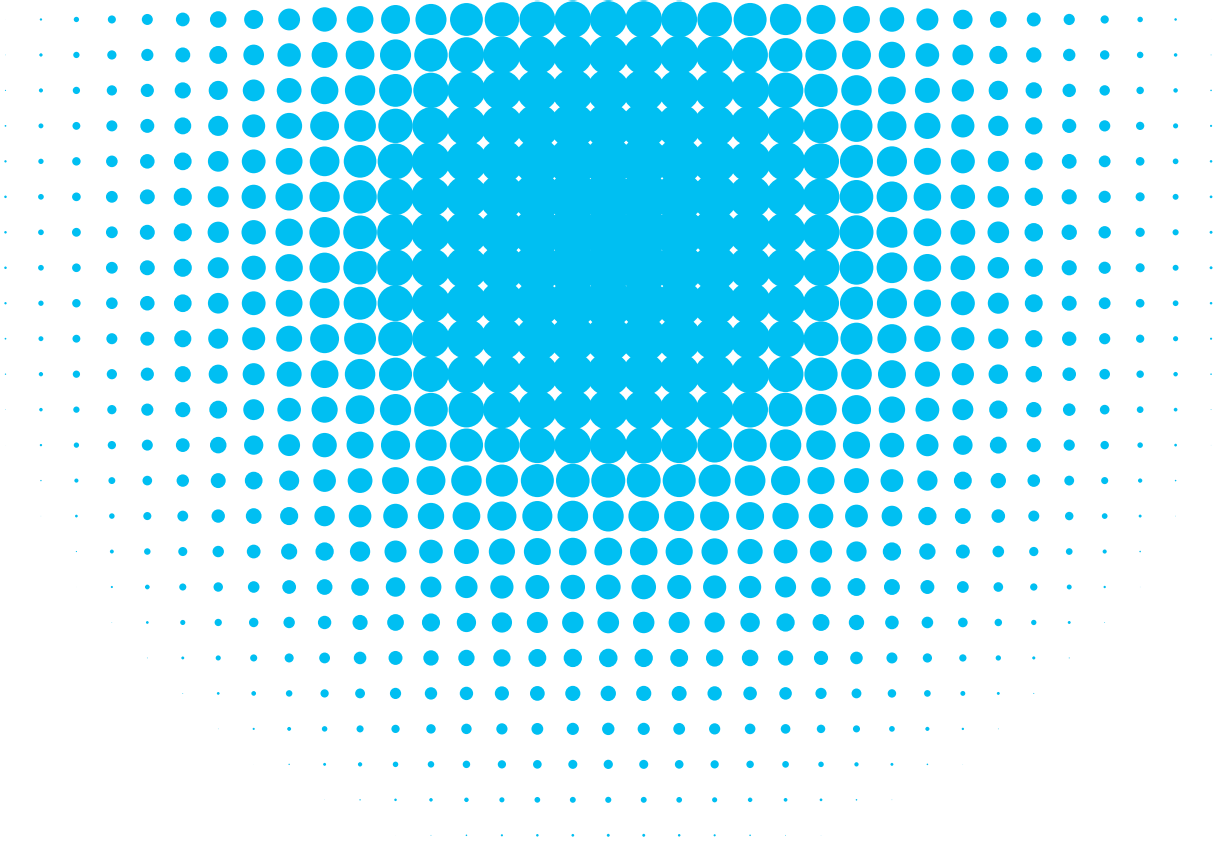
CERTAINTY
AMID UNCERTAINTY

JTEKT



The dots Graphic symbolises Company's efforts to achieve certainty in its operations amid uncertain business & economic environment as is reflected by the merging of several scattered dots gradually into a clean surface. Our commitment towards excellence is exhibited in our resilient way of functioning, which further establishes our zeal to attain certainty amid uncertainty.

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CERTAINTY AMID UNCERTAINTY

With uncertainty looming large due to the COVID-19 pandemic, the year has been challenging and trying for all of us. The pandemic is making its presence felt strongly in the form of the first wave, second wave, and yet more predicted, to come. This is probably the first time that a virus has exhibited such pliability and mutating capacity, having the power to even breach the protective shields of vaccines.

However, in all its form it has sent us a strong message of resilience and putting faith in certainty amid uncertainty. Time and again, we have learned to survive and emerge as a winner. Our instinct is naturally to be certain of a bright future amid uncertainties and at JTEKT India, we live by our commitment to our Group's vision of 'Shaping a Better Future' through the spirit of 'No 1 & Only One'.

Through our philosophy of providing happiness to people and abundance to society via products that win the trust, we have succeeded in creating 'Certainty amid uncertainty'.

We are also guided by the ethos of trust and responsibility and our allegiance to agility has led us to better serve our stakeholders – customers, employees, suppliers, regulators and shareholders.

Moreover, with our attention on cost optimisation, building operational excellence, product innovation, improving supplier relations and talent breeding, we are confident that we can overcome any uncertainty.

In this time too, we are certain that we will continue to deliver unique and revolutionary products that our customers have never experienced before at a "good quality, affordable price" and achieving "Tree-Ring Management".

We aim to further fortify our position with a single-minded focus on capacity building and training our employees, and equipping them with all technical know-how that will give them the professional edge over their contemporaries and also provide the company a formidable ground to exhibit certainty amid uncertainty. Hence, successfully turning challenges into opportunities.

With technology ruling the roost in today's society, our focus on our vision has helped in creating a large portfolio of products with leading-edge technologies.

Besides, we are looking at multiple measures to stay lean, nimble and relevant and are focussing on good cost and bad cost and significantly pared-down the latter even as we continue to invest in good cost areas like R&D spend, marketing spend, skill upgradation, trainings and much more. We are also looking at consolidating our manufacturing lines and locations to drive efficiency higher.

As we strengthen our capabilities, we are exploring opportunities for additional manufacturing responsibilities and supplying to our parent's global customers.

Yes, we know that these are uncertain times and we are clueless about the restitution of the 'normal times', however, we are sure that we will thrive as we will continue to do what we do best – "being No 1 and Only One".

> "IF YOU DON'T KNOW WHERE YOU ARE GOING, YOU WILL PROBABLY END UP SOMEWHERE ELSE."
>
> **– Lawrence J. Peter**

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

JTEKT INDIA LIMITED

ABOUT US

JTEKT India Limited, a subsidiary of JTEKT Corporation, Japan, is a leading automotive components manufacturer. Formerly known as Sona Koyo Steering Systems Limited., the company was acquired by JTEKT Corporation in 2017 and renamed as JTEKT India Limited in 2018. It is a leading manufacturer of Rack and Pinion Steering systems, Hydraulic Power Steering systems and Driveline products. It also manufactures Column type Electric Power Steering which is a next generation technology for automobiles.

The Company is a supplier of choice to all major OEMs in India including Maruti Suzuki, Toyota, Tata Motors, Mahindra & Mahindra, PCA, Fiat India, Isuzu Motors, Renault India, Honda and Nissan.

Given its high quality and best in class product line, the Company also exports its products to the USA, Europe and Japan independently as well as through overseas partners.

With a philosophy of being close to the customers, the Company has five Plants in Haryana and one each in Gujarat and Tamil Nadu ensuring that it has a presence in the automotive hubs of India.

JTEKT INDIA HAS A STRONG WORKFORCE OF OVER 3000 EMPLOYEES, INCLUDING ENGINEERS, EXPERTS, TECHNOCRATS, TECHNICIANS, AND SPECIALISTS FROM THE FIELD.

The Company is part of the Japan based JTEKT Group. With a revenue of 1,246 billion yen, the Group is a global leader not only to the 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's Bearings business products are visible in every field including wind power generation, railway, aeronautics, steel and semiconductor production facilities. Group also has product lines for Machine tools, Sensors and High heat resistant Lithium-ion Capacitors.

LETTER TO SHAREHOLDERS

Dear Shareholders,

We have been through some of the worst times due to the pandemic. Even after two waves of COVID-19, we continue to live in an extremely difficult and uncertain environment. I hope and pray for the safety of all our stakeholders and their families. Additionally, I hope that you and your family members are safe and following all safety protocols and taking all possible precautions in days of these crisis. With talks about the third wave hitting India, it becomes extremely important to take all necessary precautions and adhere to the Government's guidelines as this is the only way we can protect ourselves against Coronavirus.

The COVID-19 pandemic and the ensuing lockdowns during most of FY21 made the business and economic environment extremely challenging for all of us. In India, we saw the fiscal beginning with a lockdown as the first wave hit the country. The fear and insecurity coupled with the lockdowns (and specially the first quarter of the fiscal) was that demand for products and services quickly headed southwards. A look at the auto industry numbers give a sense of the challenges we were facing.

According to data from the Society of Indian Automobile Manufacturers, the industry witnessed a massive decline of 79% in its Q1 (FY-21) numbers. Thanks to the government's stimulus, high liquidity and pent up demand in the market and we saw consumers coming back to the market, giving companies some respite. However, despite positive demand in the remaining quarters, the automotive industry could not avoid a contraction in the numbers as it posted a (-)14.2% decline for FY21 over its previous year. Overall, we did not see any outliers in the automotive industry as all its key segments bore the brunt of the pandemic. For instance, the Domestic Passenger Vehicle segment was down by (-)2.2% with a total sale of 2.7 million units, as compared to 2.8 million units for FY20. Commercial Vehicle saw a contraction of (-)20.8% for the fiscal. The volume driver for the industry, Two wheelers and Three wheelers accounting for over 80% of the total units sold in the country, saw negative growth of (-)13.2% and a whopping (-)66.1% respectively for the year.

With the pandemic disrupting normal way of working, we had to be on a high alert on safety even as we continued running our factories and offices, and people working from home. Our paramount focus was on employee safety and we ensured that all employees were following covid appropriate behaviour.
Even in such gloomy time, our group vision continued to be our guiding light for each and every employee in

the company as we focussed on - "Shaping a better future through the spirit of No 1 and Only One". The clear direction has helped us to post a profits at a time when the industry contracted, and most companies have been reporting considerable losses. I am happy to mention that we posted a net profit of INR 137 million on a consolidated sale of INR 13184 million for the fiscal. The other good news is that we have been working on our debt reduction and the fiscal saw us substantially paring down our debt to INR 446 million from INR 740 million at start of the financial year.

During the year, our journey towards building an Indian Technical Center continued and we have started establishing a facility for building prototype samples, after successfully completing the Phase-1. This is important for us as we can develop proto samples for our core products i.e. Manual Steering Gear, Column and Intermediate shafts when we complete the setting up of entire facility. The technical center will go a long way in saving on cost and increasing our R&D efficiency by reducing turn-around time for new product validation, providing cost effective solutions, and developing products specific to the Indian market as well as provide support to other Global Technical Centers in the future.

Another major development of the year is the decision to further diversify into Driveline Components segment – Drive Shaft (Constant Velocity Joint). We believe that it is a prudent decision, which will not only add to the growth of your Company but also contribute in de-risking. We expect that our said new facility shall be operational in later half of 2022

Our vision of being the 'No 1 and only One' continued to be reflected in our ways of working and the awards and recognition received during the fiscal is a testimony to the progress we are making in achieving the vision. We have been honoured by Toyota Kirloskar Motor for achieving 'Zero PPM', being the 'Best Safety Leader', and a company focussed on 'Quality' and 'Delivery'. Also, we received a 'Certificate of Gratitude' from Mahindra & Mahindra for unmatched commitment and contribution for the all-new 'Thar'. We got accolades from Isuzu Motors India for 'Best Delivery Performance'.

> **"EVEN IN SUCH GLOOMY TIME, OUR GROUP VISION CONTINUED TO BE OUR GUIDING LIGHT FOR EACH AND EVERY EMPLOYEE IN THE COMPANY AS WE FOCUSSED ON 'SHAPING A BETTER FUTURE THROUGH THE SPIRIT OF NO 1 AND ONLY ONE'."**

While we are talking about a possible third wave of the pandemic, I hope and pray that we can ramp up our vaccination significantly and keep a sharp watch on further mutating variants.

It has been a tough, difficult year for us and our partners, but I am confident that together we will convert challenges into opportunities.

Further, I thank them and will continue to give our best to our partners including Maruti Suzuki, Mahindra & Mahindra, Tata Motors, Honda, Fiat India, Toyota Kirloskar, PCA, John Deer, Club Car, E-Z-GO, ISUZU and Renault-Nissan India.

I take this opportunity to thanks our bankers including State Bank of India, Corporation Bank, Standard Chartered Bank, Kotak Mahindra Bank, IDFC, IndusInd Bank, Sumitomo Mitsui Banking Corporation, MUFG Bank Limited and Mizuho Bank Limited for reposing their confidence in us.

Importantly, a special thanks to all our employees and their families for going through these difficult time without losing the focus on the vision.

Finally, I thank our shareholders for their firm belief in our capabilities and their continued patronage.

Thank you
Yours sincerely

Hitoshi Mogi
Chairman & Managing Director

BOARD AND LEADERSHIP

Mr. Hitoshi Mogi
Chairman & Managing Director

Mr. Sudhir Chopra
Executive Vice Chairman

Mr. Akihiko Kawano
Dy. Managing Director

Mr. Hirofumi Matsuoka
Director

Mr. Toshiya Miki
(Nominee of Maruti Suzuki India Limited)

Mrs. Geeta Mathur
Independent Director

Mr. Inder Mohan Singh
Independent Director

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

Mr. Hidehito Araki
Independent Director

Mrs. Hiroko Nose
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. Hirofumi Matsuoka
Director

Mr. Toshiya Miki
Nominee of Maruti Suzuki India Limited

Mrs. Geeta Mathur
Independent Director

Mr. Inder Mohan Singh
Independent Director

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

Mr. Hidehito Araki
Independent Director

Mrs. Hiroko Nose
Independent Director

COMPANY SECRETARY

Mr. Nitin Sharma

OPERATING MANAGEMENT

Mr. Hitoshi Mogi
Mr. Sudhir Chopra
Mr. Akihiko Kawano
Mr. Rajiv Chanana
Mr. Dinesh Kumar Agarwal
Mr. Kenji Okazaki
Mr. Osamu Miyazaki
Mr. Minoru Hatanaka
Mr. Manoj Sharma
Mr. Ajay Mrig
Mr. Sudhir Kumar Sharma
Mr. S. Senthil Kumar
Mr. Akhil Kumar Jain
Mr. Jaydeep Kumar
Mr. Rakesh Garg
Mr. Narender Kumar
Mr. Avanish Kumar Singh

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
Corporation Bank
Kotak Mahindra Bank
IndusInd Bank
IDFC First Bank
Sumitomo Mitsui Banking Corporation
MUFG Bank Limited
Mizuho Bank Limited

REGISTRAR AND TRANSFER AGENT

KFin Technologies Private Limited
(Formerly known as Karvy Fintech Private 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).

D-9, Tata Motors Vendor Park
Survey No. 1
Village North Kotepura
Sanand, Viroch Nagar
Ahmedabad 382170 (Gujarat).

REGISTERED OFFICE

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

HEAD OFFICE

M3M Cosmopolitan, First Floor
Sector - 66, Ramgarh Road
(Adjacent to Golf Course Extn. Road)
Gurugram 122002 (Haryana).

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC SCENARIO

Global economic scenario

Financial Year 2020-21 (FY21) was the year riddled with COVID-19 challenges with everyone trying to adapt to this pandemic situation. FY20 witnessed trade war between US and China and the ensuing geopolitical tensions, elections in India, and the start of the COVID-19 pandemic. The pandemic was not just a health crisis but had far-reaching implications on the global economy. The pandemic led to a sharp decline in global trade, lower commodity prices and tighter liquidity conditions. Economies across the globe saw contraction in their respective GDP primarily due to reduced economic activity and restricted mobility and people curtailing discretionary spending.

According to the International Monetary Fund (IMF), US's GDP growth for Calendar Year (CY) 2020 de-grew by (-)3.5% as against a growth of 2.3% CY2019. Overall, the Advanced Economies too posted negative growth of (-)4.7% with the sharpest falls recorded by Spain, the United Kingdom and France with a de-growth of (-)11%, (-)9.9% and (-)8.2% respectively. Even the traditional growing Emerging Markets & Developing Economies too could not escape the clutches of the pandemic as they collectively posted a fall of (-)2.2%. China emerged as the only bright spot amongst all the economies with a growth of 2.3%, as per the IMF's data.

Indian economic scenario

India has been the shining star of the global economy and usually lead the growth chart. However, it could not escape the wrath of the COVID-19 pandemic as it faced an uncertain FY21. The financial year began with a lockdown leading to multiple issues like the exodus of the migrant population from most metros, creating labour issues for companies, demand coming to a halt barring for few industries. No wonder, quarter one of the fiscal was washed out for the economy. However, as the lockdown was lifted, supported with fiscal stimulus policies announced by the Government to spur the economy, industries saw demand coming and some recovery. However, in some sectors such as hospitality, real estate, travel etc., consumer sentiment continued to take a beating contributing to low demand offtake in the economy. As per the data from India's National Statistical Office, the country's GDP contracted by (-) 7.3% for FY21 as compared to the growth rate of 4.2% in the previous fiscal.

INDUSTRY

Global Auto Scenario

The COVID-19 pandemic did not leave any sector unscathed. As per Scotiabank Economics, global auto sales contracted sharply by (-)15% y-o-y (or 63.7 Mn units) in 2020 as countries around the world confronted the COVID-19 pandemic. Pandemic related factors were the biggest drivers of differentiation in auto sales across countries and regions last year: the prevalence of the pandemic, the stringency of containment measures, and magnitude of the policy responses.

US auto sales, accounting for around 23% of the global auto sales, saw a decline of (-)15% for CY20. Despite high COVID-19 cases along with less restrictive measures and a highly accommodative policy environment, moderated the economic impact of the pandemic in 2020.

China sat on one end of the spectrum with auto sales down by 'only' (-)6% y-o-y (or 20.1 Mn units) in 2020. Effectively avoiding second waves of COVID-19, China's economic output returned to pre-crisis levels by year-end with the aid of substantial policy support by their Government.

Latin American countries fell on the other end of the spectrum with regional auto sales down by (-)27% as the first waves even persisted during the second half of the year. Further, variable policy support, as well as commodity exposure, drove some divergence within the region.

And even European economies did not fare much better with Western European auto sales down by (-)24% for CY20. Despite ample policy supports, high COVID-19 cases and repeated waves of pandemic in most countries necessitated tighter restrictions that took a serious economic toll.

Indian Scenario

In comparison to the growth rate of 5.2% in FY19, the growth rate in FY20 had dropped to (-)14.2% due to overall economic slowdown, inadequate government stimulus for the industry, liquidity crisis and poor consumer sentiments. FY21 was a year of COVID-19 and the same also impacted the automotive industry. With the lockdown in the country, the fiscal began on a gloomy note for the industry as it saw ZERO sales in the first month of April 2020 and negligible sale in the subsequent month. A large part of the fiscal's first five months remained sub-optimal for the companies and the automotive industry even as the economy witness steep decline across segments. While the industry saw a strong business traction in the second half of the fiscal, it could not get the industry fully out of its doldrums. As per data from Society of Indian Automobile Manufacturers (SIAM), the automobile industry remained in the negative growth zone as it posted a (-)13.6% decline over its previous year.

Production

As per SIAM, the industry produced a total 22.65 million vehicles including Passenger Vehicle (PV), Commercial Vehicle (CV), Three wheelers (3W), Two wheelers (2W) and Quadricycles for FY21 as against 26.36 million units for FY20, registering a de-growth of (-)14.2% over the same period last year.

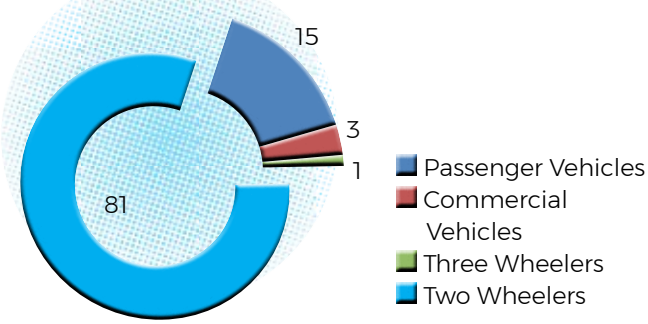
Domestic Growth

As per data from SIAM, the overall PV segment registered a de-growth of (-)10% for FY21 as compared to the same period last year. Sale of domestic PV segment for the financial year was at a 2.7 million units, as compared to 2.8 million units in FY19 thereby declining by (-) 2.2%. Within the PV category, the sales of passenger Cars and Vans declined by (-) 9.06% and (-) 17.62% respectively. The bright spot in the category was the utility vehicles. The demand for the utility vehicles continued as it posted a robust growth of 12.1% to close the year at 1.1 million units. Importantly the demand for this segment continued to be strong and it now accounts for 39% of the total PV market, an increase of 5% when compared to FY20.

The CV segment witnessed a sharp decline of (-)20.77% as it closed sales numbers for the fiscal at 0.57 million units as compared to 0.72 million units for FY20. Within this segment, Medium & Heavy Commercial Vehicles (M&HCVs) and Light Commercial Vehicles declined by (-)28.4% and (-) 17.3% respectively for the fiscal over the same period last year.

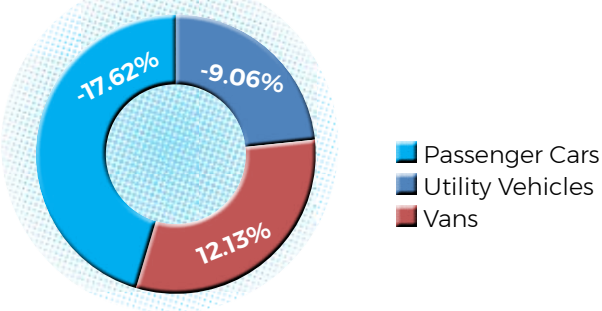
2W and 3W, which account for over 80% of the total units sold in the country, saw de-growth of (-)13.19% and a whopping (-)66.06% respectively for the year. Within the 3W category, Passenger Carrier and Goods Carrier declined by (-) 74.79% and (-)26.38% respectively for the fiscal. Within the 2W segment, Scooters, Motorcycles and Mopeds declined by (-) 19.51%, (-)10.65% and (-)3.07% respectively in FY-2021 over FY-2020.

Domestic Market Share for 2020-21



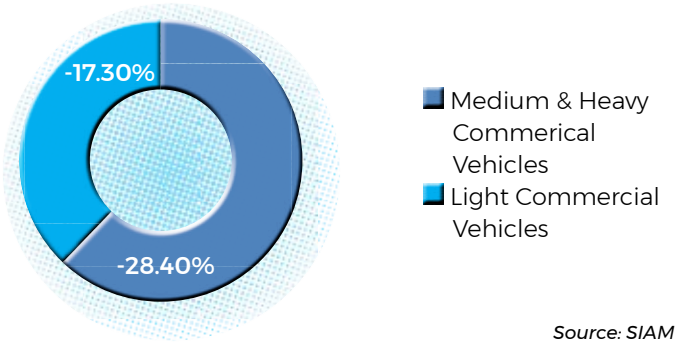
Source: SIAM

Segment wise demand change in Passenger Vehicles



Source: SIAM

Segment wise demand change in Commercial Vehicles



Source: SIAM

Exports

The pandemic saw lockdowns and low production that also hit the exports segment. According to data from SIAM, for FY21, overall automobile exports registered a de-growth of (-)13.05%. All segments including PV, CV, 3W and 2W exports declined by (-)38.92%, (-)16.64%, (-)21.67% and (-)6.87%, respectively as compared to FY20.

OUTLOOK

With the COVID-19 pandemic raging across the globe, and the emergence of the second wave in countries, the outlook remains cautious. According to IMF, global prospects remain highly uncertain. New virus mutations and the accumulating human toll raise concerns, even as growing vaccine coverage lifts sentiment. The outlook depends not just on the outcome of the battle between the virus and vaccines—it also hinges on how effectively economic policies deployed under high uncertainty can limit lasting damage from this unprecedented crisis and the adherence to precautionary measures by people.

IMF is projecting a global growth at 6% in 2021, moderating to 4.4% in 2022. Of course, high uncertainty surrounds this outlook in relation to the path of the pandemic, the effectiveness of policy support to provide a bridge to vaccine-powered normalization, and the evolution of financial conditions.

For India, IMF has a bullish outlook. In its update in April, IMF had projected India's GDP to grow 12.5% in FY22, the highest among emerging and advanced economies. GDP growth for FY23 is pegged at 6.9%. India is the only country expected to register a double-digit growth this fiscal. However, the rapid spread of the second wave of COVID-19 may force IMF to temper the bullish growth outlook.

The COVID-19 pandemic has grave consequences for the automobile industry and all related sectors. However, analysts are bullish and expect global auto sales will rebound by around 9% (or 69.4 mn units) for CY21 with a wide range across countries. Key drivers of country-specific auto sales outlooks include the depth of the auto sales decline in 2020, the strength of the economic hand-off from 2020, the speed of vaccine rollouts, the continuation of policy supports, and increasingly, structural characteristics prior to the pandemic.

In India, SIAM has forecasted a moderate growth for the various categories of the auto segment, but disruption in the supply chain owing to semiconductor unavailability, raw material shortages and lockdowns are the headwinds that the industry will have to face. In its outlook in April 2021, SIAM estimates passenger vehicle sales to grow between 3-5% and commercial vehicle at 10-12%. The 2W segment is expected to grow between 5-7% and 3W segment is pegged to grow between 7-9%. However, the country is witnessing lockdowns by various State Governments and hence the outlook might be subject to change.

Nevertheless, it is hoped that the various Government initiatives for the industry may help to spur the demand across the country. Some of these are...

- 100% foreign direct investment (FDI) under the automatic route
- The voluntary vehicle scrappage policy has been announced which is likely to boost demand for new vehicles after removing old unfit vehicles currently plying on the Indian roads.
- The initiative by Delhi Government to set up 100 vehicle battery charging points across the state to push adoption of electric vehicles
- Approving an outlay of INR 57,042 crore (US$ 7.81 billion) for automobiles & auto components sector in production-linked incentive (PLI) scheme
- Continued focus by the Government to develop India as a global manufacturing centre and a Research and Development (R&D) hub.
- Shortlisting of 11 cities in the country for introduction of EVs in their public transport systems under the FAME (Faster Adoption and Manufacturing of (Hybrid) and Electric Vehicles in India) scheme.
- In February 2019, the Government of India approved FAME-II scheme with a fund requirement of INR 10,000 crore (US$ 1.39 billion) for FY20-22.

OPERATIONAL PERFORMANCE AND FINANCIAL REVIEW

Financial Review

Company's Abridged Profit & Loss Account (INR in Million)

Particulars	Consolidated		Standalone	
	2020-21	2019-20	2020-21	2019-20
Net Income from Operations	13,183	14,989	13,357	15,194
Other Operating Income	147	116	145	115
Total Revenue	**13,330**	**15,105**	**13,502**	**15,309**
Raw Material	9,170	10,149	9,663	10,748
Staff Cost	1,947	2,136	1,806	2,018
Other Expenditure	1,185	1,453	1,108	1,362
EBITDA	**1,027**	**1,369**	**925**	**1,181**
Other Income	55	88	78	110
Depreciation & Amortisation	830	928	779	865
EBIT	**252**	**529**	**223**	**425**
Finance Charges	47	99	47	99
PBT	**205**	**430**	**177**	**326**
Tax	68	78	54	51
PAT	**137**	**351**	**123**	**275**
Other Comprehensive Income	(2)	(23)	(3)	(22)
Total Comprehensive Income	**135**	**328**	**120**	**253**
Profit Attributable to Owner	**135**	**328**	**120**	**253**
Capital Expenditure	211	391	160	332
EPS	0.48	1.24	0.50	1.13
D/E Ratio	0.07	0.12	0.08	0.13

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 0.13 to 0.08. The borrowings have significantly reduced from a level of INR 740 million at start of the financial year to end at a level of INR 446 million. Reduction in Bank Borrowings has increased the interest coverage ratio from 4.30 times to 4.79 times.

Net Profit Margin

Net Profit margin declined from 1.7% to 0.9% mainly due to decline in sale volumes. Further Return on Capital Employed declined from 4.9% to 2.2%.

Current Ratio

The current ratio has improved from 1.57 times to 1.67 times due to reduction in current maturity of Long-Term Loans. Further Quick Ratio improved from 1.11 times to 1.22 times.

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

SUBSIDIARY PERFORMANCE HIGHLIGHTS

JTEKT Fuji Kiko Automotive India Limited (JFIN)
(Formerly known as Sona Fuji Kiko Automotive Limited)

During the year under review, the subsidiary's revenue decreased by 16% to reach INR 836 million. Despite severe stress in Auto sector, JFIN continued to work with better capacity utilization to reduce negative impact on profitability. It also achieved 100% OTIF (On Time In Full) delivery track record.

(INR mn.)

JFIN	2020-21	2019-20
Revenue	836	1000
EBITDA	106	194
EBITDA Margin	12.7%	19.4%
PAT	40	99
PAT Margin	4.8%	9.9%

Safety : Achieved 573 accident-free days.
Training : Imparted training to employees in Production, Product Design, HR&GA, and Manufacturing Engineering to enhance knowledge and skill.
Environment : Power consumption reduced with new kaizens such as installation of VFD, replacement with LED lights, automated timers etc.

RECOGNITION

During the fiscal, the Company received acclamation from Toyota Kirloskar Motor Pvt. Ltd. in achieving 'Zero PPM', 'Best Safety Leader', 'Quality' and 'Delivery'. Also, it received a 'Certificate of Gratitude' from Mahindra & Mahindra for unmatched commitment and contribution for the all-new 'Thar'. It also received accolades from Isuzu Motors India in 'Best Delivery Performance'. These recognitions are testimony to its commitment to excellence in delivery of products and customer satisfaction.

Best Safety Leader

Quality

Delivery

Commitment & Contribution

TECHNICAL CAPABILITY / RESEARCH & DEVELOPMENT

In the journey to attain Self-reliance in the area of Product Designing and Testing, we have further enhanced the testing facilities by incorporating testing facilities for NVH (Noise and Vibration Hazards), enabling us to take one more step further towards self-reliance for testing related to Noise and Vibration for our core products.

Despite several limitations caused by the Covid-19 Pandemic, JIN continues towards completion of Phase 2 of Technical center to avoid dependency on making available the mass production line by stopping regular production for the purpose of developing proto samples for our core products i.e. Manual Steering Gear, Column and Intermediate Shafts.

The technical center in India is now also adding value to the Company by reducing turn-around time for new product development, providing cost effective solutions and developing products specific to the Indian market as well as provide support to other Global Technical Centers. Recently our Indian Technical Center has taken up design responsibility for many projects, which in the earlier scenario would have required support from Japanese Technical Center.

On the front of Driveline business, we successfully completed vehicle trials and data collection of City, Semi Highway, Highway and hilly Indian roads to identify local requirements of CV Joints. In this process, we have convinced major customers and moved further closer to entering new business segment of CVJ in Driveline Business.

HUMAN RESOURCES

People including employees, customers, partners, investors, etc. form the bedrock for the success of the Company. Employees are one of the key strengths of the Company and HR plays an important role in managing, guiding and motivating the Company's workforce. Moreover, HR at JTEKT is viewed as a strategic business partner aligned with the business requirements.

The Company believes that human capital is one of the most valuable resource and thus deeply nurture its 3200+ family members. Capability building, engagement and learning and development are the focus area to ensure growth opportunities and a healthy work-life balance for its workforce.

Induction & Training

Every new employee has to undergo an induction process which lasts up to 7 days. The Company has a policy of giving training of minimum 2 hours per month / employee. During FY21, it provided training for 95,481 hours spread across 1,424 training sessions. Total participants covered under trainings were 15,325. The Company also provides DOJO training to our shop floor employees.

The Company has set up system and process for external trainings. It has a tie-up with Maruti Centre of Excellence for leadership development in India and Japan Globus University for international training.

The Company and its parent, JTEKT Corporation, Japan, believes in global rotation of employees. The fiscal saw multiple employee exchange programs whereby the employees are exposed to global standards.

The Company follows Hoshin Kanri strategic planning system for setting up goals and targets for mid-to-long term which is generally 3 to 5 years.

Support during COVID

As the pandemic hit the country, the Company was quick to respond and ensured the safety and security of its employees. It formulated policies around work from home (WFM) for its employees and implemented a provision of 17-day leaves to all employees who test COVID-19 positive and were asked to isolate and quarantine themselves.

PURCHASING

The Company continuously strives to improve its procurement practices to ensure sustainability of its suppliers. To ensure compliances and adoption to global standard, it initiated the 'Supplier Code of Conduct' which requires that the supplier follows key ethical principles set forth by JTEKT Corp.

To ensure seamless communication between JTEKT and its suppliers, a supplier portal 'i-Supplier' has been kicked off. During and after COVID-19 lockdown, regular communication between the Company and its supplier network ensured synchronized deliveries and ramp-up aligned to customer requirements.

A centralize overarching platform for cost reduction activities comprising of value analysis and value engineering and localization has been established to ensure sustained competitiveness.

With a strong conviction of sustainability, the Company ensured that a total of 17MT corrugated waste was reduced to recyclable packaging.

Training of supplier is a continuous process undertaken by the Company. During the fiscal, low performance suppliers were selected for performance improvement programmes. Also, representatives from 20 suppliers were trained on safety measures to propagate safety culture in their respective organizations.

SAFETY, SECURITY & SUSTAINABILITY

The Company continued to promote the 'Zero Accident' vision to create a safe workplace. During the fiscal, the following safety initiatives were taken to further strengthen the goal of the sustained safety.

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 company has been working on improving the thinking process of all employees towards Safety. Company is working towards evaluating each member by a well-defined process where shortcomings are identified, and members are taken through behavioural training programs to improve their mind-set towards Safety.

Red Machine Elimination – This action is continued from last year and this systematic Safety risk analysis is repeated periodically in the light of available latest knowledge. Accordingly, some machines are categorized as 'red'. Kaizens are then implemented so that such machines do not remain in 'red' category anymore. The Company ensures that the machines always remain safe for the employees.

New Safety Initiatives – The Company has taken a lot of precautions during restart of operations after Covid-19 lockdown. Sanitization and social distancing facilities are provided according to approved standards. Detailed trainings sessions have been conducted and every employee (including contract employees such as canteen, security, drivers, etc) is required to follow 'Covid appropriate behaviour'.

Apart from the above actions, we provide a mandatory 2-day safety training for every new employee.

INFORMATION TECHNOLOGY

Remote IT System Availability, Automation and IT Security are the key requirement in current pandemic situation as WFH is the new normal to perform business activities.

During the year, the Company initiated various IT Projects to meet the business requirements and to bring in key process improvements. During the pandemic, and given the high load on digital, IT Security was strengthened by conducting cybersecurity awareness training to all critical users to safeguard the company data and systems while working from home. A ransomware attack is an ongoing cyber risk that has a high potential to disturb business activities. To counter ransomware risk, the Company has implemented an automated data backup system for all business-critical user's data. Online project management system has been implemented to meet the project timelines and also to provide a consolidated project dashboard to managers for better visibility.

The Company has done various process automation such as implementation of the Enterprise Asset Management to optimize the maintenance activity and keeping spare parts inventory under control. It has also upgraded budget control system in Oracle ERP to manage all Revenue and Capex expenses of all the departments. Budget control automation has brought transparency in the expense management and faster approval of users' requirements. Apart from automation, it continued to improve the accuracy and efficiency of production data entry in the Oracle ERP by introducing a barcode system.

RISKS AND CONCERNS

The Company understands that effective risk management is critical in meeting its objectives and achieving sustainable growth. Risk management policies have been designed in a manner that the Company can respond swiftly and implement the necessary mitigation actions. In compliance with the prudential norms, we have constituted a Risk Management Committee and developed a risk management framework. The objective was to ensure sustainable business growth and to promote a pro-active 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 includes 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 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 as 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 an effective and reliable internal control system commensurate with our 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 auditors, and verification by statutory auditors. The internal audit plan is also aligned to the business objectives of the Company which is 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 includes the following:

- 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 review and deliberate 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 on the focus areas approved by the CSR Committee and include healthcare and rural development programs.

During the FY21, the Company has further extended these activities and has significantly increased its financial commitment for these projects. The Company focusses 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. During the fiscal, the Company's CSR activities included setting of LED Solar streetlights and developing a community park in Malpura Village, Haryana. It also ensured setting up a CT Scan machine in Gurugram, Haryana.

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 1928 KWp. The Company has an ambitious plan to double this capacity in the next two 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 2021 there were three Executive Directors and seven Non-Executive Directors. Out of the said seven Non-Executive Directors, five directors were Independent Directors having two Independent Women Directors (see Table 1):

Table 1 : Composition of the Board of Directors as on 31 March 2021

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. Hirofumi Matsuoka	Non-executive Director
Mr. Toshiya Miki	Director-Nominee Director of Maruti Suzuki India Limited (MSIL) (Non-executive Director)
Mrs. Geeta Mathur	Independent Woman 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

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. Hiroshi Ii, Chairman (Executive) rescinded from the position of Director and Chairman with effect from 1 April 2020. Further during the year Mr. Hitoshi Mogi was appointed as an Additional Director of the Company effective from 16 May 2020. Thereafter, on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company in their meeting held on 23 September 2020, appointed Mr. Hitoshi Mogi as Chairman & Managing Director of the Company with effect from 24 September 2020 to 31 March 2022 and Mr. Akihiko Kawano was re-designated as Dy. Managing Director effective from 24 September, 2020.

2. Number of Board Meetings

In the financial year ended on 31 March 2021, JIN held five Board Meetings on 22 June 2020, 4 August 2020, 23 September 2020, 12 November 2020 and 11 February 2021. 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

2021, last Annual General Meeting of the Company held on 23 September 2020 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 2021 [see Table 2(B)].

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

Name of Directors	Board Meetings held during FY 2020-21		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. Hiroshi Ii②	0	0	N.A.	N.A.	N.A.	N.A.	N.A.
Mr. Hitoshi Mogi③	5	5	Yes	1	2	1	-
Mr. Sudhir Chopra	5	5	Yes	2	-	-	1
Mr. Akihiko Kawano	5	5	Yes	-	-	-	-
Mr. Hirofumi Matsuoka	5	4	Yes	-	-	-	-
Mr. Toshiya Miki	5	5	Yes	2	-	-	-
Mrs. Geeta Mathur	5	5	Yes	9	2	9	4
Mr. Inder Mohan Singh	5	5	Yes	2	-	3	-
Lt.Gen.Praveen Bakshi (Retd.)	5	5	Yes	1	-	-	-
Mr. Hidehito Araki	5	5	Yes	-	4	-	-
Mrs. Hiroko Nose	5	4	Yes	-	1	-	-

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

Name of Directors	Name of other Listed Companies	Category of Directorship
Mr. Hiroshi Ii②	N.A.	N.A.
Mr. Hitoshi Mogi③	-	-
Mr. Sudhir Chopra	-	-
Mr. Akihiko Kawano	-	-
Mr. Hirofumi Matsuoka	-	-
Mr. Toshiya Miki	Bharat Seats Limited	Non-Executive & Non-Independent Director
Mrs. Geeta Mathur	Motherson Sumi Systems Limited IIFL Finance Limited IIFL Wealth Management Limited NIIT Limited Info Edge (India) Limited Onmobile Global Limited	Independent Women Director Independent Women Director Independent Women Director Independent Women Director Independent Women Director Independent Women Director
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	-	-

Notes:

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

② Rescinded from the position of Director and Chairman with effect from 1 April 2020.

③ Appointed as an Additional Director in the capacity of Non-Executive Director of the Company with effect from 16 May 2020 and his appointment was confirmed by the shareholders of the Company in the Annual General Meeting held on 23 September 2020. The Board of Directors of the Company in their meeting held on 23 September 2020 appointed Mr. Hitoshi Mogi as Chairman & Managing Director, with remuneration, effective from 24 September 2020 to 31 March 2022.

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

4. Key Board qualifications, expertise and attributes

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

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

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

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

Name of Directors	**Areas of skills / expertise**									
	L	**C**	**E**	**GB**	**F**	**T**	**ERM**	**HRS**	**SM**	**G**
Mr. Hitoshi Mogi	✓	✓	✓	✓		✓	✓	✓	✓	✓
Mr. Sudhir Chopra	✓	✓	✓	✓	✓		✓	✓		✓
Mr. Akihiko Kawano	✓	✓	✓		✓	✓	✓			✓
Mr. Hirofumi Matsuoka		✓	✓	✓		✓	✓		✓	✓
Mr. Toshiya Miki		✓	✓	✓		✓			✓	✓
Mrs. Geeta Mathur	✓	✓	✓		✓		✓			✓
Lt. Gen. Praveen Bakshi (Retd.)		✓	✓	✓			✓	✓		✓
Mr. Inder Mohan Singh	✓	✓	✓		✓			✓		✓
Mrs. Hiroko Nose		✓	✓		✓		✓			✓
Mr. Hidehito Araki	✓	✓	✓	✓				✓		✓

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 2021.

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. Hirofumi Matsuoka	-	N.A.
Mr. Toshiya Miki	-	N.A.
Mrs. Geeta Mathur	-	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.

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 and 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. 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. 39 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, was passed by the members of the Company in Thirty Fifth Annual General Meeting of the Company held on 9 August 2019.

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 2021

(Amount in INR)

Name of Directors	Relationship with other Director	Sitting Fee①	Commission on profits	Salary	Perquisites	Provident Fund & National Pension Scheme	Total
Mr. Hiroshi Ii②	None	N.A.	-	-	-	-	-
Mr. Hitoshi Mogi③	None	1,50,000	-	36,09,323	11,83,420	-	49,42,743
Mr. Sudhir Chopra	None	N.A.	20,50,000	1,13,75,062	1,41,080	15,84,000	1,51,50,142
Mr. Akihiko Kawano	None	N.A.	-	49,05,000	18,74,372	-	67,79,372

Name of Directors	Relationship with other Director	Sitting Fee[①]	Commission on profits	Salary	Perquisites	Provident Fund & National Pension Scheme	Total
Mr. Hirofumi Matsuoka	None	2,00,000	-	N.A.	N.A.	N.A.	2,00,000
Mr. Toshiya Miki[④]	None	2,50,000	-	N.A.	N.A.	N.A.	2,50,000
Mrs. Geeta Mathur	None	4,75,000	5,39,000	N.A.	N.A.	N.A.	10,14,000
Lt. Gen. Praveen Bakshi (Retd.)	None	5,25,000	5,82,000	N.A.	N.A.	N.A.	11,07,000
Mr. Inder Mohan Singh	None	4,25,000	4,75,000	N.A.	N.A.	N.A.	9,00,000
Mr. Hidehito Araki	None	3,75,000	2,81,000	N.A.	N.A.	N.A.	6,56,000
Mrs. Hiroko Nose	None	2,00,000	1,73,000	N.A.	N.A.	N.A.	3,73,000

Notes:

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

② Rescinded from the position of Director and Chairman with effect from 1 April 2020.

③ Appointed as an Additional Director in the capacity of Non-Executive Director of the Company with effect from 16 May 2020 and his appointment was confirmed by the shareholders of the Company in the Annual General Meeting held on 23 September 2020. The Board of Directors of the Company in their meeting held on 23 September 2020 appointed Mr. Hitoshi Mogi as Chairman & Managing Director, with remuneration, effective from 24 September 2020 to 31 March 2022

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

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

During the Financial Year 2020-21 no Service Contract was executed with Managing Director / Whole Time Director of the Company.

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 26 May 2021 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 2021 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.

(21) 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. Nitin Sharma, 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 2021.

As on 31 March 2021, the Audit Committee comprises of Mrs. Geeta Mathur, 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. Geeta Mathur, the Chairperson of the Audit Committee has accounting and related financial management expertise.

During the year, the Audit Committee met six times i.e. on 28 May 2020, 19 June 2020, 4 August 2020, 12 November 2020, 11 February 2021 and 26 March 2021 (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 2020-21

Name & Category of Directors	Position	Audit Committee meetings held during FY 2020-21	
		Eligibility	Attended
Mrs. Geeta Mathur (Independent Woman Director)	Chairperson	6	6
Mr. Inder Mohan Singh (Independent Director)	Member	6	5
Lt. Gen. Praveen Bakshi (Retd.) (Independent Director)	Member	6	6
Mr. Akihiko Kawano (Dy. Managing Director)	Member	6	6

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. Nitin Sharma, 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 2021.

As on 31 March 2021, 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 28 October, 2020 and 4 February 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 2020-21

Name & Category of Directors	Position	Stakeholders Relationship Committee Meetings held during FY 2020-21	
		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) formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors;

(3) devise a policy on diversity of Board of Directors;

(4) 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.

(5) extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

(6) recommend to the Board, all remuneration, in whatever form, payable to senior management.

(7) 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 2021.

As on 31 March 2021, 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 2021, the Committee met three times i.e., on 19 June 2020, 23 September 2020 and 28 October 2020 (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 2020-21

Name & Category of Directors	Position	Nomination and Remuneration Committee Meetings held during FY 2020-21	
		Eligibility	Attended
Mr. Inder Mohan Singh (Independent Director)	Chairman	3	2
Mr. Hiroshi Ii① (Executive Chairman)	Member	0	0
Lt. Gen. Praveen Bakshi (Retd.) (Independent Director)	Member	3	3
Mr. Hidehito Araki② (Independent Director)	Member	3	3

Notes :

① Ceased to be a member of the Committee with effect from 1 April 2020.

② Appointed as one of the members of the Committee with effect from 12 May 2020.

IV) RISK MANAGEMENT COMMITTEE

The purpose of the Risk Management Committee is to monitor and review the Risk Management Plan of the Company and shall look into the various risks identified by the Company and the steps taken to control / mitigate the same.

Composition of Risk Management Committee, its meetings and attendance record for the year ended 31 March 2021.

As on 31 March 2021, the Risk Management Committee comprises of Mrs. Geeta Mathur and Mr. Akihiko Kawano.

During the year, the Committee met once i.e. on 26 March 2021 (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 2020-21.

Name & Category of Directors	Position	Risk Management Committee Meetings held during FY 2020-21	
		Eligibility	Attended
Mrs. Geeta Mathur (Independent Woman Director)	Chairperson	1	1
Mr. Akihiko Kawano (Dy. Managing Director)	Member	1	1

The details of foreign exchange risk and hedging activities are disclosed in Note No. 46 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;

(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 2021.

As on 31 March 2021, the Corporate Social Responsibility (CSR) Committee comprises of Lt. Gen. Praveen Bakshi (Retd.), Mrs. Geeta Mathur and Mr. Akihiko Kawano.

During the year, the Committee met twice i.e., on 19 June 2020 and 5 March 2021 (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 2020-21.

Name & Category of Directors	Position	CSR Committee Meetings held during FY 2020-21	
		Eligibility	Attended
Lt. Gen. Praveen Bakshi (Retd.) (Independent Director)	Chairman	2	2
Mrs. Geeta Mathur (Independent Woman Director)	Member	2	2
Mr. Akihiko Kawano (Dy. Managing Director)	Member	2	1

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.

5) Subsidiary Company

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

In accordance with the requirement of Regulation 16 read with Regulation 24 of the Listing Regulations, the Company has formulated a policy for determining 'material' subsidiaries. The same is displayed on the website of the Company (web link: http://www.jtekt.co.in/policies.html).

6) Disclosure of accounting treatment in preparation of financial statements

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

7) Certifications

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

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

8) Fees paid to auditors

The Company and its subsidiary viz. JTEKT Fuji Kiko Automotive India Limited have paid the following fees to the Statutory Auditors of the Company during the financial year 2020-21 for the various services availed:

(Amount in INR/Lakhs)

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	:	24.05	3.00
Reimbursement of Expenses	:	3.67	0.53

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 2020-21:

Number of complaints filed	Nil
Number of complaints disposed	Nil
Number of complaints pending as on 31 March 2021	Nil

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. Toshiya Miki, 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 23 September 2020, appointed Mr. Hitoshi Mogi as Chairman & Managing Director of the Company with effect from 24 September 2020 to 31 March 2022.

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company in their meeting held on 26 May 2021 have re-appointed Mr. Akihiko Kawano as Dy. Managing Director, with remuneration, for a further period of three years effective from 1 July 2021.

On the recommendation of the Nomination and Remuneration Committee, the members of the Board of Directors of the Company, by way of resolution by circulation dated 29 June 2021, have appointed Mr. Takumi Matsumoto as an Additional Director of the Company with effect from 1 July 2021, who is proposed to be appointed as Director of the Company in the ensuing Annual General Meeting.

As required, the brief profiles and other particulars of the Directors seeking appointment/re-appointment are given in the Notice of the 37 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. Nitin Sharma, Company Secretary is the Compliance Officer.

5) Share Transfer

M/s. KFin Technologies Private Limited (Formerly known as Karvy Fintech 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

The Company has complied with all the requirements of regulatory authorities and no penalties or strictures were imposed on the Company by any stock exchange or SEBI or any statutory authority on any matter related to capital market during the last 3 years.

7) Other Disclosures

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations including other applicable mandatory requirements. The Corporate Governance Report of the Company for the Financial Year ended on 31 March 2021 is in compliance with the applicable requirements of SEBI as per Listing Regulations.

During the year ended on 31 March 2021, 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 2018	10 August 2018	10:00 A.M.	Air Force Auditorium Subroto Park New Delhi-110 010
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 / Other Audio Visual Means

9) Special Resolutions

In the ensuing 37 Annual General Meeting of the Company to be held on 16 September 2021, the shareholders' consent is being sought by way of Special Resolution for:

- 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.

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

36 Annual General Meeting held on 23 September 2020

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

35 Annual General Meeting held on 09 August 2019

- 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 Ii as 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.

34 Annual General Meeting held on 10 August 2018

- Appointment of Mrs. Geeta Mathur as an Independent Director of the Company.
- Appointment of Mr. Akihiko Kawano as Managing Director of the Company.
- Remuneration/Commission to Independent Directors.

10) Postal Ballots

At the ensuing Annual General Meeting to be held on 16 September 2021 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 36 Annual General Meeting of the Company.

11) Recommendations of Committees

During the Financial Year ended on 31 March 2021, 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
(Formerly known as "Sona Koyo Steering Systems Limited")
UGF-6, Indraprakash Building,
21, Barakhambha 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 (formerly known as "Sona Koyo Steering Systems Limited") (the 'Company') for the year ended 31 March 2021. We have initialled the Report for identification purpose only.

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

1. The Management along with the Board of Directors is responsible for ensuring that the Company complies with the requirements of the Listing Regulations and for providing all relevant information to the Securities and Exchange Board of India.

2. The preparation of the accompanying Corporate Governance Report is the responsibility of the Management of the Company including the Board of Directors. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Report, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Responsibility of the Practicing Company Secretary

3. Pursuant to the requirements of Clause E to Section V to 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, 2021, 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.

6. In view of lockdown due to COVID-19, we have conducted our verification and examination of the records/documents provided by company through email and/or other digital mode.

Opinion

7. 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, 2021.

Restriction on Use

8. 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
(Proprietor)
Membership No: 8493
CP No. : 9760
UDIN: F008493C000375002

Place: New Delhi
Date : 26 May 2021

ADDITIONAL SHAREHOLDER INFORMATION

ANNUAL GENERAL MEETING

Date	:	16 September 2021 (Thursday)
Venue	:	Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")
Time	:	11.00 A.M.

FINANCIAL CALENDAR

Financial year	:	1 April 2021 to 31 March 2022

For the year ending 31 March, 2022, results will be announced:

• First Quarter Financial Results	:	Tentatively in Second Week of August 2021
• Second Quarter and Half Yearly Financial Results	:	Tentatively in Second Week of November 2021
• Third Quarter Financial Results	:	Tentatively in Second Week of February 2022
• Fourth Quarter and Annual Financial Results	:	Tentatively in Second Week of May 2022

BOOK CLOSURE

The dates of book closure are from 4 September 2021 to 16 September 2021 (both days inclusive).

DIVIDEND RATE

The Board of Directors of JIN, in their meeting held on 26 May 2021, has recommended the dividend of INR 0.15 per Equity Share of INR 1/- each for the year ended 31 March 2021. The dividend if approved by the Shareholders at the ensuing Annual General Meeting will be dispatched/credited on and after 23 September 2021.

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	27 April 2021
National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E) Mumbai - 400 051.	JTEKTINDIA	27 April 2021

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 2021

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 2020	55.75	35.25	385248	56.00	35.30	7546230
May 2020	54.50	42.00	341150	54.30	44.25	5509760
June 2020	78.50	49.85	2712092	78.45	49.70	33411051
July 2020	72.00	61.05	616207	72.00	61.00	7402730
August 2020	91.55	61.15	1152886	91.80	61.05	14504914
September 2020	84.00	70.95	415348	84.20	70.85	3705375
October 2020	82.00	72.00	331315	82.30	72.50	2207697
November 2020	84.90	72.25	421088	87.60	71.10	3764880
December 2020	94.50	77.00	1070373	94.35	79.00	10465886
January 2021	104.70	86.60	1636897	104.80	86.05	20913366
February 2021	96.00	86.05	780093	95.90	86.80	9815311
March 2021	94.95	83.35	699811	94.90	83.00	6658026

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 2020-21.

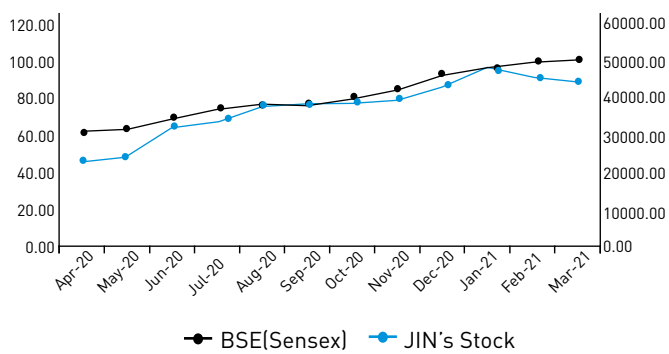
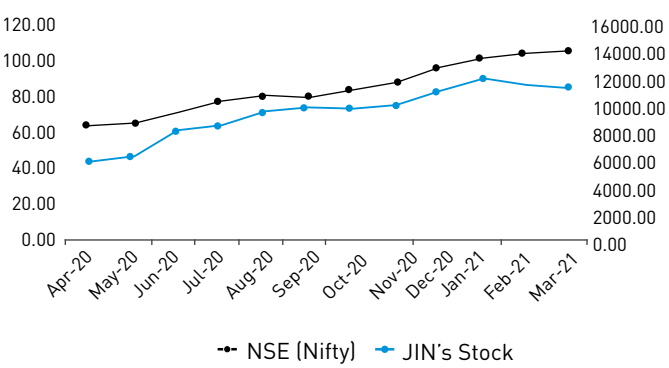


Chart B: The movement of JIN's share price on NSE vis-à-vis NSE Indices for the year 2020-21.



DISTRIBUTION OF SHAREHOLDING

For the distribution of shareholding and shareholding pattern of JIN as on 31 March 2021 see Table 2A and 2B respectively.

Table 2A : Distribution of Shareholding by size class as on 31 March 2021

Amount	Number of shareholders	Number of shares held	Shareholding (%)
Upto 5000	50,494	1,89,01,143	7.73
5001-10000	657	48,85,238	2.00
10001-20000	230	33,42,066	1.37
20001-30000	77	19,31,407	0.79
30001-40000	22	7,85,074	0.32
40001-50000	14	6,52,002	0.27
50001-100000	27	20,05,995	0.82
100001 & above	35	21,19,77,544	86.70
Total	**51,556**	**24,44,80,469**	**100.00**

Table 2B : Distribution of Shareholding by ownership as on 31 March 2021

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	261	21,36,186	0.88
Individuals and HUF	50372	3,31,14,888	13.55
Non resident Indians	782	17,48,363	0.71
Foreign Nationals	1	3,134	0.00
Mutual Funds	13	66,38,131	2.72
Foreign Portfolio Investors	23	99,57,160	4.07
Alternate Investment Funds	6	28,57,647	1.17
NBFC	1	10,000	0.00
Trusts	2	6,130	0.00
Clearing Members	91	1,44,769	0.06
IEPF	1	44,90,794	1.84
Unclaimed Suspense Account*	1	13,270	0.00
Public Shareholding (B)	**51554**	**6,11,20,472**	**25.00**
Total (A+B)	**51556**	**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 2021, 99.55% 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 2021

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 2020)	22	16070
Number of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year 2020-21.	0	0
Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year 2020-21.	0	0
Number of shares transferred from the Unclaimed Suspense Account to Investor Education and Protection Fund (IEPF) during the year 2020-21.	3	2800
Aggregate number of shareholders and the outstanding shares in the Unclaimed Suspense Account as on 31 March 2021.	19	13270
The voting right shall remain frozen till the rightful owner of such shares claims the share.	19	13270

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 Private Limited (Formerly known as Karvy Fintech 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 Private 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 Private Limited (Formerly known as Karvy Fintech 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 2014 and the corresponding dates when unclaimed dividends are due to be transferred to the Central Government. Table 4B gives the unclaimed dividend amount since 2014.

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

Year	Type	Date of declaration	Date due for transfer to Central Government
2014	Final	23 September 2014	23 October 2021
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

During the financial year under review, the Company has transferred INR 36,04,613/- to Investor Education and Protection Fund towards unclaimed dividend pertaining to the year ended 31 March, 2013.

Table 4B : Unclaimed dividend as on 31 March 2021

Year	Type	No. of warrants issued	No. of warrants unclaimed	% unclaimed	Amount of dividend (INR Lakhs)	Dividend unclaimed (INR Lakhs)	% unclaimed
2014	Final	56491	13122	23.23	1589.98	41.53	2.61
2015	Final	56236	14261	25.36	1291.91	34.96	2.71
2016	Final	56590	14817	26.18	993.83	27.31	2.75
2017	Final	52820	11624	22.01	993.82	27.61	2.78
2018	Final	51983	9153	17.61	993.82	21.73	2.19
2019	Final	42190	4826	11.44	1955.84	32.56	1.66
2020	Final	45886	2394	5.22	778.13	3.08	0.40

NUMBER AND NATURE OF COMPLAINTS REGARDING SHARES

Table 5 : Details of Investor complaints regarding shares for the year 2020-21.

Nature of complaint	Number of complaints	Number redressed
Non-receipt of dividend / Interest / Redemption	9	9
Non-receipt of Annual Report	-	-
Non-receipt of Share Certificates	2	2
Others	-	-
Total	**11**	**11**

PLANTS' LOCATION

1) 38/6, NH-8, Delhi-Jaipur Road, Gurugram-122001 (Haryana).

2) Plot No. 32, Industrial Area Phase II, Dharuhera, Dist. Rewari (Haryana).

3) Plot No. 19, Industrial Area, Dharuhera, Dist. Rewari (Haryana).

4) 39/2/2, 3/2 4/2, 7,8 Village Malpura, Tehsil Dharuhera, Dist. 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.

7) Plot No. D-9, TML Vendor Park, Survey No. 1, Village Northcotepura, Sanand, Ahmedabad-382 170, Gujarat.

REGISTERED OFFICE

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

HEAD OFFICE

M3M Cosmopolitan, First Floor, Sector 66, Ram Garh Road, Adjacent to Golf Course Extn. Road, Gurugram 122002 (Haryana)

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 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 2021 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. Hiroshi Ii①	08385716	15/04/2019
2.	Mr. Hitoshi Mogi②	08741355	16/05/2020
3.	Mr. Sudhir Chopra	00058148	18/05/2017
4.	Mr. Akihiko Kawano③	08160588	01/07/2018
5.	Mr. Hirofumi Matsuoka	08192915	11/08/2018
6.	Mr. Toshiya Miki	07505339	05/08/2016
7.	Mrs. Geeta Mathur	02139552	10/11/2017
8.	Mr. Inder Mohan Singh	07114750	18/05/2019
9.	Lt. Gen. Praveen Bakshi (Retd.)	08261443	18/05/2019
10.	Mr. Hidehito Araki	02517509	11/08/2018
11.	Mrs. Hiroko Nose	06389168	11/08/2018

① Rescinded from the position of Director and Chairman with effect from 1 April 2020.

② Appointed as an Additional Director in the capacity of Non-Executive Director of the Company with effect from 16 May 2020 and his appointment was confirmed by the shareholders of the Company in the Annual General Meeting held on 23 September 2020. The Board of Directors of the Company in their meeting held on 23 September 2020 appointed Mr. Hitoshi Mogi as Chairman & Managing Director, with remuneration, effective from 24 September 2020 to 31 March 2022.

③ The Board of Directors in their meeting held on 23 September, 2020 re-designated Mr. Akihiko Kawano as Dy. Managing Director of the Company effective from 24 September, 2020.

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 : A021227C000370741

Dated : 26 May 2021
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 2021 and that to the best of our knowledge and belief:

   i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d) We have indicated to the Auditors and the Audit Committee:

   i) Significant changes in internal control over financial reporting during the year;

   ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For **JTEKT India Limited**

Place: Gurugram
Dated: 26 May 2021

Rajiv Chanana
(Chief Financial Officer)

Hitoshi Mogi
(Chairman & Managing Director)

DECLARATION OF THE CHIEF EXECUTIVE OFFICER

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

Further certified that the Members of the Board of Directors and Senior Management Personnel have affirmed the compliance with the Code applicable to them during the year 31 March 2021.

For **JTEKT India Limited**

Place: Gurugram
Dated: 26 May 2021

Hitoshi Mogi
(Chairman & Managing Director)

BUSINESS RESPONSIBILITY REPORT

[As per Regulation 34(2)(f) of Securities and Exchange Board of India]

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	2020-21
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	
	(a) Number of International Locations	Nil
	(b) Number of National Locations	Seven (7)
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 135798.25 lakhs
3.	Total profit after taxes (INR)	INR 1231.73 lakhs
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	INR 127.91 lakhs 10.38% 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 2021, 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 policies have 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 2020-21, 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)

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 Gear and HPS. Since these products also contribute to the total weight tend to increase the 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, efforts are being made globally 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 and design team of JIN explored several methods of weight reduction such as weight optimisation CAE and under value addition activity, adoption of tubular technology in place of solid forged shafts changing the design from Solid Forged to Tubular, reducing sheet thickness and profile optimization through virtual simulation tools, promoting use of cold forged parts, yield improvement in die cast components / 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 economy 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 our 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 2021 the total number of employees were 3186 on standalone basis.

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

   As on 31 March 2021, the total number of outsourced personnel were 1643, on standalone basis.

3. Please indicate the Number of permanent women employees

   As on 31 March 2021, the total number of permanent women employees were 57, on standalone basis.

4. Please indicate the Number of permanent employees with disabilities

   As on 31 March 2021, 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 2021, approximately 11.6% 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	97.2%
Permanent Women Employees	98%
Casual/Temporary/Contractual Employees	93%
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 2020-21.

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.

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 2020-21.

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 37 Annual Report together with audited accounts of the Company for the year ended 31 March 2021.

1) Financial Results

STANDALONE AND CONSOLIDATED PREFORMANCE OF THE COMPANY

(Amount in INR/Lakhs)

Particulars	Standalone		Consolidated	
	Current Year 31.03.2021	Previous Year 31.03.2020	Current Year 31.03.2021	Previous Year 31.03.2020
Total Income (net of excise duty)	135,798	154,189	133,842	151,935
Profit before interest, depreciation & tax	10,027	12,904	10,818	14,567
- Interest	466	989	472	993
- Depreciation & write offs	7,793	8,651	8,295	9,278
Profit before share of profit of Associates	1,768	3,264	2,051	4,296
Profit before tax	1,768	3,264	2,051	4,296
Less : Provision for tax	1,039	1,237	1,195	1,607
Provision for deferred tax liability/(assets)	(503)	(724)	(515)	(823)
Profit after tax	1,232	2,751	1,369	3,512
Less : Share of profit transferred to minority	0	0	196	486
Profit for the year	1,232	2,751	1,173	3,026
Retained Earnings				
Balance at the beginning of the year	36,243	36,199	38,427	38,165
Transition impact of Ind AS 116	0	(168)	0	(168)
Profit for the year	1,232	2,751	1,173	3,026
Payment of Dividend on equity shares	(856)	(1,956)	(856)	(1,956)
Corporate Dividend Tax paid	0	(350)	0	(402)
OCI Transfer to Retained Earnings	(36)	(233)	(31)	(238)
Balance at the end of the year	**36,583**	**36243**	**38,713**	**38,427**

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

2) Covid-19 Pandemic

In the last month of FY 2020, the Covid-19 virus spread rapidly creating a global crisis, compelling governments to enforce lock-downs of all economic activity.

In keeping with its employee-safety first approach, the Company has taken several initiatives to tackle this unprecedented situation. In line with the government guidelines and best practices followed in the industry the company has promptly launched a series of initiatives related to Covid-19 such as (a) conducting awareness sessions via online training programs (b) continuous monitoring of health of employees and visitors of the Company (c) regular sanitisation and modification in the layout of work areas (d) where practically possible adopted 'work-from-home' model.

As a responsible member of the community that it operates in, the Company has contributed to various Covid-19 relief and monitoring programs in India.

The Indian economy was hoping for some revival at the beginning of 2020, but due to Covid-19, all prospects of an early financial rebound diminished. In order to meet the challenges posed by Covid-19, the Government decided to impose nationwide lockdown in the last week of March 2020 which remained in force till May, 2020 leading to stoppage of economic activity across India adversely impacting growth. As per data from India's National Statistical Office, the country's GDP contracted by (-)7.3% for FY 21 as compared to the growth rate of 4.2% in the previous fiscal, showing the impact of financial crisis caused by Pandemic. The slowdown was witnessed in almost all sectors right from manufacturing to construction and the auto industry was no exception to it.

Unfortunately, despite the launch of vaccinations, the pandemic challenges are not over and we all have witnessed a very strong second wave of COVID 19 in April 2021, which again forced the State Governments to impose lockdowns, which has further impacted the economy negatively and added to the uncertainty of future. We hope, due to strong fundamentals, India may see a quicker recovery when this pandemic subsides.

3) State of Affairs of the Company

The Company achieved revenue from operations of INR 135,020 lakhs during the year; facing a decline of 12% compared to revenue achieved in the previous year. The decline in sales corresponds to the overall decline in Auto sector which registered a de-growth of (-) 14.2% over the year.

The Company reported profit after tax of INR 1,232 lakhs. The decline in Net Profit margin from 1.8% to 0.9% is mainly due to a decline in sales volumes.

4) Capital Expenditure on tangible assets-standalone

This year, on standalone basis, we incurred a capital expenditure of INR 1975 lakhs. This comprises:

- Building INR 57 lakhs.
- Plant and Machinery, jig & fixture etc. INR 1233 lakhs.
- Office equipment and others INR 685 lakhs.

5) Dividend

Keeping in view the current year performance, your directors are pleased to recommend a dividend of INR 0.15 per equity share of the face value of INR 1/- each (@ 15%) out of profit for Financial Year 2020-21 resulting into distribution of sum of INR 366.72 lakhs towards dividend, payable to those shareholders whose name appear in the Register of Members as on the date of Book closure.

During the previous Financial Year dividend was paid at the rate of 35% on the equity share capital of the Company.

No interim dividend was declared by the Board of Directors during Financial Year 2020-21.

6) Reserves

(Amount in INR/Lakhs)

Particulars	31 March 2021	31 March 2020
Balance as per last financial statements	36,243	36,199
Less: Transition impact of Ind AS 116	0	(168)
Add: Profit for the year	1,232	2,751
Less: Appropriations		
Dividend paid	856	1,956
Tax on dividend paid	0	350
Less : OCI Transfer to Retained Earnings	36	233
Net surplus in the statement of profit and loss	36,583	36,243

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 2021:

(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 2020-21 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 2021, 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') (earlier known as Sona Fuji Kiko Automotive Limited).

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 2021, JFIN has achieved total revenue of INR 8440.93 lakhs and earned net profit of INR 400.49 lakhs.

The Board of Directors of JFIN in their meeting held on 10 November 2020 had declared an interim dividend @ 50% and on 11 May 2021 have recommended the final dividend @ 12.5% for the financial year ended 31 March 2021.

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) Annual Return

In accordance with the Companies Act, 2013, the 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. The Company undertakes CSR activities with a main focus on healthcare and rural development programs. During the FY 2020-21, the Company has endeavours to utilize allocable CSR budget for the benefit of society and has significantly increased its financial commitment for healthcare and rural development programs. During the FY 2020-21, the Company has further extended these activities and has significantly increased its financial commitment for these projects.

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. However, the Company has faced unprecedented challenges in the previous year due to outbreak of COVID-19 and therefore the Company's total spend on the CSR activities has been less than the limit prescribed under Companies Act, 2013. The Company has accordingly, in compliance to the applicable Laws, has identified the projects and transferred the unspent CSR amount of FY 2020-21 to a special account (Unspent Corporate Social Responsibility Account) and endeavours to spend the same in Financial Year 2021-22 along with its new identified projects. 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 5 (five) times in the year ended 31 March 2021. 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.

However, in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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.

19) Auditors

(A) Statutory Auditors

Under Section 139 of the Companies Act, 2013 and the Rules made thereunder, BSR & Co. LLP, Chartered Accountants (Firm registration number 101248W/W-100022) ('BSR') was appointed as the Statutory Auditors of the Company to hold office for a period of five consecutive years from the conclusion of the 33 Annual General Meeting of the Company held on 22 August, 2017 till the conclusion of the 38 Annual General Meeting.

(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 2020-21. The Company provided all assistance and facilities to the Secretarial Auditors for conducting their audit. The Report of Secretarial Auditors for the FY 2020-21 is annexed to this report as **Annexure – II**. The report does not contain any qualification.

(C) Audit Reports

i) The Auditors' Report for financial year 2020-21 does not contain any qualification, reservation or adverse remark. The Auditors' Report is enclosed with the financial statements in this Annual Report.

ii) The Secretarial Auditors' Report for financial year 2020-21 does not contain any qualification, reservation or adverse remark.

iii) 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 2020-21 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 2020-21.

28) Directors & Key Managerial Personnel

As on 31 March 2021, your Company has ten (10) Directors consisting of five (5) Independent Directors (including two Woman Directors), three (3) Executive Directors and two (2) Non-Executive Directors.

During the Financial Year under review:

1) Mr. Hiroshi Ii rescinded from the position of Executive Director and Chairman with effect from 1 April 2020.

2) Mr. Hitoshi Mogi was appointed as an Additional Director in the capacity of Non-Executive Director of the Company effective from 16 May 2020 and his appointment was confirmed by the shareholders of the Company in the Annual General Meeting held on 23 September 2020. The Board of Directors of the Company in their meeting held on 23 September 2020 appointed Mr. Hitoshi Mogi as Chairman & Managing Director, with remuneration, effective from 24 September 2020 to 31 March 2022.

3) Mr. Akihiko Kawano was re-designated as Dy. Managing Director of the Company effective from 24 September, 2020.

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

1) Mrs. Geeta Mathur

2) Mr. Inder Mohan Singh

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

4) Mr. Hidehito Araki

5) Ms. Hiroko Nose

Your Directors take this opportunity to place on record the appreciation of services rendered by Mr. Hiroshi Ii, during his association as Executive Director and Chairman, with the Company.

Pursuant to the provisions of Section 152(6) read with the Articles of Association of the Company, Mr. Toshiya Miki (DIN: 07505339) 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 2020-21, 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 2020-21 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 – III** 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 - IV(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 2020-21 or part thereof, is attached herewith as **Annexure - IV(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) Acknowledgements

Your Directors acknowledge with gratitude the co-operation and support extended by the Company's customers namely Maruti Suzuki, Mahindra & Mahindra, Tata Motors, Honda, Fiat India, Toyota Kirloskar, John Deere, Club Car, E-z-go, Renault-Nissan, PCA and Isuzu, 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 : 26 May 2021

ANNEXURE - I

CSR REPORT

1. Brief outline on CSR Policy of the Company.

   CSR Activities of JTEKT India Limited are carried out by the company itself. The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website: www.jtekt.co.in.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Lt. Gen. Praveen Bakshi (Retd.)	Chairman (Independent Director)	2	2
2.	Mr. Akihiko Kawano	Member (Dy. Managing Director)	2	1
3.	Mrs. Geeta Mathur	Member (Independent Director)	2	2

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company.

   www.jtekt.co.in

4. Provide the 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 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 7802.16 lakhs

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

   INR156.04 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 156.04 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
1,27,91,826	28,12,502	29.04.2021	--- 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.	LED Solar street lights	Rural development	Yes	Malpura Village, Haryana		6,84,750	Yes	N.A.	N.A.
2.	Services of Computer Teacher	Education	Yes	Banipur Village, Haryana		47,202	Yes	N.A.	N.A.
3.	Community park development	Rural development	Yes	Malpura Village, Haryana		5,59,874	Yes	N.A.	N.A.
4.	Contribution to Bharat Vikas Parishad for CT Scan Machine	Promoting healthcare	Yes	Gurugram, Haryana		1,15,00,000	Yes	N.A.	N.A.
	Total					1,27,91,826			

(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 1,27,91,826

(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)	1,56,04,328
(ii)	Total amount spent for the Financial Year	1,27,91,826
(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.	2019-20	Not required under applicable law	94,56,160	N.A.	N.A.	N.A.	93,06,514*
2.	2018-19		52,88,094				1,08,69,038*
3.	2017-18		75,22,388				74,59,906*

**Pursuant to the applicable law unspent amount was not required to be carry forward in 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.	N.A.	N.A.	N.A.	N.A	N.A.	N.A.	N.A.	N.A.

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 considers Social Responsibility as an integral part of its business activities and endeavours to utilize allocable CSR budget for the benefit of society. JIN's CSR initiatives are on the focus areas approved by the CSR Committee and include healthcare and rural development programs. During the FY 2020-21, the Company has further extended these activities and has significantly increased its financial commitment for these projects. 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. However, the Company has faced unprecedented challenges in the previous year due to outbreak of COVID-19 and therefore the Company's total spend on the CSR activities has been less than the limit prescribed under Companies Act, 2013. The Company has accordingly, in compliance to the applicable Laws, has identified the projects and transferred INR 28,12,502/- (Rupees Twenty Eight Lacs Twelve Thousand Five Hundred Two Only) to the 'JTEKT India Limited – Unspent Corporate Social Responsibility Account' and endeavours to spend the same in Financial Year 2021-22 along with its new identified projects. 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. However as per new amended 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

Akihiko Kawano
Dy. Managing Director
(Member – CSR Committee)
DIN - 8160588

Place : Zirakpur / Gurugram
Date : 25 May 2021

ANNEXURE - II

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

For the financial year ended on March 31, 2021

[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 Requirement, Regulations, 2015]

To,
The Members,
JTEKT India Limited,
(Formerly known as Sona Koyo Steering Systems 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** (Formerly known as Sona Koyo Steering Systems 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 and in view of the second wave of COVID-19 pandemic and as per the guidance issued by the Institute of Company Secretaries of India (ICSI) we have conducted online verification and examination of records / documents by using appropriate information technology tools by virtual data sharing for issue of this report, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2021 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, 2021, 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 (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period);

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period);

(f) 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);

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period)

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit period) and

(i) 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 Equal Remuneration Act, 1976;

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

j) The Minimum Wages Act, 1948;

k) The Payment of Gratuity Act, 1972;

l) The Industrial Employment Standing Orders Act, 1946;

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 & Transboundry 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.

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
Company Secretaries

Krishna Kumar Singh
(Proprietor)
Membership No: 8493
CP No. : 9760
UDIN: F008493C000374892

Place: New Delhi
Date : 26 May 2021

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,
(Formerly known as Sona Koyo Steering Systems 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. In view of lockdown due to COVID-19, we have conducted our verification and examination of the appropriate records/documents provided by company through email and/or other digital mode.

f. 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.

g. 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
Company Secretaries

Krishna Kumar Singh
(Proprietor)
Membership No: 8493
CP No. : 9760

Place: New Delhi
Date : 26 May 2021

ANNEXURE - III

FORM – A : PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

Power and Fuel Consumption		2020-2021						
		Gurugram①	Dharuhera-1②	Chennai③	Sanand④	Dharuhera- 2⑤	Dharuhera-3⑥	Bawal⑦
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	39,828	-	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**

Power and Fuel Consumption		2019-2020						
		Gurugram①	Dharuhera-1②	Chennai③	Sanand④	Dharuhera- 2⑤	Dharuhera-3⑥	Bawal⑦
State Electricity Board								
1. Power Units purchased (KWH)	(Units)	4931037	2956260	2558108	475040	2655260	4197475	2344023
Total Amount	INR	41333454	23252982	22094700	3905091	21264377	34205224	18597120
Rate per unit	INR	8.38	7.87	8.64	8.22	8.01	8.15	7.93
2. Captive Generation DG Set (KWH)	(Units)	98201	109326	163596	-	82864	167537	58028
Amount	INR	1692953	2425370	3787541	-	2288240	2968752	1557512
Rate per unit	INR	17.24	22.18	23.10	-	28.00	17.72	26.84
Fixed Cost	INR	4920000	3576000	-	-	2592000	2592000	-
3. Diesel consumption	(Litres)	26948	38458	54651	-	34892	47508	23555
Total Amount	INR	1692953	2382745	3701741	-	2210806	2968752	1441000
Rate per litre	INR	62.80	61.96	67.73	-	63.36	62.49	62.99
Litre per unit	INR	0.28	0.35	0.33	-	0.42	0.28	0.41
4. Solar Power	(Units)	227338	449686	149836	-	284213	381183	512521
Total Amount	INR	1490426	2928414	958350	-	1893602	2589347	1178798
Rate per unit	INR	6.55	6.52	6.40	-	6.66	6.79	2.30**

* 400 KVA DG repairing cost (INR 9,06,108/-) is included

** 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 2020-21 – INR 0.675 million.**

Above saving achieved by taking the following initiatives:

1) Provided energy efficient motor in FDV area (saving of INR 0.17 million).
2) Installed new solar power plant at R&D & Plant-3 roof 210 KWp (saving of INR 0.22 million).
3) Provided digital timer on FDV starter to stop at lunch/ dinner time (saving of INR 0.27 million).
4) Removed number of tube light in shop floor where lux level is higher than requirement (saving of INR 0.015 million).

② **Total saving achieved at Dharuhera Plant (1) during financial year 2020- 21 – INR 0.7 million.**

Above saving achieved by taking the following initiatives:

1) Installed VFD for cooling tower pump in winter season (saving of INR 0.37 million).
2) Replaced FDV standard motor with energy efficient motors – 8 nos (saving of INR 0.087 million).
3) Installations of timers, independent switches for lights & fans (saving of INR 0.03 million).
4) Replaced FDV water pump to energy efficient pumps (saving of INR 0.015 million).
5) Optimized air compressor pressure setting (saving of INR 0.15 million).
6) Installed motion sensor for light & fan in office area (saving of INR 0.008 million).
7) Reduced air pressure at air guns, eliminated air leakage (saving of INR 0.04 million).

③ **Total saving achieved at Chennai Plant during financial year 2020-21 – INR 0.558 million.**

Above saving achieved by taking the following initiatives:

1) In house solar generation with 98kw PV solar panel - 1.49 lakhs units (saving of INR 0.298 million).
2) Switch off the unwanted running of motor during cycle time by changing the PLC programme sequence (saving of INR 0.040 million).
3) Provided VFD for Broaching machine - 9000 units saved (saving of INR 0.108 million).
4) Conversion of CFL lamps to LED high bay lamp in stores & utility area (saving of INR 0.030 million)
5) In STP area sludge circulation Motor pump running hours reduced from 24 hrs to 4 hrs a day by herbal solution (saving of INR 0.082 million).

④ **Total Saving achieved in Sanand Unit during the financial year 2020-21 – INR 0.031 million.**

Above saving achieved by taking the following initiatives:

1) Implementation of timer circuit programme in the STP and ETP resulting the compressor will run intermittently instead of running continuously (saving of INR 0.0135 million).
2) The compressor for air pressure has been reduced by 0.2 bar. This leads to a reduction in the compressor loading hours (saving of INR 0.017 million).

⑤ **Total saving achieved at Dharuhera Plant (2) during financial year 2020-2021 – INR 0.23 million**

Above saving achieved by taking the following initiatives:

1) Implementation of separate switch to be provided for fans in tool room (saving of INR 0.001 million).
2) Power factor improved to 0.99 in at least three digits (saving of INR 0.11 million).
3) Reduced air pressure of compressor (saving of INR 0.065 million).
4) FDV -1 motor replaced with IE3 motor (2 nos.) (saving of INR 0.002 million).
5) Hydraulic pump location changed from upside to bottom side to change negative suction to positive suction on teeth broach machine to reduce noise and increase energy saving (saving of INR 0.0077 million).
6) Hydraulic pump location changed from upside to bottom side to change negative suction to positive suction on teeth broach machine to reduce noise and increase energy saving (saving of INR 0.012 million).
7) Timer provided for Office AC (saving of INR 0.002 million)
8) Timers provided on Exhaust fan In Toilets, to prevent extra running time (3 No's) (saving of INR 0.001 million).
9) HSG line FDV, one blower run from 15th June 20 (saving of INR 0.02 million).
10) Coolant pumps removed from milling machine on Rack bar-1 line. (saving of INR 0.003 million).
11) Street light connection to be shifted to UPS power to run the light in night on UPS instead of running on DG set (DG running average 2 hours per month in night time) (saving of INR 0.006 million).

⑥ **Total saving achieved at Dharuhera Plant (3) during financial year 2020-21 – INR 0.73 million.**

Above saving achieved by taking the following initiatives:

1) VFD installation in machining plant FDVs (saving of INR 0.6 million).
2) VFD installation in machining plant broach machine (saving of INR 0.06 million).
3) Replacement of 2 nos. of ETP/ STP pump with energy efficient (saving of INR 0.03 million).
4) Replacement of 2 nos. of coolant pump with energy efficient (saving of INR 0.02 million).

5) Eliminate rotary motor on washing machines by KARAKURI (saving of INR 0.02 million).

⑦ **Total saving achieved at Bawal Unit during financial year 2020-21 – INR 0.684 Million**

Above saving achieved by taking the following initiatives:

1) AC run time reduces by coordination between AC & Fan (saving of INR 0.524 million).

2) Plant air pressure reduces from 5.6 to 5.4 bar (saving of INR 0.118 million).

3) VFD installed in one compressor exhaust motor (saving of INR 0.039 million).

4) Energy efficient motor installed in garden pump (saving of INR 0.003 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 proto samples are under bench testing & vehicle trial.
		b) Development of sliding sleeve for "Resin Type of Intermediate Shaft" design for commercial EPS application - in process.
		c) Developing multi-plate friction mechanism for Manual Steering Column for increasing the tilt retention - in process.
		d) Development of Tilt-Telescopic Steering Column for heavy commercial vehicle - in process
		e) In house development of resin coated Sliding Intermediate Shaft for CV segment - completed and implementation in process.
		f) Incorporation of angle sensor by developing mounting arrangement on Manual Steering system.
		g) Development of first time Drive Shaft in JTEKT India for vehicle manufacturer.
		h) Design and development of high strength R&P MS Gear by strengthening of Rack Bar by optimising metallurgical and heat treatment process - in process
		i) Development of CEPS structure by JTEKT India for commercial vehicles - in process.
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 will reduce the cost and import content in the Resin Type Sliding Intermediate Shaft benefitting vehicle manufacturer / end user.
		c) Development of "multi plate friction mechanism" for Column will improve the crash performance of steering column at vehicle level.
		d) Development of Tilt / Telescopic Column for CV will provide ergonomic driving condition for heavy commercial vehicle.
		e) Development of resin coated Intermediate Shaft will enhance strength and durability requirement for commercial vehicle.
		f) Incorporation of angle sensor in Manual Column will help to improve safety of vehicle.
		g) This development will enhance JTEKT India capability and one more efficient and improved local Drive Shaft for Indian customer.
		h) Development of high strength Rack Bar in MS Gear will reduce weight for same strength specification requirement.
		i) This indigenous CEPS development will be cost effective and enable JTEKT India to explore new business.

3.	Information regarding imported technology (Imported during last three years), if any	Not Applicable
	a) Details of technology imported	
	b) Technology import from	
	c) Year of import	
	d) Whether the technology been fully absorbed	
	e) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	
B.	**Research and Development**	
1.	Specific areas in which R&D carried out by the Company.	a) Research and Development work for advanced Electric Power Steering having Torque and angle sensor control and speed sensitive steering assist for passenger car segment have been undertaken. Prototype hardware and software developed and tested. Refinement in motor control software is in progress to achieve better steering feel.
		b) Research and Development work on basic Controller Area Network (CAN) software module undertaken to develop cost effective steering technology with advanced safety features.
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 2.16 lakhs.
		b) Revenue expenditure of INR 121.70 lakhs.

FORM - C : FOREIGN EXCHANGE EARNING AND OUTGO

During the year the Company's export sales amounted to INR 5843.79 lakhs. Foreign Exchange outflow on account of import of raw material, spares and tools during the year was INR 12006.70 lakhs.

ANNEXURE - IV(a)

DETAILS PERTAINING TO REMUNERATION

AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

1. PARTICULARS OF REMUNERATION

The information required under Section 197 of the Act and the Rules made 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 *	10.34
Mr. Sudhir Chopra, Executive Vice Chairman	36.15
Mr. Akihiko Kawano, Dy. Managing Director	14.63

** Mr. Hitoshi Mogi was appointed as Chairman & Managing Director of the Company w.e.f. 24 September 2020*

(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 *	100.00%
Mr. Sudhir Chopra, Executive Vice Chairman	-23.81%
Mr. Akihiko Kawano, Managing Director	-0.58%
Mr. Rajiv Chanana, Chief Financial Officer	1.63%
Mr. Nitin Sharma, Company Secretary	3.87%

** Mr. Hitoshi Mogi was appointed as Chairman & Managing Director of the Company w.e.f. 24 September 2020*

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

9.28%

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

1716

(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 decrease in cost of employees other than managerial personnel in 2020-21 was 8.84%. Percentage increase (+) / decrease (-) in the managerial remuneration for the year was (-) 24.82%.

(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.

ANNEXURE - IV(b)

STATEMENT OF PARTICULARS OF EMPLOYEES

PURSUANT TO PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT 2013 READ WITH COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Sl. NO.	Name	Age (Years)	Designation / Nature of Employment	Remuneration (INR)	Qualification	Experience (Years)	Date of Employment	Last Employment	% of shares held in the Co.	Whether related to any director
1.	Mr. Sudhir Chopra	63	Executive Vice Chairman	1,67,50,142	B.Com, FCS, LL.B.	43	15.05.1993	Samtel India Limited (Company Secretary)	0.00%	No
2.	Mr. Osamu Miyazaki	52	Sr. Vice President	1,92,91,507	B.E. (Mech. Engg.)	29	04.09.2018	JTEKT Corporation, Japan	0.00%	No
3.	Mr. Kenji Okazaki	51	Sr. Vice President	1,72,24,652	Bachelor of Arts (Business Admn)	24	06.04.2018	JTEKT Corporation, Japan	0.00%	No
4.	Mr. Kazuyuki Tamenaga	45	Sr. Vice President	1,71,44,142	B.E. (Mech. Engg.)	22	18.04.2016	JTEKT Corporation, Japan	0.00%	No
5.	Mr. Yoshitaka Shirai	52	Sr. Vice President	1,17,96,081	Graduate in Electronics	34	02.04.2018	JTEKT Corporation, Japan	0.00%	No
6.	Mr. Yuiga Ino	39	Sr. Vice President	1,47,07,573	Master of Philosophy	13	16.10.2017	JTEKT Corporation, Japan	0.00%	No
7.	Mr. Satoshi Kakutani	46	Asst. Vice President	1,50,02,363	Graduate in Materials	20	26.03.2019	JTEKT Corporation, Japan	0.00%	No
8.	Mr. Hironori Yamato	52	Asst. Vice President	1,67,57,110	Degree of Associate of Mech. Engg.	30	03.07.2018	JTEKT Corporation, Japan	0.00%	No
9.	Mr. Kazuyoshi Fukumoto	52	Asst. Vice President	1,71,97,052	Graduate in Mech. Engg.	30	01.08.2018	JTEKT Corporation, Japan	0.00%	No
10.	Mr. Naohiro Yoshida	53	Asst. Vice President	1,59,67,124	Graduate	35	26.03.2016	JTEKT Corporation, Japan	0.00%	No
11.	Mr. Yasunori Imamura	43	General Manager	1,56,33,123	Graduate	20	01.04.2019	JTEKT Corporation, Japan	0.00%	No
12.	Mr. Tsuyoshi Yamada	37	General Manager	1,49,04,173	Graduate	14	03.07.2018	JTEKT Corporation, Japan	0.00%	No
13.	Mr. Takuya Watanabe	50	General Manager	1,32,97,823	Degree of Master of Engineering	15	04.07.2016	JTEKT Corporation, Japan	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.

INDEPENDENT AUDITORS' REPORT

To the Members of JTEKT India Limited
('formerly known as Sona Koyo Steering Systems Limited')

Report on the Audit of the Standalone Financial Statements

1. Opinion

We have audited the Standalone Financial Statements of JTEKT India Limited ('formerly known as Sona Koyo Steering Systems Limited') ("the Company"), which comprise the Standalone Balance Sheet as at 31 March 2021, 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 2021, and Profit and Other Comprehensive Income, Changes in Equity and its Cash Flows for the year ended on that date.

2. 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 we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone Financial Statements.

3. 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 (h) 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 2021 was INR 135,798.25 Lakhs (Previous year INR 154,189.26 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.

4. 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.

5. Management's and Board of Directors' Responsibility 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 of the Company as at 31 March 2021, and Profit 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 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.

6. Auditors' 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 Standalone 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 in the standalone financial statements 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 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 auditors' 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 auditors' 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.

7. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("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 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 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:

   i. The Company has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its Standalone Financial Statements - Refer Note 37B to the Standalone Financial Statements;

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

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

   iv. The disclosures in the Standalone Financial Statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these Standalone Financial Statements since they do not pertain to the financial year ended 31 March 2021.

   (C) With respect to the matter to be included in the Auditors' Report under Section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the 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) 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: 21095109AAAADQ1332

Place: Gurugram
Date : 26 May 2021

Annexure A referred to in our Independent Auditors' Report to the members of JTEKT India Limited ('formerly known as Sona Koyo Steering Systems Limited') on the Standalone Financial Statements for the year ended 31 March 2021.

We report that:

(i) (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) According to the information and explanations given to us, the Company has a regular programme of physical verification of its fixed assets by which all fixed assets (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, plant and machinery and all other category of fixed assets have been physically verified by the management during the year. As informed to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable property is held in the name of the Company, except for:

Situation of immovable property	Nature of immovable property	Gross block as at 31 March 2021 (INR In Lakhs)	Net block as at 31 March 2021 (INR In Lakhs)	Remarks
Haryana	Freehold Land	1,120.69	1,120.69	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 2021.
Haryana	Building	2,457.63	1928.36	
Gujarat	Land	-*	-*	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 2021.

** the Gross block and Net block as at 31 March 2021 of the said Land is INR 1/-*

(ii) According to the information and explanations given to us, the inventories, except good-in-transit and stock lying with third parties, have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable having regard to the size of the Company and nature of its business. For stocks lying with third parties as at the year-end, written confirmation have been obtained. As informed to us, the discrepancies noticed on comparison of physical verification of inventories with book records were not material and have been properly dealt with in the books of account.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act'). Accordingly, paragraph 3 (iii) of the Order is not applicable.

(iv) According to information and explanations given to us and on the basis of our examination of records, we are of the opinion that the Company has complied with the provisions of section 185 and 186 of the Act in respect of investments made by the Company. There are no loans, guarantees and securities provided by the Company as specified under Section 185 and 186 of the Act.

(v) As per the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, para 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.

(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 material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

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, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, GST, Service tax, Duty of excise, Sales tax, Value added tax, Duty of customs and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

Also refer note 37B, 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, Sales tax, Service tax, Value added 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)	8.06	-
Central Excise Act, 1944	Excise Duty	2007-08 & 2008-09	Commissioner of Appeals (Central Excise)	5.75	-
Central Excise Act, 1944	Excise Duty	2008-09	CESTAT, Chennai (Central Excise)	127.92	3.15
Central Excise Act, 1944	Excise Duty	2007-08 to 2011-12	CESTAT, New Delhi (Central Excise)	409.66	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)	214.89	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, there is no default existing at the balance sheet date in repayment of loans or borrowings to banks and financial institutions. The Company did not have any outstanding debentures, or loans or borrowings from government during the year.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Based on our audit procedures and according to information and explanations given by the management, the term loans were applied for the purpose for which they were obtained.

(x) According to the information and explanations given to us, no material fraud by the Company and neither any material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the managerial remuneration has been paid or provided by the Company in accordance with the provisions of Section 197 read with Schedule V of the Act.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanation given to us and on the basis of our examination of the records of the Company, all the transactions with related parties are in compliance with the provisions of Section 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.

(xiv) According to the information and explanation 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, paragraph 3(xiv) of the Order is not applicable.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or person connected with him as referred to in Section 192 of the Companies Act, 2013. Accordingly, paragraph 3 (xv) of the Order is not applicable.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable.

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

Shashank Agarwal
Partner
Membership No. :095109
ICAI UDIN: 21095109AAAADQ1332

Place: Gurugram
Date : 26 May 2021

Annexure B to the Independent Auditors' Report on the Standalone Financial Statements of JTEKT India Limited ('formerly known as Sona Koyo Steering Systems Limited') for the period ended 31 March 2021.

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 (7 (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 ('formerly known as Sona Koyo Steering Systems Limited') ("the Company") as of 31 March 2021 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 2021, 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: 21095109AAAADQ1332

Place: Gurugram
Date: 26 May 2021

STANDALONE BALANCE SHEET

AS AT 31 MARCH 2021

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

Particulars	Notes	As at 31 March 2021	As at 31 March 2020
Assets			
Non-current assets			
Property, plant and equipment	3A	35,827.52	40,204.47
Capital work-in-progress	3A	592.20	151.15
Intangible assets	3B	3,135.86	4,626.88
Right-of-use assets	3C	102.08	142.99
Financial assets			
(i) Investments	4	510.00	510.00
(ii) Loans	5	252.57	252.78
Income tax assets (net)	7	843.27	893.85
Deferred tax assets (net)	19	421.29	-
Other non-current assets	8	478.48	155.73
Total non-current assets		**42,163.27**	**46,937.85**
Current assets			
Inventories	9	12,426.68	10,783.92
Financial assets			
(i) Trade receivables	10	25,675.27	19,639.08
(ii) Cash and cash equivalents	11	6,486.72	4,556.69
(iii) Other bank balances	12	-	129.00
(iv) Loans	5	98.21	109.03
(v) Other financial assets	6	246.30	155.68
Other current assets	13	1,491.62	1,345.85
Total current assets		**46,424.80**	**36,719.25**
Total assets		**88,588.07**	**83,657.10**
Equity and Liabilities			
Equity			
Equity share capital	14	2,444.80	2,444.80
Other equity	15	55,278.90	54,935.07
Total equity		**57,723.70**	**57,379.87**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	16A	1,725.63	1,609.06
(ii) Lease liability	17A	385.30	375.93
Provisions	18	942.58	889.60
Deferred tax liabilities (net)	19	-	79.43
Total non-current liabilities		**3,053.51**	**2,954.02**
Current liabilities			
Financial liabilities			
(i) Borrowings	16B	1,796.57	3,318.33
(ii) Lease liability	17A	4.21	40.57
(iii) Trade payables	20		
Total outstanding dues of micro enterprises and small enterprises		531.78	163.71
Total outstanding dues of creditors other than micro enterprises and small enterprises		20,246.50	14,344.94
(iv) Other financial liabilities	17B	2,860.52	4,169.39
Other current liabilities	21	1,840.50	992.76
Provisions	18	284.23	293.51
Income tax liabilities (net)	22	246.55	-
Total current liabilities		**27,810.86**	**23,323.21**
Total liabilities		**30,864.37**	**26,277.23**
Total equity and liabilities		**88,588.07**	**83,657.10**
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 : 26 May 2021

For and on behalf of the Board of Directors of
JTEKT India Limited
(Formerly known as Sona Koyo Steering Systems Limited)

Hitoshi Mogi
Chairman and Managing Director
DIN 08741355

Sudhir Chopra
Executive Vice Chairman
DIN 00058148

Geeta Mathur
Independent Director
DIN 02139552

Rajiv Chanana
Chief Financial Officer

Nitin Sharma
Company Secretary

New Delhi

Place : Gurugram
Date : 26 May 2021

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH 2021

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

Particulars	Notes	For the year ended 31 March 2021	For the year ended 31 March 2020
Income			
Revenue from operations	23	135,020.39	153,090.21
Other income	24	777.86	1,099.05
Total income (I)		**135,798.25**	**154,189.26**
Expenses			
Cost of materials consumed	25	95,950.64	104,930.05
Purchases of stock-in-trade	26	1,427.25	2,257.41
Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	(747.37)	293.90
Employee benefit expenses	28	18,057.66	20,181.11
Finance costs	29	466.22	989.12
Depreciation and amortisation expense	30	7,793.15	8,651.16
Other expenses	31	11,082.69	13,622.43
Total expenses (II)		**134,030.24**	**150,925.18**
Profit before tax (III = I - II)		**1,768.01**	**3,264.08**
Tax expense			
- Current tax (including tax for earlier years)		1,038.54	1,237.17
- Deferred tax credit		(502.26)	(723.71)
Total tax expense (IV)	32	**536.28**	**513.46**
Profit for the year (V = III - IV)		**1,231.73**	**2,750.62**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Loss on remeasurement of defined benefit obligation		(49.15)	(310.77)
Income tax relating to the above		12.37	78.21
Items that will be reclassified to profit or loss			
Effective portion of gain on cash flow hedge instruments		6.10	19.74
Income tax relating to above		(1.54)	(8.97)
Total other comprehensive income for the year (net of tax) (VI)		**(32.22)**	**(221.79)**
Total comprehensive income for the year (VII = V - VI) (Comprising Profit and Other Comprehensive Income for the year)		**1,199.51**	**2,528.83**
Earnings per equity share :	33		
Basic - Par value of INR 1 per share		0.50	1.13
Diluted - Par value of INR 1 per share		0.50	1.13
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

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Independent Director
DIN 02139552

Rajiv Chanana
Chief Financial Officer

Nitin Sharma
Company Secretary

New Delhi

Place : Gurugram
Date : 26 May 2021

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2021

(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 2020	14	**2,444.80**	**2,444.80**
Issued during the year		-	-
Balance as at 31 March 2021		**2,444.80**	**2,444.80**

B. Other equity

Particulars	Reserves and surplus				Items of other comprehensive income		Total
	Securities Premium	General reserve	Capital reserve*	Retained earnings	Remeasurement of employee benefit obligations	Effective portion of cash flow hedges	
Balance as at 31 March 2019	**8,070.76**	**8,190.71**	**2,434.23**	**36,198.98**	**-**	**(15.33)**	**54,879.35**
Transition impact of Ind AS 116#	-	-	-	(167.66)	-	-	(167.66)
Profit for the year	-	-	-	2,750.62	-	-	2,750.62
Other comprehensive income (net of tax)	-	-	-	-	(232.56)	10.77	(221.79)
Total comprehensive income for the year	**-**	**-**	**-**	**2,582.96**	**(232.56)**	**10.77**	**2,361.17**
Transferred to retained earnings	**-**	**-**	**-**	**(232.56)**	**232.56**	**-**	**-**
Contribution by and distribution to owner							
Dividend on equity shares	-	-	-	(1,955.84)	-	-	(1,955.84)
Dividend Distribution Tax (DDT) - refer note 1	-	-	-	(349.61)	-	-	(349.61)
Balance as at 31 March 2020	**8,070.76**	**8,190.71**	**2,434.23**	**36,243.93**	**-**	**(4.56)**	**54,935.07**
Profit for the year	-	-	-	1,231.73	-	-	1,231.73
Other comprehensive income (net of tax)	-	-	-		(36.78)	4.56	(32.22)
Total comprehensive income for the year	**-**	**-**	**-**	**1,231.73**	**(36.78)**	**4.56**	**1,199.51**
Transferred to retained earnings	**-**	**-**	**-**	**(36.78)**	**36.78**	**-**	**-**
Dividend on equity shares	-	-	-	(855.68)	-	-	(855.68)
Dividend Distribution Tax (DDT) - refer note 1	-	-	-	-	-	-	-
Balance as at 31 March 2021	**8,070.76**	**8,190.71**	**2,434.23**	**36,583.20**	**-**	**-**	**55,278.90**

Notes:

1. During the year ended 31 March 2021 and 31 March 2020, the Company has paid dividend to its shareholders. Further, during the year ended 31 March 2020, this has resulted in payment of Dividend Distribution Tax (DDT) to the taxation authorities. DDT represents additional payment to taxation authorities on behalf of the shareholders. Hence, DDT paid is charged to equity.
2. Refer note 15 for nature and purpose of other equity.

\# Refer note 40

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 : 26 May 2021

For and on behalf of the Board of Directors of
JTEKT India Limited
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Geeta Mathur
Independent Director
DIN 02139552

Rajiv Chanana
Chief Financial Officer

Nitin Sharma
Company Secretary

New Delhi

Place : Gurugram
Date : 26 May 2021

STANDALONE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

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

Particulars		For the year ended 31 March 2021	For the year ended 31 March 2020
(A)	**CASH FLOW FROM OPERATING ACTIVITIES**		
1.	**Profit before tax**	**1,768.01**	**3,264.08**
2.	**Adjustments for:**		
	Depreciation and amortisation expense	7,793.15	8,651.16
	Dividend income	(255.00)	(255.00)
	Interest income	(125.40)	(450.20)
	(Profit) / loss on disposal of property, plant and equipment (net)	(19.98)	9.35
	Provision on obsolescence of inventory	40.00	40.00
	Interest expenses	466.22	989.12
	Unrealized foreign exchange loss	25.06	59.70
3.	**Operating profit before changes in following assets and liabilities (1+2)**	**9,692.06**	**12,308.21**
4.	**Changes in operating assets and liabilities**		
	Decrease in loans	11.03	85.74
	(Increase) in inventories	(1,682.76)	(378.45)
	(Increase) / Decrease in other financial assets	(259.15)	737.99
	(Increase) / Decrease in other assets	(120.30)	250.42
	(Increase) / Decrease in trade receivables	(6,040.08)	7,594.89
	Increase / (Decrease) in other financial liabilities	196.81	(187.39)
	Increase / (Decrease) in other liabilities	847.74	(803.95)
	Increase / (Decrease) in trade payables	6,444.84	(6,799.66)
	(Decrease) in provision	(5.45)	(481.70)
5.	**Cash generated from operating activities (3+4)**	**9,084.74**	**12,326.10**
6.	**Income tax paid (net of refunds)**	**(756.41)**	**(1,572.15)**
7.	**Net cash flow generated from operating activities (5-6)**	**8,328.33**	**10,753.95**
(B)	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment, capital work-in-progress and capital advances	(2,451.99)	(2,629.07)
	Proceeds from disposal of property, plant and equipment	111.10	129.46
	Purchase of intangible assets	(379.17)	(732.36)
	Proceeds from redemption of deposit with original maturity more than 3 months	129.00	27.72
	Dividend received	255.00	255.00
	Interest received	132.75	449.12
	Net cash used in investing activities	**(2,203.31)**	**(2,500.13)**
(C)	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from long-term borrowings	1,254.60	-
	Repayment of long term borrowings	(2,535.06)	(5,872.44)
	Repayment of short-term borrowings (net)	(1,541.78)	(5,722.30)
	Dividend paid	(890.14)	(1,948.19)
	Tax on dividend	-	(349.61)
	Interest paid	(415.83)	(946.87)
	Payment of lease liabilities including interest	(66.78)	(78.85)
	Net cash used in financing activities	**(4,194.99)**	**(14,918.26)**
(D)	**INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)**	**1,930.03**	**(6,664.44)**
	Cash and cash equivalents at the beginning of the year	4,556.69	11,221.13
	Cash and cash equivalents at the end of the year	**6,486.72**	**4,556.69**
	Cash and cash equivalents include :		
	Balances with banks:		
	– In current accounts	31.89	511.66
	– In cash credit accounts	8.18	1.31
	– In dividend accounts#	188.80	223.26
	Bank deposits with original maturity less than 3 months	6,251.00	3,813.00
	Cash on hand	6.85	7.46
	Cash and cash equivalents at the end of the year	**6,486.72**	**4,556.69**

INR 188.80 lakhs (31 March 20 : INR 223.26 lakhs) has restricted use.

STANDALONE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

(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 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 16.
** 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 2019	**9,950.65**	**8,887.62**
Add: non-cash changes due to		
- Others	(0.03)	153.01
Less: cash outflows during the year**	(5,872.44)	(5,722.30)
Closing balance as at 31 March 2020	**4,078.18**	**3,318.33**

* Includes current maturities of non-current borrowings, refer note 16.
** 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 127.91 lakhs for the year ended 31 March 2021 and INR 94.56 lakhs for the year ended 31 March 2020 towards Corporate Social Responsibility (CSR) expenditure (refer note 35).

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 : 26 May 2021

For and on behalf of the Board of Directors of
JTEKT India Limited
(Formerly known as Sona Koyo Steering Systems Limited)

Hitoshi Mogi
Chairman and Managing Director
DIN 08741355

Sudhir Chopra
Executive Vice Chairman
DIN 00058148

Geeta Mathur
Independent Director
DIN 02139552

Rajiv Chanana
Chief Financial Officer

Nitin Sharma
Company Secretary

New Delhi

Place : Gurugram
Date : 26 May 2021

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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

1. Corporate Information

JTEKT India Limited (formerly known as Sona Koyo Steering Systems 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.

Effective 1 April 2016, the Company transitioned to Ind AS while the Financial Statements were being prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (previous GAAP) till 31 March 2017 and the transition was carried out in accordance with Ind AS 101 "First time adoption of Indian Accounting Standards". While carrying out transition, in addition to the mandatory exemptions, the Company had elected to avail certain exemption which are listed as below:

a) Deemed cost exemption on Property, Plant and Equipment

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the Previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

b) Investment in subsidiaries and associates

The Company has elected to continue with the carrying value of all of its investments in subsidiary and associates recognised as of 1 April 2016 (transition date) measured as per the Previous GAAP as its deemed cost as at the date of transition.

c) Leases

Appendix C to the Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with the Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. The Company has elected to avail of the above exemption.

The Standalone Financial Statements of the Company for the year ended 31 March 2021 are approved by the Company's Audit Committee on 25 May 2021 and by the Board of Directors on 26 May 2021.

(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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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

the Standalone Financial Statements is included in the following notes.

Judgements

- Lease classification – Note 40

Estimates

- Recognition and estimation of tax expense including deferred tax– Note 32
- Estimated impairment of financial assets and non-financial assets – Note 2.3(e) and (n)
- Assessment of useful life of property, plant and equipment and intangible asset – Note 2.3(a) and (b)
- Estimation of obligations relating to employee benefits: key actuarial assumptions – Note 38
- Valuation of Inventories – Note 2.3(f)
- Recognition and measurement of provision and contingency: Key assumption about the likelihood and magnitude of an outflow of resources – Note 37
- 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.

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).

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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

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 45 – Financial instrument.

2.2 Changes in significant accounting policies

In respect of new standards and amendments which became effective from 01 April 2020, 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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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

Asset category	Category under which Asset is disclosed	Management estimate of useful life (in years)
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 Schedule 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 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 and 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

Softwares purchased by the Company are amortized on a straight line basis in six years.

- New product development

Amounts paid towards technical know-how fees and other expenses for specifically identified projects/ products being development expenditure is carried forward based on assessment of benefits arising from such expenditure. Such expenditure is amortized over the period of expected future sales from the related product, i.e. the estimated period of 6 years on straight

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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

Effective 1 April 2019, the Company has applied Ind AS 116, 'Leases'. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Company has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 April 2019. As a result, the comparative information has not been restated. The impact of the adoption of the standard on the Standalone Financial Statements of the Company is insignificant. Refer note 40 for further details.

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) 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.

e) 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.

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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.

f) Inventories

Inventories which includes raw materials, components, stores and spares, work in progress, finished goods and loose tools are valued at the lower of cost and net realizable value. However, raw materials, components and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost or in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials and components: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of raw material, components, stores and spares is determined on weighted average basis.

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- Finished goods and work in progress: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Cost is determined on weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The net realizable value of work-in-progress is determined with reference to the selling prices of related finished products.

The comparison of cost and net realizable value is made on an item-by-item basis.

g) 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).

h) 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.

Use of significant judgements in revenue recognition:

a) The Company's contracts with customers could include promises to transfer products to a customer. The Company assesses the products promised in a contract and identifies

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distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

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

c) The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract.

d) The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of 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 and 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.

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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.

i) 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.

j) 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.

k) Earnings per share (EPS)

Basic earnings / (loss) per share are calculated by dividing the net profit or loss for the year attributable to the shareholders of the Company by the weighted average number of equity shares outstanding at the end of the reporting period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to

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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.

l) 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.

m) 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.

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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.

n) 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:

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- 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

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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,

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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 and 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

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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.

o) 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.

p) 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.

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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.

q) 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.

r) Corporate Social Responsibility ("CSR") expenditure

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

s) 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.

t) 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.

u) 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.

v) Recent accounting pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 1 April 2021.

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3A. Property, plant and equipment

Particulars	Gross carrying value				Accumulated depreciation				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
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**

3A. Property, plant and equipment

Particulars	Gross carrying value				Accumulated depreciation				Net block	
Description	As at 1 April 2019	Additions	Sales/ Disposition	As at 31 March 2020	As at 1 April 2019	Depreciation for the year	Disposals	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019
Freehold land#@	5,710.82	-	-	5,710.82	-	-	-	-	5,710.82	5,710.82
Building*#	18,230.71	555.25	-	18,785.96	2,106.22	736.41	-	2,842.63	15,943.33	16,124.49
Lease hold improvements	8.83	7.79	2.25	14.37	8.83	0.65	2.25	7.23	7.14	-
Plant & Machinery	37,143.71	1,710.20	311.50	38,542.41	18,347.83	5,176.88	219.93	23,304.78	15,237.63	18,795.88
Jigs & Fixture	684.69	385.70	1.37	1,069.02	263.76	96.50	0.72	359.54	709.48	420.93
Electric installation	2,158.49	72.38	5.90	2,224.97	1,068.68	291.13	5.27	1,354.54	870.43	1,089.81
Furniture & Fixture	345.36	11.76	3.41	353.71	194.27	34.91	2.08	227.10	126.61	151.09
Office equipment	1,930.14	227.58	12.08	2,145.64	772.34	350.67	12.08	1,110.93	1,034.71	1,157.80
Vehicles	485.21	340.71	73.33	752.59	168.89	116.23	28.70	256.42	496.17	316.32
R&D-Plant & Machinery	181.81	-	-	181.81	92.19	25.83	-	118.02	63.79	89.62
R&D-Office Equipment	11.48	1.61	-	13.09	6.39	2.34	-	8.73	4.36	5.09
Total	**66,891.25**	**3,312.98**	**409.84**	**69,794.39**	**23,029.40**	**6,831.55**	**271.03**	**29,589.92**	**40,204.47**	**43,861.85**

3A. Capital work-in-progress

Particulars	As at 1 April 2019	Additions	Capitalised	As at 31 March 2020
Total	**876.94**	**2,587.19**	**3,312.98**	**151.15**

(i) Contractual obligations

Refer note 37A 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 44.

* Building (Gross block) amounting to INR 1,374.03 lakhs (previous year 31 March 2020 INR 1,374.03 lakhs), net block INR 1,113.07 lakhs (previous year 31 March 2020 INR 1,165.42 lakhs) is constructed on leasehold land.

\# The total block of Building and Freehold land includes land valued at INR 1,120.69 lakhs (previous year INR 1,120.69 lakhs) and factory building having net block of INR 1,928.36 lakhs (previous year INR 2,032.81 lakhs) held in the name of erstwhile JTEKT

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Sona Automotive India Limited ('JSAI'), an associate company, is pending for mutation of name, due to the amalgamation of JSAI with the Company during the year ended 31 March 2019.

@ Freehold land include land in Gujarat having gross block at INR 1.00 (previous year INR 1.00) and the net block at INR 1.00 (previous year INR 1.00). The title deed for the aforesaid land is in the name of erstwhile '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 2021.

3B. 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**

3B. Intangible assets under development

Particulars	As at 1 April 2020	Additions	Capitalised	As at 31 March 2021
Total	**-**	**379.17**	**379.17**	**-**

3B. Intangible assets

Particulars	Gross carrying value				Amortisation				Net block	
Description	As at 1 April 2019	Additions	Sales/ Disposition	As at 31 March 2020	As at 1 April 2019	Amortisation for the year	Disposals	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019
R&D-Computer softwares	31.48	16.70	-	48.18	14.28	8.16	-	22.44	25.74	17.20
Computer softwares	2,154.38	502.51	-	2,656.89	909.21	432.89	-	1,342.10	1,314.79	1,245.17
New product development	7,887.93	268.34	-	8,156.27	3,542.62	1,327.30	-	4,869.92	3,286.35	4,345.31
Total	**10,073.79**	**787.55**	**-**	**10,861.34**	**4,466.11**	**1,768.35**	**-**	**6,234.46**	**4,626.88**	**5,607.68**

3B. Intangible assets under development

Particulars	As at 1 April 2019	Additions	Capitalised	As at 31 March 2020
Total	**55.20**	**732.35**	**787.55**	**-**

3C. Right-of-use assets

Particulars	Gross carrying value				Accumulated depreciation				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
Leasedhold 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**

3C. Right-of-use assets

Particulars	Gross carrying value				Accumulated depreciation				Net block	
Description	As at 1 April 2019	Additions	Sales/ Disposition	As at 31 March 2020	As at 1 April 2019	Depreciation for the year	Disposals	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019
Leasedhold land	-	106.81	-	106.81	-	4.24	-	4.24	102.57	-
Building	-	87.44	-	87.44	-	47.02	-	47.02	40.42	-
Total	**-**	**194.25**	**-**	**194.25**	**-**	**51.26**	**-**	**51.26**	**142.99**	**-**

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4. Investments

Particulars	As at 31 March 2021	As at 31 March 2020
Non-current investments		
Investments at cost		
Investment in subsidiary		
Investments in equity shares (Unquoted)	510.00	510.00
JTEKT Fuji Kiko Automotive India Limited		
(formerly known as Sona Fuji Kiko Automotive Ltd)		
5,099,993 (31 March 2020: 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**

5. Loans

Particulars	As at 31 March 2021		As at 31 March 2020	
	Current	Non-current	Current	Non-current
(Unsecured considered good, unless stated otherwise)				
Security deposits	79.86	248.39	97.04	248.64
Loans to employees	18.35	4.18	11.99	4.14
Total	**98.21**	**252.57**	**109.03**	**252.78**

6. Other financial assets

Particulars	As at 31 March 2021	As at 31 March 2020
	Current	Current
Interest accrued but not due on deposits	2.28	9.63
Forward exchange contracts used for hedging	-	35.04
Interest rate swaps used for hedging*	-	111.01
Unbilled revenue	244.02	-
Total	**246.30**	**155.68**

* Derivative instruments at fair value through profit or loss reflect the positive change in fair value of those cross currency interest rate swaps and principal swaps that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for external currency borrowings.

7. Income tax assets (net)

Particulars	As at 31 March 2021	As at 31 March 2020
Advance income tax and tax deducted at source [net of provisions INR 9,743.83 lakhs (31 March 2020 INR 9,743.83 lakhs)]	843.27	893.85
Total	**843.27**	**893.85**

8. Other non-current assets

Particulars	As at 31 March 2021	As at 31 March 2020
(Unsecured considered good, unless stated otherwise)		
Capital advances	469.13	120.91
Prepaid expenses	9.35	34.82
Total	**478.48**	**155.73**

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9. Inventories

Particulars	As at 31 March 2021	As at 31 March 2020
(Valued at lower of cost and net realisable value)		
Raw materials and components *	5,665.83	4,539.58
Work-in-progress **	1,017.65	1,224.08
Finished goods ***	3,274.57	2,320.75
Stock-in-trade	0.08	0.10
Stores and spares	1,119.55	1,146.89
Loose tools	1,429.00	1,592.52
Total	**12,506.68**	**10,823.92**
Less: Provision on inventory obsolescence	(80.00)	(40.00)
Total	**12,426.68**	**10,783.92**

* Includes material in transit INR 369.30 lakhs (31 March 2020 INR 337.74 lakhs)

** Includes material with the vendors sent for job work INR 89.35 lakhs (31 March 2020 INR 70.31 lakhs)

*** Includes goods in transit INR 1,685.29 lakhs (31 March 2020 INR 1,358.62 lakhs)

Note:

(i) Inventories have been pledged as security for liabilities, for details refer note 44.

10. Trade receivables

Particulars	As at 31 March 2021	As at 31 March 2020
(unsecured and considered good, unless otherwise stated)		
Trade receivables	25,675.27	19,639.08
Total	**25,675.27**	**19,639.08**
Dues from related parties (refer note 39)	12,943.93	8,770.34

Notes :

(i) Trade receivables have been pledged as security for liabilities, for details refer note 44.

(ii) For explanations on the company's exposure to credit, currency and liquidity risk, refer note 46.

11. Cash and cash equivalents

Particulars	As at 31 March 2021	As at 31 March 2020
Cash on hand	6.85	7.46
Balances with banks		
-in current accounts	31.89	511.66
-in cash credit accounts	8.18	1.31
-in dividend accounts#	188.80	223.26
Bank deposits with original maturity less than 3 months	6,251.00	3,813.00
Total	**6,486.72**	**4,556.69**

Notes :

(i) Cash and cash equivalents have been pledged as security for liabilities, for details refer note 44.

(ii) There are no repatriation restrictions with respect to cash and bank balances as at the end of the reporting year and comparative years.

(iii) The disclosures regarding details of specified bank notes held and transacted during the 8 November 2016 to 30 December 2016 has not been made in these Standalone Financial Statements since the requirement does not pertain to the financial year ended 31 March 2021.

Earmarked unpaid dividend accounts are restricted in use as it relates to unclaimed dividends or unpaid dividend.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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

12. Other bank balances

Particulars	As at 31 March 2021	As at 31 March 2020
Bank deposits with original maturity more than 3 months but remaining less than 12 months*	-	129.00
Total	**-**	**129.00**

* Held as margin money Nil (Previous year INR 129.00 lakhs) deposits against bank guarantees

13. Other current assets

Particulars	As at 31 March 2021	As at 31 March 2020
(Unsecured considered good, unless stated otherwise)		
Advance to suppliers	153.03	97.38
Balances with statutory/government authorities	497.45	457.45
Prepaid expenses	618.05	554.51
Claims receivable	223.09	236.32
Other receivable	-	0.19
Total	**1,491.62**	**1,345.85**

Note :

(i) Other current assets have been pledged as security for liabilities, for details refer note 44.

14. Equity share capital

Particulars	As at 31 March 2021	As at 31 March 2020
Authorised capital		
871,000,000 (31 March 2020 : 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 2020 : 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 2021		As at 31 March 2020	
	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) Shares of INR 1/- each fully paid-up in the capital of the Company for every 1,000 (one thousand) fully paid-up Equity Shares of INR 10/- each held in JTEKT Sona Automotive India Limited.

b) Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of INR 1 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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

c) Details of shareholders holding more than 5% shares in the Company

Name of shareholder	As at 31 March 2021		As at 31 March 2020	
	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 2021		As at 31 March 2020	
	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) 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.

15. Other equity

Particulars	As at 31 March 2021	As at 31 March 2020
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	36,243.93	36,198.98
Less: Transition impact of Ind AS 116#	-	(167.66)
Add: profit for the year	1,231.73	2,750.62
Less: dividend on equity shares	(855.68)	(1,955.84)
Less: dividend distribution tax	-	(349.61)
Add: transferred from OCI (remeasurement of employee benefit obligations)	(36.78)	(232.56)
Closing balance	**36,583.20**	**36,243.93**
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'		

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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

Particulars	As at 31 March 2021	As at 31 March 2020
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	(36.78)	(232.56)
Closing balance	**(36.78)**	**(232.56)**
Less: transferred to retained earnings	36.78	232.56
Closing balance	-	-
The remeasurements of defined benefit obligation comprises actuarial gains and losses.		
Effective portion of cash flow hedges		
Balance as at the beginning of the year	(4.56)	(15.33)
Recognised during the period	4.56	10.77
Closing balance	**-**	**(4.56)**
Total	**55,278.90**	**54,935.07**

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.

Refer note 40

16. Borrowings

16A. Non-current borrowings

Particulars	As at 31 March 2021	As at 31 March 2020
Secured loans		
Term loans		
Indian rupee loan from banks	1,410.88	3,179.36
Foreign currency loan from banks	-	898.82
Total secured borrowings (including current maturities)	**1,410.88**	**4,078.18**
Unsecured loan		
Term loan		
Indian rupee loan from bank	1,254.60	-
Total unsecured borrowings (including current maturities)	**1,254.60**	**-**
Total borrowings (including current maturities)	**2,665.48**	**4,078.18**
Less: Current maturities of borrowings (refer note 17B):		
Indian rupee loan from banks	**939.85**	**1,570.30**
Foreign currency loan from banks	**-**	**898.82**
Total current maturities of borrowings	**939.85**	**2,469.12**
Total borrowings (excluding current maturities)	**1,725.63**	**1,609.06**

Notes:

1. Refer note 46 - Financial risk management for liquidity risk.
2. Refer note 44 - Assets pledged as security.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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

16B. Current borrowings

Particulars	As at 31 March 2021	As at 31 March 2020
Secured		
Cash credit and packing credit	389.45	1,173.23
Total secured current borrowings	**389.45**	**1,173.23**
Unsecured		
Cash credit, packing credit and factoring loan from banks	1,407.12	2,145.10
Total unsecured current borrowings	**1,407.12**	**2,145.10**
Total current borrowings	**1,796.57**	**3,318.33**

Notes:

1. Refer note 46 - Financial risk management for liquidity risk.
2. Refer note 44 - Assets pledged as security.

Repayment terms of non current borrowings as specified in note 16A (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 2021	As at 31 March 2020
Secured Indian rupee loans from banks					
1.	Allahabad Bank T/L -2	Repayable in 20 Installments quarterly of INR 200 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) and Land at Mouje: Jalisana, Taluka: Mandal, District: Ahmedabad, Gujarat. Loan has been fully repaid during the year. The Company has regularised satisfaction of charges with the registrar of Companies	-	1,000.00
2.	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	19.21
3.	IDFC Bank	Repayable in 20 Installments quarterly - 4 installments of INR 150 lakhs each, - 4 installments of INR 200 lakhs each, - 1 installment of INR 800 lakhs each, - 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).	1,107.70	1,660.15

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

(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 2021	As at 31 March 2020
4.	Indusind Bank-2	Repayable in 20 Installments quarterly of INR 50 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).	300.00	500.00
			Total	**1,410.88**	**3,179.36**
Secured Foreign currency loan from bank					
1.	Standard Chartered Bank ECB Loan - 6.5 Million	Repayable in 17 Installments Details below:- (1) Loan Amt USD-2 Million Repayment INR 76 lakhs in 17 Installements. (2) Loan Amt USD-2 Million Repayment INR 76 lakhs in 17 Installements. (3) Loan Amt USD-2.5 Million Repayment INR 96 lakhs in 17 Installments.	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) and Land at Mouje: Jalisana, Taluka: Mandal, District: Ahmedabad, Gujarat. Second pari passu charge on all present and future current assets of the Company. Loan has been fully repaid during the year. The Company has regularised satisfaction of charges with the Registrar of Companies	-	898.82
			Total	**-**	**898.82**
Unsecured Indian rupee loan from bank					
1.	MUFG Bank	Repayable in 17 Installments quarterly of INR 73.80 lakhs each	Corporate Guarantee given by parent company "JTEKT Corporation, Japan"	1,254.60	-
	Total borrowings			**2,665.48**	**4,078.18**

Rate of interest : The Company's long term borrowings have weighted average rate of 9.09% in FY-2021 (9.90% p.a. in FY-2020)

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 2021	As at 31 March 2020
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, National Highway No.8, Delhi Jaipur Highway, Gurugram 122001, immovable property land situated at Plot No. 32 and 19, Dharuhera Industrial Area, Phase-2, Dharuhera, District Rewari (Haryana) and Land at Mouje: Jalisana, Taluka: Mandal, District: Ahmedabad, Gujarat.	389.45	1,138.10

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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

Sl. No.	Particulars	Nature of securities of Current borrowings	As at 31 March 2021	As at 31 March 2020
2.	Corporation Bank - Cash Credit	Primary : First pari-passu hypothecation charges on the entire (present & future) current assets of the company along with other banks in Working capital arrangement. Collateral : Second pari-passu charge on 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, immovable property land situated at Plot No. 32 and 19, Dharuhera Industrial Area, Phase-2, Dharuhera, District Rewari (Haryana) and Land at Mouje: Jalisana, Taluka: Mandal, District: Ahmedabad, Gujarat.	-	35.05
3.	Indusind Bank - Cash Credit	Primary : First pari-passu hypothecation charges on the entire (present & future) current assets of the company along with other banks in Working capital arrangement. Collateral : Second pari-passu charge on 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, immovable property land situated at Plot No. 32 and 19, Dharuhera Industrial Area, Phase-2, Dharuhera, District Rewari (Haryana) and Land at Mouje: Jalisana, Taluka: Mandal, District: Ahmedabad, Gujarat.	-	0.08
			389.45	**1,173.23**
Unsecured short-term loan from bank				
1	Sumitomo Mitsui Banking Corporation - Packing Credit	Limits backed by Corporate Guarantee given by parent company "JTEKT Corporation, Japan"	761.57	2,145.10
2	HDFC Bank - Bill Discounting	Unsecured	**645.55**	**-**
			1,407.12	**2,145.10**

17A. Lease liability

Particulars	As at 31 March 2021		As at 31 March 2020	
	Current	Non-current	Current	Non-current
Lease liability (refer note no 40)	4.21	385.30	40.57	375.93
Total	**4.21**	**385.30**	**40.57**	**375.93**

The Company's exposure to liquidity risks related to the above financial liabilities is disclosed in note 46.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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

17B. Other financial liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
	Current	Current
Current maturities of long-term borrowings (refer note no 16A)	939.85	2,469.12
Interest accrued but not due on borrowings	3.79	20.56
Security deposit payables	24.30	16.30
Unclaimed dividends #	188.80	223.26
Forward exchange contracts used for hedging*	141.32	-
Employee dues	1,168.06	950.48
Creditors for capital goods		
Total outstanding dues of micro enterprises and small enterprises@	26.89	55.66
Total outstanding dues of creditors other than micro enterprises and small enterprises@	367.51	434.01
Total	**2,860.52**	**4,169.39**

\# 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 46.

* Derivative instruments at fair value through profit or loss reflect the negative change in fair value of those cross currency interest rate swaps and principal swaps 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.

18. Provisions

Particulars	As at 31 March 2021		As at 31 March 2020	
	Current	Non-current	Current	Non-current
Provision for employee benefits				
Gratuity (refer note no 38)	8.95	104.98	3.42	34.83
Compensated absences (refer note no 38)	185.28	812.72	177.09	827.23
Others				
Provision for warranties*	90.00	24.88	113.00	27.54
Total	**284.23**	**942.58**	**293.51**	**889.60**

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

Particulars	As at 31 March 2021	As at 31 March 2020
At the beginning of the year	140.54	385.00
Additions during the year	79.00	168.16
Utilised during the year	(104.66)	(412.62)
At the end of the year	**114.88**	**140.54**

The provision for warranties relates mainly to inventories sold during the year ended 31 March 2021 and 31 March 2020. The provision is based on estimates made from historical warranty data associated with similar products and also includes specific warranty claim received by the Company from its customers. The Company expects to incur the related expenditure over the next few years.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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

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

Particulars		As at 31 March 2021	As at 31 March 2020
Deferred tax liability arising on account of :			
i)	Property, plant and equipment and intangible assets	-	417.95
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.	46.44	44.97
iii)	Discounting of long term warranty	1.29	1.88
iv)	Measurement of financial liabilities carried at amortised cost	0.15	0.35
v)	Adjustments for derivatives recognised through fair value hedge	-	8.82
Deferred tax asset arising on account of :			
i)	Property, plant and equipment and intangible assets	58.75	-
ii)	Effect of expenditure debited to Statement of Profit and Loss account but allowed for tax purposes in subsequent years	305.09	310.29
iii)	Provision of inventory obsolescence	20.13	10.07
iv)	Adjustments for derivatives recognised through fair value hedge	12.86	-
v)	Adjustments for derivatives recognised through cash flow hedge	-	5.34
vi)	Impact of Ind AS 116	72.34	68.84
Total		**(421.29)**	**79.43**

Movement in deferred tax assets/liability for the year ended 31 March 2021

Particulars	As at 31 March 2020	Transition impact of Ind AS 116 (refer note 40)	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 cash flow hedge	(5.34)	-	1.54	3.80	-
Impact of Ind AS 116	(68.84)	-	-	(3.50)	(72.34)
Total	**79.43**	**-**	**1.54**	**(502.26)**	**(421.29)**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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

Movement in deferred tax assets/liability for the year ended 31 March 2020

Particulars	As at 31 March 2019	Transition impact of Ind AS 116 (refer note 40)	Recognised in other comprehensive income	Recognised in Statement of Profit and Loss	As at 31 March 2020
Deferred tax liability / (assets) :					
Property, plant and equipment, investment property and intangible assets	1,309.93	-	-	(891.98)	417.95
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.	48.29	-	-	(3.32)	44.97
Discounting of long term warranty	2.55	-	-	(0.67)	1.88
Measurement of financial liabilities carried at amortised cost	0.87	-	-	(0.52)	0.35
Adjustments for derivatives recognised through fair value hedge	(33.56)	-	-	42.38	8.82
Effect of expenditure debited to Statement of Profit and Loss account but allowed for tax purposes in subsequent years	(413.70)	-	-	103.41	(310.29)
Provision of inventory obsolescence	(15.83)	-	-	5.76	(10.07)
Adjustments for derivatives recognised through cash flow hedge	(14.32)	-	8.97	0.01	(5.34)
Impact of Ind AS 116	-	(90.06)	-	21.22	(68.84)
Total	**884.23**	**(90.06)**	**8.97**	**(723.71)**	**79.43**

20. Trade payables

Particulars	As at 31 March 2021	As at 31 March 2020
Total outstanding dues of micro enterprises and small enterprises#	531.78	163.71
Total outstanding dues of creditors other than micro enterprises and small enterprises#	20,246.50	14,344.94
Total	**20,778.28**	**14,508.65**
Dues to related parties (refer note 39)	5,317.71	4,674.02

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 creaditers:-

Particulars		As at 31 March 2021	As at 31 March 2020
i)	The principal amount remaining unpaid to any supplier as at the year end.	558.67	219.37
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		**558.67**	**219.37**

The company exposure to currency and liquidity risk related to trade payables is disclosed in note 46.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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

21. Other current liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Advance from customer	415.06	131.55
Statutory dues*	1,425.44	861.21
Total	**1,840.50**	**992.76**

* Taxes payable includes withholding tax, GST etc.

22. Income tax liabilities (net)

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for income tax (net of advance tax and TDS INR 746.32 lakh) (31 March 2020 : Nil)	246.55	-
Total	**246.55**	**-**

23. Revenue from operations

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Sale of products	133,520.16	151,621.35
Sale of services	53.00	321.20
Other operating revenues		
-Scrap sale	731.73	684.45
-Export income	256.57	463.21
-Compensation received	458.93	-
Total	**135,020.39**	**153,090.21**

24. Other income

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Other non operating income		
Interest income on:		
-Bank deposits	117.19	428.96
-Others	8.21	21.24
Rental income	12.20	7.70
Dividend from equity investment	255.00	255.00
Gain on sale of property, plant & equipment (net)	19.98	-
Foreign exchange gain including mark to market valuation (net)	92.47	-
Business support income	183.09	198.35
Miscellaneous income	89.72	187.80
Total	**777.86**	**1,099.05**

25. Cost of materials consumed

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Inventory at the beginning of the year	4,539.58	4,264.08
Add: purchases during the year	97,076.89	105,205.55
Less: inventory at the end of the year	5,665.83	4,539.58
Total	**95,950.64**	**104,930.05**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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

26. Purchases of stock-in-trade

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Purchases of stock-in-trade	1,427.25	2,257.41
Total	**1,427.25**	**2,257.41**

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

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Opening inventories		
Work-in-progress	1,224.08	890.83
Finished goods	2,320.75	2,939.89
Stock-in-trade	0.10	8.11
Closing 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
Net (increase)/decrease	**(747.37)**	**293.90**

28. Employee benefit expenses

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries wages and bonus	15,511.11	17,133.71
Contribution to provident and other funds (refer note 38)	1,018.37	1,114.88
Staff welfare expenses	1,528.18	1,932.52
Total	**18,057.66**	**20,181.11**

29. Finance costs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest to banks	357.82	910.81
Interest on lease liabilities (refer note 40)	39.79	43.38
Interest to others	27.37	12.40
Bank charges	41.24	22.53
Total	**466.22**	**989.12**

30. Depreciation and amortisation expense

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation on property, plant and equipment (refer note 3A)	5,903.77	6,831.55
Amortisation on intangible assets (refer note 3B)	1,848.47	1,768.35
Depreciation on right-of-use assets (refer note 3C & 40)	40.91	51.26
Total	**7,793.15**	**8,651.16**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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

31. Other expenses

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Consumption of stores and spares	1,518.30	1,831.89
Loose tools consumed	1,286.97	1,619.36
Power and fuel	1,714.85	1,975.65
Repairs and maintenance		
-Plant & machinery	590.57	689.20
-Buildings	81.60	113.15
-Others	803.85	731.20
Royalty	1,685.47	2,101.39
Rent (refer note 40)	298.96	382.45
Rates and taxes	50.09	103.42
Insurance	235.72	199.98
Travelling, conveyance and vehicle expenses	253.17	473.61
Communication and stationery expenses	84.04	138.10
Legal and professional charges	355.98	524.91
Security charges	268.80	263.11
Foreign exchange loss including mark to market valuation (net)	-	192.85
Selling expenses*	878.40	1,102.45
Packing material	497.38	532.40
CSR expenditure (refer note 35)	156.04	94.56
Provision on obsolescence of inventory	40.00	40.00
Loss on sale of property, plant & equipment (net)	-	9.35
Director's fees, allowances and expenses	46.50	56.50
Payments to auditors		
As Auditor		
Statutory audit fee	53.00	50.00
Tax audit fee	6.90	6.50
Limited review	23.85	22.50
Other matters	24.05	24.25
Reimbursement of expenses	3.67	5.53
Miscellaneous expenses	124.53	338.12
Total	**11,082.69**	**13,622.43**

*Including recovery of warranty claim of INR 384.62 lakhs (previous year INR 245.22 lakhs), netted off with the selling expenses.

32. Tax expense

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Income tax recognised in the statement of profit or loss:		
Current income tax		
- In respect of the current year	978.24	1,163.34
- In respect of the prior years	60.30	73.83
Deferred tax		
- Relating to origination and reversal of temporary differences	(502.26)	(723.71)
Income tax expenses reported in the statement of profit or loss	**536.28**	**513.46**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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

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 2021		For the year ended 31 March 2020	
Profit for the year		**1,768.01**		**3,264.08**
Statutory income tax rate	25.17%	444.97	25.17%	821.50
Expenditure for which deduction is not allowed under income tax Act	5.48%	96.92	1.47%	48.12
Tax on exempt income/deduction allowed for dividend income from subsidiary	-3.63%	(64.18)	-1.97%	(64.18)
Change in tax rate for future period considered for deferred tax	0.00%	-	-6.93%	(226.18)
Tax pertaining to earlier years	3.41%	60.30	-2.26%	(73.83)
Other deductions	-0.10%	(1.73)	0.25%	8.03
Effective tax rate	**30.33%**	**536.28**	**15.73%**	**513.46**

The Company has elected to exercise the previous year permitted under section 115BAA of the Income Tax Act, 1961 as introduced by Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for income tax and re-measured its Deferred tax assets/liabilities basis the rate prescribed in the said section. The impact of its change has been recognised during the previous year ended 31 March 2020.

Income tax recognised in Other Comprehensive Income

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Deferred tax related to items recognised in OCI during the year:		
Loss on remeasurement of defined benefit obligation	12.37	78.21
Effective portion of gain on cash flow hedge instruments	(1.54)	(8.97)
Income tax expenses reported in Other Comprehensive Income	**10.83**	**69.24**

33. Earnings per equity share

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit attributable to equity shareholders	1,231.73	2,750.62
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	0.50	1.13
Diluted	0.50	1.13

34. 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 2021	As at 31 March 2020
JTEKT Fuji Kiko Automotive India Limited (formerly known as Sona Fuji Kiko Automotive Ltd)	India	Subsidiary	51.00%	51.00%

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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

35. Expenditure on Corporate Social Responsibility (CSR)

Particulars		For the year ended 31 March 2021	For the year ended 31 March 2021
Gross amount required to be spent by the Company as per Section 135 of the Companies Act, 2013		156.04	187.63
Amount approved by the board to be spent during the year		156.04	187.63
Amount spent during the year on:			
a) Construction / acquisition of any asset		-	-
b) On purposes other than (a) above		127.91	94.56
As per Section 135(6) relating on-going projects			
Opening Balance	With Company	-	-
	In Separate CSR Unspent A/c	-	-
Amount required to be spent during the year		156.04	187.63
Amount spent during the year	From Company's bank a/c	127.91	94.56
	From Separate CSR Unspent A/c	-	-
Closing Balance	With Company #	28.13	-
	In Separate CSR Unspent A/c	-	-

The amount has been subsequently deposited in separate CSR Unspent Bank account within 30 days of year end.

36. Research and development expenses (R&D expenses)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2021
Travelling expenses	0.04	0.03
Salary and allowance*	119.63	49.81
Components, tools and spares	1.33	7.58
Others	0.70	0.18
Total	**121.70**	**57.60**

* Salary and allowance are net off recovery from holding company Nil (previous year INR 74.87 lakhs) along with mark up and disclosed under sales of services.

37. Contingent liabilities and commitments (to the extent not provided for)

A. Capital commitments

Particulars	As at 31 March 2021	As at 31 March 2020
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	5,983.83	1,361.82
Total	**5,983.83**	**1,361.82**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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

B. Contingent liabilities

Particulars			As at 31 March 2021	As at 31 March 2020
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	3,021.31
	Cases pending before Appellate authorities in respect of which the company has filed appeals.	2007-08 to 2015-16	758.71	717.97
			3,775.33	**3,739.28**
(b)	**Service tax matters**			
	Show cause notices received and pending with Adjudication Authority	2004-05 to 2017-18	76.10	71.58
	Cases pending before Appellate authorities in respect of which the company has filed appeals.	2009-10 to 2015-16	8.06	7.69
			84.16	**79.27**
(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	1,793.14	1667.84
(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.	2011-12 to 2017-18	53.60	44.78
2.	**Letter of credit opened by banks for purchase of inventory / capital goods**		**-**	**7.46**
Total			**7,222.05**	**7,054.45**

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 year 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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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

38. 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 2021	For the year ended 31 March 2021
a) Employer's contribution to Provident Fund	642.74	663.21
b) Employer's contribution to Superannuation Fund	-	144.34
c) Employer's contribution to Employee State Insurance Corporation	24.47	31.67
d) Punjab labour welfare fund (PLWF)	7.23	7.75
e) Employer's contribution to National Pension Scheme (NPS)	134.11	-
	808.55	**846.97**

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 2021	As at 31 March 2020
Liability for gratuity	3,547.08	3,231.64
Plan assets for gratuity	3,433.15	3,193.39
Net defined benefit liability	113.93	38.25

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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

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

Description	For the year ended 31 March 2021	For the year ended 31 March 2020
Current service cost *	224.92	216.79
Net interest income / (cost)	(16.77)	3.88
Decrease in unrecognised assets	-	-
Expense recognised in the Statement of Profit and Loss	**208.15**	**220.67**
Actuarial loss recognised during the year	49.15	310.77
Amount recognised in the total comprehensive income	**257.30**	**531.44**

* Current service cost includes contribution of LC premium amounting to INR 9.22 lakhs (previous year INR 8.68 lakhs).

(iii) Movement in the present value of defined benefit obligation recognised in the balance sheet is as under:

Description	As at 31 March 2021	As at 31 March 2020
Present value of defined benefit obligation as at the start of the year	**3,231.64**	**2,815.11**
Additions through business combination under common control	-	-
Current service cost	215.70	208.10
Interest cost	206.82	211.13
Actuarial loss on obligation	76.85	286.47
Benefits paid	(183.94)	(289.17)
Present value of defined benefit obligation as at the end of the year	**3,547.07**	**3,231.64**

(iv) Movement in the plan assets recognised in the balance sheet is as under:

Description	As at 31 March 2021	As at 31 March 2020
Fair Value of plan assets at start of the year	**3,193.40**	**2,763.36**
Additions through business combination under common control	-	-
Interest income	223.59	207.25
Employer contribution	172.41	536.26
Benefit paid	(183.94)	(289.17)
Actuarial loss / (gain) on plan assets	27.70	(24.30)
Fair Value of plan assets at the end of the year	**3,433.16**	**3,193.40**

(v) Remeasurement recognised in other comprehensive income is as under:

Description	For the year ended 31 March 2021	For the year ended 31 March 2020
Actuarial loss on defined benefit obligation	76.85	286.47
Return on plan assets excluding interest income	(27.70)	24.30
Amount recognised in Other Comprehensive Income	**49.15**	**310.77**

(vi) Bifurcation of actuarial (gain)/loss on defined benefit obligation:

Description	For the year ended 31 March 2021	For the year ended 31 March 2020
Actuarial loss/(gain) from change in demographic assumption	-	0.59
Actuarial loss from change in financial assumption	104.42	172.77
Actuarial (gain)/loss from experience adjustment	(27.57)	113.11
Amount recognised in the Other Comprehensive Income	**76.85**	**286.47**

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

(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 2021	As at 31 March 2020
Discount rate	6.30%	6.40%
Rate of increase in compensation level	6.00%	5.50%

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 2021	As at 31 March 2020
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%

(viii) Sensitivity analysis for gratuity liability

Description	As at 31 March 2021	As at 31 March 2020
Impact of the change in discount rate		
Present value of obligation at the end of the year	3,547.07	3,231.64
- Impact due to increase of 1%	(169.58)	(157.79)
- Impact due to decrease of 1%	187.12	174.00
Impact of the change in salary increase		
Present value of obligation at the end of the year	3,547.07	3,231.64
- Impact due to increase of 1%	185.83	173.83
- Impact due to decrease of 1%	(171.58)	(160.53)

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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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

(ix) Maturity profile of defined benefit obligation

Description	As at 31 March 2021	As at 31 March 2020
Within next 12 months	518.56	437.89
Between 1-2 years	451.24	421.70
Between 2-3 years	468.07	365.51
Between 3-4 years	388.58	383.05
Between 4-5 years	301.11	309.35
Above 5 years	1,419.51	1,314.13
Total	**3,547.07**	**3,231.63**

(x) Enterprise best estimate of contribution during next year is INR 278.58 lakhs (previous year INR 288.95 lakhs).

C. Other long-term employee benefits

During the year ended 31 March 2021, the Company has created provision for compensated absences towards earned leave amounting to INR 141.24 lakhs (previous year expense of INR 270.58 lakhs). The Company has created provision towards sick leave amounting to INR 12.81 lakhs (previous year INR 0.85 lakhs written back). The Company determines the expense for compensated absences basis the actuarial valuation of present value of the obligation, using the Projected Unit Credit Method.

39. 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 (formerly known as Sona Fuji Kiko Automotive Ltd)	Full year

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 & Managing Director
2. Mr Hiroshi Ii	W.e.f. 15 Apr 2019 up to closing hours of 31 Mar 2020	Executive Chairman
3. Mr. Sudhir Chopra	Up to 17 May 2019	Director (Corporate Affairs) & Company Secretary
	Up to 31 May 2019	Director (Corporate Affairs)
	W.e.f. 01 June 2019	Executive Vice Chairman
4. 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
5. Mr. Hirofumi Matsuoka	Full year	Director
6. Mr. Rajiv Chanana	Full year	Chief Financial Officer
7. Mr. Nitin Sharma	W.e.f. 18 May 2019	Company Secretary
8. Ms. Geeta Mathur	Full year	Independent Director
9. Mr. Hidehito Araki	Full year	Independent Director
10. Ms. Hiroko Nose	Full year	Independent Director
11. Mr. Toshiya Miki	Full year	Nominee of Maruti Suzuki India Limited
12. Mr. Inder Mohan Singh	W.e.f. 18 May 2019	Independent Director
13. Lt. Gen. Praveen Bakshi (Retd)	W.e.f. 18 May 2019	Independent Director
14. Mr. Ravi Bhoothalingam	Up to 9 August 2019	Independent Director

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

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 Machine Industries Co Limited	Full year
7.	Koyo Kowa Co Limited	Full year
8.	Toyoda Micromatic Machinery India Pvt Limited	Full year
9.	Fuji Auto AB Sweden	Full year
10.	Fuji Autotech France	Full year
11.	Koyo Electronics India Pvt Limited	Full year
12.	PT JTEKT Indonesia	Full year
13.	JTEKT Automotive Lyon	Full year
14.	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	-	-	81.25	-	-	-	-	-	81.25	-
Advance received	-	-	-	-	-	-	161.88	-	161.88	-
Cash discount paid	-	-	-	-	-	-	7.91	7.02	7.91	7.02
Commission to Non Executive Director	-	-	-	-	20.50	36.50	-	-	20.50	36.50
Dividend paid	593.46	1,356.48	-	-	0.02	0.04	48.30	110.40	641.78	1,466.92
Dividend received	-	-	255.00	255.00	-	-	-	-	255.00	255.00
Interest income	-	-	-	-	-	-	1.29	16.93	1.29	16.93
Purchase of capital goods	-	-	24.63	10.40	-	-	205.79	158.11	230.42	168.51
Purchase of goods (Including Tax)	5,025.88	5,419.29	10,637.54	12,786.12	-	-	5,151.94	5,283.17	20,815.36	23,488.58
Receiving of services	19.77	50.37	-	-	-	-	-	0.96	19.77	51.33
Reimbursement of expenses paid (including taxes)	1,192.54	1,244.54	-	-	-	-	7.33	24.53	1,199.87	1,269.07
Business support income (including taxes)	-	-	64.80	43.39	-	-	117.98	92.50	182.78	135.89
Rental income (including taxes)	-	-	4.96	4.96	-	-	9.44	4.96	14.40	9.92
Miscellaneous income	30.56	34.72	-	-	-	-	-	4.31	30.56	39.03
Royalty	1,685.47	2,101.39	-	-	-	-	-	-	1,685.47	2,101.39
Short-term employee benefits	-	-	-	-	399.91	553.00	-	-	399.91	553.00
Post employment gratuity	-	-	-	-	8.37	24.08	-	-	8.37	24.08
Sale of capital goods (including taxes)	-	-	-	27.61	-	-	-	-	-	27.61
Sale of goods (net of warranty)#	47.08	35.78	2,267.30	2,630.55	-	-	101,692.74	107,372.67	104,007.12	110,039.00
Sale of services	-	321.20	-	-	-	-	-	-	-	321.20
Director sitting fee	-	-	-	-	23.50	17.25	2.50	1.77	26.00	19.02
Technical support fee	-	266.70	-	-	-	-	1.11	-	1.11	266.70
Corporate guarantee on loans from bank*	2,016.17	2,145.10	-	-	-	-	-	-	2,016.17	2,145.10
Guarantee fee paid	3.45	2.38	-	-	-	-	-	-	3.45	2.38

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

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)	25.73	294.73	373.23	214.92	-	-	12,626.22	8,260.69	13,025.18	8,770.34
Outstanding balance (Credit)	3,456.44	3,295.49	1,264.26	858.93	41.93	73.68	1,267.45	518.92	6,030.08	4,747.02
Investments (Debit)	-	-	510.00	510.00	-	-	-	-	510.00	510.00
Post employement gratuity (Credit)	-	-	-	-	120.48	112.11	-	-	120.48	112.11
Corporate gaurantee on loan (Credit)	2,016.17	2,145.10	-	-	-	-	-	-	2,016.17	2,145.10

* Loans of INR 2,016.17 lakhs (31 March 2020: INR 2145.10 lakhs) against the corporate guarantee given by the holding company, JTEKT Corporation, Japan.

\# Net of warranty claims INR 35.51 lakhs (previous year INR 84.72 lakhs)

40. 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 2021	31 March 2020
Short-term leases	284.79	367.78
Leases of low value assets	14.17	14.67
Total	**298.96**	**382.45**

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 2021	Net carrying amount as on 31 March 2021	Depreciation charge for the year ended 31 March 2020	Net carrying amount as on 31 March 2020
Leasehold land	4.24	98.33	4.24	102.57
Buildings	36.67	3.75	47.02	40.42
Total	**40.91**	**102.08**	**51.26**	**142.99**

C. Amount recognised in Statements of Profit & Loss

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation on right-of-use assets	40.91	51.26
Interest on lease liabilities	39.79	43.38
Rental expenses relating to short term leases	284.79	367.78
Rental expenses relating to leases of low value assets	14.17	14.67
Total	**379.66**	**477.09**

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

D. Amount recognised in Statements of Cash Flows

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Total Cash out flow for the leases	66.78	78.85

E. The weighted average incremental borrowing rate applied to lease liabilities as at 1April 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 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**

31 March 2020	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	66.78	28.38	35.03	36.03	36.03	1,016.76	**1,219.01**
Interest expense	39.79	39.17	40.10	40.54	41.00	601.91	**802.51**
Net present values	**26.99**	**(10.79)**	**(5.07)**	**(4.51)**	**(4.97)**	**414.85**	**416.50**

G. Impact on transition

1. Effective 1 April 2019, the Company adopted Ind AS-116 "Leases", applied to all lease contracts existing as on 1 April 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Accordingly, comparatives for the year ended 31 March 2019 have not been retrospectively adjusted. On transition, the adoption of the new standard resulted in recognition of Right-of-Use asset (ROU) of INR 194.25 lakhs and a lease liability of INR 451.97 lakhs. The cumulative effect of applying the standard resulted in INR 167.66 lakhs being debited to the retained earnings, net of taxes of INR 90.06 lakhs. Accordingly, the Statement of Profit and Loss for the year ended 31 March 2020 includes INR 51.26 lakhs towards amortisation of Right-to-Use Assets and INR 43.38 lakhs as finance cost in relation to unwinding of discount on lease liability with a corresponding impact on rent expense which has reduced by INR 78.85 lakhs due to recognition of operating leases as Right-of-Use Assets and a corresponding lease liability. The net impact on profit after tax for the year ended 31 March 2020 is INR 11.89 lakhs and related impact on earnings per share is INR 0.005 per share (basic and diluted).

2. For contracts in place as at 1 April 2019, Company has elected to apply the definition of a lease from Ind AS 17 and has not applied Ind AS 116 to arrangements that were previously not identified as lease under Ind AS 17.

3. The Company has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of Ind AS 116, being 1 April 2019.

4. Instead of performing an impairment review on the right-of-use assets at the date of initial application, the Company has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of Ind AS 116.

5. On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets the Company has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straightline basis over the remaining lease term.

6. For those leases previously classified as finance leases, the right-of-use asset and lease liability are measured at the date of initial application at the same amounts as under Ind AS 17 immediately before the date of initial application.

7. The Company has benefited from the use of hindsight for determining the lease term when considering options to extend and terminate leases.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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8. The difference between the operating lease commitments disclosed applying Ind AS 17 as at 31 March 2019 in the standalone financial statements for the year then ended and the lease liabilities recognised as at 1 April 2019 in these standalone financial statements is primarily on account of inclusion of extension and termination options reasonably certain to be exercised and exclusion of short term leases for which the Company recognises lease payments as an operating expenses on a straight-line basis over the term of lease, in measuring the lease liability in accordance with Ind AS 116.

41. 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:

Revenue from Operations

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue from external customers		
India	129,176.60	143,294.32
Abroad	5,843.79	9,795.89
Total	**135,020.39**	**153,090.21**

Non current assets

Particulars	As at 31 March 2021	As at 31 March 2020
India	42,163.27	46,937.85
Abroad	-	-
Total	**42,163.27**	**46,937.85**

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

42. 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 2020 and expects such records to be in existence latest by November 2021 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.

43. Dividend

The Board of Directors of the Company in its meeting held on 26 May 2021, proposed a dividend of INR 366.72 lakhs (INR 0.15 per share) to the equity shareholders. The dividend will be remitted post the approval of shareholders in the ensuing Annual General Meeting ('AGM').

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

Remittances by the Company in foreign currency for dividend

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Dividend remitted (gross) (Rupees)	593.49	1,356.56
Number of non resident shareholders	2	2
Number of shares held	169,569,997	169,569,997
Year to which dividend relates	2019-20	2018-19

44. Assets pledged as security

Particulars	As at 31 March 2021	As at 31 March 2020
Current assets		
Financial assets		
Pari-passu charge		
- Trade receivables	25,675.27	19,639.08
- Cash and cash equivalents	6,486.72	4,556.69
- Other bank balances	-	129.00
- Loans	98.21	109.03
- Other financial assets	246.30	155.68
Inventories	12,426.68	10,783.92
Other current assets	1,491.62	1,345.85
Total current assets pledged as security	**46,424.80**	**36,719.25**
Non-current assets		
Pari-passu charge		
- Property, plant and equipment	26,116.18	30,763.27
- Capital work-in-progress	592.20	151.15
- Intangible assets	3,135.86	4,626.88
- Loans	252.57	252.78
- Income tax assets	843.27	893.85
- Other non-current assets	478.48	155.73
Total non-current assets pledged as security	**31,418.56**	**36,843.66**
Total assets pledged as security	**77,843.36**	**73,562.91**

45. Fair value disclosures

i) Fair values hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial statements that are

(a) recognised and measured at fair value and

(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into three levels prescribed under the accounting standard.

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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ii) Financial instruments by category & fair value

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments.

Particulars	Note	Level of hierarchy	As at 31 March 2021				As at 31 March 2020			
			Carrying amount	FVTPL	FVOCI	Amortised cost	Carrying amount	FVTPL	FVOCI	Amortised cost
Financial assets										
Non current										
Loans										
- Security deposits	b		248.39	-	-	248.39	248.64	-	-	248.64
- Loan to employees	b		4.18	-	-	4.18	4.14	-	-	4.14
Current										
Trade receivables	a		25,675.27	-	-	25,675.27	19,639.08	-	-	19,639.08
Cash and cash equivalents	a		6,486.72	-	-	6,486.72	4,556.69	-	-	4,556.69
Other bank balances	a		-	-	-	-	129.00	-	-	129.00
Loans										
- Security deposits	a		79.86	-	-	79.86	97.04	-	-	97.04
- Loan to employees	a		18.35	-	-	18.35	11.99	-	-	11.99
Other financial assets										
- Interest accrued but not due on deposits	a		2.28	-	-	2.28	9.63	-	-	9.63
- Forward exchange contracts used for hedging	d	2	-	-	-	-	35.04	35.04	-	-
- Interest rate swaps used for hedging	d	2	-	-	-	-	111.01	-	111.01	-
- Unbilled revenue	a		244.02	-	-	244.02	-	-	-	-
Total			**32,759.07**	**-**	**-**	**32,759.07**	**24,842.26**	**35.04**	**111.01**	**24,696.21**

Particulars	Note	Level of hierarchy	As at 31 March 2021				As at 31 March 2020			
			Carrying amount	FVTPL	FVOCI	Amortised cost	Carrying amount	FVTPL	FVOCI	Amortised cost
Financial liabilities										
Non current										
Borrowings	c		1,725.63	-	-	1,725.63	1,609.06	-	-	1,609.06
Lease liability	c		385.30	-	-	385.30	375.93	-	-	375.93
Current										
Borrowings	c		1,796.57	-	-	1,796.57	3,318.33	-	-	3,318.33
Lease liability	c		4.21	-	-	4.21	40.57	-	-	40.57
Trade payable										
- Total outstanding dues of micro enterprises and small enterprises	a		531.78	-	-	531.78	163.71	-	-	163.71
- Total outstanding dues of creditors other than micro enterprises and small enterprises	a		20,246.50	-	-	20,246.50	14,344.94	-	-	14,344.94
Other financial liabilities										
- Current maturities of long-term borrowings	a		939.85	-	-	939.85	2,469.12	-	-	2,469.12
- Interest accrued but not due on borrowings	a		3.79	-	-	3.79	20.56	-	-	20.56
- Security deposits	a		24.30	-	-	24.30	16.30	-	-	16.30
- Unclaimed dividends	a		188.80	-	-	188.80	223.26	-	-	223.26
- Forward exchange contracts used for hedging	d	2	141.32	141.32	-	-	-	-	-	-
- Employee dues	a		1,168.06	-	-	1,168.06	950.48	-	-	950.48
- Creditors for capital goods	a		394.40	-	-	394.40	489.67	-	-	489.67
Total			**27,550.51**	**141.32**	**-**	**27,409.19**	**24,021.93**	**-**	**-**	**24,021.93**

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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 2021 and 31 March 2020.

46. 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.

The Company has exposure to the following risks arising from financial instruments

- Credit risk (see (A));
- Liquidity risk (see (B); and .
- Market risk (see (C)). "

Risk Management Framework

The Company's activities makes it susceptible to various risks. The company has taken adequate measures to address such concerns by developing adequate systems and practices. The Company's overall risk management program focuses on the unpredictability of markets and seeks to manage the impact of these risks on the Company's financial performance.

The Company's senior management oversee the management of these risks and advises on financial risks and the appropriate financial risk governance framework for the Company. The Board provides assurance to the shareholders that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.

The Company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market conditions and company's activities. The company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the company. The Audit Committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

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	Cross currency principal interest swaps
Market risk – interest rate risk	Long-term borrowings at variable rates	Sensitivity analysis	Cross currency principal interest swaps

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) Financial assets for which allowance is measured using 12 months expected credit losses.

Particulars	As at 31 March 2021	As at 31 March 2020
Loans	98.21	109.03
Other financials assets	246.30	155.68

(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 2021	0-6 months	6-12 months	More than 12 months
Gross carrying amount	25,675.27	25,589.66	54.20	31.41
Expected credit loss (Loss allowance provision)	-	-	-	-
Carrying amount of trade receivables	25,675.27	25,589.66	54.20	31.41

Particulars	As at 31 March 2020	0-6 months	6-12 months	More than 12 months
Gross carrying amount	19,639.08	19,569.79	58.06	11.23
Expected credit loss (Loss allowance provision)	-	-	-	-
Carrying amount of trade receivables	19,639.08	19,569.79	58.06	11.23

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

(c) The Company's exposure to credit risk for trade receivable by geographic region is as follows:

Particulars	As at 31 March 2021	As at 31 March 2020
India	24,681.91	17,955.90
USA	841.74	1,563.15
France	125.89	113.64
Japan	25.73	5.48
Korea	-	0.90
Total	**25,675.27**	**19,639.08**

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 2021 and 31 March 2020 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 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	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**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

31 March 2020		Contractual cash flows			
	Carrying value as at 31 March 2020	Less than 1 year	1-2 year	2-3 year	More than 3 years
Non derivative financial liabilities					
Borrowings	7,417.07	5,679.12	991.39	619.23	-
Trade payables	14,508.65	14,508.65	-	-	-
Lease liability	416.50	66.78	28.38	35.03	1,088.82
Other financial liabilities					
- Security deposits	16.30	16.30	-	-	-
- Unclaimed dividends	223.26	223.26	-	-	-
- Employee dues	950.48	950.48	-	-	-
- Creditors for capital goods	489.67	489.67	-	-	-
Derivative financial liabilities					
Other financial liabilities					
- Forward exchange contracts used for hedging	-	-	-	-	-
Total	**24,021.93**	**21,934.26**	**1,019.77**	**654.26**	**1,088.82**

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 2021 and 31 March 2020. 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 2021.

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 2021 and 31 March 2020.

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 2021		As at 31 March 2020	
	Foreign currency	Rupee INR	Foreign currency	Rupee INR
Financial assets				
Receivables (trade & others)				
USD	11.55	841.74	20.83	1,563.15
EURO	1.48	125.89	1.38	113.64
JPY	39.32	25.73	7.97	5.48
Financial liabilities				
Payables (trade & other)				
USD	5.45	401.67	14.58	1,106.34
EURO	0.40	35.15	0.15	12.96
JPY	711.63	477.64	1,181.76	833.73
CHF	-	-	0.04	3.41
Borrowings - others				
USD	15.33	1,130.07	34.52	2,619.88

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

(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 2021		As at 31 March 2020	
	Foreign currency	Rupee INR	Foreign currency	Rupee INR
Financial liabilities				
Payables (trade & other)				
USD	7.67	565.33	7.33	556.33
JPY	4,076.52	2,736.16	2,146.14	1,514.10
CHF	0.10	8.01	-	-
Borrowings - ECB				
USD	-	-	11.76	898.82

The following significant exchange rates were applied at the year end:

Particulars	Year end rates	
	As at 31 March 2021	As at 31 March 2020
Financial assets		
Receivables (trade & others)		
USD / INR	72.85	75.05
EURO / INR	85.02	82.14
JPY / INR	0.65	0.69
Financial liabilities		
Payables (trade & other)		
USD / INR	73.70	75.88
EURO / INR	87.15	84.26
JPY / INR	0.67	0.71
Borrowings - ECB & Others		
USD / INR	73.70	75.90

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 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Receivables (trade & others)	Statement of profit and loss	USD	8.42	15.63	(8.42)	(15.63)
	Statement of profit and loss	EURO	1.26	1.14	(1.26)	(1.14)
	Statement of profit and loss	JPY	0.26	0.05	(0.26)	(0.05)
Payables (trade & other)	Statement of profit and loss	USD	(4.02)	(11.06)	4.02	11.06
	Statement of profit and loss	EURO	(0.35)	(0.13)	0.35	0.13
	Statement of profit and loss	JPY	(4.78)	(8.34)	4.78	8.34
	Statement of profit and loss	CHF	-	(0.03)	-	0.03
Borrowings - others	Statement of profit and loss	USD	(11.30)	(26.20)	11.30	26.20

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

(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 2021	Outstanding principal (in Foreign currency) As at 31 March 2020
Currency swap & interest rate swap	Hedge against exposure on loan repayment for USD loan and its interest payments. The interest rate has been swapped to pay fixed interest	USD	-	11.76
Forward contacts	Hedge taken for the purpose of hedging its foreign currency exposures in trade payables / trade receivables	USD	7.67	7.33
Forward contacts	Hedge taken for the purpose of hedging its foreign currency exposures in trade payables / trade receivables	JPY	4,076.52	2,146.14
Forward contacts	Hedge taken for the purpose of hedging its foreign currency exposures in trade payables / trade receivables	CHF	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 2021, 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 2021	As at 31 March 2020
Variable rate borrowing	4,462.05	6,497.69
Fixed rate borrowing	-	898.82
Total borrowings	**4,462.05**	**7,396.51**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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

Sensitivity

Below is the sensitivity of profit or loss and equity changes in interest rates.

Particulars	As at 31 March 2021	As at 31 March 2020
Interest sensitivity*		
Interest rates – increase by 50 bps basis points	22.31	32.49
Interest rates – decrease by 50 bps basis points	(22.31)	(32.49)

** Holding all other variables constant*

(ii) Assets

The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

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.

47. 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 2021	As at 31 March 2020
Total borrowings (includes Non-Current borrowings, current borrowings and current maturities of non current borrowings)	4,462.05	7,396.51
Less : cash and cash equivalent	(6,486.72)	(4,556.69)
Net debt	**(2,024.67)**	**2,839.82**
Total equity	57,723.70	57,379.87
Debt ratio	**(0.04)**	**0.05**

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 2021	As at 31 March 2020
Dividend not recognised at the end of the reporting period:		
Proposed final dividend per share INR 0.15 (31 March 2020: INR 0.35 per share)	366.72	855.68

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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

48. 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.

49. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

50. Previous year figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/ disclosures.

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 : 26 May 2021

For and on behalf of the Board of Directors of
JTEKT India Limited
(Formerly known as Sona Koyo Steering Systems Limited)

Hitoshi Mogi
Chairman and Managing Director
DIN 08741355

Sudhir Chopra
Executive Vice Chairman
DIN 00058148

Geeta Mathur
Independent Director
DIN 02139552

Rajiv Chanana
Chief Financial Officer

Nitin Sharma
Company Secretary

New Delhi

Place : Gurugram
Date : 26 May 2021

INDEPENDENT AUDITORS' REPORT

To the Members of JTEKT India Limited
('formerly known as Sona Koyo Steering Systems Limited')

Report on the Audit of Consolidated Financial Statements

1. Opinion

We have audited the Consolidated Financial Statements of JTEKT India Limited ('formerly known as Sona Koyo Steering Systems 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 2021, 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 2021, of its Consolidated Profit and Other Comprehensive Income, Consolidated Changes in Equity and Consolidated Cash Flows for the year then ended.

2. 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 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.

3. 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 (i) to the Consolidated Financial statements

The key audit matter	How the matter was addressed in our audit
As disclosed in Note 22 and 23 to the Consolidated Financial Statements, the Group's revenue for the year ended 31 March 2021 was INR 133,842.25 Lakhs (Previous year: INR 151,935.24 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.

4. 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 auditors' 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.

5. 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 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 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 is responsible for overseeing the financial reporting process of each company.

6. Auditors' 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 auditors' 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 the internal financial controls with reference to the Consolidated Financial Statements and the operating effectiveness of such controls based on our audit.

- 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 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 auditors' 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 auditors' 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Consolidated Financial Statements of which we are the independent auditors. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Holding Company and such other entity 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 auditors' 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.

7. Report on Other Legal and Regulatory Requirements

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 the Subsidiary Company as on 31 March 2021 taken on record by the Board of Directors of the Holding Company and Subsidiary Company, none of the directors of the Holding Company and Subsidiary Company, incorporated in India is disqualified as on 31 March 2021 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 Consolidated 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 A".

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:

i. The Consolidated Financial Statements disclose the impact of pending litigations as at 31 March 2021 on the Consolidated financial position of the Group. Refer Note 36B to the Consolidated Financial Statements;

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2021;

iii. 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 2021. 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 2021; and

iv. The disclosures in the Consolidated Financial Statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the Consolidated Financial Statements since they do not pertain to the financial year ended 31 March 2021.

C. With respect to the matter to be included in the Auditors' Report under Section 197(16):

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) 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: 21095109AAAADR8919

Place: Gurugram
Date : 26 May 2021

Annexure A to the Independent Auditors' Report on the Consolidated Financial Statements of JTEKT India Limited ('formerly known as Sona Koyo Steering Systems Limited') for the period ended 31 March 2021

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 7(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 2021, we have audited the internal financial controls with reference to consolidated financial statements of JTEKT India Limited ('formerly known as Sona Koyo Steering Systems 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 2021, 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: 21095109AAAADR8919

Place: Gurugram
Date : 26 May 2021

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2021

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

Particulars	Notes	As at 31 March 2021	As at 31 March 2020
Assets			
Non-current assets			
Property, plant and equipment	3A	38,713.39	43,344.28
Capital work-in-progress	3A	1,031.79	195.39
Intangible assets	3B	3,657.99	5,193.09
Intangible assets under development	3B	-	75.23
Right-of-use assets	3C	102.08	142.99
Financial assets			
(i) Loans	4	266.08	264.87
Income tax assets (net)	6	850.17	901.20
Deferred tax assets (net)	18	420.10	-
Other non-current assets	7	479.27	158.13
Total non-current assets		**45,520.87**	**50,275.18**
Current assets			
Inventories	8	13,046.22	11,450.67
Financial assets			
(i) Trade receivables	9	25,385.22	19,411.13
(ii) Cash and cash equivalents	10	6,752.19	6,092.44
(iii) Other bank balances	11	725.00	129.00
(iv) Loans	4	98.63	109.44
(v) Other financial assets	5	258.62	155.78
Other current assets	12	1,535.27	1,377.60
Total current assets		**47,801.15**	**38,726.06**
Total assets		**93,322.02**	**89,001.24**
Equity and Liabilities			
Equity			
Equity share capital	13	2,444.80	2,444.80
Other equity	14	57,408.62	57,118.33
Equity attributable to the owners of the company		**59,853.42**	**59,563.13**
Non-controlling interests		**2,576.06**	**2,619.46**
Total Equity		**62,429.48**	**62,182.59**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	15A	1,725.63	1,609.06
(ii) Lease liability	16A	385.30	375.93
Provisions	17	1,009.70	946.94
Deferred tax liabilities (net)	18	116.83	208.77
Total non-current liabilities		**3,237.46**	**3,140.70**
Current liabilities			
Financial liabilities			
(i) Borrowings	15B	1,796.57	3,318.33
(ii) Lease liability	16A	4.21	40.57
(iii) Trade payables	19		
Total outstanding dues of micro enterprises and small enterprises		571.72	186.98
Total outstanding dues of creditors other than micro enterprises and small enterprises		19,825.53	14,170.60
(iv) Other financial liabilities	16B	2,936.94	4,560.84
Other current liabilities	20	1,952.21	1,087.83
Provisions	17	305.18	312.80
Income tax liabilities (net)	21	262.72	-
Total current liabilities		**27,655.08**	**23,677.95**
Total liabilities		**30,892.54**	**26,818.65**
Total equity and liabilities		**93,322.02**	**89,001.24**
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 : 26 May 2021

For and on behalf of the Board of Directors of
JTEKT India Limited
(Formerly known as Sona Koyo Steering Systems Limited)

Hitoshi Mogi
Chairman and Managing Director
DIN 08741355

Sudhir Chopra
Executive Vice Chairman
DIN 00058148

Geeta Mathur
Independent Director
DIN 02139552

Rajiv Chanana
Chief Financial Officer

Nitin Sharma
Company Secretary

New Delhi

Place : Gurugram
Date : 26 May 2021

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH 2021

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

Particulars	Notes	For the year ended 31 March 2021	For the year ended 31 March 2020
Income			
Revenue from operations	22	133,296.62	151,054.74
Other income	23	545.63	880.50
Total income (I)		**133,842.25**	**151,935.24**
Expenses			
Cost of materials consumed	24	92,361.75	100,848.42
Purchases of stock-in-trade	25	85.52	351.15
Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	(745.13)	285.49
Employee benefit expenses	27	19,470.19	21,357.53
Finance costs	28	472.39	993.41
Depreciation and amortisation expense	29	8,295.10	9,277.53
Other expenses	30	11,851.81	14,525.55
Total expenses (II)		**131,791.63**	**147,639.08**
Profit before tax (III = I - II)		**2,050.62**	**4,296.16**
Tax expense			
- Current tax (including tax for earlier years)		1,195.33	1,607.19
- Deferred tax credit		(513.58)	(823.19)
Total tax expense (IV)	**31**	**681.75**	**784.00**
Profit for the year (V =III - IV)		**1,368.87**	**3,512.16**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Loss on remeasurement of defined benefit obligation		(34.56)	(326.71)
Income tax relating to the above		8.70	82.23
Items that will be reclassified to profit or loss			
Effective portion of gain on cash flow hedge instruments		6.10	19.74
Income tax relating to above		(1.53)	(8.97)
Total other comprehensive income for the year (net of tax) (VI)		**(21.29)**	**(233.71)**
Total comprehensive income for the year (VII=V+VI) (Comprising Profit and Other Comprehensive Income for the year)		**1,347.58**	**3,278.45**
Profit for the year attributable to			
(a) Owners of the Company		1,172.62	3,025.88
(b) Non controlling interest		196.25	486.28
		1,368.87	**3,512.16**
Other comprehensive income for the year attributable to			
(a) Owners of the Company		(26.64)	(227.86)
(b) Non controlling interest		5.35	(5.85)
		(21.29)	**(233.71)**
Total comprehensive income for the year			
(a) Owners of the Company		1,145.98	2,798.02
(b) Non controlling interest		201.60	480.43
		1,347.58	**3,278.45**
Earnings per equity share :	32		
Basic - Par value of INR 1 per share		0.48	1.24
Diluted - Par value of INR 1 per share		0.48	1.24
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 : 26 May 2021

For and on behalf of the Board of Directors of
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Hitoshi Mogi
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Independent Director
DIN 02139552

Rajiv Chanana
Chief Financial Officer

Nitin Sharma
Company Secretary

New Delhi

Place : Gurugram
Date : 26 May 2021

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2021

(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 2020	13	**2,444.80**	**2,444.80**
Issued during the year		-	-
Balance as at 31 March 2021		**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 2019	**8,070.76**	**8,190.71**	**2,434.23**	**38,165.48**	**-**	**(15.33)**	**56,845.85**	**2,434.39**	**59,280.24**
Transition impact of Ind AS 116#	-	-	-	(167.66)	-	-	(167.66)	-	(167.66)
Profit for the year	-	-	-	3,025.88	-	-	3,025.88	486.28	3,512.16
Other comprehensive income (net of tax)	-	-	-	-	(238.64)	10.77	(227.87)	(5.85)	(233.72)
Total comprehensive income for the year	**-**	**-**	**-**	**2,858.22**	**(238.64)**	**10.77**	**2,630.35**	**480.43**	**3,110.78**
Transferred to retained earnings	**-**	**-**	**-**	**(238.64)**	**238.64**	**-**	**-**	**-**	**-**
Dividend on equity shares	-	-	-	(1,955.84)	-	-	(1,955.84)	(245.00)	(2,200.84)
Dividend Distribution Tax (DDT) - refer note 1	-	-	-	(402.03)	-	-	(402.03)	(50.36)	(452.39)
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 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**	**-**	**-**	**-**	**-**
Dividend on equity shares	-	-	-	(855.68)	-	-	(855.68)	(245.00)	(1,100.68)
Dividend Distribution Tax (DDT) - refer note 1	-	-	-	-	-	-	-	-	-
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**

Notes:

1. During the year ended 31 March 2021 and 31 March 2020, the Company has paid dividend to its shareholders. Further, during the year ended 31 March 2020, this has resulted in payment of Dividend Distribution Tax (DDT) to the taxation authorities. DDT represents additional payment to taxation authorities on behalf of the shareholders. Hence, DDT paid is charged to equity.
2. Refer note 14 for nature and purpose of other equity.

\# Refer note 39

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 : 26 May 2021

For and on behalf of the Board of Directors of
JTEKT India Limited
(Formerly known as Sona Koyo Steering Systems Limited)

Hitoshi Mogi
Chairman and Managing Director
DIN 08741355

Sudhir Chopra
Executive Vice Chairman
DIN 00058148

Geeta Mathur
Independent Director
DIN 02139552

Rajiv Chanana
Chief Financial Officer

Nitin Sharma
Company Secretary

New Delhi

Place : Gurugram
Date : 26 May 2021

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

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

	Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
(A)	**CASH FLOW FROM OPERATING ACTIVITIES**		
1.	**Profit before tax**	**2,050.62**	**4,296.16**
2.	**Adjustments for:**		
	Depreciation and amortisation expense	8,295.10	9,277.52
	Interest income	(174.49)	(509.01)
	(Profit) / loss on disposal of property, plant and equipment (net)	(19.98)	12.48
	Provision on obsolescence of inventory	40.00	40.00
	Interest expenses	472.39	993.17
	Unrealized foreign exchange loss	25.06	43.91
3.	**Operating profit before changes in following assets and liabilities (1+2)**	**10,688.70**	**14,154.23**
4.	**Changes in operating assets and liabilities**		
	Decrease in loans	9.61	84.61
	(Increase) in inventories	(1,635.57)	(285.53)
	(Increase) / Decrease in other financial assets	(259.05)	737.89
	(Increase) / Decrease in other assets	(135.74)	277.79
	(Increase) / Decrease in trade receivables	(5,977.98)	7,558.42
	Increase / (Decrease) in other financial liabilities	236.20	(193.58)
	Increase / (Decrease) in other liabilities	864.38	(817.29)
	Increase / (Decrease) in trade payables	6,214.92	(6,593.89)
	Increase / (Decrease) in provision	20.59	(469.53)
5.	**Cash generated from operating activities (3+4)**	**10,026.06**	**14,453.12**
6.	**Income tax paid (net of refunds)**	**(900.27)**	**(1,945.15)**
7.	**Net cash flow generated from operating activities (5-6)**	**9,125.79**	**12,507.97**
(B)	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment, capital work-in-progress and capital advances	(3,000.32)	(2,851.88)
	Proceeds from disposal of property, plant and equipment	111.10	112.54
	Purchase of intangible assets	(709.37)	(1,158.06)
	Proceeds from redemption of deposit with original maturity more than 3 months	(596.00)	27.72
	Interest received	174.67	511.81
	Net cash used in investing activities	**(4,019.92)**	**(3,357.87)**
(C)	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from long-term borrowings	1,254.62	-
	Repayment of long term borrowings	(2,535.06)	(5,872.44)
	Repayment of short-term borrowings (net)	(1,541.78)	(5,722.30)
	Dividend paid	(1,135.14)	(2,243.54)
	Tax on dividend	-	(402.04)
	Interest paid	(421.98)	(950.93)
	Payment of lease liabilities including interest	(66.78)	(78.85)
	Net cash used in financing activities	**(4,446.12)**	**(15,270.10)**
(D)	**Increase/ (Decrease) in cash and cash equivalents (A+B+C)**	**659.75**	**(6,120.00)**
	Cash and cash equivalents at the beginning of the year	6,092.44	12,212.44
	Cash and cash equivalents at the end of the year	**6,752.19**	**6,092.44**
	Cash and cash equivalents include :		
	Balances with banks:		
	– In current accounts	62.36	537.41
	– In cash credit accounts	8.18	1.31
	– In dividend accounts#	188.80	223.26
	Bank deposits with original maturity less than 3 months	6,486.00	5,323.00
	Cash on hand	6.85	7.46
	Cash and cash equivalents at the end of the year	**6,752.19**	**6,092.44**

INR 188.80 lakhs (31 March 20 : INR 223.26 lakhs) has restricted use.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

(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 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 16.

** 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 2019	**9,950.65**	**8,887.62**
Add: non-cash changes due to		
- Others	(0.03)	153.01
Less: cash outflows during the year**	(5,872.44)	(5,722.30)
Closing balance as at 31 March 2020	**4,078.18**	**3,318.33**

* Includes current maturities of non-current borrowings, refer note 16.

** 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 132.91 lakhs for the year ended 31 March 2021 and INR 121.95 lakhs for the year ended 31 March 2020 towards Corporate Social Responsibility (CSR) expenditure (refer note 34).

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 : 26 May 2021

For and on behalf of the Board of Directors of
JTEKT India Limited
(Formerly known as Sona Koyo Steering Systems Limited)

Hitoshi Mogi
Chairman and Managing Director
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Geeta Mathur
Independent Director
DIN 02139552

Rajiv Chanana
Chief Financial Officer

Nitin Sharma
Company Secretary

New Delhi

Place : Gurugram
Date : 26 May 2021

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. Corporate Information

JTEKT India Limited (formerly known as Sona Koyo Steering Systems 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.

Effective 1 April 2016, the Group transitioned to Ind AS while the Financial Statements were being prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (previous GAAP) till 31 March 2017 and the transition was carried out in accordance with Ind AS 101 "First time adoption of Indian Accounting Standards". While carrying out transition, in addition to the mandatory exemptions, the Group had elected to avail certain exemption which are listed as below:

a) Deemed cost exemption on Property, Plant and Equipment

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the Previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Group has elected to measure all of its property, plant and equipment and intangible assets at their Previous GAAP carrying value.

b) Leases

Appendix C to the Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with the Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. The Group has elected to avail of the above exemption.

These Consolidated Financial Statements for the year ended 31 March 2021 are approved by the Parent Company's Audit Committee on 25 May 2021 and its Board of Directors on 26 May 2021.

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 39

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

Estimates

- Recognition and estimation of tax expense including deferred tax– Note 31
- Estimated impairment of financial assets and non-financial assets – Note 2.4(f) and 2.4(o)
- Assessment of useful life of property, plant and equipment and intangible asset – Note 2.4(b) and 2.4(c)
- Estimation of obligations relating to employee benefits: key actuarial assumptions – Note 37
- Valuation of Inventories – Note 2.4(g)
- Recognition and measurement of provision and contingency: Key assumption about the likelihood and magnitude of an outflow of resources – Note 36
- 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.

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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

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 44 – Financial instrument.

2.2 Basis of consolidation

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

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
			2020-21	2019-20	2018-19	
1.	JTEKT Fuji Kiko Automotive India Limited (JFIN) (Formerly known as Sona Fuji Kiko Automotive Limited (SFAL))	Subsidiary	51.00	51.00	51.00	India

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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

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 2020, 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 re-acquired 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

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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.

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

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Asset category	Category under which Asset is disclosed	Management estimate of useful life (in years)
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).

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

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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

Effective 1 April 2019, the Group has applied Ind AS 116, 'Leases'. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Group has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 April 2019. As a result, the comparative information has not been restated. The impact of the adoption of the standard on the Consolidated Financial Statements of the Group is insignificant. Refer note 39 for further details.

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. 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 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

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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.

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:

- 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,

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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 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).

i. 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

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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 and 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 and 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.

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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 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.

k. Segment reporting

Basis for segmentation

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. The Group is primarily engaged in the manufacturing of auto components of four wheeler industry. All operating segments' operating results are reviewed regularly by the Group's Chief Operating Decision Maker ("CODM") to make decisions about resources to be allocated to the segments and assess their performance. CODM believes that these are governed by same set of risk and returns hence CODM reviews as one balance sheet component.

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.

l. Earnings per share (EPS)

Basic earnings / (loss) per share are calculated by dividing the net profit or loss for the year attributable to

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the shareholders of the Group by the weighted average number of equity shares outstanding at the end of the reporting period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, except where the results will be anti-dilutive.

m. 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.

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 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

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than the contribution payable to the respective trust.

The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of five years of service.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method, which recognizes each year of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, 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 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 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:

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- 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

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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.

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.

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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.

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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 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.

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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 Group's cash management.

r. 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.

s. Corporate Social Responsibility ("CSR") expenditure:

CSR expenditure incurred by the Group is charged to the Consolidated Statement of Profit and Loss.

t. 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.

u. 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.

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 Group are aggregated.

w. Recent accounting pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 1 April 2021.

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3A. Property, plant and equipment

Particulars	Gross carrying value				Accumulated depreciation				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
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**

3A. Property, plant and equipment

Particulars	Gross carrying value				Accumulated depreciation				Net block	
Description	As at 1 April 2019	Additions	Sales/ Disposition	As at 31 March 2020	As at 1 April 2019	Depreciation for the year	Disposals	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019
Freehold land#@	6,273.52	-	-	6,273.52	-	-	-	-	6,273.52	6,273.52
Building*#	19,373.07	555.25	-	19,928.32	2,245.46	785.80	-	3,031.26	16,897.06	17,127.61
Lease hold improvements	8.83	7.79	2.25	14.37	8.83	0.65	2.25	7.23	7.14	-
Plant & Machinery	39,862.84	1,925.86	311.50	41,477.20	19,369.68	5,562.90	219.93	24,712.65	16,764.55	20,493.16
Jigs & Fixture	684.69	385.70	1.37	1,069.02	263.76	96.50	0.72	359.54	709.48	420.93
Electric installation	2,276.93	72.38	5.90	2,343.41	1,149.21	308.99	5.27	1,452.93	890.48	1,127.72
Furniture & Fixture	385.61	18.26	3.41	400.46	209.96	41.17	2.08	249.05	151.41	175.65
Office equipment	1,965.72	260.04	12.08	2,213.68	789.90	363.30	12.08	1,141.12	1,072.56	1,175.82
Vehicles	536.84	340.71	82.09	795.46	183.37	123.76	35.02	272.11	523.35	353.47
R&D-Plant & Machinery	181.59	-	-	181.59	105.39	25.83	-	131.22	50.37	76.20
R&D-Office Equipment	11.48	1.61	-	13.09	6.39	2.34	-	8.73	4.36	5.09
Total	**71,561.12**	**3,567.60**	**418.60**	**74,710.12**	**24,331.95**	**7,311.24**	**277.35**	**31,365.84**	**43,344.28**	**47,229.17**

3A. Capital work-in-progress

Particulars	As at 1 April 2019	Additions	Capitalised	As at 31 March 2020
Total	**937.75**	**2,825.24**	**3,567.60**	**195.39**

(i) Contractual obligations

Refer note 36A 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 43.

* Building (Gross block) amounting to INR 1,374.03 lakhs (previous year 31 March 2020 INR 1,374.03 lakhs), net block INR 1,113.07 lakhs (previous year 31 March 2020 INR 1,165.42 lakhs) is constructed on leasehold land.

\# The total block of Building and Freehold land includes land valued at INR 1,120.69 lakhs (previous year INR 1,120.69 lakhs) and factory building having net block of INR 1,928.36 lakhs (previous year INR 2,032.81 lakhs) held in the name of erstwhile JTEKT

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Sona Automotive India Limited ('JSAI'), an associate company, is pending for mutation of name, due to the amalgamation of JSAI with the Company during the year ended 31 March 2019.

@ Freehold land include land in Gujarat having gross block at INR 1.00 (previous year INR 1.00) and the net block at INR 1.00 (previous year INR 1.00). The title deed for the aforesaid land is in the name of erstwhile '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 2021.

3B. 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	2,665.85	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**

3B. Intangible assets under development

Particulars	As at 1 April 2020	Additions	Capitalised	As at 31 March 2021
Total	**75.23**	**379.17**	**454.40**	**-**

3B. Intangible assets

Particulars	Gross carrying value				Amortisation				Net block	
Description	As at 1 April 2019	Additions	Sales/ Disposition	As at 31 March 2020	As at 1 April 2019	Depreciation for the year	Disposals	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019
R&D-Computer softwares	31.48	16.70	-	48.18	14.28	8.16	-	22.44	25.74	17.20
Computer softwares	2,159.97	505.88	-	2,665.85	911.51	433.65	-	1,345.16	1,320.69	1,248.46
New product development	8,377.18	541.60	-	8,918.78	3,598.90	1,473.22	-	5,072.12	3,846.66	4,778.28
Total	**10,568.63**	**1,064.18**	**-**	**11,632.81**	**4,524.69**	**1,915.03**	**-**	**6,439.72**	**5,193.09**	**6,043.94**

3B. Intangible assets under development

Particulars	As at 1 April 2019	Additions	Capitalised	As at 31 March 2020
Total	**55.20**	**1,084.21**	**1,064.18**	**75.23**

3C. Right-of-use assets

Particulars	Gross carrying value				Accumulated Depreciation				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
Leasedhold 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**

3C. Right-of-use assets

Particulars	Gross carrying value				Accumulated Depreciation				Net block	
Description	As at 1 April 2019	Additions	Sales/ Disposition	As at 31 March 2020	As at 1 April 2019	Depreciation for the year	Disposals	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019
Leasedhold land	-	106.81	-	106.81	-	4.24	-	4.24	102.57	-
Building	-	87.44	-	87.44	-	47.02	-	47.02	40.42	-
Total	**-**	**194.25**	**-**	**194.25**	**-**	**51.26**	**-**	**51.26**	**142.99**	**-**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
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4. Loans

Particulars	As at 31 March 2021		As at 31 March 2020	
	Current	Non-current	Current	Non-current
(Unsecured considered good, unless stated otherwise)				
Security deposits	80.28	261.90	97.45	260.73
Loans to employees	18.35	4.18	11.99	4.14
Total	**98.63**	**266.08**	**109.44**	**264.87**

5. Other financial assets

Particulars	As at 31 March 2021	As at 31 March 2020
	Current	Current
Interest accrued but not due on deposits	14.60	9.73
Forward exchange contracts used for hedging	-	35.04
Interest rate swaps used for hedging*	-	111.01
Unbilled revenue	244.02	-
Total	**258.62**	**155.78**

* Derivative instruments at fair value through profit or loss reflect the positive change in fair value of those cross currency interest rate swaps and principal swaps that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for external currency borrowings.

6. Income tax assets (net)

Particulars	As at 31 March 2021	As at 31 March 2020
Advance income tax and tax deducted at source [net of provisions INR 10,109.47 lakhs (31 March 2020 INR 10,109.83 lakhs)]	850.17	901.20
Total	**850.17**	**901.20**

7. Other non-current assets

Particulars	As at 31 March 2021	As at 31 March 2020
(Unsecured considered good, unless stated otherwise)		
Capital advances	469.13	120.91
Prepaid expenses	10.14	37.22
Total	**479.27**	**158.13**

8. Inventories

Particulars	As at 31 March 2021	As at 31 March 2020
(Valued at lower of cost and net realisable value)		
Raw materials and components *	6,131.28	5,062.29
Work-in-progress **	1,044.98	1,224.08
Finished goods ***	3,388.16	2,463.91
Stock-in-trade	0.08	0.10
Stores and spares	1,132.72	1,147.77
Loose tools	1,429.00	1,592.52
Total	**13,126.22**	**11,490.67**
Less: Provision on inventory obsolescence	(80.00)	(40.00)
Total	**13,046.22**	**11,450.67**

* Includes material in transit INR 497.63 lakhs (31 March 2020 INR 465.28 lakhs)

** Includes material with the vendors sent for job work INR 94.23 lakhs (31 March 2020 INR 79.42 lakhs)

*** Includes goods in transit INR 1,685.29 lakhs (31 March 2020 INR 1,358.62 lakhs)

Note:

(i) Inventories have been pledged as security for liabilities, for details refer note 43.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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

9. Trade receivables

Particulars	As at 31 March 2021	As at 31 March 2020
(unsecured and considered good, unless otherwise stated)		
Trade receivables	25,385.22	19,411.13
Total	**25,385.22**	**19,411.13**
Dues from related parties (refer note 38)	12,653.91	8,555.53

Notes :

(i) Trade receivables have been pledged as security for liabilities, for details refer note 43.

(ii) For explanations on the Group's exposure to credit, currency and liquidity risk, refer note 45.

10. Cash and cash equivalents

Particulars	As at 31 March 2021	As at 31 March 2020
Cash on hand	6.85	7.46
Balances with banks		
-in current accounts	62.36	537.41
-in cash credit accounts	8.18	1.31
-in dividend accounts#	188.80	223.26
Bank deposits with original maturity less than 3 months	6,486.00	5,323.00
Total	**6,752.19**	**6,092.44**

Notes :

(i) Cash and cash equivalents have been pledged as security for liabilities, for details refer note 43.

(ii) There are no repatriation restrictions with respect to cash and bank balances as at the end of the reporting year and comparative year.

(iii) The disclosures regarding details of specified bank notes held and transacted during the 8 November 2016 to 30 December 2016 has not been made in these Consolidated Financial Statements since the requirement does not pertain to the financial year ended 31 March 2021.

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 2021	As at 31 March 2020
Bank deposits with original maturity more than 3 months but remaining less than 12 months*	725.00	129.00
Total	**725.00**	**129.00**

* Held as margin money Nil (previous year INR 129.00 lakhs) deposits against bank guarantees

12. Other current assets

Particulars	As at 31 March 2021	As at 31 March 2020
(Unsecured considered good, unless stated otherwise)		
Advance to suppliers	150.67	97.77
Balances with statutory/government authorities	511.95	459.28
Prepaid expenses	649.56	578.89
Claims receivable	223.09	236.32
Other receivable	-	5.34
Total	**1,535.27**	**1,377.60**

Notes :

(i) Other current assets have been pledged as security for liabilities, for details refer note 43.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

13. Equity share capital

Particulars	As at 31 March 2021	As at 31 March 2020
Authorised capital		
871,000,000 (31 March 2020 : 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 2020 : 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 2021		As at 31 March 2020	
	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 Limite 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) Shares 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 2021		As at 31 March 2020	
	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 2021		As at 31 March 2020	
	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) 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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

14. Other equity

Particulars	As at 31 March 2021	As at 31 March 2020
Securities premium		
Balance at the beginning and end of the year	**8,070.76**	**8,070.76**
Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provision of the Companies Act, 2013.		
General reserve		
Balance at the beginning and end of the year	**8,190.71**	**8,190.71**
The general reserve is created from time to time on transfer of profit from retained earnings. General reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified subsequently to Consolidated Statement of Profit and Loss.		
Surplus in the Consolidated Statement of Profit and Loss		
Opening balance	38,427.19	38,165.48
Less: Transition impact of Ind AS 116#	-	(167.66)
Add: profit for the year	1,172.62	3,025.88
Less: dividend on equity shares	(855.68)	(1,955.84)
Less: dividend distribution tax	-	(402.03)
Add: transferred from OCI (remeasurement of employee benefit obligations)	(31.21)	(238.64)
Closing balance	**38,712.92**	**38,427.19**
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'		
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	(31.21)	(238.64)
Total	**(31.21)**	**(238.64)**
Less: transferred to retained earnings	31.21	238.64
Closing balance	-	-
The remeasurements of defined benefit obligation comprises actuarial gains and losses.		
Effective portion of cash flow hedges		
Balance as at the beginning of the year	(4.56)	(15.33)
Recognised during the period	4.56	10.77
Closing balance	**-**	**(4.56)**
Total	**57,408.62**	**57,118.33**

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.

Refer note 39

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
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15. Borrowings

15A. Non-current borrowings

Particulars	As at 31 March 2021	As at 31 March 2020
Secured loans		
Term loans		
Indian rupee loan from banks	1,410.88	3,179.36
Foreign currency loan from banks	-	898.82
Total secured borrowings (including current maturities)	**1,410.88**	4,078.18
Unsecured loan		
Term loan		
Indian rupee loan from bank	1,254.60	-
Total unsecured borrowings (including current maturities)	**1,254.60**	**-**
Total borrowings (including current maturities)	**2,665.48**	4,078.18
Less: Current maturities of borrowings (refer note 16B):		
Indian rupee loan from banks	939.85	1,570.30
Foreign currency loan from banks	-	898.82
Total current maturities of borrowings	**939.85**	2,469.12
Total borrowings (excluding current maturities)	**1,725.63**	1,609.06

Notes:

1. Refer note 45 - Financial risk management for liquidity risk.
2. Refer note 43 - Assets pledged as security.

15B. Current borrowings

Particulars	As at 31 March 2021	As at 31 March 2020
Secured		
Cash credit and packing credit	389.45	1,173.23
Total secured current borrowings	**389.45**	**1,173.23**
Unsecured		
Cash credit, packing credit and factoring loan from banks	**1,407.12**	**2,145.10**
Total unsecured current borrowings	**1,407.12**	**2,145.10**
Total current borrowings	**1,796.57**	**3,318.33**

Notes:

1. Refer note 45 - Financial risk management for liquidity risk.
2. Refer note 43 - 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 2021	As at 31 March 2020
Secured Indian rupee loans from banks					
1.	Allahabad Bank T/L -2	Repayable in 20 Installments quarterly of INR 200 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) and Land at Mouje: Jalisana, Taluka: Mandal, District: Ahmedabad, Gujarat. Loan has been fully repaid during the year. The Company has regularised satisfaction of charges with the registrar of Companies	-	1,000.00

NOTES FORMING PART OF THE CONSOLIDATED 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 2021	As at 31 March 2020
2.	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	19.21
3.	IDFC Bank	Repayable in 20 Installments quarterly - 4 installments of INR 150 lakhs each, - 4 installments of INR 200 lakhs each, - 1 installment of INR 800 lakhs each, - 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) .	1,107.70	1,660.15
4.	Indusind Bank-2	Repayable in 20 Installments quarterly of INR 50 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).	300.00	500.00
				1,410.88	**3,179.36**
Secured Foreign currency loan from bank					
1.	Standard Chartered Bank ECB Loan- 6.5 Million	Repayable in 17 Installments Details below:- (1) Loan Amt USD-2 Million Repayment INR 76 lakhs in 17 Installements. (2) Loan Amt USD-2 Million Repayment INR 76 lakhs in 17 Installements. (3) Loan Amt USD-2.5 Million Repayment INR 96 lakhs in 17 Installments.	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) and Land at Mouje: Jalisana, Taluka: Mandal, District: Ahmedabad, Gujarat. Second Charge pari passu charge on all present and future current assets of the Company. Loan has been fully repaid during the year. The Company has regularised satisfaction of charges with the registrar of Companies	-	898.82
Total				**-**	**898.82**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

Sl. No.	Particulars	Repayment details	Nature of securities of Non-current borrowings	As at 31 March 2021	As at 31 March 2020
Unsecured Indian rupee loan from bank					
1	MUFG Bank	Repayable in 17 Installments quarterly of INR 73.80 lakhs each	Corporate Guarantee given by parent company "JTEKT Corporation, Japan"	1,254.60	-
				1,254.60	**-**
	Total borrowings			**2,665.48**	**4,078.18**

Rate of interest: The Company's long term borrowings have weighted average rate of 9.09% in FY-2021 (9.90 % p.a. in FY-2020)

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 2021	As at 31 March 2020
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, National Highway No.8 Delhi Jaipur Highway Gurugram 122001, immovable property land situated at Plot No. 32 and 19 Dharuhera Industrial Area, Phase-2 Dharuhera, District Rewari (Haryana) and Land at Mouje: Jalisana, Taluka: Mandal, District: Ahmedabad, Gujarat.	389.45	1,138.10
2.	Corporation Bank - Cash Credit	Primary : First paripassu hypothecation charges on the entire (present & future) current assets of the company along with other banks in Working capital arrangement. Collateral : Second pari-passu charge on 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, immovable property land situated at Plot No. 32 and 19 Dharuhera Industrial Area, Phase-2 Dharuhera, District Rewari (Haryana) and Land at Mouje: Jalisana, Taluka: Mandal, District: Ahmedabad, Gujarat.	-	35.05
3.	Induslnd Bank - Cash Credit	Primary : First paripassu hypothecation charges on the entire (present & future) current assets of the company along with other banks in Working capital arrangement. Collateral : Second pari-passu charge on 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, immovable property land situated at Plot No. 32 and 19 Dharuhera Industrial Area, Phase-2 Dharuhera, District Rewari (Haryana) and Land at Mouje: Jalisana, Taluka: Mandal, District: Ahmedabad, Gujarat.	-	0.08
			389.45	**1,173.23**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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

Unsecured short-term loan from bank

Sl. No.	Particulars	Nature of securities of Current borrowings	As at 31 March 2021	As at 31 March 2020
1.	Sumitomo Mitsui Banking Corporation - Packing Credit	Limits backed by Corporate Guarantee given by parent company "JTEKT Corporation, Japan"	761.57	2,145.10
2.	HDFC Bank - Bill Discounting	Unsecured	**645.55**	**-**
			1,407.12	**2,145.10**

16A. Lease liability

Particulars	As at 31 March 2021		As at 31 March 2020	
	Current	Non-current	Current	Non-current
Lease liability (refer note no 39)	4.21	385.30	40.57	375.93
Total	**4.21**	**385.30**	**40.57**	**375.93**

The Group's exposure to currency and liquidity risks related to the above financial liabilities is disclosed in note 45.

16B. Other financial liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
	Current	Current
Current maturities of long-term borrowings (refer note no 15A)	939.85	2,469.12
Interest accrued but not due on borrowings	3.79	20.56
Security deposit payables	24.30	16.30
Unclaimed dividends #	188.80	223.26
Forward exchange contracts used for hedging*	141.32	-
Employee dues	1,242.36	1,014.17
Creditors for capital goods		
Total outstanding dues of micro enterprises and small enterprises@	26.89	57.29
Total outstanding dues of creditors other than micro enterprises and small enterprises@	369.63	760.14
Total	**2,936.94**	**4,560.84**

\# 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 45.

* Derivative instruments at fair value through profit or loss reflect the negative change in fair value of those cross currency interest rate swaps and principal swaps 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 19

17. Provisions

Particulars	As at 31 March 2021		As at 31 March 2020	
	Current	Non-current	Current	Non-current
Provision for employee benefits				
Gratuity (refer note 37)	8.95	104.98	3.42	34.83
Compensated absences (refer note 37)	189.18	871.89	179.33	876.62
Others				
Provision for warranties*	107.05	32.83	130.05	35.49
Total	**305.18**	**1,009.70**	**312.80**	**946.94**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
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***Movement in provision related to warranty during the year:**

Particulars	As at 31 March 2021	As at 31 March 2020
At the beginning of the year	165.54	410.00
Additions during the year	79.00	168.16
(Deletions) in the discounted amount arising from passage of time	(104.66)	(412.62)
At the end of the year	**139.88**	**165.54**

The provision for warranties relates mainly to inventories sold during the year ended 31 March 2021 and 31 March 2020. 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.

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

Particulars		As at 31 March 2021	As at 31 March 2020
Deferred tax liability arising on account of :			
i)	Property, plant and equipment and intangible assets	132.04	561.26
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.	46.44	44.97
iii)	Discounting of long term warranty	1.29	1.88
iv)	Measurement of financial liabilities carried at amortised cost	0.15	0.35
v)	Adjustments for derivatives recognised through fair value hedge	-	8.82
Deferred tax asset arising on account of :			
i)	Property, plant and equipment and intangible assets	58.75	-
ii)	Effect of expenditure debited to Statement of Profit and Loss account but allowed for tax purposes in subsequent years	320.29	322.62
iii)	Provision of inventory obsolescence	20.13	10.07
iv)	Adjustment of unrealized gain / loss	(1.18)	1.64
v)	Adjustments for derivatives recognised through fair value hedge	12.86	-
vi)	Adjustments for derivatives recognised through cash flow hedge	-	5.34
vii)	Impact of Ind AS 116	72.34	68.84
Total		**(303.27)**	**208.77**

Reflected in Balance Sheet as follows:

Deferred tax (assets)/liabilities (net)

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred tax assets	(420.10)	-
Deferred tax liabilities	116.83	-
Deferred tax (assets)/liabilities (net)	**(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 116.83 lakhs as at 31 March 2021 pertaining to the subsidiary company is not offset with the deferred tax assets of the Company.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

Movement in deferred tax assets/liability for the year ended 31 March 2021

Particulars	As at 31 March 2020	Transition impact of Ind AS 116 (refer note 39)	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	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)**

Movement in deferred tax asset/liability for the year ended 31 March 2020

Particulars	As at 31 March 2019	Transition impact of Ind AS 116 (refer note 39)	Recognised in other comprehensive income	Recognised in Statement of Profit and Loss	As at 31 March 2020
Deferred tax liability / (assets) :					
Property, plant and equipment, investment property and intangible assets	1,512.85	-	-	(951.59)	561.26
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.	48.27	-	-	(3.30)	44.97
Discounting of long term warranty	2.55	-	-	(0.67)	1.88
Adjustment of undistributed profit of subsidiary	41.53	-	-	(41.53)	-
Measurement of financial liabilities carried at amortised cost	0.87	-	-	(0.52)	0.35
Adjustments for derivatives recognised through fair value hedge	(33.56)	-	-	42.38	8.82
Effect of expenditure debited to Statement of Profit and Loss account but allowed for tax purposes in subsequent years	(424.42)	-	-	101.78	(322.62)
Provision of inventory obsolescence	(15.83)	-	-	5.76	(10.07)
Adjustment of unrealized gain / loss	(4.91)	-	-	3.27	(1.64)
Adjustments for derivatives recognised through cash flow hedge	(14.32)	-	8.97	0.01	(5.34)
Impact of Ind AS 116	-	(90.06)	-	21.22	(68.84)
Total	**1,113.03**	**(90.06)**	**8.97**	**(823.19)**	**208.77**

19. Trade payables

Particulars	As at 31 March 2021	As at 31 March 2020
Total outstanding dues of micro enterprises and small enterprises#	571.72	186.98
Total outstanding dues of creditors other than micro enterprises and small enterprises	19,825.53	14,170.60
Total	**20,397.25**	**14,357.58**
Dues to related parties (refer note 38)	4,325.06	4,216.37

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.

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Total outstanding dues of micro enterprises and small enterprises including capital creditors:-

Particulars		As at 31 March 2021	As at 31 March 2020
i)	The principal amount remaining unpaid to any supplier as at the year end.	598.61	244.27
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		**598.61**	**244.27**

The Group exposure to currency and liquidity risk related to trade payables is disclosed in note 45.

20. Other current liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Advance from customer	415.06	131.55
Statutory dues*	1,537.15	956.28
Total	**1,952.21**	**1,087.83**

* Taxes payable includes withholding tax, GST etc.

21. Income tax liabilities (net)

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for income tax (net of advance tax and TDS INR 891.96 lakh) (31 March 2020 : Nil)	262.72	-
Total	**262.72**	**-**

22. Revenue from operations

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Sale of products	131,777.27	149,568.65
Sale of services	53.00	321.20
Other operating revenues		
-Scrap sale	750.85	701.67
-Export income	256.57	463.22
-Compensation received	458.93	-
Total	**133,296.62**	**151,054.74**

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

23. Other income

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Other non operating income		
Interest income on:		
-Bank deposits	166.28	487.77
-Others	8.21	21.24
Rental income	8.00	7.70
Gain on sale of property, plant & equipment (net)	19.98	4.04
Foreign exchange gain including mark to market valuation (net)	122.97	8.26
Business support income	183.09	198.35
Miscellaneous income	37.10	153.14
Total	**545.63**	**880.50**

24. Cost of materials consumed

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Inventory at the beginning of the year	5,062.29	4,880.31
Add: purchases during the year	93,430.74	101,030.40
Less: inventory at the end of the year	6,131.28	5,062.29
Total	**92,361.75**	**100,848.42**

25. Purchases of stock-in-trade

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Purchases of stock-in-trade	85.52	351.15
Total	**85.52**	**351.15**

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

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Opening inventories		
Work-in-progress	1,224.08	890.83
Finished goods	2,463.91	3,074.64
Stock-in-trade	0.10	8.11
Closing 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**
Net (increase)/decrease	**(745.13)**	**285.49**

27. Employee benefit expenses

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries wages and bonus	16,728.13	18,129.27
Contribution to provident and other funds (refer note 37)	1,088.03	1,168.73
Staff welfare expenses	1,654.03	2,059.53
Total	**19,470.19**	**21,357.53**

28. Finance costs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest to banks	360.63	913.85
Interest on lease liabilities (refer note 39)	39.79	43.38
Interest to others	28.90	12.71
Bank charges	43.07	23.47
Total	**472.39**	**993.41**

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29. Depreciation and amortisation expense

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation on property, plant and equipment (refer note 3A)	6,275.32	7,311.24
Amortisation on intangible assets (refer note 3B)	1,978.87	1,915.03
Depreciation on right-of-use assets (refer note 3C & 39)	40.91	51.26
Total	**8,295.10**	**9,277.53**

30. Other expenses

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Consumption of stores and spares	1,581.86	1,936.17
Loose tools consumed	1,358.82	1,619.36
Power and fuel	1,804.66	2,065.51
Repairs and maintenance		
-Plant & machinery	702.46	886.07
-Buildings	108.12	159.25
-Others	840.67	802.98
Royalty	1,845.10	2,306.20
Rent (refer note 39)	308.48	393.72
Rates and taxes	55.50	108.13
Insurance	247.00	207.00
Travelling, conveyance and vehicle expenses	278.59	506.91
Communication and stationery expenses	92.81	148.34
Legal and professional charges	380.93	548.35
Security charges	290.34	283.74
Foreign exchange loss including mark to market valuation (net)	-	192.85
Selling expenses*	888.94	1,113.02
Packing material	519.42	538.42
CSR expenditure (refer note 34)	184.64	121.96
Provision on obsolescence of inventory	40.00	40.00
Loss on sale of property, plant & equipment	-	16.52
Director's fees, allowances and expenses	52.00	64.25
Payments to auditors		
As Auditor		
Statutory audit fee	60.50	56.75
Tax audit fee	9.40	8.75
Limited review	27.06	25.71
Other matters	27.05	27.75
Reimbursement of expenses	3.95	6.34
Miscellaneous expenses	143.51	341.50
Total	**11,851.81**	**14,525.55**

* Including recovery of warranty claim of INR 384.62 lakhs (previous year INR 245.22 lakhs), netted off with the selling expenses.

31. Tax expense

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Income tax recognised in the statement of profit or loss:		
Current income tax		
- In respect of the current year	1,135.01	1,533.36
- In respect of the prior years	60.32	73.83
Deferred tax		
- Relating to origination and reversal of temporary differences	(513.58)	(823.19)
Income tax expenses reported in the statement of profit or loss	**681.75**	**784.00**

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

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 2021		For the year ended 31 March 2020	
Profit for the year		**2,050.62**		**4,296.16**
Statutory income tax rate	25.17%	516.10	25.17%	1,081.26
Expenditure for which deduction is not allowed under income tax Act	5.08%	104.12	1.26%	54.00
Change in tax rate for future period considered for deferred tax	0.00%	-	-5.74%	(246.75)
Deferred tax created on undistributed profit of subsidiary	0.00%	-	-0.97%	(41.53)
Tax pertaining to earlier years	2.94%	60.32	-1.72%	(73.83)
Other deductions	0.06%	1.21	0.25%	10.85
Effective tax rate	**33.25%**	**681.75**	**18.25%**	**784.00**

The Group has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Group has recognised provision for income tax for the year ended 31 March 2020 and re-measured its Deferred tax assets/liabilities basis the rate prescribed in the said section. The impact of its change has been recognised during the previous year ended 31 March 2020.

Income tax recognised in Other Comprehensive Income

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Deferred tax related to items recognised in OCI during the year:		
Loss on remeasurement of defined benefit obligation	8.70	82.23
Effective portion of gain on cash flow hedge instruments	(1.53)	(8.97)
Income tax expenses reported in Other Comprehensive Income	**7.17**	**73.26**

32. Earnings per equity share

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit attributable to equity shareholders	1,172.62	3,025.88
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	0.48	1.24
Diluted	0.48	1.24

33. Group information

(i) Information about subsidiary

The Group's details at 31 March 2021 is set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of the entity	Principal place of business	Country of incorporation	% equity Interest	
			As at 31 March 2021	As at 31 March 2020
JTEKT Fuji Kiko Automotive India Limited (formerly known as Sona Fuji Kiko Automotive Limited)	Automobile industry	India	51.00%	51.00%

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
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(ii) Additional information as required under Schedule III to the Companies Act, 2013.

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 (formerly known as Sona Fuji Kiko Automotive 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)**	**-**	**-**	**-19.54%**	**(263.35)**
Total	**100.00%**	**62,429.48**	**100.00%**	**1,368.87**	**100.00%**	**(21.29)**	**100.00%**	**1,347.58**

As at 31 March 2020

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	92.28%	57,379.87	78.32%	2,750.62	94.90%	(221.79)	77.13%	2,528.83
Subsidiary - Indian								
JTEKT Fuji Kiko Automotive India Limited (formerly known as Sona Fuji Kiko Automotive Limited)	8.60%	5,345.82	28.26%	992.40	5.11%	(11.94)	29.91%	980.46
Elimination	-0.87%	(543.10)	-6.57%	(230.86)	-0.01%	0.02	-7.04%	(230.84)
Total	**100.00%**	**62,182.59**	**100.00%**	**3,512.16**	**100.00%**	**(233.71)**	**100.00%**	**3,278.45**

(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.

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

Summarised balance sheet	JTEKT Fuji Kiko Automotive India Limited (formerly known as Sona Fuji Kiko Automotive Limited)	
	As at 31 March 2021	As at 31 March 2020
Current assets	3,036.35	3,105.20
Current liabilities	1,481.73	1,438.97
Net current assets	**1,554.62**	**1,666.23**
Non-current assets	3,886.57	3,867.90
Non-current liabilities	183.96	188.31
Net non-current assets	**3,702.61**	**3,679.59**
Net Assets	**5,257.23**	**5,345.82**
Accumulated NCI	**2,576.05**	**2,619.46**

Summarised statement of profit and loss	JTEKT Fuji Kiko Automotive India Limited (formerly known as Sona Fuji Kiko Automotive Limited)	
	Year ended 31 March 2021	Year ended 31 March 2020
Revenue	8,359.05	9,997.64
Profit for the year	400.49	992.41
Other comprehensive gain / (loss) income(net of tax)	10.93	(11.94)
Total comprehensive income	**411.42**	**980.47**
Total comprehensive income allocated to NCI	201.60	480.43

Summarised cash flow statements	JTEKT Fuji Kiko Automotive India Limited (formerly known as Sona Fuji Kiko Automotive Limited)	
	Year ended 31 March 2021	Year ended 31 March 2020
Cash flows from operating activities	766.41	1,753.00
Cash flows from investing activities	(1,533.88)	(602.74)
Cash flows from financing activities	(502.81)	(605.82)
Net (decrease) / increase in cash and cash equivalents	**(1,270.28)**	**544.44**

34. Expenditure on Corporate Social Responsibility (CSR)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Gross amount required to be spent by the Company as per Section 135 of the Companies Act, 2013	184.63	215.03
Amount approved by the board to be spent during the year	184.63	215.03
Amount spent during the year on:		
a) Construction / acquisition of any asset	-	-
b) On purposes other than (a) above	132.91	121.96

As per Section 135(6) relating Ongoing Projects

Opening Balance	With Company	-	-
	In Separate CSR Unspent A/c	-	-
Amount required to be spent during the year		184.63	215.03
Amount spent during the year	From Company's bank a/c	132.91	121.96
	From Separate CSR Unspent A/c	-	-
Closing Balance	With Company #	51.72	-
	In Separate CSR Unspent A/c	-	-

The amount has been subsequently deposited in separate CSR Unspent Bank account within 30 days of year end.

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35. Research and development expenses (R&D expenses)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Travelling expenses	0.04	0.03
Salary and allowance*	119.63	49.81
Components, tools and spares	1.33	7.58
Others	0.70	0.18
Total	**121.70**	**57.60**

* Salary and allowance are net off recovery from holding company Nil (previous year INR 74.87 lakhs) along with mark up and disclosed under sales of services.

36. Contingent liabilities and commitments (to the extent not provided for)

A. Capital commitments

Particulars	As at 31 March 2021	As at 31 March 2020
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	5,989.45	1,372.02
Total	**5,989.45**	**1,372.02**

B. Contingent liabilities

Particulars	Period covered	As at 31 March 2021	As at 31 March 2020
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	3,021.31
Cases pending before Appellate authorities in respect of which the Group has filed appeals.	2007-08 to 2015-16	758.71	717.97
		3,775.33	**3,739.28**
(b) Service tax matters			
Show cause notices received and pending with Adjudication Authority	2004-05 to 2017-18	76.10	71.58
Cases pending before Appellate authorities in respect of which the Group has filed appeals.	2009-10 to 2015-16	8.06	7.69
		84.16	**79.27**
(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	1,793.14	1,667.84
(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.	2011-12 to 2017-18	53.60	44.78
2. Letter of credit opened by banks for purchase of inventory / capital goods		**-**	**7.46**
Total		**7,222.05**	**7,054.45**

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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 year 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.

37. 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 2021	For the year ended 31 March 2021
a) Employer's contribution to Provident Fund	678.99	698.64
b) Employer's contribution to Superannuation Fund	-	144.34
c) Employer's contribution to Employee State Insurance Corporation	27.75	35.25
d) Punjab labour welfare fund (PLWF)	8.00	8.37
e) Employer's contribution to National Pension Scheme (NPS)	134.11	-
	848.85	**886.60**

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.

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(i) Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets:

Description	As at 31 March 2021	As at 31 March 2020
Liability for gratuity	3,687.63	3,363.38
Plan assets for gratutiy	3,601.85	3,346.28
Net defined benefit liability /(assets)	**85.78**	**17.46**

As per Ind-AS 19, the subsidiary company has not recognised net defined benefit assets of INR 28.14 lakh (previous year 20.79 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 2021	As at 31 March 2020
Current service cost *	248.35	240.93
Net interest income / (cost)	(18.18)	1.75
Decrease in unrecoginsed assets	7.34	(7.16)
Expense recognised in the Statement of Profit and Loss	**237.51**	**235.52**
Actuarial loss recognised during the year	34.55	326.72
Amount recognised in the total comprehensive income	**272.06**	**553.55**

* Current service cost includes contribution of LIC premium amounting to INR 9.22 lakhs (previous year INR 8.68 lakhs).

(iii) Movement in the present value of defined benefit obligation recognised in the balance sheet is as under:

Description	As at 31 March 2021	As at 31 March 2020
Present value of defined benefit obligation as at the start of the year	**3,363.74**	**2,902.10**
Additions through business combination under common control	-	-
Current service cost	239.13	232.24
Interest cost	215.80	217.77
Actuarial loss on obligation	61.85	301.82
Benefits paid	(192.89)	(290.55)
Present value of defined benefit obligation as at the end of the year	**3,687.63**	**3,363.74**

(iv) Movement in the plan assets recognised in the balance sheet is as under:

Description	As at 31 March 2021	As at 31 March 2020
Fair Value of plan assets at start of the year	**3,346.28**	**2,878.68**
Additions through business combination under common control	-	-
Interest income	233.99	216.01
Employer contribution	178.22	565.66
Benefit paid	(183.94)	(289.17)
Actuarial loss / (gain) on plan assets	27.30	(24.90)
Fair Value of plan assets at the end of the year	**3,601.85**	**3,346.28**

(v) Remeasurement recognised in other comprehensive income is as under:

Description	For the year ended 31 March 2021	For the year ended 31 March 2020
Actuarial loss on defined benefit obligation	61.85	301.82
Return on plan assets excluding interest income	(27.30)	24.90
Amount recognised in Other Comprehensive Income	**34.55**	**326.72**

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(vi) Bifurcation of actuarial (gain)/loss on defined benefit obligation:

Description	For the year ended 31 March 2021	For the year ended 31 March 2020
Actuarial loss/(gain) from change in demographic assumption	-	0.59
Actuarial loss from change in financial assumption	104.42	190.34
Actuarial (gain) / loss from experience adjustment	(42.57)	110.74
Amount recognised in the Other Comprehensive Income	**61.85**	**301.67**

(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 2021	As at 31 March 2020
Discount rate	6.30% to 6.80%	6.40% to 6.80%
Rate of increase in compensation level	6.0% to 10.0%	5.5% 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 2021	As at 31 March 2020
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 2021	As at 31 March 2020
Impact of the change in discount rate		
Present value of obligation at the end of the year	3,687.63	3,363.74
- Impact due to increase of 1%	(192.18)	(179.30)
- Impact due to decrease of 1%	215.25	200.85
Impact of the change in salary increase		
Present value of obligation at the end of the year	3,687.63	3,363.74
- Impact due to increase of 1%	212.77	199.55
- Impact due to decrease of 1%	(193.77)	(181.65)

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.

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(ix) Maturity profile of defined benefit obligation

Description	As at 31 March 2021	As at 31 March 2020
Within next 12 months	520.21	439.38
Between 1-2 years	452.93	423.23
Between 2-3 years	469.79	367.09
Between 3-4 years	390.35	384.66
Between 4-5 years	305.23	310.99
Above 5 years	1,549.12	1,438.37
Total	**3,687.63**	**3,363.72**

(x) Group's best estimate of contribution during next year is INR 278.58 lakhs (previous year INR 293.79 lakhs).

C. Other long-term employee benefits

During the year ended 31 March 2021, the Group has created provision for compensated absences towards earned leave amounting to INR 154.35 lakhs (previous year expense of INR 290.34 lakhs). The Group has created provision towards sick leave amounting to INR 21.87 lakhs (previous year written back INR 0.85 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.

38. 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 & Managing Director
2. Mr Hiroshi Ii	W.e.f. 15 Apr 2019 up to closing hours of 31 Mar 2020	Executive Chairman
3. Mr. Sudhir Chopra	Up to 17 May 2019	Director (Corporate Affairs) & Company Secretary
	Up to 31 May 2019	Director (Corporate Affairs)
	W.e.f. 01 June 2019	Executive Vice Chairman
4. 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
5. Mr. Hirofumi Matsuoka	Full year	Director
6. Mr. Rajiv Chanana	Full year	Chief Financial Officer
7. Mr. Nitin Sharma	W.e.f. 18 May 2019	Company Secretary
8. Ms. Geeta Mathur	Full year	Independent Director
9. Mr. Hidehito Araki	Full year	Independent Director
10. Ms. Hiroko Nose	Full year	Independent Director
11. Mr. Toshiya Miki	Full year	Nominee of Maruti Suzuki India Limited
12. Mr. Inder Mohan Singh	W.e.f. 18 May 2019	Independent Director
13. Lt. Gen. Praveen Bakshi (Retd)	W.e.f. 18 May 2019	Independent Director
14. Mr. Ravi Bhoothalingam	Up to 9 August 2019	Independent Director

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(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 Machine Industries Co Limited	Full year
7. Koyo Kowa Co Limited	Full year
8. Toyoda Micromatic Machinery India Pvt Limited	Full year
9. Fuji Auto AB Sweden	Full year
10. Fuji Autotech France	Full year
11. Koyo Electronics India Pvt Limited	Full year
12. PT JTEKT Indonesia	Full year
13. JTEKT Automotive Lyon	Full year
14. Fuji Autotech Thailand Company Ltd.	Full year
15. Fuji Kiko Company Limited	Full year
16. PT Autotech Indonesia	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	-	-	-	-	161.88	-	161.88	-
Cash discount paid	-	-	-	-	7.91	7.02	7.91	7.02
Commission to Non Executive Director	-	-	20.50	36.50	-	-	20.50	36.50
Dividend paid	593.46	1,356.48	0.02	0.04	293.30	355.40	886.78	1,711.92
Interest income	-	-	-	-	1.29	16.93	1.29	16.93
Purchase of capital goods	-	-	-	-	312.53	450.55	312.53	450.55
Purchase of goods (including tax)	5,025.88	5,419.29	-	-	6,434.79	6,804.11	11,460.67	12,223.40
Receiving of services	19.77	50.37	-	-	12.85	7.54	32.62	57.91
Reimbursement of expenses paid (including taxes)	1,192.54	1,244.54	-	-	259.23	84.10	1,451.77	1,328.64
Reimbursement of expenses recovered (including taxes)	-	-	-	-	4.29	6.28	4.29	6.28
Business support income (including taxes)	-	-	-	-	117.98	92.50	117.98	92.50
Rental income (including taxes)	-	-	-	-	9.44	4.96	9.44	4.96
Miscellaneous income	30.56	34.72	-	-	-	4.31	30.56	39.03
Royalty	1,685.47	2,101.39	-	-	159.63	204.81	1,845.10	2,306.20
Short-term employee benefits	-	-	399.91	553.00	-	-	399.91	553.00
Post-employment gratuity	-	-	8.37	24.08	-	-	8.37	24.08
Sale of goods (net of warranty)#	47.08	35.78	-	-	101,696.86	107,374.07	101,743.94	107,409.85
Sale of services	-	321.20	-	-	-	-	-	321.20
Directors sitting fee	-	-	27.25	22.75	2.50	1.77	29.75	24.52
Technical support fee	-	266.70	-	-	1.11	-	1.11	266.70
Corporate guarantee on loans from bank	2,016.17	2,145.10	-	-	-	-	2,016.17	2,145.10
Gurantee fee paid	3.45	2.38	-	-	-	-	3.45	2.38
Outstanding balance (Debit)	25.73	294.73	-	-	12,628.18	8,260.80	12,653.91	8,555.53
Outstanding balance (Credit)	3,456.44	3,295.49	41.93	73.68	1,561.60	920.20	5,059.97	4,289.37
Post employement gratuity (Credit)	-	-	120.48	112.11	-	-	120.48	112.11
Corporate gaurantee on loan (Credit)	2,016.17	2,145.10	-	-	-	-	2,016.17	2,145.10

* Loans of INR 2,016.17 lakhs (31 March 2020: INR 2,145.10 lakhs) against the corporate guarantee given by the holding company, JTEKT Corporation, Japan.

\# Net of warranty claims INR 35.51 Lakhs (previous year INR 84.72 lakhs)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
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39. Lease related disclosures

The Group has leases for land, office buildings, warehouses and related facilities, cars and other office equipments. With the exception of short-term leases, leases of low-value underlying assets and leases with variable lease payments, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and right of use assets. The Group classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublease the asset to another party, the right-of-use asset can only be used by the Group. Some leases contain an option to extend the lease for a further term. The Group is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings and other premises the Group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Group is required to pay maintenance fees in accordance with the lease contracts.

A. Lease payments not included in measurement of lease liability

The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	31 March 2021	31 March 2020
Short-term leases	294.31	374.10
Leases of low value assets	14.17	19.62
Total	**308.48**	**393.72**

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 2021	Net carrying amount as on 31 March 2021	Depreciation charge for the year ended 31 March 2020	Net carrying amount as on 31 March 2020
Leasedhold land	4.24	98.33	4.24	102.57
Buildings	36.67	3.75	47.02	40.42
Total	**40.91**	**102.08**	**51.26**	**142.99**

C. Amount recognised in Statements of Profit & Loss:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation on right-of-use assets	40.91	51.26
Interest on lease liabilities	39.79	43.38
Rental expenses relating to short term leases	294.31	374.10
Rental expenses relating to leases of low value assets	14.17	19.62
Total	**389.18**	**488.36**

D. Amount recognised in Statements of cash flows:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Total Cash out flow for the leases	66.78	78.85

E. The weighted average incremental borrowing rate applied to lease liabilities as at 1 April 2019 is 9.95%.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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F. Maturity of lease liabilities

The lease liabilities are secured by the related underlying assets. Future minimum lease payments were as follows:

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**

31 March 2020	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	66.78	28.38	35.03	36.03	36.03	1,016.76	**1,219.01**
Interest expense	39.79	39.17	40.10	40.54	41.00	601.91	**802.51**
Net present values	**26.99**	**(10.79)**	**(5.07)**	**(4.51)**	**(4.97)**	**414.85**	**416.50**

G. Impact on transition

1. Effective 1 April 2019, the Group adopted Ind AS-116 "Leases", applied to all lease contracts existing as on 1 April 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Accordingly, comparatives for the year ended 31 March 2019 have not been retrospectively adjusted. On transition, the adoption of the new standard resulted in recognition of Right-of-Use asset (ROU) of INR 194.25 lakhs and a lease liability of INR 451.97 lakhs. The cumulative effect of applying the standard resulted in INR 167.66 lakhs being debited to the retained earnings, net of taxes of INR 90.06 lakhs. Accordingly, the Statement of Profit and Loss for the year ended 31 March 2020 includes INR 51.26 lakhs towards amortisation of Right-to-Use Assets and INR 43.38 lakhs as finance cost in relation to unwinding of discount on lease liability with a corresponding impact on rent expense which has reduced by INR 78.85 lakhs due to recognition of operating leases as Right-of-Use Assets and a corresponding lease liability. The net impact on profit after tax for the year ended 31 March 2020 is INR 11.89 lakhs and related impact on earnings per share is INR 0.005 per share (basic and diluted).

2. For contracts in place as at 1 April 2019, Group has elected to apply the definition of a lease from Ind AS 17 and has not applied Ind AS 116 to arrangements that were previously not identified as lease under Ind AS 17.

3. The Group has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of Ind AS 116, being 1 April 2019.

4. Instead of performing an impairment review on the right-of-use assets at the date of initial application, the Group has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of Ind AS 116.

5. On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets the Group has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straightline basis over the remaining lease term.

6. For those leases previously classified as finance leases, the right-of-use asset and lease liability are measured at the date of initial application at the same amounts as under Ind AS 17 immediately before the date of initial application.

7. The Group has benefited from the use of hindsight for determining the lease term when considering options to extend and terminate leases.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
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8. The difference between the operating lease commitments disclosed applying Ind AS 17 as at 31 March 2019 in the consolidated financial statements for the year then ended and the lease liabilities recognised as at 1 April 2019 in these standalone financial statements is primarily on account of inclusion of extension and termination options reasonably certain to be exercised and exclusion of short term leases for which the Group recognises lease payments as an operating expenses on a straight-line basis over the term of lease, in measuring the lease liability in accordance with Ind AS 116.

40. 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 2021	For the year ended 31 March 2020
Revenue from external customers		
India	127,448.70	141,257.45
Abroad	5,847.92	9,797.29
Total	**133,296.62**	**151,054.74**

Non current assets

Particulars	As at 31 March 2021	As at 31 March 2020
India	45,520.87	50,275.18
Abroad	-	-
Total	**45,520.87**	**50,275.18**

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.

41. 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 2020 and expects such records to be in existence latest by November 2021 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.

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42. Dividend

The Board of Directors of the Company in its meeting held on 26 May 2021, proposed a dividend of INR 366.72 lakhs (INR 0.15 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 2021	For the year ended 31 March 2020
Dividend remitted (gross) (Rupees)	593.49	1,356.56
Number of non resident shareholders	2	2
Number of shares held	169,569,997	169,569,997
Year to which dividend relates	2019-20	2018-19

43. Assets pledged as security

Particulars	As at 31 March 2021	As at 31 March 2020
Current assets		
Financial assets		
Pari-passu charge		
- Trade receivables	25,675.27	19,639.08
- Cash and cash equivalents	6,486.72	4,556.69
- Other bank balances	-	129.00
- Loans	98.21	109.03
- Other financial assets	246.30	155.68
Inventories	12,426.68	10,783.92
Other current assets	1,491.62	1,345.85
Total current assets pledged as security	**46,424.80**	**36,719.25**
Non-current assets		
Pari-passu charge		
- Property, plant and equipment	26,116.18	30,763.27
- Capital work-in-progress	592.20	151.15
- Intangible assets	3,135.86	4,626.88
- Loans	252.57	252.78
- Income tax assets	843.27	893.85
- Other non-current assets	478.48	155.73
Total non-current assets pledged as security	**31,418.56**	**36,843.66**
Total assets pledged as security	**77,843.36**	**73,562.91**

44. Fair value disclosures

i) Fair values hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial statements that are

(a) recognised and measured at fair value and

(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into three levels prescribed under the accounting standard.

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3**:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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ii) Financial instruments by category & fair value

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments.

Particulars	Note	Level of hierarchy	As at 31 March 2021				As at 31 March 2020			
			Carrying amount	FVTPL	FVOCI	Amortised cost	Carrying amount	FVTPL	FVOCI	Amortised cost
Financial assets										
Non current										
Loans										
- Security deposits	b		261.90	-	-	261.90	260.73	-	-	260.73
- Loan to employees	b		4.18	-	-	4.18	4.14	-	-	4.14
Current										
Trade receivables	a		25,385.22	-	-	25,385.22	19,411.13	-	-	19,411.13
Cash and cash equivalents	a		6,752.19	-	-	6,752.19	6,092.44	-	-	6,092.44
Other bank balances	a		725.00	-	-	725.00	129.00	-	-	129.00
Loans										
- Security deposits	a		80.28	-	-	80.28	97.45	-	-	97.45
- Loan to employees	a		18.35	-	-	18.35	11.99	-	-	11.99
Other financial assets										
- Interest accrued but not due on deposits	a		14.60	-	-	14.60	9.73	-	-	9.73
- Forward exchange contracts used for hedging	d	2	-	-	-	-	35.04	35.04	-	-
- Interest rate swaps used for hedging	d	2	-	-	-	-	111.01	-	111.01	-
- Unbilled revenue	a		244.02	-	-	244.02	-	-	-	-
Total			**33,485.74**	**-**	**-**	**33,485.74**	**26,162.66**	**35.04**	**111.01**	**26,016.61**

Particulars	Note	Level of hierarchy	As at 31 March 2021				As at 31 March 2020			
			Carrying amount	FVTPL	FVOCI	Amortised cost	Carrying amount	FVTPL	FVOCI	Amortised cost
Financial liabilities										
Non current										
Borrowings	c		1,725.63	-	-	1,725.63	1,609.06	-	-	1,609.06
Lease liability	c		385.30	-	-	385.30	375.93	-	-	375.93
Current										
Borrowings	c		1,796.57	-	-	1,796.57	3,318.33	-	-	3,318.33
Lease liability	c		4.21	-	-	4.21	40.57	-	-	40.57
Trade payable										
- Total outstanding dues of micro enterprises and small enterprises	a		571.72	-	-	571.72	186.98	-	-	186.98
- Total outstanding dues of creditors other than micro enterprises and small enterprises	a		19,825.53	-	-	19,825.53	14,170.60	-	-	14,170.60
Other financial liabilities										
- Current maturities of long-term borrowings	a		939.85	-	-	939.85	2,469.12	-	-	2,469.12
- Interest accrued but not due on borrowings	a		3.79	-	-	3.79	20.56	-	-	20.56
- Security deposits	a		24.30	-	-	24.30	16.30	-	-	16.30
- Unclaimed dividends	a		188.80	-	-	188.80	223.26	-	-	223.26
- Forward exchange contracts used for hedging	d	2	141.32	141.32	-	-	-	-	-	-
- Employee dues	a		1,242.36	-	-	1,242.36	1,014.17	-	-	1,014.17
- Creditors for capital goods	a		396.52	-	-	396.52	817.43	-	-	817.43
Total			**27,245.90**	**141.32**	**-**	**27,104.58**	**24,262.31**	**-**	**-**	**24,262.31**

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.

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c. Fair value of borrowing is considered to be the same as its carrying value, as there is an no change in the lending rates.

d. Fair value of the derivative financial instruments has been determined using valuation techniques with market observable inputs. The model incorporate various inputs include the credit quality of counter-parties and foreign exchange forward rates.

There are no transfers between Level 1, Level 2 and Level 3 during the year ended 31 March 2021 and 31 March 2020.

45. 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.

The Group has exposure to the following risks arising from financial instruments

- Credit risk (see (A));

- Liquidity risk (see (B); and .

- Market risk (see (C)).

Risk Management Framework

The Group's activities makes it susceptible to various risks. The Group has taken adequate measures to address such concerns by developing adequate systems and practices. The Group's overall risk management program focuses on the unpredictability of markets and seeks to manage the impact of these risks on the Group's financial performance.

The Group's senior management oversee the management of these risks and advises on financial risks and the appropriate financial risk governance framework for the Group. The Board provides assurance to the shareholders that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market conditions and Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements

Risk	Exposure arising from	Measurement	Management of risk
Credit Risk	Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost.	Ageing analysis,Credit ratings	Diversification of bank deposits, credit limits and letter of credit.
Liquidity Risk	Borrowings and liabilities	Cash flow forecasting, sensitivity analysis	Availability of borrowing facilities, forward contracts, CCIRS.
Market risk - foreign currency risk	Future commercial transactions, recognised financial liabilities not denominates in Indian Rupee (INR)	Cash flow forecasting, sensitivity analysis	Cross currency principal interest swaps
Market risk – interest rate risk	Long-term borrowings at variable rates	Sensitivity analysis	Cross currency principal interest swaps

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

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.

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) Financial assets for which allowance is measured using 12 months expected credit losses.

Particulars	As at 31 March 2021	As at 31 March 2020
Loans	98.63	109.44
Other financials assets	258.62	155.78

(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 2021	0-6 months	6-12 months	More than 12 months
Gross Carrying amount	25,385.22	25,299.61	54.20	31.41
Expected credit loss (Loss allowance provision)	-	-	-	-
Carrying amount of trade receivables	25,385.22	25,299.61	54.20	31.41

Particulars	As at 31 March 2020	0-6 months	6-12 months	More than 12 months
Gross Carrying amount	19,411.13	19,341.84	58.06	11.23
Expected credit loss (Loss allowance provision)	-	-	-	-
Carrying amount of trade receivables	19,411.13	19,341.84	58.06	11.23

(c) The Group's exposure to credit risk for trade receivable by geographic region is as follows:

Particulars	As at 31 March 2021	As at 31 March 2020
India	24,389.92	17,727.96
USA	841.74	1,563.15
France	125.89	113.64
Japan	27.66	5.48
Korea	-	0.90
Total	**25,385.22**	**19,411.13**

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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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

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 2021 and 31 March 2020 is represented by the carrying amount of each financial asset.

B) Liquidity risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, buyers credit and bank loans. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments and includes contractual interest payments:

31 March 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**

31 March 2020		Contractual cash flows			
	Carrying value as at 31 March 2020	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)	7,417.07	5,679.12	991.39	619.23	-
Trade payables	14,357.58	14,357.58	-	-	-
Lease liability	416.50	66.78	28.38	35.03	1,088.82
Other financial liabilities					
- Security deposits	16.30	16.30	-	-	-
- Unclaimed dividends	223.26	223.26	-	-	-
- Employee dues	1,014.17	1,014.17	-	-	-
- Creditors for capital goods	817.43	817.43	-	-	-
Derivative financial liabilities					
Other financial liabilities					
- Forward exchange contarcts used for hedging	-	-	-	-	-
Total	**24,262.31**	**22,174.64**	**1,019.77**	**654.26**	**1,088.82**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

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 2021 and 31 March 2020. 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 2021.

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 2021 and 31 March 2020.

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 2021		As at 31 March 2020	
	Foreign currency	Rupee INR	Foreign currency	Rupee INR
Financial assets				
Receivables (trade & others)				
USD	11.55	841.74	20.83	1,563.15
EURO	1.48	125.89	1.38	113.64
JPY	42.27	27.66	7.97	5.48
Financial liabilities				
Payables (trade & others)				
USD	5.79	426.72	14.85	1,126.60
EURO	0.40	35.15	0.15	12.96
JPY	882.41	592.27	1,364.05	962.34
CHF	-	-	0.04	3.41
Borrowings - others				
USD	15.33	1,130.07	34.52	2,619.88

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 2021		As at 31 March 2020	
	Foreign currency	Rupee INR	Foreign currency	Rupee INR
Financial liabilities				
Payables (trade & others)				
USD	7.67	565.33	7.33	556.33
JPY	4,076.52	2,736.16	2,146.14	1,514.10
CHF	0.10	8.01	-	-
Borrowings - ECB				
USD	-	-	11.76	898.82

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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

The following significant exchange rates were applied at the year end:

Particulars	Year end rates	
	As at 31 March 2021	As at 31 March 2020
Financial assets		
Receivables (trade & others)		
USD / INR	72.85	75.05
EURO / INR	85.02	82.14
JPY / INR	0.65	0.69
Financial liabilities		
Payables (trade & other)		
USD / INR	73.70	75.88
EURO / INR	87.15	84.26
JPY / INR	0.67	0.71
Borrowings - ECB & Others		
USD / INR	73.70	75.90

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 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Receivables (trade & others)	Statement of profit and loss	USD	8.42	15.63	(8.42)	(15.63)
	Statement of profit and loss	EURO	1.26	1.14	(1.26)	(1.14)
	Statement of profit and loss	JPY	0.28	0.05	(0.28)	(0.05)
Payables (trade & other)	Statement of profit and loss	USD	(4.27)	(11.27)	4.27	11.27
	Statement of profit and loss	EURO	(0.35)	(0.13)	0.35	0.13
	Statement of profit and loss	JPY	(5.92)	(9.62)	5.92	9.62
	Statement of profit and loss	CHF	-	(0.03)	-	0.03
Borrowings - others	Statement of profit and loss	USD	(11.30)	(26.20)	11.30	26.20

(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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

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 2021	Outstanding principal (in Foreign currency) As at 31 March 2020
Currency swap & interest rate swap	Hedge against exposure on loan repayment for USD loan and its interest payments. The interest rate has been swapped to pay fixed interest	USD	-	11.76
Forward contacts	Hedge taken for the purpose of hedging its foreign currency exposures in trade payables / trade receivables	USD	7.67	7.33
Forward contacts	Hedge taken for the purpose of hedging its foreign currency exposures in trade payables / trade receivables	JPY	4,076.52	2,146.14
Forward contacts	Hedge taken for the purpose of hedging its foreign currency exposures in trade payables / trade receivables	CHF	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.

(i) Liabilities

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. At 31 March 2021, 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 2021	As at 31 March 2020
Variable rate borrowing	4,462.05	6,497.69
Fixed rate borrowing	-	898.82
Total borrowings	**4,462.05**	**7,396.51**

Sensitivity

Below is the sensitivity of profit or loss and equity changes in interest rates.

Particulars	As at 31 March 2021	As at 31 March 2020
Interest sensitivity*		
Interest rates – increase by 50 bps basis points	22.31	32.49
Interest rates – decrease by 50 bps basis points	**(22.31)**	**(32.49)**

** Holding all other variables constant*

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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

(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.

46. 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 2021	As at 31 March 2020
Total borrowings (includes Non-Current borrowings, current borrowings and current maturities of non current borrowings)	**4,462.05**	**7,396.51**
Less : cash and cash equivalent	(6,752.19)	(6,092.44)
Net debt	**(2,290.14)**	**1,304.07**
Total equity	59,853.42	59,563.13
Debt ratio	**(0.04)**	**0.02**

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 2021	As at 31 March 2020
Dividend not recognised at the end of the reporting period:		
Proposed final dividend per share INR 0.15 (31 March 2020: INR 0.35 per share)	366.72	855.68

47. 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

48. 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.

49. Previous year figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/ disclosures.

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 : 26 May 2021

For and on behalf of the Board of Directors of
JTEKT India Limited
(Formerly known as Sona Koyo Steering Systems Limited)

Hitoshi Mogi
Chairman and Managing Director
DIN 08741355

Sudhir Chopra
Executive Vice Chairman
DIN 00058148

Geeta Mathur
Independent Director
DIN 02139552

Rajiv Chanana
Chief Financial Officer

Nitin Sharma
Company Secretary

New Delhi

Place : Gurugram
Date : 26 May 2021

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 (formerly known as Sona Fuji Kiko Automotive Ltd)
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	4,257.23
6.	Total assets	6,922.92
7.	Total liabilities	1,665.69
8.	Investments	-
9.	Revenue from operations	8,359.05
10.	Profit before taxation	543.15
11.	Provision for taxation	142.66
12.	Profit after taxation	400.49
13.	Other comprehensive income	10.93
14.	Total comprehensive income	411.42
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
(Formerly known as Sona Koyo Steering Systems Limited)

Hitoshi Mogi
Chairman and Managing Director
DIN 08741355

Sudhir Chopra
Executive Vice Chairman
DIN 00058148

Geeta Mathur
Independent Director
DIN 02139552
New Delhi

Rajiv Chanana
Chief Financial Officer

Nitin Sharma
Company Secretary

Place : Gurugram
Date : 26 May 2021

JTEKT

JTEKT

Set of Guiding Principles

Corporate Philosophy

Seek to contribute to the happiness of people and the abundance of society through product manufacturing that wins the trust of society.

JTEKT Group Vision

Shaping a better future
through the Spirit of "No.1 & Only One"

We will be an invaluable partner with our customers, our suppliers, and our team members.

We will deliver "No.1, Only One" products and services through "Building Values", "Building Excellent Products" and Building Professionals"

Building Values

Provide Value to Customers by delivering products and services that exceed their expectations.

Building Excellent Products

Astonish the world with "Monozukuri" the art of refined craftsmanship and superior quality

Building Professionals

Develop a team composed of individuals working together, acting with initiatives, confidence, pride and passion as global members of JTEKT

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

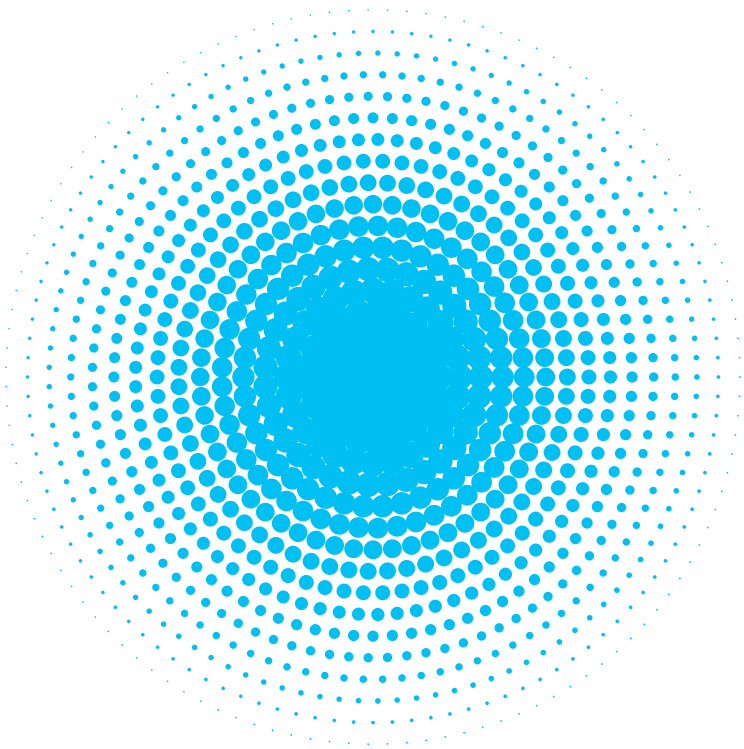
We are committed to be self-disciplined, and perform any task with a sense of urgency.

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

JTEKT INDIA LIMITED

(Formerly known as Sona Koyo Steering Systems Limited)

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