaken.
		b)	Manufacturing feasibility study of In-house Motor controller unit for advanced power steering has been carried out.
		c)	Studies on Electric Three Wheeler to support Indian market is in progress.
2.	Benefits derived as a result of the above R&D.		The Above R&D initiatives would enable the company to explore new business opportunities for futuristic growth through indigenous technological innovations
3.	Expenditure on R&D	a)	Capital Expenditure of INR Nil lakhs.
		b)	Revenue expenditure of INR 101.54 lakhs.

FORM - C : FOREIGN EXCHANGE EARNING AND OUTGO

During the year the Company's export sales amounted to INR 5687.94 lakhs. Foreign Exchange outflow on account of import of raw material, spares and tools during the year was INR 16749.60 lakhs.

For and on behalf of the Board

Hitoshi Mogi
Chairman & Managing Director
[DIN 08741355]

Place : Gurugram
Dated : 20 May 2022

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 thereunder, 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	69.14
Mr. Sudhir Chopra, Executive Vice Chairman	32.12
Mr. Akihiko Kawano, Dy. Managing Director	39.30

(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	78.32%
Mr. Sudhir Chopra, Executive Vice Chairman	-7.04%
Mr. Akihiko Kawano, Dy. Managing Director	-1.04%
Mr. Rajiv Chanana, Chief Financial Officer	-3.45%
Mr. Nitin Sharma, Company Secretary *	-45.79%
Mr. Ashish Srivastava, Company Secretary **	100.00%

* Mr. Nitin Sharma rescinded the position of Company Secretary from the close of working hours of 16 September, 2021

** Mr. Ashish Srivastava was appointed Company Secretary of the Company effective from 11 November, 2021.

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

4.62%

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

1719

(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 2021-22 was 4.30%. Percentage increase (+) / decrease (-) in the managerial remuneration for the year was 4.00%.

(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 : 20 May 2022

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. Sudhir Chopra	64	Executive Vice Chairman	1,55,70,800	B.Com, FCS, LL.B.	44	15.05.1993	Samtel India Limited (Company Secretary)	0.00%	No
2.	Mr. Osamu Miyazaki	53	Sr. Vice President	1,93,78,434	B.E. (Mech.Engg.)	30	04.09.2018	JTEKT Corporation, Japan	0.00%	No
3.	Mr. Shinji Yamakawa	55	Sr. Vice President	1,81,60,005	Graduate	30	07.10.2020	JTEKT Corporation, Japan	0.00%	No
4.	Mr. Minoru Sugisawa	51	Sr. Vice President	1,75,59,662	Graduate	32	30.03.2021	JTEKT Corporation, Japan	0.00%	No
5.	Mr. Kenji Okazaki	52	Sr. Vice President	1,69,96,538	Bachelor of Arts (Business Admn)	25	06.04.2018	JTEKT Corporation, Japan	0.00%	No
6.	Mr. Kazuyoshi Fukumoto	53	Asst. Vice President	1,60,92,252	Graduate in Mech. Engg.	31	01.08.2018	JTEKT Corporation, Japan	0.00%	No
7.	Mr. Hironori Yamato	53	Asst. Vice President	1,58,49,598	Degree of Associate of Mech. Engg.	31	03.07.2018	JTEKT Corporation, Japan	0.00%	No
8.	Mr. Satoshi Kakutani	47	Asst. Vice President	1,51,27,270	Graduate in Materials	21	26.03.2019	JTEKT Corporation, Japan	0.00%	No
9.	Mr. Yuiga Ino	40	Sr. Vice President	1,47,65,495	Master of Philosophy	14	16.10.2017	JTEKT Corporation, Japan	0.00%	No
10.	Mr. Eiji Maekawa	52	Sr. Vice President	1,45,32,710	Graduate	33	30.03.2021	JTEKT Corporation, Japan	0.00%	No
11.	Mr. Yasunori Imamura	44	General Manager	1,44,16,562	Graduate	21	01.04.2019	JTEKT Corporation, Japan	0.00%	No
12.	Mr. Tsuyoshi Yamada	38	General Manager	1,41,58,972	Graduate	15	03.07.2018	JTEKT Corporation, Japan	0.00%	No
13.	Mr. Kenichi Kamihara	54	Sr. Vice President	1,32,14,696	High School	35	04.09.2017	JTEKT Corporation, Japan	0.00%	No
14.	Mr. Dinesh Kumar Agarwal	49	Sr. Vice President	1,06,87,453	Chartered Accountant	25	01.09.2004	Sona Management Services Limited	0.00%	No

Note

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 : 20 May 2022

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 2022, 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 the significant accounting policies and other explanatory information (together referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements 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 2022, and 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 *Auditors' 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 Matters

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.

Description of Key Audit Matter - Revenue Recognition

See note 2.3 (i) to the Standalone Financial Statements

The key audit matter	How the matter was addressed in our audit
As disclosed in Note 23 and 24 to the Standalone Financial Statements, the Company's revenue for the year ended 31 March 2022 was INR 162,083.54 Lakhs (Previous year INR 135,798.25 lakhs). Revenue is recognized in accordance with accounting policies as detailed in "Significant accounting policies" in the Standalone Financial Statements. Revenue is significant to the Standalone Statement of Profit and Loss and is one of key performance indicators of the Company. There may be misstatements related to revenue recognition due to which the completeness, existence and accuracy of revenue recognition is identified as a key audit matter.	Our audit procedures included: - Assessed the appropriateness of the accounting policy for revenue recognition as per the relevant accounting standard; - Evaluated the design and implementation and operating effectiveness of key internal financial controls in relation to recognition of revenue; - Involved our internal specialists for testing of key IT system controls relating to revenue recognition; - Performed substantive testing by selecting samples and verifying the underlying documents for their inclusion in the appropriate period; and - Assessed the adequacy of the disclosures made 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 Standalone Financial Statements and our auditors' report 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 (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government 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 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 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 Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors') Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a) The Company has disclosed the impact of pending litigations as at 31 March 2022 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; and

d) (i) The management has represented that, to the best of its knowledge and belief, 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 persons or entities, 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 ("Ultimate Beneficiaries") by or on behalf of the Company or

- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, 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 ("Ultimate Beneficiaries") by or on behalf of the Funding Party or

- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries

(iii) Based on such audit procedures as 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 (d) (i) and (d) (ii) contain any material mis-statement.

e) The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.

(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: 22095109AJHNCB1972

Place: Gurugram
Date : 20 May 2022

Annexure A referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of Independent Auditor's Report to the members of JTEKT India Limited on the Standalone Financial Statements for the year ended 31 March 2022.

We report that:

(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 every year and plant and machinery are verified twice a 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. In accordance with this programme, all of the Property, Plant and Equipment have been physically verified by the management during the year. As informed to us, 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 the immovable property (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the Standalone Financial Statements are held in the name of the Company, 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 2022.
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 2022.

* The Gross block as at 31 March 2022 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 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 of loans granted during the year to the employees	4.92
Balance outstanding as at balance sheet date with employees	9.90

(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, the repayment of principal has been stipulated and the repayments 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 sub-section (1) of Section 148 of the Act for the goods manufactured by the Company. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Goods and Services Tax ('GST'), Duty of customs, Cess and other statutory dues have generally been regularly deposited with the appropriate authorities, though there have been slight delays in a few cases of tax deducted at source and tax collected at source.

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 have 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, no undisputed amounts payable in respect of Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 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, there are no dues of Income tax, Provident Fund, Employees State Insurance, Service tax, Goods and services tax, Duty of customs and Duty of excise which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the Statute	Nature of dues	Financial year to which amount relates	Forum where dispute is pending	Amount (INR in Lakhs)	Amount paid under protest (INR in Lakhs)
The Finance Act, 1994	Service Tax	2009-10	Commissioner of Appeals (Service Tax)	8.43	-
Central Excise Act, 1944	Excise Duty	2007-08 & 2008-09	Commissioner of Appeals (Central Excise)	6.00	-
Central Excise Act, 1944	Excise Duty	2008-09	CESTAT, Chennai (Central Excise)	133.58	3.15
Central Excise Act, 1944	Excise Duty	2007-08 to 2011-12	CESTAT, New Delhi (Central Excise)	429.73	8.36
Central Excise Act, 1944	Excise Duty	2010-11	Commissioner of Appeals (Central Excise)	0.50	-
Central Excise Act, 1944	Excise Duty	2012-13 to 2015-16	CESTAT, Chandigarh (Central Excise)	229.63	8.19
Income Tax Act, 1961	Disallowance under Section 14A	2015-16	Commissioner of Appeals (Income Tax)	44.78	4.61
Income Tax Act, 1961	Interest under Section 234	2017-18	Commissioner of Appeals (Income Tax)	8.81	-
Income Tax Act, 1961	Claim of deduction under Section 80I	1991-92 to 1994-95, 1999-2000	Supreme Court	126.85	-

(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 subsidiaries company (as defined under the Act).

(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) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.

(xii) 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. Accordingly, paragraph 3 (xv) of the Order is not applicable.

(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) (a) 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 other than ongoing projects. Accordingly, clause 3(xx)(a) of the Order is not applicable.

(b) In respect of ongoing projects, the Company has transferred the unspent amount to a Special Account within a period of 30 days from the end of the financial year in compliance with Section 135(6) of the said Act:

(INR in Lakhs)

Financial Year	**Amount unspent on corporate social responsibility activities for "On-going Projects"**	**Amount transferred to Special Account within 30 days from the end of the Financial Year**	**Amount transferred after the due date**
2021-22	12.50	12.50 *	-

*Amount has been transferred to special account subsequent to the year ended 31 March 2022.

For B S R & Co. LLP
Chartered Accountants
ICAI Firm's Registration No. :101248W/W-100022

Shashank Agarwal
Partner
Membership No. :095109
ICAI UDIN: 22095109AJHNCB1972

Place: Gurugram
Date : 20 May 2022

Annexure B to the Independent Auditors' report on the Standalone Financial Statements of JTEKT India Limited for the period ended 31 March 2022.

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 Companies Act, 2013

(Referred to in paragraph 2(A)(f) 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 Standalone Financial Statements of JTEKT India Limited ("the Company") as of 31 March 2022 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 2022, 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 Responsibility 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 Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' 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 whether 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 such internal financial controls, 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 financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the 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 Standalone Financial Statements to future periods are subject to the risk that the internal financial controls with reference to Standalone 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: 22095109AJHNCB1972

Place: Gurugram
Date: 20 May 2022

STANDALONE BALANCE SHEET
AS AT 31 MARCH 2022

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

Particulars	Notes	As at 31 March 2022	As at 31 March 2021
Assets			
Non-current assets			
Property, plant and equipment	3A	34,094.86	35,827.52
Capital work-in-progress	3A	9,335.24	592.20
Investment property	3B	677.79	-
Intangible assets	3C	1,936.98	3,135.86
Right-of-use assets	3D	-	102.08
Financial assets			
(i) Investments	4	510.00	510.00
(ii) Loans	5	2.56	4.18
(iii) Other financial assets	6	261.03	248.39
Income tax assets (net)	7	258.27	843.27
Deferred tax assets (net)	19	908.29	421.29
Other non-current assets	8	482.41	478.48
Total non-current assets		**48,467.43**	**42,163.27**
Current assets			
Inventories	9	13,730.91	12,426.68
Financial assets			
(i) Trade receivables	10	24,514.69	25,919.29
(ii) Cash and cash equivalents	11	6,151.66	6,486.72
(iii) Loans	5	7.34	18.35
(iv) Other financial assets	6	68.23	82.14
Other current assets	12	1,626.54	1,491.62
Total current assets		**46,099.37**	**46,424.80**
Total assets		**94,566.80**	**88,588.07**
Equity and Liabilities			
Equity			
Equity share capital	13	2,444.80	2,444.80
Other equity	14	58,223.72	55,278.90
Total equity		**60,668.52**	**57,723.70**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	15A	3,434.73	1,725.63
(ii) Lease liability	16	400.29	385.30
Provisions	18	995.82	942.58
Total non-current liabilities		**4,830.84**	**3,053.51**
Current liabilities			
Financial liabilities			
(i) Borrowings	15B	3,264.15	2,736.42
(ii) Lease liability	16	-	4.21
(iii) Trade payables	20		
Total outstanding dues of micro enterprises and small enterprises		716.57	531.78
Total outstanding dues of creditors other than micro enterprises and small enterprises		19,521.24	20,246.50
(iv) Other financial liabilities	17	3,278.42	1,920.67
Other current liabilities	21	1,875.54	1,840.50
Provisions	18	340.97	284.23
Income tax liabilities (net)	22	70.55	246.55
Total current liabilities		**29,067.44**	**27,810.86**
Total liabilities		**33,898.28**	**30,864.37**
Total equity and liabilities		**94,566.80**	**88,588.07**
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 : 20 May 2022

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
Chief Financial Officer

Ashish Srivastava
Company Secretary

Place : Gurugram
Date : 20 May 2022

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH 2022

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

Particulars	Notes	For the year ended 31 March 2022	For the year ended 31 March 2021
Income			
Revenue from operations	23	161,049.60	135,020.39
Other income	24	1,033.94	777.86
Total income (I)		**162,083.54**	**135,798.25**
Expenses			
Cost of materials consumed	25	115,217.44	95,950.64
Purchases of stock-in-trade	26	2,186.00	1,427.25
Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	(764.16)	(747.37)
Employee benefit expenses	28	18,953.99	18,057.66
Finance costs	29	366.96	466.22
Depreciation and amortisation expense	30	6,591.11	7,793.15
Other expenses	31	14,334.25	11,082.69
Total expenses (II)		**156,885.59**	**134,030.24**
Profit before exceptional items and tax (III =I - II)		**5,197.95**	**1,768.01**
Exceptional items (IV)	32	677.52	-
Profit before tax (V=III-IV)		**4,520.43**	**1,768.01**
Tax expense			
- Current tax (including tax for earlier years)		1,693.74	1,038.54
- Deferred tax credit		(487.00)	(502.26)
Total tax expense (VI)	33	**1,206.74**	**536.28**
Profit for the year (VII=V-VI)		**3,313.69**	**1,231.73**
Other comprehensive loss			
Items that will not be reclassified to profit or loss			
Loss on remeasurement of defined benefit obligation		(2.88)	(49.15)
Income tax relating to the above		0.72	12.37
Items that will be reclassified to profit or loss			
Effective portion of gain on cash flow hedge instruments		-	6.10
Income tax relating to above		-	(1.54)
Total other comprehensive loss for the year (net of tax) (VIII)		**(2.16)**	**(32.22)**
Total comprehensive income for the year (IX = VII - VIII) (Comprising Profit and Other Comprehensive loss for the year)		**3,311.53**	**1,199.51**
Earnings per equity share :	34		
Basic - Par value of INR 1 per share		1.36	0.50
Diluted - Par value of INR 1 per share		1.36	0.50
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 : 20 May 2022

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
Chief Financial Officer

Ashish Srivastava
Company Secretary

Place : Gurugram
Date : 20 May 2022

STANDALONE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

(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	13	**2,444.80**	**2,444.80**
Issued during the year		-	-
Balance as at 31 March 2022		**2,444.80**	**2,444.80**

B. Other equity

Particulars	Reserves and surplus				Items of other comprehensive income		Total
	Capital reserve	Securities Premium	General reserve	Retained earnings	Effective portion of cash flow hedges	Remeasurement of employee benefit obligations	
Balance as at 31 March 2020	**2,434.23**	**8,070.76**	**8,190.71**	**36,243.93**	**(4.56)**	**-**	**54,935.07**
Profit for the year	-	-	-	1,231.73	-	-	1,231.73
Other comprehensive income /(loss) (net of tax)	-	-	-	-	4.56	(36.78)	(32.22)
Total comprehensive income for the year	-	-	-	1,231.73	4.56	(36.78)	1,199.51
Transferred to retained earnings	**-**	**-**	**-**	**(36.78)**	**-**	**36.78**	**-**
Dividend on equity shares	-	-	-	(855.68)	-	-	(855.68)
Balance as at 31 March 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**	**-**
Dividend on equity shares	-	-	-	(366.72)	-	-	(366.72)
Balance as at 31 March 2022	**2,434.23**	**8,070.76**	**8,190.71**	**39,528.01**	**-**	**-**	**58,223.72**

Notes:

1. During the year ended 31 March 2022 and 31 March 2021, 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 : 20 May 2022

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
Chief Financial Officer

Ashish Srivastava
Company Secretary

Place : Gurugram
Date : 20 May 2022

STANDALONE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

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

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
(A) CASH FLOW FROM OPERATING ACTIVITIES		
1. Profit before tax	**4,520.43**	**1,768.01**
2. Adjustments for:		
Depreciation and amortisation expense	6,591.11	7,793.15
Impairment of investment property	492.34	-
Dividend income	(63.75)	(255.00)
Interest income	(351.97)	(125.40)
(Profit) on disposal of property, plant and equipment (net)	(29.18)	(19.98)
Provision on obsolescence of inventory	39.00	40.00
Interest expenses	366.96	466.22
Unrealized foreign exchange loss	0.72	25.06
3. Operating profit before changes in following assets and liabilities (1+2)	**11,565.66**	**9,692.06**
4. Changes in operating assets and liabilities		
Decrease / (increase) in loans	12.63	(6.40)
(Increase) in inventories	(1,343.23)	(1,682.76)
Decrease in other financial assets	0.62	2.30
(Increase) in other assets	(241.11)	(120.30)
Decrease / (Increase) in trade receivables	1,408.35	(6,284.10)
(Decrease) / Increase in other financial liabilities	(24.11)	196.81
Increase in other liabilities	35.04	847.74
(Decrease) / Increase in trade payables	(635.10)	6,444.84
Increase / (Decrease) in provision	107.10	(5.45)
5. Cash generated from operating activities (3+4)	**10,885.85**	**9,084.74**
6. Income tax paid (net of refunds)	**(1,309.30)**	**(756.41)**
7. Net cash flow generated from operating activities (5-6)	**9,576.55**	**8,328.33**
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, capital work-in-progress and capital advances and capital payables	(11,867.53)	(2,451.99)
Proceeds from disposal of property, plant and equipment	118.13	111.10
Purchase of intangible assets	(84.69)	(379.17)
Proceeds from redemption of deposit with original maturity more than 3 months	-	129.00
Dividend received	63.75	255.00
Interest received	352.62	132.75
Net cash used in investing activities	**(11,417.72)**	**(2,203.31)**
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	3,647.93	1,254.60
Repayment of long term borrowings	(1,138.49)	(2,535.06)
Repayment of short-term borrowings (net)	(272.52)	(1,541.78)
Dividend paid	(407.32)	(890.14)
Interest paid	(295.10)	(415.83)
Payment of lease liabilities including interest	(28.39)	(66.78)
Net cash generated from/ (used in) financing activities	**1,506.11**	**(4,194.99)**
(D) (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	**(335.06)**	**1,930.03**
Cash and cash equivalents at the beginning of the year	6,486.72	4,556.69
Cash and cash equivalents at the end of the year	**6,151.66**	**6,486.72**
Cash and cash equivalents include :		
Balances with banks:		
– In current accounts	7.53	31.89
– In cash credit accounts	397.73	8.18
– In dividend accounts#	148.20	188.80
Bank deposits with original maturity less than 3 months	5,593.00	6,251.00
Cash on hand	5.20	6.85
Cash and cash equivalents at the end of the year	**6,151.66**	**6,486.72**

INR 148.20 lakhs (31 March 21 : INR 188.80 lakhs) has restricted use.

STANDALONE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

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

Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities:

Particulars	Non current borrowings*	Current borrowings
Opening balance as at 1 April 2021	**2,665.48**	**1,796.57**
Add: non-cash changes due to		
- Others	-	(0.09)
Add : cash inflows during the year	3,647.93	-
Less: cash outflows during the year**	(1,138.49)	(272.52)
Closing balance as at 31 March 2022	**5,174.92**	**1,523.96**

* Includes current maturities of non-current borrowings, refer note 15A.

** Cash outflows are net off cash inflows for current borrowing.

Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities:

Particulars	Non current borrowings*	Current borrowings
Opening balance as at 1 April 2020	**4,078.18**	**3,318.33**
Add: non-cash changes due to		
- Others	(132.24)	20.02
Add : cash inflows during the year**	1,254.60	-
Less: cash outflows during the year**	(2,535.06)	(1,541.78)
Closing balance as at 31 March 2021	**2,665.48**	**1,796.57**

* Includes current maturities of non-current borrowings, refer note 15A.

** Cash inflows are net off cash outflows for current borrowing.

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 in cash INR 116.03 lakhs for the year ended 31 March 2022 and INR 127.91 lakhs for the year ended 31 March 2021 towards Corporate Social Responsibility (CSR) expenditure (refer note 36).

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 : 20 May 2022

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
Chief Financial Officer

Ashish Srivastava
Company Secretary

Place : Gurugram
Date : 20 May 2022

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

(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 Company's name got changed via fresh Certificate of Incorporation dated 7 April 2018 received from the Registrar of Companies, New Delhi. 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 the 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 2022 are approved by the Company's Audit Committee and the Board of Directors on 20 May 2022.

(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(f) and (o).
- 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(g).
- Recognition and measurement of provision and contingency: Key assumption about the likelihood and magnitude of an outflow of resources – Note 38.
- Fair value measurement – Note 2.1(vi).
- In assessing the recoverability of receivables including unbilled receivables, financial assets, and certain investments, the Company has considered internal and external information up to the date of approval of these financial statements including credit reports and economic forecasts considering emerging situations due to COVID-19. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties in future periods.

(v) Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

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

An asset is treated as current when:

- It is expected to be realised or intended to be sold or consumed in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realised within twelve months after the reporting period; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- 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 2021, 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

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.

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)
Building	Building	30
Roads	Building	5
Sheds	Building	3
Plant and machinery	Plant & Machinery	4-15
Tools and dies	Plant & Machinery	4
Jigs and fixtures	Jigs & Fixture	10
Electrical installations	Electrical installation	10
Furniture and fixtures	Furniture & Fixture	10
Office equipment	Office equipment	5
IT equipment	Office equipment	6
Computers	Office equipment	3
Vehicles	Vehicles	5.3

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 in following categories of assets

- The useful life of vehicles is estimated as 5.3 years.
- The useful life of tools and dies and machinery spares is estimated as 4 years.
- 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 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

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

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.

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

Software 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. 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. **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.

f. **Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest Group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

An asset's recoverable amount is the higher of an individual asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

The Company's corporate assets do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses, if any, are recognized in the 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.

g. 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:

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

- Raw materials and components: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. 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.

h. 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).

i. 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 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 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 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 specification and requirements. The Company 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.

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

Use of significant judgements in revenue recognition:

a) The Company's contracts with customers could include promises to transfer products to a customer. The Company assesses the products promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

b) Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

c) The Company uses judgement to determine an appropriate 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 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.

Interest income

For all debt instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected 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. Interest income is included in the Standalone Statement of Profit and Loss.

Export Incentive

Export incentive entitlements 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.

Compensation received

Compensation received from customers are recognized as income when the right to receive credit as per the terms of the agreement is established and underlying performance obligation are fulfilled, and where there is no significant uncertainty regarding the ultimate collection of the relevant compensation. These are presented as other operating revenue in the Standalone Statement of Profit and Loss.

Dividends

Revenue is recognized when the Company's right to receive the payment is established by the reporting date.

Rental Income

Rental income is recognized as a part of other income in Standalone Statement of Profit or Loss on a straight-line basis over the term of the lease except where the

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

rentals are structured to increase in line with expected general inflation.

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.

j. 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.

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.

k. 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 risk and returns hence CODM reviews as one balance sheet component.

l. 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.

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

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.

m. Provisions (Other than employee benefits)

General provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed the expense relating to a provision is presented in the 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.

n. 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 into 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 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, is 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.

o. 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 and debt securities 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 or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss ('FVTPL'), transaction costs that are directly attributable to its acquisition or issue.

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 instrument;
- FVOCI-equity investment; or
- 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:

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

- 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 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 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.

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.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivatives is recognised in OCI and accumulated in the other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item. Any ineffective portion of changes in fair value of the derivatives is recognised immediately in the Statement of Profit and Loss.

If a hedge no longer meets the criteria for hedge accounting or the hedge instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included directly in the initial cost of the non-financial item on its initial recognition or, for other cash flow edges, it is reclassified to profit or loss in the same period or periods as the hedged expected cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to profit or 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 that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to 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 which are not measured as at FVTPL.

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

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

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

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

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

p. 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.

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

q. 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.

r. 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.

s. Corporate Social Responsibility ("CSR") expenditure

CSR expenditure incurred by the Company is charged to the Standalone Statement of the Profit and Loss.

t. 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.

u. 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.

v. 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.

w. Recent accounting pronouncements

On March 23, 2022, the Ministry of Corporate Affairs (MCA) issued certain amendments and annual improvements to Ind AS. These amendments are applicable for accounting periods beginning on or after April 1, 2022:

- Ind AS 103 – Business Combinations – Reference to conceptual framework added
- Ind AS 16 – Property, Plant and Equipment – Accounting for proceeds before an asset's intended use
- Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets – Assessing if the contract is onerous
- Annual improvements to Ind AS – Ind AS 109 (Financial Instruments) and Ind AS 116 (Leases).

The Company will evaluate the impact of the above, where applicable, on the financial statements and give impact of the same in the relevant period.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

(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 2021	Additions	Sales/ Disposition	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 & Fixture	1,076.68	332.54	4.34	-	1,404.88	442.34	129.55	4.06	-	567.83	837.05	634.34
Electric installation	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 & Fixture	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 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	9,182.63	134.89	17.72	-	9,335.24

3A. Property, plant and equipment

Particulars	Gross carrying value					Accumulated depreciation					Net block	
Description	As at 1 April 2020	Additions	Sales/ Disposition	Transfer to investment property*	As at 31 March 2021	As at 1 April 2020	Depreciation for the year	Disposals	Transfer to investment property*	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Freehold land#	5,710.82	-	-	-	5,710.82	-	-	-	-	-	5,710.82	5,710.82
Building*#	18,785.96	57.35	23.18	-	18,820.13	2,842.63	752.42	15.90	-	3,579.15	15,240.98	15,943.33
Lease hold improvements	14.37	-	0.18	-	14.19	7.23	1.56	0.18	-	8.61	5.58	7.14
Plant & Machinery	38,542.41	1,189.44	612.27	-	39,119.58	23,304.78	4,282.60	605.04	-	26,982.34	12,137.24	15,237.63
Jigs & Fixture	1,069.02	43.38	35.72	-	1,076.68	359.54	115.30	32.50	-	442.34	634.34	709.48
Electric installation	2,224.97	42.59	27.74	-	2,239.82	1,354.54	234.25	18.97	-	1,569.82	670.00	870.43
Furniture & Fixture	353.71	1.37	9.73	-	345.35	227.10	33.47	8.95	-	251.62	93.73	126.61
Office equipment	2,145.64	97.49	25.61	-	2,217.52	1,110.93	321.98	25.47	-	1,407.44	810.08	1,034.71
Vehicles	752.59	164.60	91.60	-	825.59	256.42	140.64	49.62	-	347.44	478.15	496.17
R&D-Plant & Machinery	181.81	-	0.06	-	181.75	118.02	19.61	0.06	-	137.57	44.18	63.79
R&D-Office Equipment	13.09	-	-	-	13.09	8.73	1.94	-	-	10.67	2.42	4.36
Total	**69,794.39**	**1,596.22**	**826.09**	**-**	**70,564.52**	**29,589.92**	**5,903.77**	**756.69**	**-**	**34,737.00**	**35,827.52**	**40,204.47**

3A. Capital work-in-progress

Particulars	As at 1 April 2020	Additions	Capitalised	As at 31 March 2021
Total	**151.15**	**2,037.27**	**1,596.22**	**592.20**

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	568.68	23.52	-	-	592.20

Notes:-

*(i) During the current 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.

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

(ii) Building at Sanand (Gross block) amounting to INR 1,374.04 lakhs (previous year 31 March 2021 INR 1,374.04 lakhs), net block INR 1,060.73 lakhs (previous year 31 March 2021 INR 1,113.08 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 2022 and 31 March 2021, whose completion is overdue or cost has exceeded in comparision to its original plan.

Title deed of immovable property as at 31 March 2022 and 31 March 2021

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 2022.
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 2022.

** The gross block and net block as at 31 March 2022 and 31 March 2021 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 2021	Additions	Sales/ Disposition	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**	**-**

Notes:-

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

2) (i) During the current 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) amounting to INR 1,374.04 lakhs (previous year 31 March 2021 INR 1,374.04 lakhs), net block INR 1,060.73 lakhs (previous year 31 March 2021 INR 1,113.08 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.

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

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 2022 is 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 2022	For the year ended 31 March 2021
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 2021	Additions	Sales/ Disposition	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	As at 31 March 2022
Total	**-**	**84.72**	**84.72**	**-**

Intangible assets under development aging schedule

	Amount in Intangible assets under development for a period of				Total
Intangible assets under development	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	
Projects in progress	-	-	-	-	-

3C. Intangible assets

Particulars	Gross carrying value				Amortisation				Net block	
Description	As at 1 April 2020	Additions	Sales/ Disposition	As at 31 March 2021	As at 1 April 2020	Amortisation for the year	Disposals	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
R&D-Computer softwares	48.18	2.16	-	50.34	22.44	7.58	-	30.02	20.32	25.74
Computer softwares	2,656.89	377.01	583.90	2,450.00	1,342.10	474.71	583.90	1,232.91	1,217.09	1,314.79
New product development	8,156.27	-	2,657.48	5,498.79	4,869.92	1,366.18	2,635.76	3,600.34	1,898.45	3,286.35
Total	**10,861.34**	**379.17**	**3,241.38**	**7,999.13**	**6,234.46**	**1,848.47**	**3,219.66**	**4,863.27**	**3,135.86**	**4,626.88**

3C. Intangible assets under development

Particulars	As at 1 April 2020	Additions	Capitalised	As at 1 April 2021
Total	**-**	**379.17**	**379.17**	**-**

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

Intangible assets under development aging schedule

Intangible assets under development	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-

3D. Right-of-use assets

Particulars	Gross carrying value					Accumulated depreciation					Net block	
Description	As at 1 April 2021	Additions	Sales/ Disposition	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**

3D. Right-of-use assets

Particulars	Gross carrying value					Accumulated depreciation					Net block	
Description	As at 1 April 2020	Additions	Sales/ Disposition	Transfer to investment property*	As at 31 March 2021	As at 1 April 2020	Depreciation for the year	Disposals	Transfer to investment property*	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Leasehold land	106.81	-	-	-	106.81	4.24	4.24	-	-	8.48	98.33	102.57
Building	87.44	-	-	-	87.44	47.02	36.67	-	-	83.69	3.75	40.42
Total	**194.25**	**-**	**-**	**-**	**194.25**	**51.26**	**40.91**	**-**	**-**	**92.17**	**102.08**	**142.99**

Notes:-

*(i) During the current 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) amounting to INR 1,374.04 lakhs (previous year 31 March 2021 INR 1,374.04 lakhs), net block INR 1,060.73 lakhs (previous year 31 March 2021 INR 1,113.08 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 2022	As at 31 March 2021
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 2021: 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 2022	As at 31 March 2021
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	1,98,15,000	22 Nov 2007	51%	51%
	10.00	99,993	22 Nov 2007		
	301.85	3,01,85,000	13 Jun 2008		

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

5. Loans

Particulars	As at 31 March 2022		As at 31 March 2021	
	Current	Non-current	Current	Non-current
(Unsecured considered good, unless stated otherwise)				
Loans to employees	7.34	2.56	18.35	4.18
Total	**7.34**	**2.56**	**18.35**	**4.18**

6. Other financial assets

Particulars	As at 31 March 2022		As at 31 March 2021	
	Current	Non-current	Current	Non-current
Security deposits	66.60	261.03	79.86	248.39
Interest accrued but not due on deposits	1.63	-	2.28	-
Total	**68.23**	**261.03**	**82.14**	**248.39**

7. Income tax assets (net)

Particulars	As at 31 March 2022	As at 31 March 2021
Advance income tax and tax deducted at source [net of provisions INR 2,251.84 lakhs (31 March 2021 INR 9,743.83 lakhs)]	258.27	843.27
Total	**258.27**	**843.27**

8. Other non-current assets

Particulars	As at 31 March 2022	As at 31 March 2021
(Unsecured considered good, unless stated otherwise)		
Capital advances	366.87	469.13
Prepaid expenses	115.54	9.35
Total	**482.41**	**478.48**

9. Inventories

Particulars	As at 31 March 2022	As at 31 March 2021
(Valued at lower of cost and net realisable value)		
Raw materials and components *	6,066.46	5,665.83
Work-in-progress **	1,249.44	1,017.65
Finished goods ***	3,806.94	3,274.57
Stock-in-trade	0.08	0.08
Stores and spares	1,111.02	1,119.55
Loose tools and consumables	1,615.97	1,429.00
Total	**13,849.91**	**12,506.68**
Less: Provision on inventory obsolescence	(119.00)	(80.00)
Total	**13,730.91**	**12,426.68**

* Includes material in transit INR 929.29 lakhs (31 March 2021 INR 369.30 lakhs)

** Includes material with the vendors sent for job work INR 56.37 lakhs (31 March 2021 INR 89.35 lakhs)

*** Includes goods in transit INR 2,617.07 lakhs (31 March 2021 INR 1,685.29 lakhs)

Note:

(i) Inventories have been pledged as security for liabilities, for details refer note 45.

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

10. Trade receivables

Particulars	As at 31 March 2022	As at 31 March 2021
(unsecured and considered good, unless otherwise stated)		
Trade receivables	24,132.95	25,675.27
Unbilled revenue	381.74	244.02
Total	**24,514.69**	**25,919.29**
Dues from related parties (refer note 40)	10,688.12	12,943.93

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	-	-	-	-	-	-	-

Trade Receivables ageing schedule as at 31 March 2021

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	23,324.67	2,509.01	54.20	31.03	0.38	-	25,919.29
(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 2022

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

11. Cash and cash equivalents

Particulars	As at 31 March 2022	As at 31 March 2021
Cash on hand	5.20	6.85
Balances with banks		
-in current accounts	7.53	31.89
-in cash credit accounts	397.73	8.18
-in dividend accounts#	148.20	188.80
Bank deposits with original maturity less than 3 months	5,593.00	6,251.00
Total	**6,151.66**	**6,486.72**

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.

12. Other current assets

Particulars	As at 31 March 2022	As at 31 March 2021
(Unsecured considered good, unless stated otherwise)		
Advance to suppliers	79.52	153.03
Balances with statutory/government authorities	756.70	497.45
Prepaid expenses	736.13	618.05
Export incentive receivable	51.16	223.09
Other receivable	3.03	-
Total	**1,626.54**	**1,491.62**

Note :

(i) Other current assets have been pledged as security for liabilities, for details refer note 45.

13. Equity share capital

Particulars	As at 31 March 2022	As at 31 March 2021
Authorised capital		
871,000,000 (31 March 2021 : 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 2021 : 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 2022		As at 31 March 2021	
	No. of shares	Amount	No. of shares	Amount
Equity shares at the beginning and end of the year	244,480,469	2,444.80	244,480,469	2,444.80

During the 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.

(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 2022		As at 31 March 2021	
	No. of shares	% holding	No. of shares	% holding
Equity shares of INR 1/- each fully paid up				
JTEKT Corporation, Japan	169,559,997	69.36%	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 2022		As at 31 March 2021	
	No. of shares	% holding	No. of shares	% holding
Equity shares of INR 1/- each fully paid up				
JTEKT Corporation, Japan	169,559,997	69.36%	169,559,997	69.36%

e) Promoters holding as on 31 March 2022 and 31 March 2021

Shares held by promoters at the end of year	As at 31 March 2022		As at 31 March 2021		Change during the year
Promoters Name	No. of shares	% holding	No. of shares	% holding	
JTEKT Corporation, Japan	169,559,997	69.36%	169,559,997	69.36%	No change
Maruti Suzuki India Ltd.	13,800,000	5.64%	13,800,000	5.64%	No change

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 2022	As at 31 March 2021
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.

Surplus in the Standalone Statement of Profit and Loss		
Opening balance	36,583.20	36,243.93
Add: profit for the year	3,313.69	1,231.73
Less: dividend on equity shares	(366.72)	(855.68)
Add: transferred from OCI (remeasurement of employee benefit obligations)	(2.16)	(36.78)
Closing balance	**39,528.02**	**36,583.20**

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

Particulars	As at 31 March 2022	As at 31 March 2021
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 2022	As at 31 March 2021
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	(2.16)	(36.78)
Closing balance	**(2.16)**	**(36.78)**
Less: transferred to retained earnings	2.16	36.78
Closing balance	-	-

The remeasurements of defined benefit obligation comprises actuarial gains and losses.

Particulars	As at 31 March 2022	As at 31 March 2021
Effective portion of cash flow hedges		
Balance as at the beginning of the year	-	(4.56)
Recognised during the period	-	4.56
Closing balance	**-**	**-**
Total	**58,223.72**	**55,278.90**

The cash flow hedging reserve represents the cumulative effective portion of gains and losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gains or loss arising on changes in the value of designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve will be reclassified to Standalone Statement of Profit and Loss, or included as a basis adjustment to the non-financial hedging item.

15. Borrowings

15A. Non-current borrowings

Particulars	As at 31 March 2022	As at 31 March 2021
Secured loans		
Term loans		
Indian rupee loan from banks	619.11	1,410.88
Total secured borrowings (including current maturities)	**619.11**	**1,410.88**
Unsecured loan		
Term loan		
Indian rupee loan from bank	4,555.81	1,254.60
Total unsecured borrowings (including current maturities)	**4,555.81**	**1,254.60**
Total borrowings (including current maturities)	**5,174.92**	**2,665.48**
Less: Current maturities of borrowings (refer note 15B):		
Indian rupee loan from banks	**1,740.19**	**939.85**
Total current maturities of borrowings	**1,740.19**	**939.85**
Total borrowings (excluding current maturities)	**3,434.73**	**1,725.63**

Notes:

1. Refer note 48 - Financial risk management for liquidity risk.
2. Refer note 45 - Assets pledged as security.

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

15B. Current borrowings

Particulars	As at 31 March 2022	As at 31 March 2021
Secured		
Cash credit and packing credit	-	389.45
Current maturities of long-term borrowings (refer note no 15A)	619.11	792.25
Total secured current borrowings	**619.11**	**1,181.70**
Unsecured		
Cash credit, packing credit and factoring loan from banks	1,523.96	1,407.12
Current maturities of long-term borrowings (refer note no 15A)	1,121.08	147.60
Total unsecured current borrowings	**2,645.04**	**1,554.72**
Total current borrowings	**3,264.15**	**2,736.42**

Notes:

1. Refer note 48 - Financial risk management for liquidity risk.
2. Refer note 45 - Assets pledged as security.

Repayment terms of non current borrowings as specified in note 15A (including current maturities) and security disclosure for the outstanding non current borrowings as on balance sheet date :

Sl. No.	Particulars	Repayment details	Nature of securities of Non-current borrowings	As at 31 March 2022	As at 31 March 2021
Secured Indian rupee loans from banks					
1.	Allahabad Bank Car Loan -Delhi	Monthly Repayment	Allahabad Bank is secured by way of exclusive charge on the vehicles financed out of the said term loan.	-	3.18
2.	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 Gurugram 122001 and land situated at Plot No. 32 and 19 Dharuhera Industrial Area, Phase-2 Dharuhera, District Rewari (Haryana).	519.11	1,107.70
3.	Indusind Bank	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 Gurugram 122001 and land situated at Plot No. 32 and 19 Dharuhera Industrial Area, Phase-2 Dharuhera, District Rewari (Haryana).	100.00	300.00
			Total	**619.11**	**1,410.88**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

Sl. No.	Particulars	Repayment details	Nature of securities of Non-current borrowings	As at 31 March 2022	As at 31 March 2021
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, - 16 installments of INR 259.52 lakh each,	Unsecured, Corporate Guarantee given by parent company "JTEKT Corporation, Japan"	3,892.80	1,254.60
2.	Sumitomo Mitsui Banking Corporation	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"	663.01	-
			Total	**4,555.81**	**1,254.60**
			Total borrowings	**5,174.92**	**2,665.48**

Rate of interest: The Company's long term borrowings have weighted average rate of 7.11% in FY-2022 (9.09% p.a. in FY-2021)

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 2022	As at 31 March 2021
Secured Short-terms loan from bank				
1.	Standard Chartered Bank - 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 Gurugram-122001, immovable property land situated at Plot No-32 Dharuhera Industrial Area, Phase-II, Dharuhera District Rewari (Haryana), Plot No-19 Dharuhera Industrial Aarea, Phase-II, Dharuhera District Rewari (Haryana) and Land at Mouje: Jalisana, Taluka: Mandal, District: Ahmedabad, Gujarat	-	389.45
			-	**389.45**
Unsecured short-term loan from bank				
1.	Sumitomo Mitsui Banking Corporation - Packing Credit	Unsecured, Corporate Guarantee given by parent company "JTEKT Corporation, Japan"	387.94	761.57
2.	HDFC Bank - Bill Discounting	Unsecured	287.31	645.55
3.	Standard Chartered Bank - Cash Credit & Packing Credit	Unsecured, Corporate Guarantee given by parent company "JTEKT Corporation, Japan"	848.71	-
			1,523.96	**1,407.12**

Note:

(i) Quarterly returns / statements filed by the Company with the Banks or Financial Instutition are in agreement with the Book of Accounts.

16. Lease liability

Particulars	As at 31 March 2022		As at 31 March 2021	
	Current	Non-current	Current	Non-current
Lease liability (refer note no 41)	-	400.29	4.21	385.30
Total	**-**	**400.29**	**4.21**	**385.30**

The Company's exposure to liquidity risks related to the above financial liabilities is disclosed in note 48.

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

17. Other financial liabilities - current

Particulars	As at 31 March 2022	As at 31 March 2021
Interest accrued but not due on borrowings	11.20	3.79
Security deposit payables	21.10	24.30
Unclaimed dividends #	148.20	188.80
Forward exchange contracts used for hedging*	79.52	141.32
Employee dues	1,118.88	1,168.06
Creditors for capital goods		
Total outstanding dues of micro enterprises and small enterprises@	213.38	26.89
Total outstanding dues of creditors other than micro enterprises and small enterprises@"	1,686.14	367.51
Total	**3,278.42**	**1,920.67**

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	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	-	-	-	-	-	-	-

Creditors for capital goods ageing schedule as at 31 March 2021

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 1 year	1-2 years	2-3 years	2-3 years	More than 3 years	
(i) MSME	26.89	-	-	-	-	-	26.89
(ii) Others	343.52	-	-	23.99	-	-	367.51
(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, Small and Medium 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, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. Refer note 20

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

18. Provisions

Particulars	As at 31 March 2022		As at 31 March 2021	
	Current	Non-current	Current	Non-current
Provision for employee benefits				
Gratuity (refer note no 39)	35.18	80.34	8.95	104.98
Compensated absences (refer note no 39)	206.79	887.36	185.28	812.72
Others				
Provision for warranties*	99.00	28.12	90.00	24.88
Total	**340.97**	**995.82**	**284.23**	**942.58**

***Movement in provision related to warranty during the year:**

Particulars	As at 31 March 2022	As at 31 March 2021
At the beginning of the year	114.88	140.54
Additions during the year	92.19	79.00
Utilised during the year	(79.95)	(104.66)
At the end of the year	**127.12**	**114.88**

The provision for warranties relates mainly to inventories sold during the year ended 31 March 2022 and 31 March 2021. 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.

19. Deferred tax (assets)/liabilities (net)

Particulars	As at 31 March 2022	As at 31 March 2021
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.	39.42	46.44
ii) Discounting of long term warranty	1.23	1.29
iii) Measurement of financial liabilities carried at amortised cost	0.03	0.15
Total deferred tax liability	**40.68**	**47.88**
Deferred tax asset arising on account of :		
i) Property, plant and equipment and intangible assets	486.63	58.75
ii) Effect of expenditure debited to Statement of Profit and Loss account but allowed for tax purposes in subsequent years	321.85	305.09
iii) Provision of inventory obsolescence	29.95	20.13
iv) Adjustments for derivatives recognised through fair value hedge	-	12.86
v) Impact of Ind AS 116	76.00	72.34
vi) Employee Seperation Cost	30.94	-
vii) Adjustments for derivatives recognised through fair value hedge	3.60	-
Total deferred tax asset	**948.97**	**469.17**
Net deferred tax asset	**(908.29)**	**(421.29)**

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

Movement in deferred tax (assets) / liability for the year ended 31 March 2022

Particulars	As at 31 March 2021	Recognised in other comprehensive income	Recognised in Statement of Profit and Loss	As at 31 March 2022
Deferred tax liability / (assets) :				
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	(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)**

Movement in deferred tax (asset) / liability for the year ended 31 March 2021

Particulars	As at 31 March 2020	Recognised in other comprehensive income	Recognised in Statement of Profit and Loss	As at 31 March 2021
Deferred tax liability / (assets) :				
Property, plant and equipment, investment property and intangible assets	417.95	-	(476.70)	(58.75)
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.	44.97	-	1.47	46.44
Discounting of long term warranty	1.88	-	(0.59)	1.29
Measurement of financial liabilities carried at amortised cost	0.35	-	(0.20)	0.15
Adjustments for derivatives recognised through fair value hedge	8.82	-	(21.68)	(12.86)
Effect of expenditure debited to Statement of Profit and Loss account but allowed for tax purposes in subsequent years	(310.29)	-	5.20	(305.09)
Provision of inventory obsolescence	(10.07)	-	(10.06)	(20.13)
Adjustments for derivatives recognised through fair value hedge	-	-	-	-
Adjustments for derivatives recognised through cash flow hedge	(5.34)	1.54	3.80	-
Impact of Ind AS 116	(68.84)	-	(3.50)	(72.34)
Employee Seperation Cost	-	-	-	-
Total	**79.43**	**1.54**	**(502.26)**	**(421.29)**

20. Trade payables

Particulars	As at 31 March 2022	As at 31 March 2021
Total outstanding dues of micro enterprises and small enterprises#	716.57	531.78
Total outstanding dues of creditors other than micro enterprises and small enterprises#	19,521.24	20,246.50
Total	**20,237.81**	**20,778.28**
Dues to related parties (refer note 40)	3,879.39	5,317.71

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

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	-	-	-	-	-	-

Trade Payables ageing schedule as at 31 March 2021

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	531.78	-	-	-	-	531.78
(ii) Others	19,263.05	896.36	36.44	20.45	30.19	20,246.49
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

There are no Micro, Small and Medium 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, Small and Medium 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 2022	As at 31 March 2021
i)	The principal amount remaining unpaid to any supplier as at the year end;	929.95	558.67
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		**929.95**	**558.67**

The company exposure to currency and liquidity risk related to trade payables is disclosed in note 48.

21. Other current liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Advance from customer	224.99	415.06
Statutory dues*	1,650.55	1,425.44
Total	**1,875.54**	**1,840.50**

* Taxes payable includes withholding tax, GST etc.

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

22. Income tax liabilities (net)

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for income tax (net of advance tax and TDS INR 1645.13 lakh) (31 March 2021 : INR 746.32 lakh)	70.55	246.55
Total	**70.55**	**246.55**

23. Revenue from operations

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Sale of products	159,546.27	133,520.16
Sale of services	116.53	53.00
Other operating revenues		
-Scrap sale	1,257.87	731.73
-Export incentive	128.93	256.57
-Compensation received	-	458.93
Total	**161,049.60**	**135,020.39**

24. Other income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Other non operating income		
Interest income on:		
-Bank deposits	203.40	117.19
-Others	148.57	8.21
Rental income	13.47	12.20
Dividend from equity investment	63.75	255.00
Gain on sale of property, plant & equipment (net)	29.18	19.98
Foreign exchange gain including mark to market valuation (net)	330.57	92.47
Business support income	209.46	183.09
Miscellaneous income	35.54	89.72
Total	**1,033.94**	**777.86**

25. Cost of materials consumed

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Inventory at the beginning of the year	5,665.83	4,539.58
Add: purchases during the year	115,618.07	97,076.89
Less: inventory at the end of the year	6,066.46	5,665.83
Total	**115,217.44**	**95,950.64**

26. Purchases of stock-in-trade

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Purchases of stock-in-trade	2,186.00	1,427.25
Total	**2,186.00**	**1,427.25**

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

27. Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening inventories		
Work-in-progress	1,017.65	1,224.08
Finished goods	3,274.57	2,320.75
Stock-in-trade	0.08	0.10
Closing 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
Net (increase)	**(764.16)**	**(747.37)**

28. Employee benefit expenses

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries wages and bonus	16,227.07	15,511.11
Contribution to provident and other funds (refer note 39)	1,030.97	1,018.37
Staff welfare expenses	1,695.95	1,528.18
Total	**18,953.99**	**18,057.66**

29. Finance costs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest to banks	261.95	357.82
Interest on lease liabilities (refer note 41)	39.17	39.79
Interest to others	25.28	27.37
Bank charges	40.56	41.24
Total	**366.96**	**466.22**

30. Depreciation and amortisation expense

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation on property, plant and equipment (refer note 3A)	5,299.84	5,903.77
Amortisation on intangible assets (refer note 3C)	1,283.29	1,848.47
Depreciation on right-of-use assets (refer note 3D & 41)	7.98	40.91
Total	**6,591.11**	**7,793.15**

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

31. Other expenses

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Consumption of stores and spares	2,153.79	1,518.30
Loose tools consumed	1,636.19	1,286.97
Power and fuel	1,952.35	1,714.85
Repairs and maintenance		
-Plant & machinery	851.04	590.57
-Buildings	167.93	81.60
-Others	918.05	803.85
Royalty	2,006.52	1,685.47
Rent (refer note 41)	328.78	298.96
Rates and taxes	68.90	50.09
Insurance	236.56	235.72
Travelling, conveyance and vehicle expenses	332.54	253.17
Communication and stationery expenses	88.47	84.04
Legal and professional charges	436.12	355.98
Security charges	267.18	268.80
Selling expenses*	1,764.62	878.40
Packing material	705.28	497.38
CSR expenditure (refer note 36)	100.40	156.04
Provision on obsolescence of inventory	39.00	40.00
Director's fees, allowances and expenses	71.40	46.50
Payments to auditors		
As Auditor		
Statutory audit fee	53.00	53.00
Tax audit fee	6.90	6.90
Limited review	23.85	23.85
Other matters	21.25	24.05
Reimbursement of expenses	1.78	3.67
Miscellaneous expenses	102.35	124.53
Total	**14,334.25**	**11,082.69**

*Including recovery of warranty claim of INR Nil (previous year INR 384.62 lakhs), netted off with the selling expenses.

32. Exceptional items

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Employee separation cost-voluntary retirement compensation	153.68	-
Loss on shifting of Sanand operations		
- Impairment loss on investment property	492.34	-
- Relocation cost	31.50	-
Total	**677.52**	**-**

a) During the year ended 31 March 2022, a voluntary retirement scheme ('VRS') was offered to the workmen of the Company and accordingly upon payment to the applicant workmen, the Company had an exceptional charge of INR 153.68 lakhs in the year ended 31 March 2022.

b) 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 ended 31 March 2022 as an exceptional item.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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

33. Tax expense

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Income tax recognised in the statement of profit or loss:		
Current income tax		
- In respect of the current year	1,692.35	978.24
- In respect of the prior years	1.39	60.30
Deferred tax		
- Relating to origination and reversal of temporary differences	(487.00)	(502.26)
Income tax expenses reported in the statement of profit or loss	**1,206.74**	**536.28**

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 2022		For the year ended 31 March 2021	
Profit for the year		**4,520.43**		**1,768.01**
Statutory income tax rate	25.17%	1,137.70	25.17%	444.97
Expenditure for which deduction is not allowed under income tax Act	1.85%	83.69	5.48%	96.92
Tax on exempt income / deduction allowed for dividend income from subsidiary	-0.35%	(16.04)	-3.63%	(64.18)
Tax pertaining to earlier years	0.03%	1.39	3.41%	60.30
Other deductions	0.00%	-	-0.10%	(1.73)
Effective tax rate	**26.70%**	**1,206.74**	**30.33%**	**536.28**

Income tax recognised in Other Comprehensive Income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Deferred tax related to items recognised in OCI during the year:		
Loss on remeasurement of defined benefit obligation	0.72	12.37
Effective portion of gain on cash flow hedge instruments	-	(1.54)
Income tax expenses reported in Other Comprehensive Income	**0.72**	**10.83**

34. Earnings per equity share

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit attributable to equity shareholders	3,313.69	1,231.73
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	1.36	0.50
Diluted	1.36	0.50

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 2022	As at 31 March 2021
JTEKT Fuji Kiko Automotive India Limited	India	Subsidiary	51.00%	51.00%

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

36. Expenditure on Corporate Social Responsibility (CSR)

	Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
i)	Amount required to be spent by the company during the year	100.40	156.04
ii)	Amount of expenditure incurred	87.90	127.91
iii)	Shortfall at the end of the year #	12.50	28.13
iv)	Total of pervious years shortfall	-	-
v)	Reason for shortfall :- 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 has been completed and work on this project has started. Since the project involves civil construction activity which is time consuming , we expect to finish this CSR project by Sep'22. Except this project, the Company has successfully completed all other projects within the current financial year.		
vi)	Nature of CSR activities :- Promoting Healthcare including preventive health care, Promoting Education, Promoting Sanitation and Rural Development Projects		
vii)	Details of related party transactions	-	-

The amount has been subsequently deposited in separate CSR Unspent Bank account within 30 days of year end.

37. Research and development expenses (R&D expenses)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Travelling expenses	-	0.04
Salary and allowance	100.24	119.63
Components, tools and spares	1.29	1.33
Others	-	0.70
Total	**101.54**	**121.70**

38. Contingent liabilities and commitments (to the extent not provided for)

A. Capital commitments

Particulars	As at 31 March 2022	As at 31 March 2021
Estimated amount of contracts remaining to be executed on capital account(net of advances) and not provided for	3,005.97	5,983.83
Total	**3,005.97**	**5,983.83**

B. Contingent liabilities

Particulars	Period covered	As at 31 March 2022	As at 31 March 2021
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	3,016.62	3,016.62
Cases pending before Appellate authorities in respect of which the company has filed appeals.	2007-08 to 2015-16	799.44	758.71
		3,816.06	**3,775.33**

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

Particulars		Period covered	As at 31 March 2022	As at 31 March 2021
(b)	**Service tax matters**			
	Show cause notices received and pending with Adjudication Authority	2004-05 to 2017-18	80.62	76.10
	Cases pending before Appellate authorities in respect of which the company has filed appeals.	2009-10 to 2015-16	8.43	8.06
			89.05	**84.16**
(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	1,918.10	1,793.14
(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	53.60	53.60
Total			**7,392.63**	**7,222.05**

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.

It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements / decisions pending with various forums/ authorities.

* 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 2022	For the year ended 31 March 2021
a) Employer's contribution to Provident Fund	633.42	642.74
b) Employer's contribution to Employee State Insurance Corporation	22.80	24.47
c) Punjab labour welfare fund (PLWF)	7.05	7.23
d) Employer's contribution to National Pension Scheme (NPS)	134.50	134.11
	797.77	**808.55**

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

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 2022	As at 31 March 2021
Liability for gratuity	3,651.57	3,547.08
Plan assets for gratuity	3,536.05	3,433.15
Net defined benefit liability	115.52	113.93

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

Description	For the year ended 31 March 2022	For the year ended 31 March 2021
Current service cost *	223.42	224.92
Net interest income / (cost)	0.88	(16.77)
Decrease in unrecognised assets	-	-
Expense recognised in the Statement of Profit and Loss	**224.30**	**208.15**
Actuarial loss recognised during the year	2.88	49.15
Amount recognised in the total comprehensive income	**227.18**	**257.30**

* Current service cost includes contribution of LIC premium amounting to INR 9.88 lakhs (previous year INR 9.22 lakhs).

(iii) Movement in the present value of defined benefit obligation recognised in the balance sheet is as under:

Description	As at 31 March 2022	As at 31 March 2021
Present value of defined benefit obligation as at the start of the year	**3,547.07**	**3,231.64**
Additions through business combination under common control	-	-
Current service cost	213.54	215.70
Interest cost	223.47	206.82
Actuarial loss on obligation	28.83	76.85
Benefits paid	(361.33)	(183.94)
Present value of defined benefit obligation as at the end of the year	**3,651.57**	**3,547.07**

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

(iv) Movement in the plan assets recognised in the balance sheet is as under:

Description	As at 31 March 2022	As at 31 March 2021
Fair Value of plan assets at start of the year	**3,433.16**	**3,193.40**
Additions through business combination under common control	-	-
Interest income	222.59	223.59
Employer contribution	215.68	172.41
Benefit Paid	(361.33)	(183.94)
Actuarial loss / (gain) on plan assets	25.95	27.70
Fair Value of plan assets at the end of the year	**3,536.05**	**3,433.16**

(v) Remeasurement recognised in other comprehensive income is as under:

Description	For the year ended 31 March 2022	For the year ended 31 March 2021
Actuarial loss on defined benefit obligation	28.83	76.85
Return on plan assets excluding interest income	(25.95)	(27.70)
Amount recognised in Other Comprehensive (Income)/loss	**2.88**	**49.15**

(vi) Bifurcation of actuarial (gain)/loss on defined benefit obligation:

Description	For the year ended 31 March 2022	For the year ended 31 March 2021
Actuarial loss/(gain) from change in demographic assumption	-	-
Actuarial loss from change in financial assumption	(71.62)	104.42
Actuarial (gain) / loss from experience adjustment	100.45	(27.57)
Amount recognised in the Other Comprehensive Income	**28.83**	**76.85**

(vii) Actuarial assumptions

a. Economic assumptions

The principal assumptions are the discount rate and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. Valuation assumptions are as follows which have been selected by the company :

Description	As at 31 March 2022	As at 31 March 2021
Discount rate	6.70%	6.30%
Rate of increase in compensation level	6.00%	6.00%

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 2022	As at 31 March 2021
Mortality table	IALM (2012-14)	IALM (20012-14)
Retirement age		
- Mr. Sudhir Chopra	65	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%

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

(viii) Sensitivity analysis for gratuity liability

Description	As at 31 March 2022	As at 31 March 2021
Impact of the change in discount rate		
Present value of obligation at the end of the year	3,651.57	3,547.07
- Impact due to increase of 1%	(167.58)	(169.58)
- Impact due to decrease of 1%	184.44	187.12
Impact of the change in salary increase		
Present value of obligation at the end of the year	3,651.57	3,547.07
- Impact due to increase of 1%	183.90	185.83
- Impact due to decrease of 1%	(170.16)	(171.58)

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.

Sensevities due to mortality and withdrawals are not material and hence impact of change is not calculated. Sensivity as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy not applicable being a lump sum benefit on retirement.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to prior period.

(ix) Maturity profile of defined benefit obligation

Description	As at 31 March 2022	As at 31 March 2021
Within next 12 months	560.56	518.56
Between 1-2 years	566.19	451.24
Between 2-3 years	460.48	468.07
Between 3-4 years	365.38	388.58
Between 4-5 years	307.99	301.11
Above 5 years	1,390.98	1,419.51
Total	**3,651.58**	**3,547.07**

(x) Enterprise best estimate of contribution during next year is INR 291.78 lakhs (previous year INR 278.58 lakhs).

C. Other long-term employee benefits

During the year ended 31 March 2022, the Company has created provision for compensated absences towards earned leave amounting to INR 292.32 lakhs (previous year expense of INR 141.24 lakhs). The Company has created provision towards sick leave amounting to INR 0.70 lakhs (previous year INR 12.81 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
JTEKT Corporation, Japan	Full year

ii) Subsidiary:

Name of party	Period
JTEKT Fuji Kiko Automotive India Limited	Full year

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

iii) Key management personnel:

Name of party	Period	Designation
1. Mr. Hitoshi Mogi	W.e.f. 16 May 2020 up to closing hours of 23 Sep 2020	Director
	W.e.f. 24 Sep 2020	Chairman and Managing Director
2. Mr. Sudhir Chopra	Full year	Executive Vice Chairman
3. Mr. Akihiko Kawano	W.e.f. 01 July 2018 up to closing hours of 23 Sep 2020	Managing Director
	W.e.f. 24 Sep 2020	Deputy Managing Director
4. Mr. Hirofumi Matsuoka	Up to 26 May 2021	Director
5. Mr. Takumi Matsumoto	W.e.f. 01 July 2021	Director
6. Mr. Rajiv Chanana	Full year	Chief Financial Officer
7. Mr. Nitin Sharma	Up to 16 September 2021	Company Secretary
8. Mr. Ashish Srivastava	W.e.f. 11 November 2021	Company Secretary
9. Mr. Toshiya Miki	Full year	Nominee of Maruti Suzuki India Limited
10. Mr. Hidehito Araki	Full year	Independent Director
11. Ms. Hiroko Nose	Full year	Independent Woman Director
12. Mr. Inder Mohan Singh	Full year	Independent Director
13. Lt. Gen. Praveen Bakshi (Retd)	Full year	Independent Director
14. Mrs. Geeta Mathur	Up to 09 June 2021	Independent Woman Director
15. Mr. Masahiko Morimoto	W.e.f. 11 November 2021	Independent Director

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. Koyo Bearings India Pvt 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. Koyo Joint (Thailand) Co Limited	Full year
6. Koyo Kowa Co Limited	Full year
7. Toyoda Micromatic Machinery India Pvt Limited	Full year
8. Fuji Auto AB Sweden	Full year
9. Fuji Autotech France	Full year
10. Koyo Electronics India Pvt Limited	Full year
11. PT JTEKT Indonesia	Full year
12. JTEKT Automotive Lyon	Full year
13. Fuji Autotech Thailand Company Ltd.	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	-	-	28.90	81.25	-	-	-	-	28.90	81.25
Advance Received	-	-	-	-	-	-	71.48	161.88	71.48	161.88
Business Support Income (including taxes)	0.41	-	74.44	64.80	-	-	150.00	117.98	224.85	182.78
Cash Discount Paid	-	-	-	-	-	-	2.56	7.91	2.56	7.91
Commission to Non Executive Directors	-	-	-	-	50.40	20.50	-	-	50.40	20.50
Director Sitting Fee	-	-	-	-	19.50	23.50	1.50	2.50	21.00	26.00
Dividend Paid	254.34	593.46	-	-	0.01	0.02	20.70	48.30	275.05	641.78
Dividend Received	-	-	63.75	255.00	-	-	-	-	63.75	255.00
Corporate guarantee on loans from bank*	6,350.90	2,016.17	-	-	-	-	-	-	6,350.90	2,016.17
Guarantee Fee Paid	6.21	3.45	-	-	-	-	-	-	6.21	3.45
Interest Income	-	-	-	-	-	-	0.40	1.29	0.40	1.29

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

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
Miscellaneous Income	-	30.56	-	-	-	-	-	-	-	30.56
Purchase of Capital Goods (Including Tax)	265.58	-	-	24.63	-	-	251.37	205.79	516.95	230.42
Purchase of Goods (Including Tax)	4,908.48	5,025.88	12,656.87	10,637.54	-	-	5,950.73	5,151.94	23,516.08	20,815.36
Receiving of Services	51.80	19.77	-	-	-	-	6.49	-	58.29	19.77
Reimbursement of Expenses Paid (Including Taxes)	1,072.72	1,192.54	-	-	-	-	0.44	7.33	1,073.16	1,199.87
Reimbursement of Expenses Recovered (Including Taxes)	23.16	-	1.94	-	-	-	7.91	-	33.01	-
Rental Income (Including Taxes)	-	-	4.64	4.96	-	-	11.26	9.44	15.90	14.40
Royalty	2,014.42	1,685.47	-	-	-	-	-	-	2,014.42	1,685.47
Sale of goods (Net of Warranty)#	70.80	47.08	2,857.18	2,267.30	-	-	115,915.80	101,692.74	118,843.78	104,007.12
Post Employment Gratuity	-	-	-	-	5.14	8.37	-	-	5.14	8.37
Short-term employee benefits	-	-	-	-	462.44	399.91	-	-	462.44	399.91
Technical Support Fee	7.04	-	-	-	-	-	-	1.11	7.04	1.11

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)	2.99	25.73	376.93	373.23	-	-	10,337.13	12,626.22	10,717.05	13,025.18
Outstanding Balance (Credit)	2,314.87	3,456.44	1,247.51	1,264.26	100.80	41.93	768.10	1,267.45	4,431.28	6,030.08
Investments (Debit)	-	-	510.00	510.00	-	-	-	-	510.00	510.00
Post Employement Gratuity (Credit)	-	-	-	-	126.16	120.48	-	-	126.16	120.48
Corporate Gaurantee on Loan (Credit)	6,350.90	2,016.17	-	-	-	-	-	-	6,350.90	2,016.17

* Loans of INR 6,350.90 lakhs (31 March 2021: INR 2,016.17 lakhs) against the corporate guarantee given by the holding company, JTEKT Corporation, Japan.

Net of warranty claims INR 24.61 Lakhs (previous year INR 35.51 lakhs)

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 2022	31 March 2021
Short-term leases	311.83	284.79
Leases of low value assets	16.95	14.17
Variable lease payments	-	-
Total	**328.78**	**298.96**

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

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 2022	Net carrying amount as on 31 March 2022	Depreciation charge for the year ended 31 March 2021	Net carrying amount as on 31 March 2021
Leasehold land	4.24	94.09	4.24	98.33
Buildings	3.74	-	36.67	3.75
Total	**7.98**	**94.09**	**40.91**	**102.08**

C. Amount recognised in Statements of Profit & Loss

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation on right-of-use assets	7.98	40.91
Interest on lease liabilities	39.17	39.79
Rental expenses relating to short term leases	311.83	284.79
Rental expenses relating to leases of low value assets	16.95	14.17
Total	**375.93**	**379.66**

D. Amount recognised in Statements of cash flows

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Total Cash out flow for the leases	28.38	66.78

E. The weighted average incremental borrowing rate applied to lease liabilities as at 1 April 2019 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 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**

31 March 2021	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	28.38	35.03	36.03	36.03	36.03	980.72	**1,152.22**
Interest expense	39.17	40.10	40.54	41.00	41.52	560.39	**762.72**
Net present values	**(10.79)**	**(5.07)**	**(4.51)**	**(4.97)**	**(5.49)**	**420.33**	**389.50**

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 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:

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

Revenue from Operations

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue from external customers		
India	155,361.66	129,176.60
Abroad	5,687.94	5,843.79
Total	**161,049.60**	**135,020.39**

Non current assets

Particulars	As at 31 March 2022	As at 31 March 2021
India	48,467.43	42,163.27
Abroad	-	-
Total	**48,467.43**	**42,163.27**

Major customer

Revenue from transactions of the Company with some of its OEM customers exceed 10 per cent or more of the Company's total revenue

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 2021 and expects such records to be in existence latest by November 2022 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 20 May 2022, proposed a dividend of 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 2022	For the year ended 31 March 2021
Dividend remitted (gross) (Rupees)	254.35	593.49
Number of non resident shareholders	2	2
Number of shares held	169,569,997	169,569,997
Year to which dividend relates	2020-21	2019-20

45. Assets pledged as security

Particulars	As at 31 March 2022	As at 31 March 2021
Current assets		
Financial assets		
Pari-passu charge		
- Trade receivables	24,514.69	25,919.29
- Cash and cash equivalents	6,151.66	6,486.72
- Loans	7.34	18.35
- Other financial assets	68.23	82.14
Inventories	13,730.91	12,426.68
Other current assets	1,626.54	1,491.62
Total current assets pledged as security	**46,099.37**	**46,424.80**

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

Particulars	As at 31 March 2022	As at 31 March 2021
Non-current assets		
Pari-passu charge		
- Property, plant and equipment	23,203.79	26,116.18
- Capital work-in-progress	9,335.24	592.20
- Intangible assets	1,936.98	3,135.86
- Loans	2.56	4.18
- Other financial assets	261.03	248.39
- Income tax assets	258.27	843.27
- Other non-current assets	482.41	478.48
Total non-current assets pledged as security	**35,480.28**	**31,418.56**
Total assets pledged as security	**81,579.65**	**77,843.36**

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).

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 2022				As at 31 March 2021			
			Carrying amount	FVTPL	FVOCI	Amortised cost	Carrying amount	FVTPL	FVOCI	Amortised cost
Financial assets										
Non current										
Loans										
- Loan to employees	b		2.56	-	-	2.56	4.18	-	-	4.18
Other financial assets										
- Security deposits			261.03	-	-	261.03	248.39	-	-	248.39
Current										
Trade receivables	a		24,514.69	-	-	24,514.69	25,919.29	-	-	25,919.29
Cash and cash equivalents	a		6,151.66	-	-	6,151.66	6,486.72	-	-	6,486.72
Loans										
- Loan to employees	a		7.34	-	-	7.34	18.35	-	-	18.35
Other financial assets										
- Security deposits	a		66.60	-	-	66.60	79.86	-	-	79.86
- Interest accrued but not due on deposits	a		1.63	-	-	1.63	2.28	-	-	2.28
Total			**31,005.51**	**-**	**-**	**31,005.51**	**32,759.07**	**-**	**-**	**32,759.07**

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

Particulars	Note	Level of hierarchy	As at 31 March 2022				As at 31 March 2021			
			Carrying amount	FVTPL	FVOCI	Amortised cost	Carrying amount	FVTPL	FVOCI	Amortised cost
Financial liabilities										
Non current										
Borrowings	c		3,434.73	-	-	3,434.73	1,725.63	-	-	1,725.63
Lease liability	c		400.29	-	-	400.29	385.30	-	-	385.30
Current										
Borrowings	c		3,264.15	-	-	3,264.15	2,736.42	-	-	2,736.42
Lease liability	c		-	-	-	-	4.21	-	-	4.21
Trade payable										
- Total outstanding dues of micro enterprises and small enterprises	a		716.57	-	-	716.57	531.78	-	-	531.78
- Total outstanding dues of creditors other than micro enterprises and small enterprises	a		19,521.24	-	-	19,521.24	20,246.50	-	-	20,246.50
Other financial liabilities										
- Interest accrued but not due on borrowings	a		11.20	-	-	11.20	3.79	-	-	3.79
- Security deposits	a		21.10	-	-	21.10	24.30	-	-	24.30
- Unclaimed dividends	a		148.20	-	-	148.20	188.80	-	-	188.80
- Forward exchange contracts used for hedging	d	2	79.52	79.52	-	-	141.32	141.32	-	-
- Employee dues	a		1,118.88	-	-	1,118.88	1,168.06	-	-	1,168.06
- Creditors for capital goods	a		1,899.52	-	-	1,899.52	394.40	-	-	394.40
Total			**30,615.40**	**79.52**	**-**	**30,535.88**	**27,550.51**	**141.32**	**-**	**27,409.19**

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.

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 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 2022 and 31 March 2021.

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

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

(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) **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	1.59	1.67	4.99%	
(b)	Debt-Equity Ratio (in times)	Total debt	Shareholder's equity	0.12	0.08	39.22%	The ratio has increased during the year owing to the new term loan taken by the company for the ongoing capital projects.
(c)	Debt Service Coverage Ratio (in times)	Earnings available for debt service	Debt service (Interest & Lease Payment + Principal Repayments of Long term loans + Lease Payment)	7.20	3.13	129.78%	The ratio has improved since there were lower principal repayments during the year as compared to previous year.
(d)	Return on Equity Ratio (in %)	Net Profits after taxes less preference dividend (if any)	Average shareholder's equity	5.60%	2.14%	161.55%	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	8.92	8.33	6.64%	
(f)	Trade Receivables turnover ratio (in times)	Net credit sales	Average accounts receivable	6.39	5.93	7.75%	
(g)	Trade payables turnover ratio (in times)	Net credit purchases	Average trade payables	5.74	5.58	2.89%	
(h)	Net capital turnover ratio (in times)	Net sales	Working capital	9.46	7.25	30.36%	Ratio has improved due to higher sales in the current year. However, there has been no significant change in working capital during the year. Accordingly, the ratio has increased during the current year.

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

S. No.	Ratio	Numerator	Denominator	Current year	Previous year	% variance	Reasons for variance (where variance is more than 25%)
(i)	Net profit ratio (in %)	Net profit	Net sales	2.06%	0.91%	125.55%	Net profits after tax has increased due to higher sales volume 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	7.21%	3.57%	101.99%	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)	12.50%	50.00%	75.00%	During the current year, subsidiary company has declared lower dividend as compared to the previous year. Accordingly, the ratio has decreased 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 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.

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

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements

Risk	Exposure arising from	Measurement	Management of risk
Credit Risk	Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost.	Ageing analysis, Credit ratings	Diversification of bank deposits, credit limits and letter of credit.
Liquidity Risk	Borrowings and liabilities	Cash flow forecasting, sensitivity analysis	Availability of borrowing facilities, forward contracts, CCIRS.
Market risk - foreign currency risk	Future commercial transactions, recognised financial liabilities not denominated in Indian Rupee (INR)	Cash flow forecasting, sensitivity analysis	Forward contracts
Market risk – interest rate risk	Long-term borrowings at variable rates	Sensitivity analysis	Maintaining the variable rate borrowings to acceptable levels

A) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables), including foreign exchange transactions and other financial instruments

Trade receivables

Ind AS requires expected credit losses to be measured through a loss allowance. The Company assesses at each date of balance sheet position whether a financial asset or a company of financial assets is impaired. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

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 2022	As at 31 March 2021
Loans	7.34	18.35
Other financials assets	68.23	82.14

(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 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

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

Particulars	As at 31 March 2021	0-6 months	6-12 months	More than 12 months
Gross carrying amount	25,919.29	25,833.68	54.20	31.41
Expected credit loss (Loss allowance provision)	-	-	-	-
Carrying amount of trade receivables	25,919.29	25,833.68	54.20	31.41

(c) **The Company's exposure to credit risk for trade receivable by geographic region is as follows:**

Particulars	As at 31 March 2022	As at 31 March 2021
India	23,907.17	24,925.93
USA	592.32	841.74
France	12.21	125.89
Japan	2.99	25.73
Total	**24,514.69**	**25,919.29**

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.

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 2022 and 31 March 2021 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 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

FOR THE YEAR ENDED 31 MARCH 2022

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

31 March 2021	Carrying value as at 31 March 2021	Contractual cash flows			
		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)	4,465.84	2,740.21	914.43	295.20	516.00
Trade payables	20,778.28	20,778.28	-	-	-
Lease liability	389.50	28.38	35.03	36.03	1,052.78
Other financial liabilities					
- Security deposits	24.30	24.30	-	-	-
- Unclaimed dividends	188.80	188.80	-	-	-
- Employee dues	1,168.06	1,168.06	-	-	-
- Creditors for capital goods	394.40	394.40	-	-	-
Derivative financial liabilities					
Other financial liabilities					
- Forward exchange contracts used for hedging	141.32	141.32	-	-	-
Total	**27,550.50**	**25,463.75**	**949.46**	**331.23**	**1,568.78**

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 analyses in the following sections relate to the position as at 31 March 2022 and 31 March 2021. The sensitivity analyses 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 2022.

The analyses 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 analyses:

- 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 2022 and 31 March 2021."

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 2022		As at 31 March 2021	
	Foreign currency	Rupee INR	Foreign currency	Rupee INR
Financial assets				
Receivables (trade & others)				
USD	7.86	592.32	11.55	841.74
EURO	0.35	28.83	1.48	125.89
JPY	4.88	2.99	39.32	25.73
Financial liabilities				
Payables (trade & other)				
USD	2.55	194.19	5.45	401.67
EURO	0.20	17.53	0.40	35.15
JPY	1,621.86	1,016.42	711.63	477.64
Borrowings - others				
USD	9.40	715.81	15.33	1,130.07

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

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 2022		As at 31 March 2021	
	Foreign currency	Rupee INR	Foreign currency	Rupee INR
Financial liabilities				
Payables (trade & other)				
USD	2.95	224.55	7.67	565.33
JPY	2,290.95	1,435.74	4,076.52	2,736.16
CHF	0.09	7.38	0.10	8.01

The following significant exchange rates were applied at the year end:

Particulars	Year end rates	
	As at 31 March 2022	As at 31 March 2021
Financial assets		
Receivables (trade & others)		
USD / INR	75.32	72.85
EURO / INR	82.38	85.02
JPY / INR	0.61	0.65
Financial liabilities		
Payables (trade & other)		
USD / INR	76.17	73.70
EURO / INR	85.59	87.15
JPY / INR	0.63	0.67
CHF / INR	83.03	-
Borrowings - ECB & Others		
USD / INR	76.17	73.70

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 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Receivables (trade & others)	Statement of profit and loss	USD	5.92	8.42	(5.92)	(8.42)
	Statement of profit and loss	EURO	0.29	1.26	(0.29)	(1.26)
	Statement of profit and loss	JPY	0.03	0.26	(0.03)	(0.26)
Payables (trade & other)	Statement of profit and loss	USD	(1.94)	(4.02)	1.94	4.02
	Statement of profit and loss	EURO	(0.18)	(0.35)	0.18	0.35
	Statement of profit and loss	JPY	(10.16)	(4.78)	10.16	4.78
Borrowings - others	Statement of profit and loss	USD	(7.16)	(11.30)	7.16	11.30

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

(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.

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 2022	Outstanding principal (in Foreign currency) As at 31 March 2021
Forward contacts	Hedge taken for the purpose of hedging its foreign currency exposures in trade payables / trade receivables	USD	2.95	7.67
Forward contacts	Hedge taken for the purpose of hedging its foreign currency exposures in trade payables / trade receivables	JPY	2,290.95	4,076.52
Forward contacts	Hedge taken for the purpose of hedging its foreign currency exposures in trade payables / trade receivables	CHF	0.09	0.10

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 2022, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Company's investments in Fixed Deposits all pay fixed interest rates.

Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

Particulars	As at 31 March 2022	As at 31 March 2021
Variable rate borrowing	6,698.88	4,462.05
Fixed rate borrowing	-	-
Total borrowings	**6,698.88**	**4,462.05**

Sensitivity

Below is the sensitivity of profit or loss and equity changes in interest rates.

Particulars	As at 31 March 2022	As at 31 March 2021
Interest sensitivity*		
Interest rates – increase by 50 bps basis points	33.49	22.31
Interest rates – decrease by 50 bps basis points	(33.49)	(22.31)

* Holding all other variables constant

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

(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.

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 investor, creditor and market confidence 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 2022	As at 31 March 2021
Total borrowings (includes Non-Current borrowings, current borrowings and current maturities of non current borrowings)	6,698.88	4,462.05
Less : cash and cash equivalent	(6,151.66)	(6,486.72)
Net debt	**547.22**	**(2,024.67)**
Total equity	60,668.52	57,723.70
Debt ratio	**0.01**	**(0.04)**

ii) Loan covenants

The term loan arrangements contain certain capital restrictions to be complied including debt-service coverage ratio, interest coverage ratio, current ratio, fixed asset coverage ratio, return on capital employed, net borrowings to EBITDA ratio etc. In case of any deviation from the capital restrictions as defined in the loan agreements, the Company is liable to communicate the same to respective banks, which may either be waived by the banks if not material or Company shall take necessary action to meet the requisite conditions. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

iii) Dividend

Particulars	As at 31 March 2022	As at 31 March 2021
Dividend not recognised at the end of the reporting period:		
Proposed final dividend per share INR 0.40 (31 March 2021: INR 0.15 per share)	977.92	366.72

50. The Company has considered possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of the Property, plant and equipment, Investments, Inventories, receivables and other current assets. In developing the assumptions relating to possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statement has used internal and external sources on the expected future performance of the Company. The Company has performed sensitivity analysis on the assumptions used and based on the current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statement may differ from that estimated as the date of approval of these financial statement.

51. 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

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

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.

52. Previous period figures have been re-grouped/re-classified wherever necessary, to conform to current period's classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013 effective from 1 April 2021.

Change in classification

Pursuant to amendment in Schedule III to the Companies Act, 2013, effective from 1 April 2021, the Company has modified the classification of security deposits from "Loans" to "Others" in financial assets and classification of unbilled revenue from "Others" to "trade receivable". Comparative amounts in the notes to the standalone financial statements were reclassified for consistency.

Particulars	As per earlier reported	Revised classification	Difference
Assets			
Non-current assets			
Financial assets			
Loans	252.57	4.18	248.39
Other financial assets	-	248.39	(248.39)
Current assets			
Financial assets			
Trade receivables	25,675.27	25,919.29	(244.02)
Loans	98.21	18.35	79.86
Other financial assets	246.30	82.14	164.16

Pursuant to amendment in Schedule III to the Companies Act, 2013, effective from 1 April 2021, the Company has modified the classification of Current portion of secured bank loans from "Other financial liabilites" to "Current Borrowings" in current financial liabilities. Comparative amounts in the notes to the standalone financial statements were reclassified for consistency.

Particulars	As per earlier reported	Revised classification	Difference
Liabilities			
Current liabilities			
Financial liabilities			
Borrowings	1,796.57	2,736.42	(939.85)
Other financial liabilities	2,860.52	1,920.67	939.85

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 : 20 May 2022

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
Chief Financial Officer

Ashish Srivastava
Company Secretary

Place : Gurugram
Date : 20 May 2022

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 2022, 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 2022, of its consolidated profit and other comprehensive income, 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 obtained by us, is sufficient and appropriate to provide a basis for our opinion on the Consolidated Financial Statements.

Key Audit Matters

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.

Description of Key Audit Matter

Revenue Recognition

See note 2.4 (j) to the Consolidated Financial Statements

The key audit matter	How the matter was addressed in our audit
As disclosed in Note 23 and 24 to the Consolidated Financial Statements, the Group's revenue for the year ended 31 March 2022 was INR 159,902.61 Lakhs (Previous year: INR 133,842.25 Lakhs). Revenue is recognized in accordance with accounting policies as detailed in "Significant accounting policies" in the Consolidated Financial Statements. Revenue is significant to the Consolidated Statement of Profit and Loss and is one of key performance indicators of the Group. There may be misstatements related to revenue recognition due to which the completeness, existence and accuracy of revenue recognition is identified as a key audit matter.	Our audit procedures included: - Assessed the appropriateness of the accounting policy for revenue recognition as per the relevant accounting standard; - Evaluated the design and implementation and operating effectiveness of key internal financial controls in relation to recognition of revenue; - Involved our internal specialists for testing of key IT system controls relating to revenue recognition; - Performed substantive testing by selecting samples and verifying the underlying documents for their inclusion in the appropriate period; and - Assessed the adequacy of the disclosures made 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 Consolidated Financial Statements and our auditor's report 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 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, based on our audit, 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 and subsidiary company as on 31 March 2022 taken on record by the Board of Directors of the Holding Company and subsidiary company, none of the directors of the Group companies, incorporated in India is disqualified as on 31 March 2022 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 Auditor's) 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 2022 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 2022.

c) There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2022. Further, there are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Subsidiary Company incorporated in India during the year ended 31 March 2022.

d) (i) The management has represented that, to the best of its knowledge and belief, 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 incorporated in India to or in any other persons or entities, 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 ("Ultimate Beneficiaries") by or on behalf of the Holding Company or its subsidiary company incorporated in India or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Holding Company or its subsidiary company incorporated in India from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary company incorporated in India shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or

- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as 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 (d) (i) and (d) (ii) contain any material mis-statement.

e) The dividend declared or paid during the year by the Holding Company and its subsidiary company incorporated in India is in compliance with Section 123 of the Act.

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: 22095109AJHNJW4170

Place: Gurugram
Date : 20 May 2022

Annexure A to the Independent Auditor's report on the Consolidated Financial Statements of JTEKT India Limited for the year ended 31 March 2022

(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: 22095109AJHNJW4170

Place: Gurugram
Date : 20 May 2022

Annexure B to the Independent Auditors' report on the Consolidated Financial Statements of JTEKT India Limited for the period ended 31 March 2022

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 Companies Act, 2013

(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 the Company as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to Consolidated Financial Statements of JTEKT India Limited (hereinafter referred to as "the Holding Company") and such company incorporated in India under the Companies Act, 2013 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 Consolidated Financial Statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to Consolidated 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 Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to Consolidated Financial Statements based on the 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 Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to Consolidated 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 Consolidated 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 Consolidated 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 Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls 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 Consolidated Financial Statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to Consolidated 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 Consolidated Financial Statements to future periods are subject to the risk that the internal financial controls with reference to Consolidated 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: 22095109AJHNJW4170

Place: Gurugram
Date : 20 May 2022

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2022

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

Particulars	Notes	As at 31 March 2022	As at 31 March 2021
Assets			
Non-current assets			
Property, plant and equipment	3A	36,868.99	38,713.39
Capital work-in-progress	3A	9,663.17	1,031.79
Investment property	3B	677.79	-
Intangible assets	3C	2,333.50	3,657.99
Right-of-use assets	3D	-	102.08
Financial assets			
(i) Loans	4	2.56	4.18
(ii) Other financial assets	5	268.83	261.90
Income tax assets (net)	6	265.17	850.17
Deferred tax assets (net)	19	905.84	420.10
Other non-current assets	7	546.87	479.27
Total non-current assets		**51,532.72**	**45,520.87**
Current assets			
Inventories	8	14,487.58	13,046.22
Financial assets			
(i) Trade receivables	9	24,166.67	25,629.24
(ii) Cash and cash equivalents	10	6,381.44	6,752.19
(iii) Other bank balances	11	1,658.00	725.00
(iv) Loans	4	7.34	18.35
(v) Other financial assets	5	101.15	94.88
Other current assets	12	1,646.51	1,535.27
Total current assets		**48,448.69**	**47,801.15**
Total assets		**99,981.41**	**93,322.02**
Equity and Liabilities			
Equity			
Equity share capital	13	2,444.80	2,444.80
Other equity	14	60,738.30	57,408.62
Equity attributable to the owners of the company		**63,183.10**	**59,853.42**
Non-controlling interests		**2,943.86**	**2,576.06**
Total Equity		**66,126.96**	**62,429.48**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	15A	3,434.73	1,725.63
(ii) Lease liability	16	400.29	385.30
Provisions	18	1,059.82	1,009.70
Deferred tax liabilities (net)	19	95.79	116.83
Total non-current liabilities		**4,990.63**	**3,237.46**
Current liabilities			
Financial liabilities			
(i) Borrowings	15B	3,264.15	2,736.42
(ii) Lease liability	16	-	4.21
(iii) Trade payables	20		
Total outstanding dues of micro enterprises and small enterprises		872.82	571.72
Total outstanding dues of creditors other than micro enterprises and small enterprises		18,903.72	19,825.53
(iv) Other financial liabilities	17	3,374.75	1,997.09
Other current liabilities	21	1,999.80	1,952.21
Provisions	18	361.56	305.18
Income tax liabilities (net)	22	87.02	262.72
Total current liabilities		**28,863.82**	**27,655.08**
Total liabilities		**33,854.45**	**30,892.54**
Total equity and liabilities		**99,981.41**	**93,322.02**
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 : 20 May 2022

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
Chief Financial Officer

Ashish Srivastava
Company Secretary

Place : Gurugram
Date : 20 May 2022

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH 2022

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

Particulars	Notes	For the year ended 31 March 2022	For the year ended 31 March 2021
Income			
Revenue from operations	23	158,879.69	133,296.62
Other income	24	1,022.92	545.63
Total income (I)		**159,902.61**	**133,842.25**
Expenses			
Cost of materials consumed	25	111,352.91	92,361.75
Purchases of stock-in-trade	26	76.42	85.52
Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	(729.96)	(745.13)
Employee benefit expenses	28	20,362.79	19,470.19
Finance costs	29	372.91	472.39
Depreciation and amortisation expense	30	7,087.86	8,295.10
Other expenses	31	15,084.21	11,851.81
Total expenses (II)		**153,607.14**	**131,791.63**
Profit from continuing operations before exceptional items and share of profit of equity accounted investees and income tax (III = I - II)		**6,295.47**	**2,050.62**
Exceptional items (IV)	32	**677.52**	**-**
Profit before tax (V = III - IV)		**5,617.95**	**2,050.62**
Tax expense			
- Current tax (including tax for earlier years)		2,012.86	1,195.33
- Deferred tax credit		(506.78)	(513.58)
Total tax expense (VI)	33	**1,506.08**	**681.75**
Profit for the year (VII =V - VI)		**4,111.87**	**1,368.87**
Other comprehensive income /(loss)			
Items that will not be reclassified to profit or loss			
Income /(loss) on remeasurement of defined benefit obligation		18.14	(34.56)
Income tax relating to the above		(4.57)	8.70
Items that will be reclassified to profit or loss			
Effective portion of gain on cash flow hedge instruments		-	6.10
Income tax relating to above		-	(1.53)
Total other comprehensive income /(loss) for the year (net of tax) (VIII)		**13.57**	**(21.29)**
Total comprehensive income for the year (IX=VII+VIII) (Comprising Profit and Other Comprehensive Income /(loss) for the year)		**4,125.44**	**1,347.58**
Profit for the year attributable to			
(a) Owners of the Company		3,690.53	1,172.62
(b) Non controlling interest		421.34	196.25
		4,111.87	**1,368.87**
Other comprehensive income /(loss) for the year attributable to			
(a) Owners of the Company		5.86	(26.64)
(b) Non controlling interest		7.71	5.35
		13.57	**(21.29)**
Total comprehensive income for the year			
(a) Owners of the Company		3,696.39	1,145.98
(b) Non controlling interest		429.05	201.60
		4,125.44	**1,347.58**
Earnings per equity share :	34		
Basic - Par value of INR 1 per share		1.51	0.48
Diluted - Par value of INR 1 per share		1.51	0.48
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 : 20 May 2022

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
Chief Financial Officer

Ashish Srivastava
Company Secretary

Place : Gurugram
Date : 20 May 2022

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

(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	13	**2,444.80**	**2,444.80**
Issued during the year		-	-
Balance as at 31 March 2022		**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				Items of other comprehensive income				
	Securities Premium	General reserve	Capital reserve *	Retained earnings	Remeasurement of employee benefit obligations	Effective portion of cash flow hedges			
Balance as at 31 March 2020	8,070.76	8,190.71	2,434.23	38,427.19	-	(4.56)	57,118.33	2,619.46	59,737.79
Profit for the year	-	-	-	1,172.62	-	-	1,172.62	196.25	1,368.87
Other comprehensive (loss) /income (net of tax)	-	-	-	-	(31.21)	4.56	(26.65)	5.35	(21.30)
Total comprehensive income for the year	-	-	-	1,172.62	(31.21)	4.56	1,145.97	201.60	1,347.57
Transferred to retained earnings	-	-	-	(31.21)	31.21	-	-	-	-
Contribution by and distribution to owner									
Dividend on equity shares	-	-	-	(855.68)	-	-	(855.68)	(245.00)	(1,100.68)
Balance as at 31 March 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 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

Notes:

1. During the year ended 31 March 2022 and 31 March 2021, 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 : 20 May 2022

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

Hitoshi Mogi
Chairman & Managing Director
DIN 08741355

Rajiv Chanana
Chief Financial Officer

Place : Gurugram
Date : 20 May 2022

Hiroko Nose
Independent Director
DIN 06389168

Ashish Srivastava
Company Secretary

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

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

	Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
(A)	**CASH FLOW FROM OPERATING ACTIVITIES**		
1.	**Profit before tax**	**5,617.95**	**2,050.62**
2.	**Adjustments for:**		
	Depreciation and amortisation expense	7,087.86	8,295.10
	Impairment of investment property	492.34	-
	Interest income	(417.01)	(174.49)
	(Profit) on disposal of property, plant and equipment (net)	(30.62)	(19.98)
	Provision on obsolescence of inventory	39.00	40.00
	Interest expenses	372.91	472.39
	Unrealized foreign exchange loss	0.72	25.06
3.	**Operating profit before changes in following assets and liabilities (1+2)**	**13,163.15**	**10,688.70**
4.	**Changes in operating assets and liabilities**		
	Decrease/ (increase) in loans	12.63	(6.40)
	(Increase) in inventories	(1,480.34)	(1,635.57)
	Decrease/ (Increase) in other financial assets	5.88	(4.32)
	(Increase) in other assets	(136.99)	(135.74)
	Decrease / (Increase) in trade receivables	1,466.32	(6,216.70)
	(Decrease) / Increase in other financial liabilities	(20.88)	236.20
	(Decrease) / Increase in other liabilities	(33.67)	864.38
	(Decrease) / Increase in trade payables	(715.31)	6,214.92
	Increase in provision	124.63	20.59
5.	**Cash generated from operating activities (3+4)**	**12,385.42**	**10,026.06**
6.	**Income tax paid (net of refunds)**	**(1,633.41)**	**(900.27)**
7.	**Net cash flow generated from operating activities (5-6)**	**10,752.01**	**9,125.79**
(B)	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment, capital work-in-progress and capital advances and capital payables	(12,064.31)	(3,000.32)
	Proceeds from disposal of property, plant and equipment	132.10	111.10
	Purchase of intangible assets	(94.40)	(709.37)
	Proceeds from redemption of deposit with original maturity more than 3 months	(933.00)	(596.00)
	Interest received	397.93	174.67
	Net cash used in investing activities	**(12,561.68)**	**(4,019.92)**
(C)	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from long-term borrowings	3,647.93	1,254.62
	Repayment of long term borrowings	(1,138.49)	(2,535.06)
	Repayment of short-term borrowings (net)	(272.52)	(1,541.78)
	Dividend paid	(468.57)	(1,135.14)
	Interest paid	(301.05)	(421.98)
	Payment of lease liabilities including interest	(28.38)	(66.78)
	Net cash generated from/ (used in) financing activities	**1,438.92**	**(4,446.12)**
(D)	**(Decrease) / Increase in cash and cash equivalents (A+B+C)**	**(370.75)**	**659.75**
	Cash and cash equivalents at the beginning of the year	6,752.19	6,092.44
	Cash and cash equivalents at the end of the year	**6,381.44**	**6,752.19**
	Cash and cash equivalents include :		
	Balances with banks:		
	– In current accounts	32.31	62.36
	– In cash credit accounts	397.73	8.18
	– In dividend accounts#	148.20	188.80
	Bank deposits with original maturity less than 3 months	5,798.00	6,486.00
	Cash on hand	5.20	6.85
	Cash and cash equivalents at the end of the year	**6,381.44**	**6,752.19**

INR 148.20 lakhs (31 March 21 : INR 188.80 lakhs) has restricted use.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

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

Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities:

Particulars	Non current borrowings*	Current borrowings
Opening balance as at 1 April 2021	**2,665.48**	**1,796.57**
Add: non-cash changes due to		
- Others	-	(0.09)
Add : cash inflows during the year	3,647.93	-
Less: cash outflows during the year**	(1,138.49)	(272.52)
Closing balance as at 31 March 2022	**5,174.92**	**1,523.96**

* Includes current maturities of non-current borrowings, refer note 15A.

** Cash outflows are net off cash inflows for current borrowing.

Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities:

Particulars	Non current borrowings*	Current borrowings
Opening balance as at 1 April 2020	**4,078.18**	**3,318.33**
Add: non-cash changes due to		
- Others	(132.24)	20.02
Add : cash inflows during the year**	1,254.60	-
Less: cash outflows during the year**	(2,535.06)	(1,541.78)
Closing balance as at 31 March 2021	**2,665.48**	**1,796.57**

* Includes current maturities of non-current borrowings, refer note 15A.

** Cash inflows are net off cash outflows for current borrowing.

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 in cash INR 162.52 lakhs for the year ended 31 March 2022 and INR 132.91 lakhs for the year ended 31 March 2021 towards Corporate Social Responsibility (CSR) expenditure (refer note 36).

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 : 20 May 2022

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
Chief Financial Officer

Ashish Srivastava
Company Secretary

Place : Gurugram
Date : 20 May 2022

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

(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 Company's name got changed via fresh Certificate of Incorporation dated 7 April 2018 received from the Registrar of Companies, New Delhi. 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 2022 are approved by the Parent Company's Audit Committee and its Board of Directors on 20 May 2022.

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(g) and 2.4(p).
- 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(h).
- Recognition and measurement of provision and contingency: Key assumption about the likelihood and magnitude of an outflow of resources – Note 38 B.
- Fair value measurement – Note 2.1(vi).
- In assessing the recoverability of receivables including unbilled receivables, financial assets, and certain investments, the Group has considered internal and external information up to the date of approval of these financial statements including credit reports and economic forecasts considering emerging situations due to COVID-19. Based on current indicators of future economic conditions, the Group expects to recover the carrying amount of these assets. Due to the nature of the pandemic, the Group will continue to monitor developments to identify significant uncertainties in future periods.

(v) Current versus non-current classification

The Group presents assets and liabilities in the Balance Sheet based on current/non-current classification.

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

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.

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

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

- 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.

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 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
			2021-22	2020-21	2019-20	
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 2021, 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 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 payments 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 its settlement is accounted for within equity.

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.

b. Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

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

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 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)
Building	Building	30
Roads	Building	5
Sheds	Building	3
Plant and machinery	Plant & Machinery	4-15
Tools and dies	Plant & Machinery	4
Jigs and fixtures	Jigs & Fixture	10
Electrical installations	Electrical installation	10
Furniture and fixtures	Furniture & Fixture	10
Office equipment	Office equipment	5
IT equipment	Office equipment	6
Computers	Office equipment	3
Vehicles	Vehicles	5.3

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 in following categories of assets

- The useful life of vehicles is estimated as 5.3 years.
- The useful life of tools and dies and machinery spares is estimated as 4 years.
- Assets costing less than Rs 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

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

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 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 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 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 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 profit or loss in the period of de-recognition.

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 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.

h. Inventories

Inventories which includes raw materials, components, stores and spares, work in progress, finished goods

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

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. 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.

i. 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).

j. 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 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 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 specification 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.

Interest income

For all debt instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the 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. Interest income is included in the Consolidated Statement of Profit and Loss.

Export Incentive

Export incentive entitlements 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 Consolidated Statement of Profit and Loss.

Compensation received

Compensation received from customers are recognized as income when the right to receive credit as per the terms of the agreement is established and underlying performance obligation are fulfilled, and where there is no significant uncertainty regarding the ultimate collection of the relevant compensation. These are presented as other operating revenue in the Consolidated Statement of Profit and Loss.

Dividends

Revenue is recognized when the Group's right to receive the payment is established by the reporting date.

Rental Income

Rental income is recognized as a part of other income in Consolidated Statement of Profit or Loss on a straight-line basis over the term of the lease except where the rentals are structured to increase in line with expected general inflation.

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 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 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.

l. 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

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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.

The Group is governed by the same set of risks and returns but subject to the geographical industry trends and hence the Group's business activities fall within a single primary business segment.

m. 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 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.

n. 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.

o. 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, 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 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 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, is 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.

p. 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 and debt securities 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 or financial liability is initially measured at fair value plus, for an item not at fair value through Consolidated Statement of Profit and Loss ('FVTPL'), transaction costs that are directly attributable to its acquisition or issue.

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 instrument; or
- FVOCI-equity investment; or
- 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 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's 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.

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

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.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivatives is recognised in OCI and accumulated in the other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item. Any ineffective portion of changes in fair value of the derivatives is recognised immediately in the Consolidated Statement of Profit and Loss.

If a hedge no longer meets the criteria for hedge accounting or the hedge instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included directly in the initial cost of the non-financial item on its initial recognition or, for other cash flow edges, it is reclassified to profit or loss in the same period or periods as the hedged expected cash flows affect Consolidated Statement of Profit and Loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to 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 that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to 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.

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 which 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 that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the 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

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

objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

q. 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.

r. 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.

s. 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.

t. Corporate Social Responsibility ("CSR") expenditure

CSR expenditure incurred by the Group is charged to the Consolidated Statement of Profit and Loss.

u. 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.

v. 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.

w. 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.

x. Recent accounting pronouncements

On March 23, 2022, the Ministry of Corporate Affairs (MCA) issued certain amendments and annual improvements to Ind AS. These amendments are applicable for accounting periods beginning on or after April 1, 2022:

- Ind AS 103 – Business Combinations – Reference to conceptual framework added
- Ind AS 16 – Property, Plant and Equipment – Accounting for proceeds before an asset's intended use
- Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets – Assessing if the contract is onerous
- Annual improvements to Ind AS – Ind AS 109 (Financial Instruments) and Ind AS 116 (Leases).

The Group will evaluate the impact of the above, where applicable, on the financial statements and give impact of the same in the relevant period.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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(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 2021	Additions	Sales/ Disposition	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 & Fixture	1,076.68	332.54	4.34	-	1,404.88	442.34	129.55	4.06	-	567.83	837.05	634.34
Electric installation	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 & Fixture	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	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

3A. Property, plant and equipment

Particulars	Gross carrying value					Accumulated depreciation					Net block	
Description	As at 1 April 2020	Additions	Sales/ Disposition	Transfer to investment property*	As at 31 March 2021	As at 1 April 2020	Depreciation for the year	Disposals	Transfer to investment property*	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Freehold land#	6,273.52	-	-	-	6,273.52	-	-	-	-	-	6,273.52	6,273.52
Building*#	19,928.32	57.35	23.18	-	19,962.49	3,031.26	801.63	15.90	-	3,816.99	16,145.50	16,897.06
Lease hold improvements	14.37	-	0.18	-	14.19	7.23	1.56	0.18	-	8.61	5.58	7.14
Plant & Machinery	41,477.20	1,281.62	645.64	-	42,113.18	24,712.65	4,574.53	638.41	-	28,648.77	13,464.41	16,764.55
Jigs & Fixture	1,069.02	43.38	35.72	-	1,076.68	359.54	115.30	32.50	-	442.34	634.34	709.48
Electric installation	2,343.41	42.59	27.74	-	2,358.26	1,452.93	238.63	18.97	-	1,672.59	685.67	890.48
Furniture & Fixture	400.46	3.81	9.73	-	394.54	249.05	39.11	8.95	-	279.21	115.33	151.41
Office equipment	2,213.68	114.58	25.67	-	2,302.59	1,141.12	335.59	25.53	-	1,451.18	851.41	1,072.56
Vehicles	795.46	170.50	91.60	-	874.36	272.11	147.42	49.62	-	369.91	504.45	523.35
R&D-Plant & Machinery	181.59	-	0.06	-	181.53	131.22	19.61	0.06	-	150.77	30.76	50.37
R&D-Office Equipment	13.09	-	-	-	13.09	8.73	1.94	-	-	10.67	2.42	4.36
Total	**74,710.12**	**1,713.83**	**859.52**	**-**	**75,564.43**	**31,365.84**	**6,275.32**	**790.12**	**-**	**36,851.04**	**38,713.39**	**43,344.28**

3A. Capital work-in-progress

Particulars	As at 1 April 2020	Additions	Capitalised	As at 31 March 2021
Total	**195.39**	**2,487.32**	**1,650.92**	**1,031.79**

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	1,008.27	23.52	-	-	1,031.79

Notes:-

*(i) During the current 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.

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

(ii) Building at Sanand (Gross block) amounting to INR 1,374.04 lakhs (previous year 31 March 2021 INR 1,374.04 lakhs), net block INR 1,060.73 lakhs (previous year 31 March 2021 INR 1,113.08 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 2022 and 31 March 2021, whose completion is overdue or cost has exceeded in comparision to its original plan.

Title deed of immovable property as at 31 March 2022 and 31 March 2021

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 2022.
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 2022.

** The gross block and net block as at 31 March 2022 and 31 March 2021 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 2021	Additions	Sales/ Disposition	As at 31 March 2022	As at 1 April 2021	Additions	Depreciation for the year	Disposals	Impairment	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:-

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

2) (i) During the current 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) amounting to INR 1,374.04 lakhs (previous year 31 March 2021 INR 1,374.04 lakhs), net block INR 1,060.73 lakhs (previous year 31 March 2021 INR 1,113.08 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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 2022 is 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 2022	For the year ended 31 March 2021
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 2021**	**Additions**	**Sales/ Disposition**	**As at 31 March 2022**	**As at 1 April 2021**	**Depreciation 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	As at 31 March 2022
Total	**-**	**94.42**	**94.42**	**-**

Intangible assets under development aging schedule

	Amount in Intangible assets under development for a period of				Total
Intangible assets under development	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	
Projects in progress	-	-	-	-	-

3C. Intangible assets

Particulars	Gross carrying value				Amortisation				Net block	
Description	**As at 1 April 2020**	**Additions**	**Sales/ Disposition**	**As at 31 March 2021**	**As at 1 April 2020**	**Depreciation for the year**	**Disposals**	**As at 31 March 2021**	**As at 31 March 2021**	**As at 31 March 2020**
R&D-Computer softwares	48.18	2.16	-	50.34	22.44	7.58	-	30.02	20.32	25.74
Computer softwares	2,665.85	463.33	583.90	2,545.28	1,345.16	486.55	583.90	1,247.81	1,297.47	1,320.69
New product development	8,918.78	-	2,657.48	6,261.30	5,072.12	1,484.74	2,635.76	3,921.10	2,340.20	3,846.66
Total	**11,632.81**	**465.49**	**3,241.38**	**8,856.92**	**6,439.72**	**1,978.87**	**3,219.66**	**5,198.93**	**3,657.99**	**5,193.09**

3C. Intangible assets under development

Particulars	As at 1 April 2020	Additions	Capitalised	As at 1 April 2021
Total	**75.23**	**379.17**	**454.40**	**-**

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

Intangible assets under development aging schedule

Intangible assets under development	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-

3D. Right-of-use assets

Particulars	Gross carrying value					Accumulated depreciation					Net block	
Description	As at 1 April 2021	Additions	Sales/ Disposition	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**

3D. Right-of-use assets

Particulars	Gross carrying value					Accumulated depreciation					Net block	
Description	As at 1 April 2020	Additions	Sales/ Disposition	Transfer to investment property*	As at 31 March 2021	As at 1 April 2020	Depreciation for the year	Disposals	Transfer to investment property*	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Leasehold land	106.81	-	-	-	106.81	4.24	4.24	-	-	8.48	98.33	102.57
Building	87.44	-	-	-	87.44	47.02	36.67	-	-	83.69	3.75	40.42
Total	**194.25**	**-**	**-**	**-**	**194.25**	**51.26**	**40.91**	**-**	**-**	**92.17**	**102.08**	**142.99**

Notes:-

*(i). During the current 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) amounting to INR 1,374.04 lakhs (previous year 31 March 2021 INR 1,374.04 lakhs), net block INR 1,060.73 lakhs (previous year 31 March 2021 INR 1,113.08 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 2022		As at 31 March 2021	
	Current	Non-current	Current	Non-current
(Unsecured considered good, unless stated otherwise)				
Loans to employees	7.34	2.56	18.35	4.18
Total	**7.34**	**2.56**	**18.35**	**4.18**

5. Other financial assets

Particulars	As at 31 March 2022		As at 31 March 2021	
	Current	Non-current	Current	Non-current
Security deposits	67.47	268.83	80.28	261.90
Interest accrued but not due on deposits	33.68	-	14.60	-
Total	**101.15**	**268.83**	**94.88**	**261.90**

6. Income tax assets (net)

Particulars	As at 31 March 2022	As at 31 March 2021
Advance income tax and tax deducted at source [net of provisions INR 2,778.75 lakhs (31 March 2021 INR 10,109.47 lakhs)]	265.17	850.17
Total	**265.17**	**850.17**

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

7. Other non-current assets

Particulars	As at 31 March 2022	As at 31 March 2021
(Unsecured considered good, unless stated otherwise)		
Capital advances	429.73	469.13
Prepaid expenses	117.14	10.14
Total	**546.87**	**479.27**

8. Inventories

Particulars	As at 31 March 2022	As at 31 March 2021
(Valued at lower of cost and net realisable value)		
Raw materials and components *	6,662.94	6,131.28
Work-in-progress **	1,268.61	1,044.98
Finished goods ***	3,894.49	3,388.16
Stock-in-trade	0.08	0.08
Stores and spares	1,164.49	1,132.72
Loose tools	1,615.97	1,429.00
Total	**14,606.58**	**13,126.22**
Less: Provision on inventory obsolescence	(119.00)	(80.00)
Total	**14,487.58**	**13,046.22**

* Includes material in transit INR 1,052.50 lakhs (31 March 2021 INR 497.63 lakhs)

** Includes material with the vendors sent for job work INR 63.97 lakhs (31 March 2021 INR 94.23 lakhs)

*** Includes goods in transit INR 2,617.07 lakhs (31 March 2021 INR 1,685.29 lakhs)

Note:

(i) Inventories have been pledged as security for liabilities, for details refer note 45.

9. Trade receivables

Particulars	As at 31 March 2022	As at 31 March 2021
(unsecured and considered good, unless otherwise stated)		
Trade receivables	23,784.93	25,385.22
Unbilled revenue	381.74	244.02
Total	**24,166.67**	**25,629.24**
Dues from related parties (refer note 40)	10,340.14	12,653.91

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	-	-	-	-	-	-	-

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

Trade Receivables ageing schedule as at 31 March 2021

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	23,034.62	2,509.01	54.20	31.03	0.38	-	25,629.24
(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 2022	As at 31 March 2021
Cash on hand	5.20	6.85
Balances with banks		
-in current accounts	32.31	62.36
-in cash credit accounts	397.73	8.18
-in dividend accounts#	148.20	188.80
Bank deposits with original maturity less than 3 months	5,798.00	6,486.00
Total	**6,381.44**	**6,752.19**

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 2022	As at 31 March 2021
Bank deposits with original maturity more than 3 months but remaining less than 12 months	1,658.00	725.00
Total	**1,658.00**	**725.00**

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FOR THE YEAR ENDED 31 MARCH 2022

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

12. Other current assets

Particulars	As at 31 March 2022	As at 31 March 2021
(Unsecured considered good, unless stated otherwise)		
Advance to suppliers	98.13	150.67
Interest accrued on fixed deposit	-	-
Balances with statutory/government authorities	756.70	511.95
Prepaid expenses	737.49	649.56
Export incentive receivable	51.16	223.09
Unbilled revenue	-	-
Other receivable	3.03	-
Total	**1,646.51**	**1,535.27**

Notes :

(i) Other current assets have been pledged as security for liabilities, for details refer note 45.

13. Equity share capital

Particulars	As at 31 March 2022	As at 31 March 2021
Authorised capital		
871,000,000 (31 March 2021 : 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 2021 : 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 2022		As at 31 March 2021	
	No. of shares	Amount	No. of shares	Amount
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.

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 2022		As at 31 March 2021	
	No. of shares	% holding	No. of shares	% holding
Equity shares of INR 1 each fully paid up				
JTEKT Corporation, Japan	169,559,997	69.36%	169,559,997	69.36%
Maruti Suzuki India Ltd.	13,800,000	5.64%	13,800,000	5.64%

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

d) Details of shares held by Ultimate Holding Company/Holding Company and/or their Subsidiaries/Associates

Name of shareholder	As at 31 March 2022		As at 31 March 2021	
	No. of shares	% holding	No. of shares	% holding
Equity shares of INR 1 each fully paid up				
JTEKT Corporation, Japan	169,559,997	69.36%	169,559,997	69.36%

e) Promoters holding as on 31 March 2022 and 31 March 2021

Shares held by promoters at the end of year	As at 31 March 2022		As at 31 March 2021		Change during the year
Promoters Name	No. of shares	% holding	No. of shares	% holding	
JTEKT Corporation, Japan	169,559,997	69.36%	169,559,997	69.36%	No change
Maruti Suzuki India Ltd.	13,800,000	5.64%	13,800,000	5.64%	No change

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 2022	As at 31 March 2021
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.

Particulars	As at 31 March 2022	As at 31 March 2021
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.

Particulars	As at 31 March 2022	As at 31 March 2021
Surplus in the Consolidated Statement of Profit and Loss		
Opening balance	38,712.92	38,427.19
Add: profit for the year	3,690.53	1,172.62
Less: dividend on equity shares	(366.72)	(855.68)
Add: transferred from OCI (remeasurement of employee benefit obligations)	5.86	(31.21)
Closing balance	**42,042.60**	**38,712.92**
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 2022	As at 31 March 2021
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	5.86	(31.21)
Total	**5.86**	**(31.21)**
Less: transferred to retained earnings	(5.86)	31.21
Closing balance	**-**	**-**

The remeasurements of defined benefit obligation comprises actuarial gains and losses.

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

Particulars	As at 31 March 2022	As at 31 March 2021
Effective portion of cash flow hedges		
Balance as at the beginning of the year	-	(4.56)
Recognised during the period	-	4.56
Closing balance	**-**	**-**
Total	**60,738.30**	**57,408.62**

The cash flow hedging reserve represents the cumulative effective portion of gains and losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gains or loss arising on changes in the value of designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve will be reclassified to Consolidated Statement of Profit and Loss, or included as a basis adjustment to the non-financial hedging item.

15. Borrowings

15A. Non-current borrowings

Particulars	As at 31 March 2022	As at 31 March 2021
Secured loans		
Term loans		
Indian rupee loan from banks	619.11	1,410.88
Total secured borrowings (including current maturities)	**619.11**	**1,410.88**
Unsecured loan		
Term loan		
Indian rupee loan from bank	4,555.81	1,254.60
Total unsecured borrowings (including current maturities)	**4,555.81**	**1,254.60**
Total borrowings (including current maturities)	**5,174.92**	**2,665.48**
Less: Current maturities of borrowings (refer note 15B):		
Indian rupee loan from banks	1,740.19	939.85
Total current maturities of borrowings	**1,740.19**	**939.85**
Total borrowings (excluding current maturities)	**3,434.73**	**1,725.63**

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 2022	As at 31 March 2021
Secured		
Cash credit and packing credit	-	389.45
Current maturities of long-term borrowings (refer note no 15A)	619.11	792.25
Total secured current borrowings	**619.11**	**1,181.70**
Unsecured		
Cash credit, packing credit and factoring loan from banks	1,523.96	1,407.12
Current maturities of long-term borrowings (refer note no 15A)	1,121.08	147.60
Total unsecured current borrowings	**2,645.04**	**1,554.72**
Total current borrowings	**3,264.15**	**2,736.42**

Notes:

1. Refer note 48 - Financial risk management for liquidity risk.
2. Refer note 45 - Assets pledged as security

(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 2022	As at 31 March 2021
Secured Indian rupee loans from banks					
1.	Allahabad Bank Car Loan -Delhi	Monthly Repayment	Allahabad Bank is secured by way of exclusive charge on the vehicles financed out of the said term loan.	-	3.18
2.	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 mortgage of land situated at 38/6, National Highway No.8 Delhi Jaipur Highway Gurugram 122001 and land situated at Plot No. 32 and 19 Dharuhera Industrial Area, Phase-2 Dharuhera, District Rewari (Haryana).	519.11	1,107.70
3.	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 mortgage of land situated at 38/6, National Highway No.8 Delhi Jaipur Highway Gurugram 122001 and land situated at Plot No. 32 and 19 Dharuhera Industrial Area, Phase-2 Dharuhera, District Rewari (Haryana).	100.00	300.00
			Total	**619.11**	**1,410.88**
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 INR 87.20 lakhs, - 16 installments INR 259.52 lakh each,	Unsecured, Corporate Guarantee given by parent company "JTEKT Corporation, Japan"	3,892.80	1,254.60
2.	Sumitomo Mitsui Banking Corporation	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"	663.01	-
			Total	**4,555.81**	**1,254.60**
			Total borrowings	**5,174.92**	**2,665.48**

Rate of interest: The Company's long term borrowings have weighted average rate of 7.11% in FY-2022 (9.09% p.a. in FY-2021)

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

Security disclosure for the outstanding current borrowings as specified in note 16B as on balance sheet date :

Sl. No.	Particulars	Nature of securities of Current borrowings	As at 31 March 2022	As at 31 March 2021
Secured short-term loans from banks				
1.	Standard Chartered Bank - 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, Gurugram-122001, immovable property land situated at Plot No-32 Dharuhera Industrial Area, Phase-II, Dharuhera District Rewari (Haryana), Plot No-19 Dharuhera Industrial Area, Phase-II, Dharuhera District Rewari (Haryana) and Land at Mouje: Jalisana, Taluka: Mandal, District: Ahmedabad, Gujarat	-	389.45
			-	**389.45**
Unsecured short-term loan from bank				
1.	Sumitomo Mitsui Banking Corporation - Packing Credit	Unsecured, Corporate Guarantee given by parent company "JTEKT Corporation, Japan"	387.94	**761.57**
2.	HDFC Bank - Bill Discounting	Unsecured	287.31	**645.55**
3.	Standard Chartered Bank - Cash Credit & Packing Credit	Unsecured, Corporate Guarantee given by parent company "JTEKT Corporation, Japan"	848.71	-
			1,523.96	**1,407.12**

Note:

(i) Quarterly returns / statements filed by the Company with the Banks or Financial Instutition are in agreement with the Book of Accounts.

16. Lease liability

Particulars	As at 31 March 2022		As at 31 March 2021	
	Current	Non-current	Current	Non-current
Lease liability (refer note no 41)	-	400.29	4.21	385.30
Total	**-**	**400.29**	**4.21**	**385.30**

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 2022	As at 31 March 2021
Interest accrued but not due on borrowings	11.20	3.79
Security deposit payables	21.10	24.30
Unclaimed dividends #	148.20	188.80
Forward exchange contracts used for hedging*	79.52	141.32
Employee dues	1,196.41	1,242.36
Creditors for capital goods		
Total outstanding dues of micro enterprises and small enterprises@	213.38	26.89
Total outstanding dues of creditors other than micro enterprises and small enterprises@	1,704.94	369.63
Total	**3,374.75**	**1,997.09**

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

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	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	-	-	-	-	-	-	-

Creditors for capital goods ageing schedule as at 31 March 2021

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 1 year	1-2 years	2-3 years	2-3 years	More than 3 years	
(i) MSME	26.89	-	-	-	-	-	26.89
(ii) Others	345.64	-	-	23.99	-	-	369.63
(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, Small and Medium 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, Small and Medium 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 2022		As at 31 March 2021	
	Current	Non-current	Current	Non-current
Provision for employee benefits				
Gratuity (refer note 39)	35.18	80.34	8.95	104.98
Compensated absences (refer note 39)	210.33	943.41	189.18	871.89
Others				
Provision for warranties*	116.05	36.07	107.05	32.83
Total	**361.56**	**1,059.82**	**305.18**	**1,009.70**

***Movement in provision related to warranty during the year:**

Particulars	As at 31 March 2022	As at 31 March 2021
At the beginning of the year	139.88	165.54
Additions during the year	92.19	79.00
(Deletions) in the discounted amount arising from passage of time	(79.95)	(104.66)
At the end of the year	**152.12**	**139.88**

The provision for warranties relates mainly to inventories sold during the year ended 31 March 2022 and 31 March 2021. 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.

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

19. Deferred tax (assets)/liabilities (net)

Particulars		As at 31 March 2022	As at 31 March 2021
Deferred tax liability arising on account of :			
i)	Property, plant and equipment and intangible assets	109.40	132.04
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.	39.42	46.44
iii)	Adjustment of unrealized gain / loss	2.44	1.18
iv)	Discounting of long term warranty	1.23	1.29
v)	Measurement of financial liabilities carried at amortised cost	0.03	0.15
Total deferred tax liability		**152.52**	**181.10**
Deferred tax asset arising on account of :			
i)	Property, plant and equipment and intangible assets	486.63	58.75
ii)	Effect of expenditure debited to Statement of Profit and Loss account but allowed for tax purposes in subsequent years	335.45	320.29
iii)	Provision of inventory obsolescence	29.95	20.13
iv)	Adjustments for derivatives recognised through fair value hedge	3.60	12.86
v)	Impact of Ind AS 116	76.00	72.34
vi)	Employee Seperation Cost	30.94	-
Total deferred tax asset		**962.57**	**484.37**
Net deferred tax asset		**(810.05)**	**(303.27)**

Reflected in Balance Sheet as follows:

Deferred tax (assets)/liabilities (net)

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred tax assets	(905.84)	(420.10)
Deferred tax liabilities	95.79	116.83
Deferred tax (assets)/liabilities (net)	**(810.05)**	**(303.27)**

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 95.79 lakhs as at 31 March 2022 (31 March 2021 : INR 116.83 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 2022

Particulars	31 March 2021	Recognised in other comprehensive income	Recognised in Statement of Profit and Loss	31 March 2022
Deferred tax liability / (assets) :				
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	(320.29)	-	(15.16)	(335.45)
Provision of inventory obsolescence	(20.13)	-	(9.82)	(29.95)
Adjustment of undistributed profit of subsidary and associates	-	-	-	-
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)**

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

Movement in deferred tax asset/liability for the year ended 31 March 2021

Particulars	As at 31 March 2020	Recognised in other comprehensive income	Recognised in Statement of Profit and Loss	31 March 2021
Deferred tax liability / (assets) :				
Property, plant and equipment, investment property and intangible assets	561.26	-	(487.97)	73.29
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.	44.97	-	1.47	46.44
Discounting of long term warranty	1.88	-	(0.59)	1.29
Measurement of financial liabilities carried at amortised cost	0.35	-	(0.20)	0.15
Adjustments for derivatives recognised through fair value hedge	8.82	-	(21.68)	(12.86)
Effect of expenditure debited to Statement of Profit and Loss account but allowed for tax purposes in subsequent years	(322.62)	-	2.33	(320.29)
Provision of inventory obsolescence	(10.07)	-	(10.06)	(20.13)
Adjustment of unrealized gain / loss	(1.64)	-	2.81	1.18
Adjustments for derivatives recognised through cash flow hedge	(5.34)	1.53	3.81	-
Impact of Ind AS 116	(68.84)	-	(3.50)	(72.34)
Total	**208.77**	**1.53**	**(513.58)**	**(303.27)**

20. Trade payables

Particulars	As at 31 March 2022	As at 31 March 2021
Total outstanding dues of micro enterprises and small enterprises#	872.82	571.72
Total outstanding dues of creditors other than micro enterprises and small enterprises#	18,903.72	19,825.53
Total	**19,776.54**	**20,397.25**
Dues to related parties (refer note 40)	2,896.01	4,325.06

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	-	-	-	-	-	-

Trade Payables ageing schedule as at 31 March 2021

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	571.72	-	-	-	-	571.72
(ii) Others	18,809.39	926.09	39.41	20.45	30.19	19,825.53
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

\# There are no Micro, Small and Medium 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, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Group.

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

Total outstanding dues of micro enterprises and small enterprises including capital creditors:-

	Particulars	As at 31 March 2022	As at 31 March 2021
i)	The principal amount remaining unpaid to any supplier as at the year end.	1,086.20	598.61
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		**1,086.20**	**598.61**

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 2022	As at 31 March 2021
Advance from customer	224.97	415.06
Statutory dues*	1,774.83	1,537.15
Total	**1,999.80**	**1,952.21**

* Taxes payable includes withholding tax, GST etc.

22. Income tax liabilities (net)

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for income tax (net of advance tax and TDS INR 1,956.21 lakh) (31 March 2021 : INR 891.96 lakh)	87.02	262.72
Total	**87.02**	**262.72**

23. Revenue from operations

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Sale of products	157,337.33	131,777.27
Sale of services	116.53	53.00
Other operating revenues		
-Scrap sale	1,296.90	750.85
-Export incentive	128.93	256.57
-Compensation received	-	458.93
Total	**158,879.69**	**133,296.62**

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

24. Other income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Other non operating income		
Interest income on:		
-Bank deposits	268.44	166.28
-Others	148.57	8.21
Rental income	9.67	8.00
Gain on sale of property, plant & equipment (net)	30.62	19.98
Foreign exchange gain including mark to market valuation (net)	368.37	122.97
Business support income	146.23	183.09
Miscellaneous income	51.02	37.10
Total	**1,022.92**	**545.63**

25. Cost of materials consumed

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Inventory at the beginning of the year	6,131.28	5,062.29
Add: purchases during the year	111,884.57	93,430.74
Less: inventory at the end of the year	6,662.94	6,131.28
Total	**111,352.91**	**92,361.75**

26. Purchases of stock-in-trade

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Purchases of stock-in-trade	76.42	85.52
Total	**76.42**	**85.52**

27. Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening inventories		
Work-in-progress	1,044.98	1,224.08
Finished goods	3,388.16	2,463.91
Stock-in-trade	0.08	0.10
Closing 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
Net (increase)	**(729.96)**	**(745.13)**

28. Employee benefit expenses

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries wages and bonus	17,444.22	16,728.13
Contribution to provident and other funds (refer note 39)	1,104.28	1,088.03
Staff welfare expenses	1,814.29	1,654.03
Total	**20,362.79**	**19,470.19**

29. Finance costs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest to banks	262.64	360.63
Interest on lease liabilities (refer note 41)	39.17	39.79
Interest to others	28.88	28.90
Bank charges	42.22	43.07
Total	**372.91**	**472.39**

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

30. Depreciation and amortisation expense

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation on property, plant and equipment (refer note 3A)	5,661.27	6,275.32
Amortisation on intangible assets (refer note 3C)	1,418.61	1,978.87
Depreciation on right-of-use assets (refer note 3D & 41)	7.98	40.91
Total	**7,087.86**	**8,295.10**

31. Other expenses

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Consumption of stores and spares	2,209.19	1,581.86
Loose tools consumed	1,753.11	1,358.82
Power and fuel	2,025.45	1,804.66
Repairs and maintenance		
-Plant & machinery	930.16	702.46
-Buildings	181.08	108.12
-Others	966.93	840.67
Royalty	2,195.39	1,845.10
Rent (refer note 41)	338.99	308.48
Rates and taxes	76.03	55.50
Insurance	248.46	247.00
Travelling, conveyance and vehicle expenses	360.57	278.59
Communication and stationery expenses	97.79	92.81
Legal and professional charges	452.25	380.93
Security charges	290.72	290.34
Selling expenses*	1,773.70	888.94
Packing material	713.71	519.42
CSR expenditure (refer note 36)	123.30	184.64
Provision on obsolescence of inventory	39.00	40.00
Director's fees, allowances and expenses	77.90	52.00
Payments to auditors		
As Auditor		
Statutory audit fee	60.50	60.50
Tax audit fee	9.40	9.40
Limited review	27.06	27.06
Other matters	24.25	27.05
Reimbursement of expenses	2.15	3.95
Miscellaneous expenses	107.12	143.51
Total	**15,084.21**	**11,851.81**

*Including recovery of warranty claim of INR Nil (previous year INR 384.62 lakhs), netted off with the selling expenses.

32. Exceptional items

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Employee separation cost-voluntary retirement compensation	153.68	-
Loss on shifting of Sanand operations		
- Impairment loss on investment property	492.34	-
- Relocation cost	31.50	-
Total	**677.52**	**-**

a) During the year ended 31 March 2022, a voluntary retirement scheme ('VRS') was offered to the workmen of the Company and accordingly upon payment to the applicant workmen, the Company had an exceptional charge of INR 153.68 lakhs in the year ended 31 March 2022.

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

b) 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 ended 31 March 2022 as an exceptional item.

33. Tax expense

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Income tax recognised in the statement of profit or loss:		
Current income tax		
- In respect of the current year	2,011.47	1,135.01
- In respect of the prior years	1.39	60.32
Deferred tax		
- Relating to origination and reversal of temporary differences	(506.78)	(513.58)
Income tax expenses reported in the statement of profit or loss	**1,506.08**	**681.75**

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 2022		For the year ended 31 March 2021	
Profit for the year		**5,617.95**		**2,050.62**
Statutory income tax rate	25.17%	1,413.93	25.17%	516.10
Expenditure for which deduction is not allowed under income tax Act	1.59%	89.45	5.08%	104.12
Tax pertaining to earlier years	0.02%	1.39	2.94%	60.32
Other deductions	0.02%	1.31	0.06%	1.21
Effective tax rate	**26.81%**	**1,506.08**	**33.25%**	**681.75**

Income tax recognised in Other Comprehensive Income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Deferred tax related to items recognised in OCI during the year:		
Loss on remeasurement of defined benefit obligation	(4.57)	8.70
Effective portion of gain on cash flow hedge instruments	-	(1.53)
Income tax expenses reported in Other Comprehensive Income	**(4.57)**	**7.17**

34. Earnings per equity share

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit attributable to equity shareholders	3,690.53	1,172.62
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	1.51	0.48
Diluted	1.51	0.48

35. Group information

(i) Information about subsidiary

The Group's details at 31 March 2022 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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

Name of the entity	Principal place of business	Country of incorporation	% equity Interest As at 31 March 2022	% equity Interest As at 31 March 2021
JTEKT Fuji Kiko Automotive India Limited	Automobile industry	India	51.00%	51.00%

(ii) Additional information as required under Schedule III to the Companies Act, 2013.

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**

As at 31 March 2021

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	92.46%	57,723.70	89.98%	1,231.73	151.34%	(32.22)	89.01%	1,199.51
Subsidiary - Indian								
JTEKT Fuji Kiko Automotive India Limited	8.42%	5,257.23	29.26%	400.49	-51.34%	10.93	30.53%	411.42
Elimination	-0.88%	(551.45)	-19.24%	(263.35)	0.00%	-	-19.54%	(263.35)
Total	**100.00%**	**62,429.48**	**100.00%**	**1,368.87**	**100.00%**	**(21.29)**	**100.00%**	**1,347.58**

(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.

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

Summarised balance sheet	JTEKT Fuji Kiko Automotive India Limited	
	As at 31 March 2022	As at 31 March 2021
Current assets	3,992.16	3,036.35
Current liabilities	1,416.03	1,481.73
Net current assets	**2,576.13**	**1,554.62**
Non-current assets	3,591.47	3,886.57
Non-current liabilities	159.79	183.96
Net non-current assets	**3,431.68**	**3,702.61**
Net Assets	**6,007.81**	**5,257.23**
Accumulated NCI	**2,943.86**	**2,576.06**

Summarised statement of profit and loss	JTEKT Fuji Kiko Automotive India Limited	
	Year ended 31 March 2022	Year ended 31 March 2021
Revenue	9,938.79	8,359.05
Profit for the year	859.85	400.51
Other comprehensive gain income(net of tax)	15.73	10.93
Total comprehensive income	**875.58**	**411.44**
Total comprehensive income allocated to NCI	429.05	201.60

Summarised cash flow statements	JTEKT Fuji Kiko Automotive India Limited	
	Year ended 31 March 2022	Year ended 31 March 2021
Cash flows from operating activities	1,175.57	769.76
Cash flows used in investing activities	(1,080.31)	(1,533.88)
Cash flows used in financing activities	(130.95)	(506.16)
Net (decrease) in cash and cash equivalents	**(35.69)**	**(1,270.28)**

36. Expenditure on Corporate Social Responsibility (CSR)

	Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
i)	Amount required to be spent by the company during the year	123.30	184.64
ii)	Amount of expenditure incurred	110.80	132.92
iii)	Shortfall at the end of the year #	12.50	51.72
iv)	Total of pervious years shortfall	-	-
v)	Reason for shortfall :- 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 has been completed and work on this project has started. Since the project involves civil construction activity which is time consuming , we expect to finish this CSR project by Sep'22. Except this project, the Company has successfully completed all other projects within the current financial year.		
vi)	Nature of CSR activities :- Promoting Healthcare including preventive health care, Promoting Education, Promoting Sanitation and Rural Development Projects		
vii)	Details of related party transactions	-	-

The amount has been subsequently deposited in separate CSR Unspent Bank account within 30 days of year end.

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

37. Research and development expenses (R&D expenses)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Travelling expenses	-	0.04
Salary and allowance	100.24	119.63
Components, tools and spares	1.29	1.33
Others	-	0.70
Total	**101.54**	**121.70**

38. Contingent liabilities and commitments (to the extent not provided for)

A. Capital commitments

Particulars	As at 31 March 2022	As at 31 March 2021
Estimated amount of contracts remaining to be executed on capital account(net of advances) and not provided for	3,140.49	5,989.45
Total	**3,140.49**	**5,989.45**

B. Contingent liabilities

Particulars	Period covered	As at 31 March 2022	As at 31 March 2021
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	3,016.62	3,016.62
Cases pending before Appellate authorities in respect of which the Group has filed appeals.	2007-08 to 2015-16	799.44	758.71
		3,816.06	**3,775.33**
(b) Service tax matters			
Show cause notices received and pending with Adjudication Authority	2004-05 to 2017-18	80.62	76.10
Cases pending before Appellate authorities in respect of which the Group has filed appeals.	2009-10 to 2015-16	8.43	8.06
		89.05	**84.16**
(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	1,918.10	1,793.14
(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	53.60	53.60
Total		**7,392.63**	**7,222.05**

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

Contribution to provident fund

Pursuant to judgement by the Hon'ble Supreme Court dated 28 February 2019, it was held that basic wages, for the purpose of provident fund, to include special allowances which are common for all employees. However, there is uncertainty with respect to the applicability of the judgement and period from which the same applies. Owing to the aforesaid uncertainty and pending clarification from the authority in this regard, the 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.

It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements / decisions pending with various forums/ authorities.

* 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 2022	For the year ended 31 March 2021
a) Employer's contribution to Provident Fund	672.04	678.99
b) Employer's contribution to Employee State Insurance Corporation	25.90	27.75
c) Punjab labour welfare fund (PLWF)	7.64	8.00
d) Employer's contribution to National Pension Scheme (NPS)	134.50	134.11
	840.08	**848.85**

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.

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

(i) Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets:

Description	As at 31 March 2022	As at 31 March 2021
Liability for gratuity	3,794.28	3,687.63
Plan assets for gratutiy	3,717.99	3,601.85
Net defined benefit liability /(assets)	**76.29**	**85.78**

As per Ind-AS 19, the subsidiary company has not recognised net defined benefit assets of INR 39.26 Lakhs (PY 28.14 Lakhs) due to absence of right to claim the surplus as refund or reduction in future contribution to the plan.

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

Description	As at 31 March 2022	As at 31 March 2021
Current service cost *	245.22	248.35
Net interest income / (cost)	(1.03)	(18.18)
Decrease in unrecoginsed assets	11.12	7.34
Expense recognised in the Statement of Profit and Loss	**255.31**	**237.51**
Actuarial loss recognised during the year	(18.14)	34.55
Amount recognised in the total comprehensive income	**237.17**	**272.06**

* Current service cost includes contribution of LIC premium amounting to INR 9.88 lakhs (previous year INR 9.22 lakhs).

(iii) Movement in the present value of defined benefit obligation recognised in the balance sheet is as under:

Description	As at 31 March 2022	As at 31 March 2021
Present value of defined benefit obligation as at the start of the year	**3,687.63**	**3,363.74**
Additions through business combination under common control	-	-
Current service cost	235.34	239.13
Interest cost	233.03	215.80
Actuarial loss on obligation	8.84	61.85
Benefits paid	(370.56)	(192.89)
Present value of defined benefit obligation as at the end of the year	**3,794.28**	**3,687.63**

(iv) Movement in the plan assets recognised in the balance sheet is as under:

Description	As at 31 March 2022	As at 31 March 2021
Fair Value of plan assets at start of the year	**3,601.85**	**3,346.28**
Additions through business combination under common control	-	-
Interest income	234.06	233.99
Employer contribution	216.43	178.22
Benefit Paid	(361.33)	(183.94)
Actuarial loss / (gain) on plan assets	26.98	27.30
Fair Value of plan assets at the end of the year	**3,717.99**	**3,601.85**

(v) Remeasurement recognised in other comprehensive income is as under:

Description	For the year ended 31 March 2022	For the year ended 31 March 2021
Actuarial loss on defined benefit obligation	8.84	61.85
Return on plan assets excluding interest income	(26.98)	(27.30)
Amount recognised in Other Comprehensive (Income) / Loss	**(18.14)**	**34.55**

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

(vi) Bifurcation of actuarial (gain)/loss on defined benefit obligation:

Description	For the year ended 31 March 2022	For the year ended 31 March 2021
Actuarial loss/(gain) from change in demographic assumption	-	-
Actuarial loss from change in financial assumption	(81.80)	104.42
Actuarial (gain) / loss from experience adjustment	90.64	(42.57)
Amount recognised in the Other Comprehensive Income	**8.84**	**61.85**

(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 Group :

Description	As at 31 March 2022	As at 31 March 2021
Discount rate	6.70% to 7.20%	6.30% to 6.80%
Rate of increase in compensation level	6.0% to 10.0%	6.0% to 10.0%

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 2022	As at 31 March 2021
Mortality table	IALM (2012-14)	IALM (2012-14)
Retirement age		
- Mr. Sudhir Chopra	65	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 2022	As at 31 March 2021
Impact of the change in discount rate		
Present value of obligation at the end of the year	3,794.28	3,687.63
- Impact due to increase of 1%	(189.57)	(192.18)
- Impact due to decrease of 1%	211.64	215.25
Impact of the change in salary increase		
Present value of obligation at the end of the year	3,794.28	3,687.63
- Impact due to increase of 1%	210.07	212.77
- Impact due to decrease of 1%	(191.82)	(193.77)

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.

Sensevities due to mortality and withdrawls are not material and hence impact of change is not calculated. Sensivity as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy not applicable being a lump sum benefit on retirement.

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

(ix) Maturity profile of defined benefit obligation

Description	As at 31 March 2022	As at 31 March 2021
Within next 12 months	562.38	520.21
Between 1-2 years	568.00	452.93
Between 2-3 years	462.35	469.79
Between 3-4 years	370.68	390.35
Between 4-5 years	309.79	305.23
Above 5 years	1,521.09	1,549.12
Total	**3,794.28**	**3,687.63**

(x) Group's best estimate of contribution during next year is INR 291.78 lakhs (previous year INR 278.58 lakhs).

C. Other long-term employee benefits

During the year ended 31 March 2022, the Group has created provision for compensated absences towards earned leave amounting to INR 301.30 lakhs (previous year expense of INR 154.35 lakhs). The Group has created provision towards sick leave amounting to INR 0.70 lakhs (previous year written back INR 21.87 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
JTEKT Corporation, Japan	Full year

ii) Key management personnel:

Name	Period	Designation
1. Mr. Hitoshi Mogi	W.e.f. 16 May 2020 up to closing hours of 23 Sep 2020	Director
	W.e.f. 24 Sep 2020	Chairman and Managing Director
2. Mr. Sudhir Chopra	Full year	Executive Vice Chairman
3. Mr. Akihiko Kawano	W.e.f. 01 July 2018 up to closing hours of 23 Sep 2020	Managing Director
	W.e.f. 24 Sep 2020	Deputy Managing Director
4. Mr. Hirofumi Matsuoka	Up to 26 May 2021	Director
5. Mr. Takumi Matsumoto	W.e.f. 01 July 2021	Director
6. Mr. Rajiv Chanana	Full year	Chief Financial Officer
7. Mr. Nitin Sharma	Up to 16 September 2021	Company Secretary
8. Mr. Ashish Srivastava	W.e.f. 11 November 2021	Company Secretary
9. Mr. Toshiya Miki	Full year	Nominee of Maruti Suzuki India Limited
10. Mr. Hidehito Araki	Full year	Independent Director
11. Ms. Hiroko Nose	Full year	Independent Woman Director
12. Mr. Inder Mohan Singh	Full year	Independent Director
13. Lt. Gen. Praveen Bakshi (Retd)	Full year	Independent Director
14. Mrs. Geeta Mathur	Up to 09 June 2021	Independent Woman Director
15. Mr. Masahiko Morimoto	W.e.f. 11 November 2021	Independent Director

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

iii) Other related parties with whom transactions have undertaken during the year:

Fellow subsidiaries and enterprises over which key management personnel are able to exercise significant influence

Name of party	Period
1. Koyo Bearings India Pvt 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. Koyo Joint (Thailand) Co Limited	Full year
6. Koyo Kowa Co Limited	Full year
7. Toyoda Micromatic Machinery India Pvt Limited	Full year
8. Fuji Auto AB Sweden	Full year
9. Fuji Autotech France	Full year
10. Koyo Electronics India Pvt Limited	Full year
11. PT JTEKT Indonesia	Full year
12. JTEKT Automotive Lyon	Full year
13. Fuji Autotech Thailand Company Ltd.	Full year
14. PT Autotech Indonesia	Full year
15. Fuji Kiko Co., Limited	Full year
16. Shye 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	161.88	71.48	161.88
Business Support Income (including taxes)	0.41	-	-	-	150.00	117.98	150.41	117.98
Cash Discount Paid	-	-	-	-	2.56	7.91	2.56	7.91
Commission to Non Executive Directors	-	-	50.40	20.50	-	-	50.40	20.50
Directors Sitting Fee	-	-	24.50	27.25	1.50	2.50	26.00	29.75
Dividend Paid	254.34	593.46	0.01	0.02	81.95	293.30	336.30	886.78
Corporate Guarantee On Loans From Bank	6,350.90	2,016.17	-	-	-	-	6,350.90	2,016.17
Guarantee Fee Paid	6.21	3.45	-	-	-	-	6.21	3.45
Interest Income	-	-	-	-	0.40	1.29	0.40	1.29
Miscellaneous Income	-	30.56	-	-	-	-	-	30.56
Purchase of Capital Goods (Including Taxes)	265.58	-	-	-	258.53	312.53	524.11	312.53
Purchase of Goods (Including Taxes)	4,908.48	5,025.88	-	-	7,129.66	6,434.79	12,038.14	11,460.67
Receiving of Services	51.80	19.77	-	-	6.70	12.85	58.50	32.62
Reimbursement of Expenses Paid (Including taxes)	1,072.72	1,192.54	-	-	216.67	259.23	1,289.39	1,451.77
Reimbursement of Expenses recovered (including taxes)	23.16	-	-	-	7.91	4.29	31.07	4.29
Rental Income (Including Taxes)	-	-	-	-	11.26	9.44	11.26	9.44
Royalty	2,014.42	1,685.47	-	-	188.87	159.63	2,203.29	1,845.10
Sale of goods (Net of Warranty)#	70.80	47.08	-	-	115,940.32	101,696.86	116,011.12	101,743.94
Post-employment gratuity	-	-	5.14	8.37	-	-	5.14	8.37
Short-term employee benefits	-	-	462.44	399.91	-	-	462.44	399.91
Technical Support Fee	7.04	-	-	-	-	1.11	7.04	1.11

Outstanding balances	Holding Company		Key management personnel		Other related parties		Total	
		Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Outstanding Balance (Debit)	2.99	25.73	-	-	10,337.18	12,628.18	10,340.17	12,653.91
Outstanding Balance (Credit)	2,314.87	3,456.44	100.80	41.93	1,032.23	1,561.60	3,447.90	5,059.97
Post Employement Gratuity (Credit)	-	-	126.16	120.48	-	-	126.16	120.48
Corporate Gaurantee on Loan (Credit)	6,350.90	2,016.17	-	-	-	-	6,350.90	2,016.17

* Loans of INR 6,350.90 lakhs (31 March 2021: INR 2,016.17 lakhs) against the corporate guarantee given by the holding company, JTEKT Corporation, Japan.

Net of warranty claims INR 24.61 Lakhs (Previous Year INR 35.51 lakhs)

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

41. Lease related disclosures

The Group has leases for land, office buildings, warehouses and related fcilities, 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 2022	31 March 2021
Short-term leases	322.04	294.31
Leases of low value assets	16.95	14.17
Variable lease payments	-	-
Total	**338.99**	**308.48**

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 2022	Net carrying amount as on 31 March 2022	Depreciation charge for the year ended 31 March 2021	Net carrying amount as on 31 March 2021
Leasedhold land	4.24	94.09	4.24	98.33
Buildings	3.74	-	36.67	3.75
Total	**7.98**	**94.09**	**40.91**	**102.08**

C. Amount recognised in Statements of Profit & Loss

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation on right-of-use assets	7.98	40.91
Interest on lease liabilities	39.17	39.79
Rental expenses relating to short term leases	322.04	294.31
Rental expenses relating to leases of low value assets	16.95	14.17
Total	**386.14**	**389.18**

D. Amount recognised in Statements of cash flows

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Total Cash out flow for the leases	28.38	66.78

E. The weighted average incremental borrowing rate applied to lease liabilities as at 1 April 2019 is 9.95%.

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

F. Maturity of lease liabilities

The lease liabilities are secured by the related underlying assets. Future minimum lease payments were as follows:

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**

31 March 2021	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	28.38	35.03	36.03	36.03	36.03	980.72	**1,152.22**
Interest expense	39.17	40.10	40.54	41.00	41.52	560.39	**762.72**
Net present values	**(10.79)**	**(5.07)**	**(4.51)**	**(4.97)**	**(5.49)**	**420.33**	**389.50**

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:

Revenue from Operations

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue from external customers		
India	153,183.66	127,448.70
Abroad	5,696.03	5,847.92
Total	**158,879.69**	**133,296.62**

Non current assets

Particulars	As at 31 March 2022	As at 31 March 2021
India	51,532.72	45,520.87
Abroad	-	-
Total	**51,532.72**	**45,520.87**

Major customer

Revenue from transactions of the Group with some of its OEM customers exceed 10 per cent or more of the Company's total revenue

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 2021 and expects such records to be in existence latest by November 2022 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 20 May 2022, proposed a dividend of 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 2022	For the year ended 31 March 2021
Dividend remitted (gross) (Rupees)	254.35	593.49
Number of non resident shareholders	2	2
Number of shares held	169,569,997	169,569,997
Year to which dividend relates	2020-21	2019-20

45. Assets pledged as security

Particulars	As at 31 March 2022	As at 31 March 2021
Current assets		
Financial assets		
Pari-passu charge		
- Trade receivables	24,514.69	25,675.27
- Cash and cash equivalents	6,151.66	6,486.72
- Loans	7.34	98.21
- Other financial assets	68.23	246.30
Inventories	13,730.90	12,426.68
Other current assets	1,626.54	1,491.62
Total current assets pledged as security	**46,099.36**	**46,424.80**
Non-current assets		
Pari-passu charge		
- Property, plant and equipment	23,203.79	26,116.18
- Capital work-in-progress	9,335.22	592.20
- Intangible assets	1,936.98	3,135.86
- Loans	2.56	252.57
- Other financial assets	261.03	-
- Income tax assets	258.27	843.27
- Other non-current assets	482.41	478.48
Total non-current assets pledged as security	**35,480.26**	**31,418.56**
Total assets pledged as security	**81,579.62**	**77,843.36**

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.

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

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).

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 2022				As at 31 March 2021			
			Carrying amount	FVTPL	FVOCI	Amortised cost	Carrying amount	FVTPL	FVOCI	Amortised cost
Financial assets										
Non current										
Loans										
- Loan to employees	b		2.56	-	-	2.56	4.18	-	-	4.18
Other financial assets										
- Security deposits	b		268.83	-	-	268.83	261.90	-	-	261.90
Current										
Trade receivables	a		24,166.67	-	-	24,166.67	25,629.24	-	-	25,629.24
Cash and cash equivalents	a		6,381.44	-	-	6,381.44	6,752.19	-	-	6,752.19
Other bank balances	a		1,658.00	-	-	1,658.00	725.00	-	-	725.00
Loans										
- Loan to employees	a		7.34	-	-	7.34	18.35	-	-	18.35
Other financial assets										
- Security deposits	a		67.47	-	-	67.47	80.28	-	-	80.28
- Interest accrued but not due on deposits	a		33.68	-	-	33.68	14.60	-	-	14.60
Total			**32,585.99**	**-**	**-**	**32,585.99**	**33,485.74**	**-**	**-**	**33,485.74**

Particulars	Note	Level of hierarchy	As at 31 March 2022				As at 31 March 2021			
			Carrying amount	FVTPL	FVOCI	Amortised cost	Carrying amount	FVTPL	FVOCI	Amortised cost
Financial liabilities										
Non current										
Borrowings	c		3,434.73	-	-	3,434.73	1,725.63	-	-	1,725.63
Lease liability	c		400.29	-	-	400.29	385.30	-	-	385.30
Current										
Borrowings	c		3,264.15	-	-	3,264.15	2,736.42	-	-	2,736.42
Lease liability	c		-	-	-	-	4.21	-	-	4.21
Trade payable										
- Total outstanding dues of micro enterprises and small enterprises	a		872.82	-	-	872.82	571.72	-	-	571.72
- Total outstanding dues of creditors other than micro enterprises and small enterprises	a		18,903.72	-	-	18,903.72	19,825.53	-	-	19,825.53
Other financial liabilities										
- Interest accrued but not due on borrowings	a		11.20	-	-	11.20	3.79	-	-	3.79
- Security deposits	a		21.10	-	-	21.10	24.30	-	-	24.30
- Unclaimed dividends	a		148.20	-	-	148.20	188.80	-	-	188.80
- Forward exchange contracts used for hedging	d	2	79.52	79.52	-	-	141.32	141.32	-	-
- Employee dues	a		1,196.41	-	-	1,196.41	1,242.36	-	-	1,242.36
- Creditors for capital goods	a		1,918.32	-	-	1,918.32	396.52	-	-	396.52
Total			**30,250.46**	**79.52**	**-**	**30,170.94**	**27,245.90**	**141.32**	**-**	**27,104.58**

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

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.

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 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 2022 and 31 March 2021.

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) **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	1.68	1.73	3%	
(b)	Debt-Equity Ratio (in times)	Total debt	Shareholder's equity	0.11	0.08	39%	The ratio has increased during the year owing to the new term loan taken by the company for the ongoing capital projects.

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

S. No.	Ratio	Numerator	Denominator	Current year	Previous year	% variance	Reasons for variance (where variance is more than 25%)
(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)	8.04	3.34	141%	The ratio has improved since there were lower principal repayments during the year as compared to previous year.
(d)	Return on Equity Ratio (in %)	Net Profits after taxes less preference dividend (if any)	Average shareholder's equity	6.40%	2.20%	191%	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	8.04	7.49	7%	
(f)	Trade Receivables turnover ratio (in times)	Net credit sales	Average accounts receivable	6.38	5.92	8%	
(g)	Trade payables turnover ratio (in times)	Net credit purchases	Average trade payables	5.57	5.38	4%	
(h)	Net capital turnover ratio (in times)	Net sales	Working capital	8.11	6.62	23%	
(i)	Net profit ratio (in %)	Net profit	Net sales	2.59%	1.03%	152%	Net profits after tax has increased due to higher sales volume 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	8.17%	3.74%	118%	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)	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 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)].

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

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 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.

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

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 2022	As at 31 March 2021
Loans	7.34	18.35
Other financials assets	101.15	94.88

(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 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

Particulars	As at 31 March 2021	0-6 months	6-12 months	More than 12 months
Gross Carrying amount	25,629.24	25,543.63	54.20	31.41
Expected credit loss (Loss allowance provision)	-	-	-	-
Carrying amount of trade receivables	25,629.24	25,543.63	54.20	31.41

(c) The Group's exposure to credit risk for trade receivable by geographic region is as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
India	23,559.15	24,633.94
USA	592.32	841.74
France	12.21	125.89
Japan	2.99	27.66
Total	**24,166.67**	**25,629.24**

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.

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 2022 and 31 March 2021 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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

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 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**

31 March 2021		Contractual cash flows			
	Carrying value as at 31 March 2021	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)	4,465.84	2,740.21	914.43	295.20	516.00
Trade payables	20,397.25	20,397.25	-	-	-
Lease liability	389.50	28.38	35.03	36.03	1,052.78
Other financial liabilities					
- Security deposits	24.30	24.30	-	-	-
- Unclaimed dividends	188.80	188.80	-	-	-
- Employee dues	1,242.36	1,242.36	-	-	-
- Creditors for capital goods	396.52	396.52	-	-	-
Derivative financial liabilities					
Other financial liabilities					
- Forward exchange contarcts used for hedging	141.32	141.32	-	-	-
Total	**27,245.89**	**25,159.14**	**949.46**	**331.23**	**1,568.78**

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 analyses in the following sections relate to the position as at 31 March 2022 and 31 March 2021. The sensitivity analyses 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 2022.

The analyses 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 analyses:

- 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 2022 and 31 March 2021.

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

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 2022		As at 31 March 2021	
	Foreign currency	Rupee INR	Foreign currency	Rupee INR
Financial assets				
Receivables (trade & others)				
USD	7.86	592.32	11.55	841.74
EURO	0.35	28.83	1.48	125.89
JPY	4.98	3.05	42.27	27.66
Financial liabilities				
Payables (trade & others)				
USD	2.55	194.19	5.79	426.72
EURO	0.20	17.53	0.40	35.15
JPY	1,621.86	1,016.42	882.41	592.27
Borrowings - others				
USD	9.40	715.81	15.33	1,130.07

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 2022		As at 31 March 2021	
	Foreign currency	Rupee INR	Foreign currency	Rupee INR
Financial liabilities				
Payables (trade & others)				
USD	2.95	224.55	7.67	565.33
JPY	2,290.95	1,435.74	4,076.52	2,736.16
CHF	0.09	7.38	0.10	8.01

The following significant exchange rates were applied at the year end:

Particulars	Year end rates	
	As at 31 March 2022	As at 31 March 2021
Financial assets		
Receivables (trade & others)		
USD / INR	75.32	72.85
EURO / INR	82.38	85.02
JPY / INR	0.61	0.65
Financial liabilities		
Payables (trade & other)		
USD / INR	76.17	73.70
EURO / INR	85.59	87.15
JPY / INR	0.63	0.67
CHF / INR	83.03	-
Borrowings - ECB & Others		
USD / INR	76.17	73.70

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

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 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Receivables (trade & others)	Statement of profit and loss	USD	5.92	8.42	(5.92)	(8.42)
	Statement of profit and loss	EURO	0.29	1.26	(0.29)	(1.26)
	Statement of profit and loss	JPY	0.03	0.28	(0.03)	(0.28)
Payables (trade & other)	Statement of profit and loss	USD	(1.94)	(4.27)	1.94	4.27
	Statement of profit and loss	EURO	(0.18)	(0.35)	0.18	0.35
	Statement of profit and loss	JPY	(10.16)	(5.92)	10.16	5.92
Borrowings - others	Statement of profit and loss	USD	(7.16)	(11.30)	7.16	11.30

(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 2022	Outstanding principal (in Foreign currency) As at 31 March 2021
Forward contacts	Hedge taken for the purpose of hedging its foreign currency exposures in trade payables / trade receivables	USD	2.95	7.67
Forward contacts	Hedge taken for the purpose of hedging its foreign currency exposures in trade payables / trade receivables	JPY	2,290.95	4,076.52
Forward contacts	Hedge taken for the purpose of hedging its foreign currency exposures in trade payables / trade receivables	CHF	0.09	0.10

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.

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

(i) Liabilities

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. At 31 March 2022, the Group is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Group's investments in Fixed Deposits all pay fixed interest rates.

Interest rate risk exposure

Below is the overall exposure of the Group to interest rate risk:

Particulars	As at 31 March 2022	As at 31 March 2021
Variable rate borrowing	6,698.88	4,462.05
Fixed rate borrowing	-	-
Total borrowings	**6,698.88**	**4,462.05**

Sensitivity

Below is the sensitivity of profit or loss and equity changes in interest rates.

Particulars	As at 31 March 2022	As at 31 March 2021
Interest sensitivity*		
Interest rates – increase by 50 bps basis points	33.49	22.31
Interest rates – decrease by 50 bps basis points	(33.49)	(22.31)

** 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 investor, creditor and market confidence 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 2022	As at 31 March 2021
Total borrowings (includes Non-Current borrowings, current borrowings and current maturities of non current borrowings)	**6,698.88**	**4,462.05**
Less : cash and cash equivalent	(6,381.44)	(6,752.19)
Net debt	**317.44**	**(2,290.14)**
Total equity	63,183.10	59,853.42
Debt ratio	**0.01**	**(0.04)**

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

ii) Loan covenants

The term loan arrangements contain certain capital restrictions to be complied including debt-service coverage ratio, interest coverage ratio, current ratio, fixed asset coverage ratio, return on capital employed, net borrowings to EBITDA ratio etc. In case of any deviation from the capital restrictions as defined in the loan agreements, the Company is liable to communicate the same to respective banks, which may either be waived by the banks if not material or Company shall take necessary action to meet the requisite conditions. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

iii) Dividend

Particulars	As at 31 March 2022	As at 31 March 2021
Dividend not recognised at the end of the reporting period:		
Proposed final dividend per share INR 0.40 (31 March 2021: INR 0.15 per share)	977.92	366.72

50. The Group has considered possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of the Property, plant and equipment, Investments, Inventories, receivables and other current assets. In developing the assumptions relating to possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these financial statement has used internal and external sources on the expected future performance of the Group. The Group has performed sensitivity analysis on the assumptions used and based on the current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Group's financial statement may differ from that estimated as the date of approval of these financial statement.

51. 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.

52. Previous period figures have been re-grouped/ re-classified wherever necessary, to conform to current period's classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013 effective from 1 April 2021.

Change in classification

Pursuant to amendment in Schedule III to the Companies Act, 2013, effective from 1 April 2021, the Group has modified the classification of security deposits from "Loans" to "Others" in financial assets and classification of unbilled revenue from "Others" to "trade receivable". Comparative amounts in the notes to the standalone financial statements were reclassified for consistency.

Particulars	As per earlier reported	Revised classification	Difference
Assets			
Non-current assets			
Financial assets			
'Loans	266.08	4.18	261.90
'Other financial assets	-	261.90	(261.90)
Current assets			
Financial assets			
'Trade receivables	25,385.22	25,629.24	(244.02)
'Loans	98.63	18.35	80.28
'Other financial assets	258.62	94.88	163.74

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

Pursuant to amendment in Schedule III to the Companies Act, 2013, effective from 1 April 2021, the Group has modified the classification of Current portion of secured bank loans from "Other financial liabilites" to "Current Borrowings" in current financial liabilities. Comparative amounts in the notes to the standalone financial statements were reclassified for consistency.

Particulars	As per earlier reported	Revised classification	Difference
Liabilities			
Current liabilities			
Financial liabilities			
Borrowings	1,796.57	2,736.42	(939.85)
Other financial liabilities	2,936.94	1,997.09	939.85

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 : 20 May 2022

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
Chief Financial Officer

Ashish Srivastava
Company Secretary

Place : Gurugram
Date : 20 May 2022

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

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	5,007.81
6.	Total assets	7,583.63
7.	Total liabilities	1,575.82
8.	Investments	-
9.	Revenue from operations	9,938.79
10.	Profit before taxation	1,157.93
11.	Provision for taxation	298.08
12.	Profit after taxation	859.85
13.	Other comprehensive income	15.73
14.	Total comprehensive income	875.58
15.	Proposed dividend	-
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

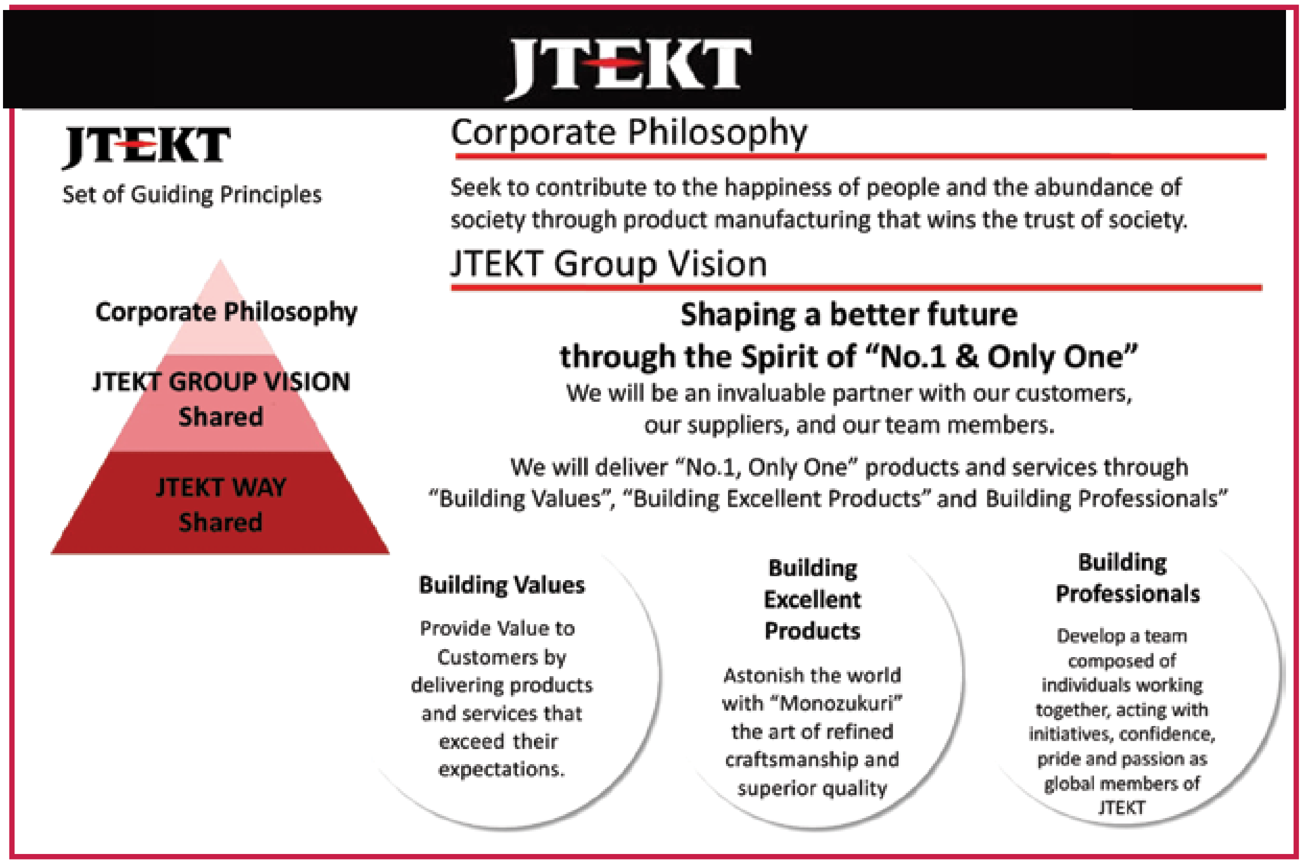
Hitoshi Mogi
Chairman & Managing Director
DIN 08741355

Hiroko Nose
Independent Director
DIN 06389168

Rajiv Chanana
Chief Financial Officer

Ashish Srivastava
Company Secretary

Place : Gurugram
Date : 20 May 2022



Customer first

We are committed to look at things from customer's viewpoint, and sincerely respond to customer's requests.

We are committed to create values that are new to the world, to deliver products and services that exceed customer's expectation.

Ownership

We are committed to take everything as our own business.

We are committed to grasp the essence of things and take prompt action.

Continuous Kaizen

We are committed to go and see for ourselves to thoroughly understand the situation, and identify root causes.

We are committed to, with enthusiasm for imaginativeness and inventiveness, diligently continue Kaizen challenges.

Teamwork and self-discipline

We are committed to be self-disciplined, and perform any task with a sense of urgency.

We are committed to actively communicate to unite the power of each other.

Aspiration for innovation and for technique

We are committed to limitlessly heighten our technology and skills to become a front runner in innovation.

We are committed to foster a culture to keep each of us humble in learning things and developing each other.

JTEKT INDIA LIMITED
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