

JKM Automotive Limited
Balance Sheet as at 31 March 2023
All amounts are in INR Thousands unless otherwise stated

	Notes	As at 31 March 2023	As at 31 March 2022
ASSETS			
Current assets			
Financial assets			
(i) Cash and cash equivalents	3	5	5
Total current assets		5	5
Total Assets		5	5
EQUITY AND LIABILITIES			
Equity			
Equity share capital	4	100	100
Other equity	5	(95)	(95)
Total equity		5	5
Total equity and liabilities		5	5

See accompanying notes to the financial statements

The notes referred to above form an integral part of the Ind AS financial statements

In terms of our report attached

For Prasad & Kumar
Chartered Accountants
Firm Reg. No: 005837S

for and on behalf of Board of Directors of
JKM Automotive Limited

Sd/-
B.N.Govinda Prasad
Partner
Membership No: 23521

Sd/-
P S Ramesh
Director
DIN: 05205364

Sd/-
Chalapathi P
Director
DIN: 08087615

Place: Bengaluru
Date: 26 May 2023

Place: Bengaluru
Date: 26 May 2023

JKM Automotive Limited**Statement of profit and loss for the year ended 31 March 2023**

All amounts are in INR Thousands unless otherwise stated except for earnings per share information

	Note	For the year ended 31 March 2023	For the year ended 31 March 2022
Income			
Revenue from operations		-	-
Total Income		-	-
Expenses			
Other expenses		-	-
Total expenses		-	-
Loss for the year before tax		-	-
Current tax	14	-	-
Deferred tax	14	-	-
Total tax expense		-	-
Profit/(Loss) for the year		-	-
Other comprehensive income for the year		-	-
Total comprehensive income for the year		-	-
Earnings per equity share (face value of INR 10 each)			
Basic and diluted	13	-	-

See accompanying notes to the financial statements

The notes referred to above form an integral part of the Ind AS financial statements

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JKM Automotive Limited
Statement of cash flows for the year ended 31 March 2023
All amounts are in INR Thousands unless otherwise stated

	For the year ended 31 March 2023	For the year ended 31 March 2022
Cash flow from operating activities		
Profit/(Loss) for the year	-	85
Operating cash flows before working capital changes	-	85
Changes in operating assets and liabilities		
(Decrease)/ increase in other financial liabilities	-	(85)
Cash generated from operations	-	-
Income taxes paid	-	-
Net cash used in operating activities (A)	-	-
Cash flows from investing activities	-	-
Net cash used in investing activities (B)	-	-
Cash flows from financing activities	-	-
Net cash flow from financing activities (C)	-	-
Net (decrease)/ increase in cash and cash equivalents (A + B +C)	-	-
Cash and cash equivalents at the beginning of the year	5	5
Cash and cash equivalents at the end of the year	5	5
Components of cash and cash equivalents (refer note 3)		
Cash and cash equivalents		
Cash on hand	1	1
Balance with banks		
- in current accounts	4	4
Cash and cash equivalents in balance sheet	5	5

See accompanying notes to the financial statements

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JKM Automotive Limited
Statement of Changes in Equity for the year ended 31 March 2023
All amounts are in INR Thousands unless otherwise stated

(A) Equity share capital

31 March 2023

Balance as at 1 April 2022	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year	Balance as at 31 March 2023
100	-	-	-	100

31 March 2022

Balance as at 1 April 2021	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year	Balance as at 1 April 2022
100	-	-	-	100

(B) Other equity

Particulars	Retained earnings	Total equity attributable to equity holders of the Company
Balance as at 01 April 2022	(150)	(150)
Profit for the year	-	-
Balance as at 31 March 2023	(150)	(150)
Balance as at 01 April 2021	(150)	(150)
Loss for the year	-	-
Balance as at 31 March 2022	(150)	(150)

See accompanying notes to the financial statements

In terms of our report attached

For Prasad & Kumar
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Firm Reg. No: 005837S

for and on behalf of Board of Directors of
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Sd/-
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Place: Bengaluru
Date: 26 May 2023

Place: Bengaluru
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JKM Automotive Limited

Notes to the financial statements for the year ended 31 March 2023

Significant Accounting Policies

1 Corporate information

JKM Automotive Limited (“the Company”) is a Company incorporated on 28 April 2017 under provisions of the Companies Act, 1956 (‘the Act’) and domiciled in India and has its registered office at Bangalore, India.

2 Basis of preparation

A Statement of compliance

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act 2013 (‘the Act’) read with Companies (Indian Accounting Standard) Rules, 2015 (as amended from time to time) and other relevant provisions of the Act.

Accounting policies have been consistently applied except where a newly issued Accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy here thereto in use.

B 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 Thousands, unless otherwise mentioned.

C Basis of Measurement

The standalone financial statements have been prepared on the historical cost convention and on an accrual basis, except Certain financial assets and liabilities that are qualified to be measured at fair value.

D Use of estimate

The preparation of standalone financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent liabilities and assets on the date of the standalone financial statements and reported amount of revenue and expenses for the year. Accounting estimates could change from period to period. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the standalone financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the standalone financial statements

Assumptions and estimation uncertainties

The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these standalone financial statements have been disclosed in the following notes:

i) Income taxes:

In assessing the reliability of deferred tax assets, the Management considers whether some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. The Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, the Management believes that the Company will realize the benefits of those deductible differences. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

JKM Automotive Limited
Notes to the financial statements for the year ended 31 March 2023
Significant Accounting Policies

E Measurement of fair values

Certain accounting policies and disclosures of the Company 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 valuation team regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised 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 the following notes:

- Note 11 : financial instruments.

F Financial Instruments

Initial recognition

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

All financial instruments are initially measured at fair value. Transaction costs that are attributable to the acquisition or issue of the financial assets and financial liabilities (other than financial assets recorded at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities as appropriate, on initial recognition. Transaction cost directly attributable to the acquisition or issue of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of profit and loss.

Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognised on trade date.

For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories: non-derivative financial assets comprising amortised cost, debt instruments at fair value through other comprehensive income (FVTOCI), equity instruments at fair value through other comprehensive income (FVTOCI) and fair value through profit or loss (FVTPL), non-derivative financial liabilities at amortised cost or FVTPL and derivative financial instruments (under the category of financial assets or financial liabilities) at FVTPL.

The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.

a) Non-derivative financial assets

(i) Financial assets at amortised cost

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- (a) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- (b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding ('SPPI').

Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortised cost using the effective interest rate ('EIR') method, less any impairment loss.

Financial assets at amortised cost are represented by trade receivables, security deposits, cash and cash equivalents, employee and other advances and eligible current and non-current assets.

JKM Automotive Limited

Notes to the financial statements for the year ended 31 March 2023

Significant Accounting Policies

(ii) Debt instruments at fair value through other comprehensive income (FVTOCI)

A debt instrument shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- (a) The objective of the business model is achieved by both collecting contractual cash flows and selling financial assets and
- (b) The asset's contractual cash flow represent SPPI

Debt instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value plus transaction costs. Fair value movements are recognised in other comprehensive income (OCI). However, the Company recognises interest income, impairment losses and reversals and foreign exchange gain/loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to the statement of profit and loss.

(iii) Equity instruments at fair value through other comprehensive income (FVTOCI)

All equity instruments other than investment in subsidiaries are measured at fair value. Equity instruments held for trading is classified as fair value through profit or loss (FVTPL). For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividend are recognised in OCI. There is no recycling of the amount from OCI to the statement of profit and loss, even on sale of the instrument. However the Company may transfer the cumulative gain or loss within the equity.

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

FVTPL is a residual category for financial assets. Any financial asset which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as FVTPL.

In addition, the Company may elect to designate the financial asset, which otherwise meets amortised cost or FVTOCI criteria, as FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency. The Company has not designated any financial asset as FVTPL.

Financial assets included within the FVTPL category are measured at fair values with all changes in the statement of profit and loss.

(v) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or the financial assets is transferred and the transfer qualifies for derecognition. On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new assets obtained less any new liability assumed) shall be recognised in the statement of the profit and loss except for debt and equity instruments carried through FVTOCI which shall be recognised in OCI.

b) Non-derivative financial liabilities

(i) Financial liabilities at amortised cost

Financial liabilities at amortised cost represented by trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the EIR method.

(ii) Financial liabilities at fair value through profit or loss (FVTPL)

Financial liabilities at FVTPL represented by contingent consideration are measured at fair value with all changes recognised in the statement of profit and loss.

JKM Automotive Limited

Notes to the financial statements for the year ended 31 March 2023

Significant Accounting Policies

G Derecognition of financial liabilities

The Company derecognises financial liabilities only when, the obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

H Taxes

Current income tax for current and prior periods is recognized at the amount expected to be paid or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except for the cases mentioned below:

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or substantive enactment date.

Deferred tax is not recognized for:

- temporary differences arising on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits or loss at the time of the transaction;
- temporary investments related to investment in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of reversal of the temporary differences and it is probable that they will not reverse in the forcible future; and
- taxable temporary difference arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of history of recent losses, the Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profits will be available against which such deferred tax can be realized. Deferred tax assets, unrecognized or recognised, are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realized.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax assets in balance sheet when the assets can be measured reliably, and it is probable that the future economic benefit associated with the assets will be recoverable.

The Company offsets, the current tax assets and liabilities (on a year on year basis) and deferred tax assets and liabilities, where it has legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

Provisions (other than employee benefits)

i) General

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

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(ii) Onerous contract

Provision for onerous contracts. i.e. contracts where the expected unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

JKM Automotive Limited
Notes to the financial statements for the year ended 31 March 2023
Significant Accounting Policies

J Contingent Liability

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

K Cash and cash equivalents

Cash and cash equivalent includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

L 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 item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

M Earnings per share

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

N Segment

Segments have been identified taking into account the nature of services, the differing risks and returns, the organisational structure and the internal reporting system.

O Standards Issued but Not Effective

On March 23, 2022, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2022. This notification has resulted into amendments in the following existing accounting standards from April 1, 2022.

- i. Ind AS 101 – First time adoption of Ind AS
- ii. Ind AS 103 – Business Combination
- iii. Ind AS 109 – Financial Instrument
- iv. Ind AS 16 – Property, Plant and Equipment
- v. Ind AS 37 –Provisions, Contingent Liabilities and Contingent Assets
- vi. Ind AS 41 – Agriculture

Application of above standards are not expected to have any significant impact on the Company's financial statements.

JKM Automotive Limited

Notes to the financial statements for the year ended 31 March 2023

All amounts are in INR Thousands unless otherwise stated

3 Cash and cash equivalents

Particulars	As at	
	31 March 2023	31 March 2022
Cash on hand	1	1
Balances with banks		
-in current accounts	4	4
	5	5
Cash and cash equivalents as defined in Ind AS 7 "Statements of Cash Flows"	5	5

4 Equity share capital

Particulars	As at	
	31 March 2023	31 March 2022
Authorised		
Equity shares		
1,00,000 equity shares (31 March 2022: 1,00,000) of par value of INR 10 each	1,000	1,000
	1,000	1,000
Issued, subscribed and fully paid up		
Equity shares		
10,000 equity shares (31 March 2022: 10,000) of par value of INR 10 each	100	100
	100	100

i) Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Particulars	31 March 2023		31 March 2022	
	Number of shares	Amount	Number of shares	Amount
At the commencement of the year	10,000	1,00,000	10,000	1,00,000
Shares issued during the year	-	-	-	-
At the end of the year	10,000	100	10,000	1,00,000

ii) Rights, preferences and restrictions attached to equity shares:

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time after subject to dividend to preference shareholders, if any. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining asset of the Company after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Company has not allotted any fully paid equity shares by way of bonus shares nor has bought back any class of equity shares during the period of five years immediately preceding the balance sheet date nor has issued shares for consideration other than cash.

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

Particulars	31 March 2023		31 March 2022	
	Number of shares	% of holding	Number of shares	% of holding
JKM Erla Automotive Limited	9,940	99.40%	9,940	99.40%

iv) Disclosure of Shareholding of Promoters

Disclosure of shareholding of promoters as at 31 March 2023 is as follows

Sr. No	Shares held by promoters	As at 31 March 2023		As at 31 March 2022		% Change during the year
		No of Shares	% of total shares	No of Shares	% of total shares	
1	JKM Erla Automotive Limited	9,940	99.40%	9,940	99.40%	-

Disclosure of shareholding of promoters as at 31 March 2022 is as follows

Sr. No	Shares held by promoters	As at 31 March 2022		As at 31 March 2021		% Change during the year
		No of Shares	% of total shares	No of Shares	% of total shares	
1	JKM Erla Automotive Limited	9,940	99.40%	9,940	99.40%	-

5 Other Equity*

Particulars	As at	As at
	31 March 2023	31 March 2022
Retained earnings [refer note 5(i)]	(95)	(95)
Total other equity	(95)	(95)

* For detailed movement of other equity refer Statement of Changes in Equity.

5(i) Retained earnings

The cumulative gain or loss arising from the operations which is retained by the Company is recognised and accumulated under the heading of retained earnings. At the end of the year, the loss after tax is transferred from the statement of profit and loss to the retained earnings account.

6 Contingent liabilities

Particulars	As at	As at
	31 March 2023	31 March 2022

Below are the Liabilities to the extent not provided for, classified as follows:

a) Claims against the company not acknowledged as debt	Nil	Nil
b) Guarantees	Nil	Nil
c) Other money for which the company is contingently liable	Nil	Nil

7 Commitments

Particulars	As at	As at
	31 March 2023	31 March 2022

Commitments, to the extent not provided for, classified as follows:

a) Estimated amount of contracts remaining to be executed on capital account and not provided for	Nil	Nil
b) Uncalled liability on shares and other investments partly paid	Nil	Nil
c) Other commitments (specify nature) liable	Nil	Nil

8 Segment information

The Company is yet to start its commercial operations and hence the Company has no segment to disclose.

9 Financial instruments - fair value and risk management**Accounting classification and fair value**

The following table shows the carrying amount and fair value of financial assets and financial liabilities including their levels in fair value hierarchy:

Fair value hierarchy

The section explains the judgment and estimates made in determining the fair values of the financial instruments that are:

- a) recognised and measured at fair value
- 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 the three levels prescribed under the Indian Accounting Standard.

Particulars	Carrying amount	Fair value		
	31 March 2023	Level 1	Level 2	Level 3
Financial assets measured at amortised cost				
Cash and cash equivalents	5	-	-	-
Total financial assets	5	-	-	-
Financial liabilities measured at amortised cost				
Other financial liabilities	-	-	-	-
Total financial liabilities	-	-	-	-

Particulars	Carrying amount	Fair value		
	31 March 2022	Level 1	Level 2	Level 3
Financial assets measured at amortised cost				
Cash and cash equivalents	5	-	-	-
Total financial assets	5	-	-	-
Financial liabilities measured at amortised cost				
Other financial liabilities	-	-	-	-
Total financial liabilities	-	-	-	-

Fair value hierarchy

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes investment in equity, preference securities, mutual funds and debentures that have quoted price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unquoted equity securities.

Fair Valuation Method

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

A Financial Assets:

- 1 Fair value of all the above financial assets except Investments are measured at balance sheet date value, as most of them are settled within a short period and so their fair value are assumed to be almost equal to the balance sheet date value.

B Financial Liabilities:

- 1 **Other financial liabilities:** Fair values of other financial liabilities are measured at balance sheet date value, as most of them are settled within a short period and so their fair values are assumed almost equal to the balance sheet date values.

JKM Automotive Limited

Notes to the financial statements for the year ended 31 March 2023

All amounts are in INR Thousands unless otherwise stated

10 Financial risk management

The Company's activities expose to financial risks: credit risk, liquidity risk and market risk.

Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. 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 and systems are reviewed regularly to reflect changes in market conditions and the 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 auditor. Internal Audit function includes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee

i) Credit risk

Credit risk is the risk of financial loss to the Company, if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans given. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivables. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors. The carrying amount of financial asset represent the maximum credit exposure.

The Company do not have any trade receivables and loan given as at 31 March 2021 and 31 March 2020.

ii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligation as they become due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Management monitors rolling forecast of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. This is generally carried out by the Management of the Company in accordance with practice and limits set by the Company. In addition, the Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

i) Financing arrangement

The Company maintains the following line of credit:

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2021 and 31 March 2020. The amounts are gross and undiscounted contractual cash flow and includes contractual interest payment and exclude netting arrangements:

JKM Automotive Limited**Notes to the financial statements for the year ended 31 March 2023**

All amounts are in INR Thousands unless otherwise stated

As at 31 March 2023

Particulars	Contractual cash flows				
	Carrying amount	Total	0-1 years	1-5 years	5 years and above
Other financial liabilities	-	-	-	-	-

As at 31 March 2022

Particulars	Contractual cash flows				
	Carrying amount	Total	0-1 years	1-5 years	5 years and above
Other financial liabilities	-	-	-	-	-

iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

a) Currency risk

The Company is not exposed to foreign currency risk.

b) Interest rate risk

The Company is not exposed to Interest rate risk.

11 Capital management

The Company's policy is to maintain a stable and strong capital base structure with a focus on total equity so as to maintain investor, creditor and market confidence and to sustain future development and growth of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value and safeguard its ability to continue as a going concern.

The Company monitors capital using a ratio of 'adjusted net debt' to 'equity'. For the purpose of Company's capital management, adjusted net debt is defined as aggregate on non-current borrowing, current borrowing and current maturities of long-term borrowings less cash and cash equivalents and total equity includes issued capital and all other equity reserves.

The Company's adjusted net debt equity ratio were as follows:

Particulars	As at	
	31 March 2023	31 March 2022
Borrowings (current and non-current)	-	-
Less: Cash and cash equivalents	(5)	(5)
Adjusted net debt	(5)	(5)
Total equity	5	5
Net debt to equity ratio	-	-

The net debt to equity ratio as at 31 March 2023 and 31 March 2022 has not been computed as the Company does not have borrowings as at that date.

JKM Automotive Limited**Notes to the financial statements for the year ended 31 March 2023**

All amounts are in INR Thousands unless otherwise stated

12 Related party transactions**(i) Name of related parties and description of relationship**

Name of related party	Description of relationship
Parent Company	Dynatomic Technologies Limited
Key Managerial Personnel	P S Ramesh, Director
	Arvind Mishra, Director
	Chalapathi P, Director

(ii) Related party transactions during the year

During the financial year ended 31 March 2023 and 31 March 2022, the company has not entered any transaction with related parties and key managerial personnel, hence there is nothing to disclose

(iii) Balance receivable from and payable to related parties as at the balance sheet date:

During the financial year ended 31 March 2023 and 31 March 2022, the company does not have any balance payable/receivable with related parties and key managerial personnel, hence there is nothing to disclose

13 Earning per share

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Net profit for the year attributable to equity shareholders	-	-
Number of equity shares outstanding at beginning of the year	10,000	10,000
Add: Weighted average number of equity shares issued during the year	-	-
Weighted average number of equity shares outstanding at the end of the year	10,000	10,000
Earning per share		
Basic	-	-
Diluted	-	-

JKM Automotive Limited**Notes to the financial statements for the year ended 31 March 2023**

All amounts are in INR Thousands unless otherwise stated

14 Income tax**A Amount recognized in statement of profit and loss**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Current income tax:		
Current income tax charge	-	-
Deferred tax:		
<i>Attributable to-</i>		
Origination and reversal of temporary differences	-	-
	-	-
Income tax expense reported in the statement of profit and loss	-	-

B Income tax recognized in other comprehensive income

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Net gain/ (loss) on remeasurement of defined benefit liability/ (assets)	-	-
	-	-
Income tax charged to OCI	-	-

C Unrecognised deferred tax assets/ (liabilities)

Deferred tax assets has not been recognised in respect of the following items, because it is not probable that future taxable profits will be available against which the unused tax losses can be used.

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Carry forwards of business loss	2,017	2,017
Potential tax benefits @ 26%	508	524

No deferred tax adjustments were considered necessary to be recognised in respect of timing differences associated with investments in subsidiaries.

15 Additional regulatory information not disclosed elsewhere in the financial statements

- (i) As per section 248 of the Companies Act, 2013, there are no balances outstanding or transactions with struck off companies.
- (ii) The Company has not traded / invested in Crypto currency or virtual currency.
- (iii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (iv) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

JKM Automotive Limited**Notes to the financial statements for the year ended 31 March 2023****All amounts are in INR Thousands unless otherwise stated**

- (v) The Company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (vi) The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, except as disclosed in the financial statements.
- (vii) The Company is not a declared wilful defaulter by any bank or financial institution or other lender.

16 Ratios

The following are analytical ratios for the year ended 31 March 2023 and 31 March 2022:

Particulars	Numerator	Denominator	31 March 2023	31 March 2022
Current ratio #	Current assets	Current Liabilities	NA	NA
Debt-equity ratio #	Total Debt	Total Equity	NA	NA
Debt service coverage ratio #	Earning for debt service = Net profit after tax + Depreciation + Interest	Debt Service = Interest + Principal payment	NA	NA
Return on equity ratio #	Profit after tax	Average total equity	NA	NA
Inventory Turnover ration #	Cost of Goods sold	Average Inventory	NA	NA
Trade receivables turnover ratio #	Revenue from Operation	Average trade receivable	NA	NA
Trade payable turnover ratio #	Cost of Goods sold+Change in inventories	Average trade Payable	NA	NA
Net Capital turnover ratio #	Revenue from Operation	Average working capital	NA	NA
Net profit ratio #	Profit after tax	Revenue from Operations	NA	NA
Return on capital employed #	Profit before tax and finance cost	Capital employed = Net worth + Lease liabilities + Deferred tax liabilities	NA	NA
Return on Investment@	Income generated from Investments	Time weighted average investment	NA	NA

These ratios have been determined as not applicable as the Company has not commenced operations

@ The Company has not received any income from investment during current and previous financial year.

17 The financial statements were approved for issue by the board of directors on 26 May 2023.for and on behalf of Board of Directors of
JKM Automotive LimitedSd/-
P S Ramesh
Director
DIN: 05205364Sd/-
Chalapathi P
Director
DIN: 08087615Place: Bengaluru
Date: 26 May 2023