JKM Ferrotech Limited
Standalone Balance Sheet as at 31 March 2021
All amounts are in INR lakhs unless otherwise stated

	Notes	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	-	7,422
Intangible assets	3	12	25
Capital work in progress		-	1
Financial assets			
(i) Investments	4	33	34
(ii) Non-current loans	5	-	165
Deferred tax assets (net)	6	-	-
Income tax assets (net)	7	20	26
Total non - current assets		**65**	**7,673**
Current assets			
Inventories	8	-	2,141
Financial assets			
(i) Trade receivables	9	1,267	1,245
(ii) Cash and cash equivalents	10	222	29
(iii) Bank balances other than cash and cash equivalents above	11	54	51
(iii) Current loans	12	-	6
Other current assets	13	209	223
		1,752	**3,695**
Assets classified as held for sale	50	8,475	-
Total current assets		**10,227**	**3,695**
Total Assets		**10,292**	**11,368**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	16,651	16,651
Other equity	15	(20,330)	(17,945)
Total equity		**(3,679)**	**(1,294)**
Non - current liabilities			
Financial liabilities			
(i) Non - current borrowings	16	-	-
Non - current provisions	17	-	57
Other non - current liabilities	18	-	1,333
Total non - current liabilities		**-**	**1,390**
Current liabilities			
Financial liabilities			
(i) Current Borrowings	19	155	153
(ii) Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises	20	454	323
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	20	2,792	2,955
(iii) Other current financial liabilities	21	1,942	1,271
Current provisions	22	-	26
Other current liabilities	23	8,474	6,544
		13,817	11,272
Liabilities related to assets held for sale	50	154	-
Total current liabilities		**13,971**	**11,272**
Total liabilities		**13,971**	**12,662**
Total Equity and Liabilities		**10,292**	**11,368**

See accompanying notes to the standalone financial statements

As per our report of even date attached

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Sd/-

Sathya P. Koushik
Partner

Membership No: 206920

Place: Bengaluru
Date: 07 June 2021

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

Sd/-

Chalapathi P
Director and Chief Financial Officer
DIN.: 08087615

P S Ramesh
Director
DIN: 0005205364

Chandrashekar S
Company Secretary

Place: Bengaluru
Date: 05 June 2021

JKM Ferrotech Limited
Standalone Statement of profit and loss for the year ended 31 March 2021
All amounts are in INR lakhs unless otherwise stated except for earnings per share information

	Notes	For the year ended 31 March 2021	For the year ended 31 March 2020
Discontinued Operations	1		
Income			
Revenue from operations	24	9,235	10,801
Other income	25	24	5
Total income		**9,259**	**10,806**
Expenses			
Cost of materials consumed	26	5,459	5,706
Changes in inventories of finished goods and work in progress	27	678	284
Employee benefits expense	28	791	739
Finance costs	29	281	736
Depreciation and amortisation expense	30	1,058	1,027
Other expenses	31	3,377	4,164
Total expenses		**11,644**	**12,656**
Loss before tax		**(2,385)**	**(1,850)**
Income tax expenses:			
- Current tax	47	-	-
- Deferred tax	47	-	-
Loss for the year		**(2,385)**	**(1,850)**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
- Remeasurements of defined benefit plans		-	(6)
- Income tax relating to items that will not be reclassified to profit or loss		-	-
Other comprehensive income for the year		-	**(6)**
Total comprehensive loss for the year		**(2,385)**	**(1,856)**
Loss per equity share (of INR 10 each)			
Basic and diluted (in INR)	43	(1.43)	(1.11)

See accompanying notes to the standalone financial statements

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DIN.: 08087615

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Chandrashekar S
Company Secretary

Place: Bengaluru
Date: 05 June 2021

JKM Ferrotech Limited
Standalone Statement of Changes in Equity for the year ended 31 March 2021
All amounts are in INR lakhs unless otherwise stated

(A) Equity Share Capital

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Opening balance	16,651	16,651
Changes in equity share capital	-	-
Closing balance	**16,651**	**16,651**

(B) Other Equity

Particulars	**Retained Earnings**	**Total equity attributable to equity holders of the Company**
Balance as at 01 April 2019	(16,089)	(16,089)
Loss for the year	(1,850)	(1,850)
Other comprehensive income for the year, net of income tax	(6)	(6)
Balance as at 31 March 2020	**(17,945)**	**(17,945)**
Balance as at 01 April 2020	(17,945)	(17,945)
Loss for the year	(2,385)	(2,385)
Other comprehensive income for the year, net of income tax	-	-
Balance as at 31 March 2021	**(20,330)**	**(20,330)**

See accompanying notes to the standalone financial statements

As per our report of even date attached

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Chartered Accountants

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DIN.: 08087615

P S Ramesh
Director

DIN: 0005205364

Chandrashekar S
Company Secretary

Place: Bengaluru
Date: 05 June 2021

JKM Ferrotech Limited
Standalone Statement of cash flows for the year ended 31 March 2021
All amounts are in INR lakhs unless otherwise stated

	For the year ended 31 March 2021	For the year ended 31 March 2020
Cash flows from operating activities		
Loss for the year	(2,385)	(1,850)
Adjustments for:		
Interest income	(24)	(5)
Finance costs	281	736
Depreciation and amortisation expense	1,058	1,027
Loss allowance on financial assets, net	152	23
Operating cash flow before working capital changes	**(918)**	**(69)**
Changes in operating assets and liabilities		
Changes in inventories	603	214
Changes in trade receivables	(174)	660
Changes in loans	(251)	238
Changes in other assets	2	(78)
Changes in trade payables	(32)	(1,083)
Changes in other financial liabilities	922	91
Changes in provisions	71	21
Changes in other liabilities (current & non current)	589	1,414
Cash generated from operations	**812**	**1,408**
Income taxes paid, net	6	-
Net cash generated from operating activities (A)	**818**	**1,408**
Cash flows from investing activities		
Proceeds from/ (expenditure on) property, plant and equipment and intangibles	(155)	(77)
Interest income	24	5
Bank deposits (having original maturity of more than three months), net	3	3
Net cash from/ (used in) investing activities (B)	**(128)**	**(69)**
Cash flows from financing activities		
Inter corporate deposits repaid	-	(170)
Repayment of long term borrowings	(263)	(733)
Repayment of short term borrowings	2	(98)
Interest paid	(236)	(333)
Net cash used in financing activities (C)	**(497)**	**(1,334)**
Net increase/(decrease) in cash and cash equivalents (A + B + C)	**193**	**5**
Cash and cash equivalents at the beginning of the year	29	24
Cash and cash equivalents at the end of the year (refer note 10)	**222**	**29**
Components of cash and cash equivalents (Refer note 10)		
Cash and cash equivalents		
Cash on hand	-	1
Balances with banks		
- in current accounts	222	28
Cash and cash equivalents in balance sheet	**222**	**29**

See accompanying notes to the standalone financial statements

As per our report of even date attached

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For Deloitte Haskins & Sells LLP
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Chandrashekar S
Company Secretary

Place: Bengaluru
Date: 05 June 2021

1 Reporting entity

The Company is into the business of manufacturing of iron castings (foundry business), which represents a single business segment.

The Company had entered into a binding term sheet in February 2021 for sale of its Property, plant and equipment (including land and building), raw materials and spare parts inventory and other financial assets identified as per the term sheet dated 1 February 2021, situated at SIPCOT Industrial Complex, Gumidipoondi, Thiruvallur, Tamil Nadu to Danblock Brakes India Private Limited (DBIPL). Subsequently the Company and DBIPL have executed Assets Purchase Agreement on 7 April 2021 to effect the above transaction and as at the date of issuance of these financial statements, the transaction is pending for completion of certain customary closing conditions including obtaining regulatory approvals. Pursuant to the above, the Statement of Profit and Loss represents Discontinued operations.

Further, Assets and Liabilities of the foundry business (disposal group) which have been identified as held for sale (including those under the aforementioned definitive agreement) have accordingly been presented separately in the balance sheet at March 31, 2021 as "Assets classified as held for sale" and "Liabilities related to Assets held for sale".

The Company has received a support letter commiting technical and financial support from Dynamatic Technologies Limited, the ultimate parent company. Pursuant to the above, these financial statements have been prepared on a going concern basis.

2 Significant accounting policies

A Statement of compliance

These Standalone annual 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 (as amended from time to time) and other relevant provisions of the Act.

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

B Functional and presentation currency

The 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 mentioned.

C Basis of Preparation

The standalone financial statements have been prepared on the historical cost convention and on an accrual basis of accounting, except for the following assets and liabilities which have been accounted as follows:
(i) Defined benefit and other long-term employee benefits where plan asset is measured at fair value less present value of defined benefit obligations.

(ii) Certain financial assets and liabilities that are qualified to be measured at fair value;

D Use of estimate, assumption and judgements

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 the 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) **Useful life of property, plant and equipment and intangible assets:**

The useful life of the assets are determined in accordance with Schedule II of the Companies Act, 2013. In cases, where the useful life is different from that or is not prescribed in Schedule II, it is based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance.

(ii) **Income taxes:**

In assessing the realisability 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.

(iii) **Provisions and contingencies:**

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore vary from the figure estimated at end of each reporting period.

(iv) **Post-retirement benefit plans:**

The obligation arising from the defined benefit plan is determined on the basis of actuarial assumptions which include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined with reference to market yields at each financial year end on the government bonds.

(v) **Impairment**

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company’s past history, existing market conditions as well as forward looking estimates at the end of each reporting period. In addition the Company has taken into account estimates of possible effect from the pandemic relating to COVID -19.

(vi) **Fair value**

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm’s length transaction at the reporting date.

(vii) **Estimation of uncertainties relating to the global health pandemic from COVID-19**

The rapid outbreak of the COVID-19 pandemic presents an alarming health crisis that the world is grappling with and its impacts are unfolding in real time. The COVID-19 outbreak has a significant effect on the economies of affected countries and international financial markets. Accordingly, the company felt the need to evaluate the impacts of the outbreak on their accounting and financial reporting. Various accounting estimates, which depend on future forecasts, could be impacted by the outbreak.

The Company have worked on the principle that a conservative approach is both prudent and desirable, given the uncertainty around the length and severity of the pandemic-induced global economic slump. In this context, the company by using internal and external sources, performed a sensitivity analysis in order to arrive at the assumptions on the expected future performance in respect to carrying amounts of property, plant and equipment, investments, inventories, receivables and other assets. The Company based on current estimates expects the carrying amount of these assets will be recovered. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these standalone financial statements.

E Measurement of fair values

Certain accounting policies and disclosures of the Company requires use of valuation techniques in measuring the fair value of some of the company's financial assets and liabilities where active market quotes are not available. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm’s length transaction at the reporting date. 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.

All amounts are in INR lakhs unless otherwise stated

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 recognises 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 41.

F Property, plant and equipment

Recognition and measurement
Items of property, plant and equipment are measured at cost less accumulated depreciation (which includes capitalised borrowing costs, if any) and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable costs of bringing an asset to working condition for its intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by Management.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials, direct labour and any other costs directly attributable to bringing the item to its intended working condition and estimated costs of dismantling, removing and restoring the site on which it is located, wherever applicable.

Subsequent costs
Subsequent cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of repairs and maintenance are recognised in the statement of profit and loss as incurred.

Derecognition of property, plant and equipment
An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

Depreciation methods, estimated useful lives and residual value
Depreciation is provided on a Straight Line Method ('SLM') over estimated useful life of the property, plant and equipment less their estimated residual value as defined by the Management. Depreciation for assets purchased / sold during the year is proportionately charged. 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.

The range of estimated useful lives of items of property, plant and equipment are as follows:

Category of assets	**Useful life estimated by management**
Buildings	30 years
Plant and machinery*	10 years, 13 years and 21 years for 3 shifts, 2 shifts and 1 shift respectively
Furniture and fixtures	5 years
Office equipment	5 years
Electrical installation*	10 years, 13 years and 21 years for 3 shifts, 2 shifts and 1 shift respectively
Data processing equipment	4 years
Tools, dies and moulds	9 years
Vehicles*	10 years
Leasehold land	Over the period of lease

* The Management believes that the useful lives as given above best represent the period over which management expects to use these assets based on an internal assessment and technical evaluation where necessary. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

The estimated useful lives, residual values and depreciation method are reviewed at financial year end, with the effect of any changes in estimate accounted for on a prospective basis.

G Intangible assets

Acquired intangible assets

Intangible assets that are acquired by the Company, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on straight-line basis over the estimated useful lives. The estimated useful life and amortisation method are reviewed at each financial year end, with the effect of any changes in estimate being accounted for on a prospective basis. Cost includes any directly attributable incidental expenses necessary to make the assets ready for use.

Internally generated intangible assets

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in statement of profit and loss as incurred.

An internally -generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in the statement of profit and loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Subsequent measurement

Subsequent costs are capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures, including expenditure on internally-generated intangibles, are recognised in the statement of profit and loss as incurred.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the statement of profit and loss.

Amortisation

The Company amortises intangible assets with a finite useful life using the straight-line method.
The estimated useful lives of intangibles are as follows:

Category of asset	**Useful life**
Application Software	4 years

The assets residual value and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

H Impairment

(i) Financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss 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 initial recognition.

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 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.

(ii) Non-financial assets

Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount.

The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

I Leases

The Company as a lessee:

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes aright-of use asset (“ROU”) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short- term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term.

ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-ofuse assets and lease liabilities for leases of lowvalue assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the ROU asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

J Inventories

Inventories are valued at the lower of cost and net realisable value. Cost of inventories comprises purchase price, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In determining the cost, weighted average cost is used. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs to sell. The comparison of cost and net realisable value is made on an item-by-item basis.

Inventories are stated net of write down or allowances on account of obsolescence, damage or slow moving items.

The method of determination of cost is as follows:

- Raw materials, components and stores and spares – on a weighted average basis
- Work-in-progress – includes costs of conversion
- Finished goods – At material cost, conversion costs and an appropriate share of production overheads and excise duty, wherever applicable.

The net realisable value of work-in-progress is determined with reference to the net realisable value of related finished goods. Raw materials and other supplies held for use in production of inventories are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of the finished products will exceed their net realisable value. Fixed production overheads are allocated on the basis of normal capacity of production facilities. The provision for inventory obsolescence is assessed periodically and is provided as considered necessary.

K Revenue recognition

Revenue is recognised upon transfer of control of promised goods or services to customer in an amount that reflects the consideration the Company expects to receive in exchange for those goods or services.

The Company derives its revenue from sale of products.

The Company recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as goods and services tax, etc. For certain contracts that permits the customer to return an item, revenue is recognised to the extent that it is 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.

Revenue from sale of products is recognised at the point in time when control is transferred to customer.

Export entitlements from Government authorities are recognised in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of the exports made by the Company, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

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 revenue ("contract liability") is recognised when there are billings in excess of revenue.

Use of significant judgements in revenue recognition:

- The Company 's contracts with customers could include promise to transfer multiple goods and services to a customer. The Company assesses the goods/services 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.

- 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 goods, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

L Other income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income from investments is recognised when the Company's right to receive payment has been established.

M Financial Instruments

A. Financial assets

1) Recognition and initial measurement

Trade receivables and debt securities are initially recognised when they are originated. All other financial assets and liabilities are initially recognised when the Company becomes a party to contractual provisions of the instrument.

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

2) Classification and subsequent measurement

Financial assets

On initial recognition, a financial instrument is classified and measured at
- amortised cost
- fair value through other comprehensive income (FVOCI) - debt instruments;
- fair value through other comprehensive income (FVOCI) - equity investments; or
- fair value through profit and loss (FVTPL)

Financial assets are not classified 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 amortised cost if it meets both 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 assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

A debt investment is measured at FVTOCI 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 flow and selling financial assets; and
- the contractual terms of the financial assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

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-to-investment basis.

All financial assets not classified as amortised 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 amortised cost or at FVOCI as at FVTPL, if doing so eliminates or significantly reduces an accounting mistake that would otherwise arise.

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 recognised in profit or loss.

Financial assets at amortised cost:

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVTOCI:

These assets are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVTOCI:

These assets are subsequently measured at fair value. Dividends are recognised 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 recognised in OCI and are not reclassified to profit or loss.

3) Derecognition of financial assets

A financial asset is derecognised only when:

- the Company has transferred the rights to receive cash flows from financial asset or
- retains the contractual rights to receive the cash flows from financial asset but assumed a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

B. Financial liability

1) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or amortised cost.
All financial liabilities are recognised initially at fair value and, in case of loans and borrowings and payables, net of directly attributable transaction costs.

2) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separate embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.
Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ losses are not subsequently transferred to statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit or loss.

Amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (“EIR”) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.
Amortised 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 as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

N Employee benefits

Defined benefit plans

The Company's gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined benefit plans is determined based on actuarial valuations carried out by an independent actuary using the Projected Unit Credit Method, which recognises each period 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.

Actuarial gains or losses are recognised in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognised in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on plan assets above or below the discount rate is recognised as part of remeasurement of net defined liability or asset through other comprehensive income.

Remeasurements comprising actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit or loss in subsequent periods.

The Company's gratuity scheme is administered through Life Insurance Corporation of India and the provision for the same is determined on the basis of actuarial valuation carried out by an independent actuary. Provision is made for the shortfall, if any, between the amounts required to be contributed to meet the accrued liability for gratuity as determined by actuarial valuation and the available corpus of the funds.

Short term employee benefits

All employee benefits falling due wholly within twelve months of rendering the services are classified as short-term employee benefits, which include benefits like salaries, wages, short-term compensated absences and performance incentives and are recognised as expenses in the period in which the employee renders the related service.

Short term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g. short term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee and the amount of obligation can be estimated reliably.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service (‘past service cost’ or ‘past service gain’) or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Compensated absences

The employees of the Company are entitled to compensated absence. The employees can carry-forward a portion of the unutilised accumulating compensated absence and utilise it in future periods. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The obligation is measured on the basis of an independent actuarial valuation using the Projected Unit method as at the reporting date. Actuarial gains / losses are immediately taken to the statement of profit and loss and Other comprehensive income.

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee Provident Fund to Government administered Provident Fund Scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the statement of profit and loss during the period in which the employee renders the related service.

Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognises cost of restructuring. If the benefits are not expected to be settled wholly within 12 months of reporting date, then they are discounted.

O Foreign currency transactions and balances

Foreign currency are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign currency denominated monetary assets and liabilities are translated into relevant functional currency at exchange rates in effect at the reporting date.
Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Non-monetary assets and non-monetary liabilities denominated in foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss and are generally recognised in profit and loss, except exchange differences arising from the translation of the following items which are recognised in OCI:
- equity investments at fair value through OCI (FVOCI)
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

P Taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognised in net profit in the statement of profit and loss except to the extent it relates to items recognised directly in equity, in which case it is recognised in other comprehensive income.

Current income tax for current and prior periods is recognised 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 reporting date. Deferred income tax assets and liabilities are recognised 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 recognised as income or expense in the period that includes the enactment or substantive enactment date.

Deferred tax is not recognised 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 foreseeable 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 recognises 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 realised. Deferred tax assets, unrecognised 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 realised.

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

Q Provisions (other than employee benefits)

(i) General

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.

R 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.

S 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, and bank overdrafts.

T Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before taxes 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.

U Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to the owners of the Company for the year by the weighted average number of equity shares outstanding during reporting period.

The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the reporting date, unless they have been issued at a later date. In computing diluted earnings per share, only potential equity shares that is dilutive and which either reduces earnings per share or increase loss per share are included.

V Segment reporting

Based on the “management approach” as defined in Ind AS 108, Operating Segments, the Chief Operating Decision Maker evaluates the Company’s performance and allocates resources based on an analysis of various performance indicators by business segments. The Company is primarily engaged in a single segment business of manufacturing of iron castings and accordingly, this is the only reportable segment.

W Warranties

Warranty costs are estimated by the Management on the basis of technical evaluation and past experience. Provision is made for estimated liability, if any, in respect of warranty costs in the period of sale of goods.

X Discontinued operations and assets held for sale:

Discontinued operations:

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from those of the rest of the Group's business and which represents a separate major line of business or geographical area of operations and
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations or
- is a subsidiary acquired exclusively with a view to re- sale

Classification as a discontinued operation occurs upon disposal or when the operations meets the criteria to be classified as held for sale, if earlier.
When a operation is classified as a discontinued operation, the comparative statement of profit and loss is re-presented as if the operations had been discontinued from the start of the comparative period.

Assets held for sale:

Non-current assets and disposal group are classified as “Held for Sale” if their carrying amount is intended to be recovered principally through sale rather than through continuing use. The condition for classification of “Held for Sale” is met when the non-current asset or the disposal group is available for immediate sale and the same is highly probable of being completed within one year from the date of classification as “Held for Sale”. Non-current assets and disposal group held for sale are measured at the lower of carrying amount and fair value less cost to sell. Non-current assets and disposal group that ceases to be classified as “Held for Sale” shall be measured at the lower of carrying amount before the non-current asset and disposal group was classified as “Held for Sale” adjusted for any depreciation/ amortization and its recoverable amount at the date when the disposal group no longer meets the “Held for sale” criteria.

JKM Ferrotech Limited
Notes to the standalone financial statements for the year ended 31 March 2021
All amounts are in INR lakhs unless otherwise stated

3 Property, plant and equipment and Intangible assets

3.1 Property, plant and equipment

Particulars	Owned								Leased	Total
	Buildings	Plant and machinery	Furniture and fixtures	Office equipment	Electrical installations	Data processing equipment	Tools, dies and moulds	Vehicles	Land	
Gross carrying amount:										
Balance as at 1 April 2019	**4,154**	**4,684**	**18**	**73**	**783**	**70**	**284**	**13**	**1,406**	**11,485**
Additions	-	21	-	-	-	-	13	-	-	**34**
Deletions	-	-	-	-	-	-	-	-	-	-
As at 31 March 2020	**4,154**	**4,705**	**18**	**73**	**783**	**70**	**297**	**13**	**1,406**	**11,519**
Balance as at 1 April 2020	**4,154**	**4,705**	**18**	**73**	**783**	**70**	**297**	**13**	**1,406**	**11,519**
Additions	80	31	-	3	-	-	4	-	-	**118**
Reclasssifed as "Assets held for sale" (Refer Note 1 and 50)	(4,234)	(4,736)	(18)	(76)	(783)	(70)	(301)	(13)	(1,406)	**(11,637)**
As at 31 March 2021	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation:										
Balance as at 1 April 2019	**542**	**1,823**	**14**	**64**	**344**	**69**	**180**	**6**	**51**	**3,093**
Depreciation for the year	197	636	3	3	116	1	30	1	17	**1,004**
Balance as at 31 March 2020	**739**	**2,459**	**17**	**67**	**460**	**70**	**210**	**7**	**68**	**4,097**
Balance as at 1 April 2020	739	2,459	17	67	460	70	210	7	68	**4,097**
Depreciation for the year	162	538	1	3	102	1	25	2	210	**1,044**
Reclasssifed as "Assets held for sale" (Refer Note 1 and 50)	(901)	(2,997)	(18)	(70)	(562)	(71)	(235)	(9)	(278)	**(5,141)**
Balance as at 31 March 2021	-	-	-	-	-	-	-	-	-	-
Net carrying amount:										
As at 31 March 2021	-	-	-	-	-	-	-	-	-	-
As at 31 March 2020	**3,415**	**2,246**	**1**	**6**	**323**	**-**	**87**	**6**	**1,338**	**7,422**

JKM Ferrotech Limited
Notes to the standalone financial statements for the year ended 31 March 2021
All amounts are in INR lakhs unless otherwise stated

3 Property, plant and equipment and Intangible assets (continued)

3.2 Intangible assets

Particulars	Application software	Total
Gross carrying amount:		
Balance as at 1 April 2019	**171**	**171**
Additions	5	**5**
Balance as at 31 March 2020	**176**	**176**
Balance as at 1 April 2020	**176**	**176**
Additions	1	**1**
Balance as at 31 March 2021	**177**	**177**
Accumulated amortisation:		
Balance as at 1 April 2019	**128**	**128**
Amortisation for the year	23	**23**
Balance as at 31 March 2020	**151**	**151**
Balance as at 1 April 2020	151	**151**
Amortisation for the year	14	**14**
Balance as at 31 March 2021	**165**	**165**
Net carrying amount:		
As at 31 March 2021	**12**	**12**
As at 31 March 2020	**25**	**25**

All amounts are in INR lakhs unless otherwise stated

4 Non - current investments

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Unquoted equity shares		
Investments carried at fair value through profit and loss		
1) 332,000 (31 March 2020: 332,000) of face value of INR 10 each fully paid up of Kamachi Industries Limited	33	33
2) 100 (31 March 2020: 100) of face value of INR 10 each fully paid up of TCP Limited	1	1
	34	34
Less: Assets classified as held for sale (part of disposal group) Refer Note 1 and 50	(1)	-
	33	**34**
Aggregate amount of unquoted investments	33	34

5 Non - current loans

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Unsecured, considered good		
Security deposits	422	165
Less: Assets classified as held for sale (part of disposal group) Refer Note 1 and 50	(422)	-
	-	**165**

6 Deferred tax assets (net)*

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Deferred tax assets		
Unabsorbed depreciation / loss	244	476
Provision for gratuity and compensated absences	39	28
Loss allowance on financial assets	143	105
Bonus and incentives	-	2
Total deferred tax assets (A)	**426**	**611**
Deferred tax liabilities		
Property, plant and equipment and intangible assets	(426)	(611)
Total deferred tax liabilities (B)	**(426)**	**(611)**
Net deferred tax assets (A + B)	**-**	**-**

*The Company has recognised deferred tax asset on brought forward unabsorbed depreciation and tax losses to the extent of deferred tax liability. As at 31 March 2021, the Company has a net deferred tax asset with respect to certain timing differences. These timing difference mainly relates to carried forward business losses, unabsorbed depreciation and as a matter of prudence, the Company has not recognised deferred tax asset on these timing differences. (Refer Note 47).

7 Income tax assets (net)

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Advance income tax [net of provision of Rs. Nil (as at 31 March 2020 Rs. Nil)]	20	26

JKM Ferrotech Limited

Notes to the standalone financial statements for the year ended 31 March 2021

8 Inventories (valued at lower of cost and net realisable value)

Particulars	As at 31 March 2021	As at 31 March 2020
Raw materials and components	230	192
Work-in-progress	1,083	1,743
Finished goods	25	43
Stores and spares	200	163
	1,538	2,141
Less: Assets classified as held for sale (part of disposal group) Refer Note 1 and 50	(1,538)	-
	-	**2,141**

9 Trade receivables

Particulars	As at 31 March 2021	As at 31 March 2020
Trade receivables		
Unsecured, considered good	1,836	1,662
Less: Allowance for doubtful debts	(569)	(417)
	1,267	**1,245**

The Company's exposure to credit and currency risks and loss allowances related to trade receivables are disclosed in note 39.

10 Cash and cash equivalents

Particulars	As at 31 March 2021	As at 31 March 2020
Cash on hand	-	1
Balances with banks		
- in current accounts	222	28
	222	**29**
Cash and cash equivalents as defined in Ind AS 7 "Statements of Cash Flows	**222**	**29**

11 Bank balances other than cash and cash equivalents above

Particulars	As at 31 March 2021	As at 31 March 2020
In deposit accounts (due to mature within 12 months from the reporting date)*	54	51
	54	**51**

*Balances in margin money deposits represents deposits made for non-fund based limits with banks, which are available for use to settle a liability for not more than 12 months from the balance sheet date.

12 Current loans

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good		
Loans to employees	-	6
	-	**6**

13 Other current assets

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good		
Advance for supply of goods	203	185
Prepaid expenses	18	32
Balances with government authorities	6	6
	227	223
Less: Assets classified as held for sale (part of disposal group) Refer Note 1 and 50	(18)	-
	209	**223**

14 Equity share capital

Particulars	As at 31 March 2021	As at 31 March 2020
Authorised		
Equity shares		
180,000,000 equity shares (31 March 2020: 180,000,000 equity shares) of par value of INR 10 each	18,000	18,000
	18,000	**18,000**
Issued, subscribed and fully paid up		
Equity shares		
166,513,064 equity shares (31 March 2020: 166,513,064 equity shares) of par value of INR 10 each*)	16,651	16,651
	16,651	**16,651**

Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year is as given below:

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount (in INR lakhs)	Number of shares	Amount (in INR lakhs)
At the commencement of the year	16,65,13,064	16,651	16,65,13,064	16,651
At the end of the year	16,65,13,064	16,651	16,65,13,064	16,651

* On 11 Februay 2020, the board of directors of the Company had approved a scheme of capital reduction, subject to regulatory approvals. The said scheme has been approved by National Company Law Tribunal ('NCLT') in April 2021.

Rights, preferences and restrictions attached to equity shares:

The Company has a single class of equity shares having par value of INR 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by board of directors is subject to approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive remaining assets of the Company after distribution of all preferential amounts, if any, in proportion to their shareholding.

The Company has not allotted any fully paid up 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.

Shares held by holding / ultimate holding Company and / or their subsidiaries / associates:

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount (in INR lakhs)	Number of shares	Amount (in INR lakhs)
JKM Erla Automotive Limited*	7,05,13,064	7,051	7,05,13,064	7,051
Dynamatic Technologies Limited**	5,50,00,000	5,500	5,50,00,000	5,500
Eisenwerk Erla GmbH	4,09,99,994	4,100	4,09,99,994	4,100
Total	**16,65,13,058**	**16,651**	**16,65,13,058**	**16,651**

* JKM Erla Automotive Limited is Holding Company as it holds 66.97% of voting rights in the Company (direct holding: 42.35% and indirect holding through Eisenwerk Erla GmbH 24.62%).

** Dynamatic Technologies Limited is Ultimate Holding Company as it holds 100% of voting rights in the Company (direct holding: 33.03% and indirect holding through JKM Erla Automotive Limited 42.35% and Eisenwerk Erla GmbH 24.62%).

All amounts are in INR lakhs unless otherwise stated

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

Name of the shareholder	As at 31 March 2021		As at 31 March 2020	
	% of holding	Number of shares	% of holding	Number of shares
JKM Erla Automotive Limited	42.35%	7,05,13,064	42.35%	7,05,13,064
Dynamatic Technologies Limited	33.03%	5,50,00,000	33.03%	5,50,00,000
Eisenwerk Erla GmbH	24.62%	4,09,99,994	24.62%	4,09,99,994

15 Other equity

Particulars	As at 31 March 2021	As at 31 March 2020
Retained earnings		
At the commencement of the year	(17,945)	(16,089)
Loss for the year	(2,385)	(1,850)
Other comprehensive income for the year, net of income tax	-	(6)
Total other equity	**(20,330)**	**(17,945)**

15(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 profit/(loss) after tax is transferred from the statement of profit and loss to the retained earnings account.

16 Non-current borrowings

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Secured loans		
Term Loans		
- from banks [refer footnote (i)]	-	263
Total borrowings	**-**	**263**
Less: current maturities of long term borrowings	-	(263)
	-	-

Information about the Company's exposure to interest rate, currency and liquidity risk are disclosed in note 39.

(i) From banks (including current maturities of non - current borrowings shown under other current financial liabilities) (read alongwith note 40)

Details of repayment terms, interest and maturity	**Nature of security**
Term loan aggregating INR Nil lakhs (31 March 2020: INR 220 lakhs).	Secured, by way of first charge on present and future fixed assets, including leasehold land, and second charge on current assets. Corporate guarantee by Dynamatic Technologies Limited, JKM Erla Automotive Limited and personal guarantee of Mr. Udayant Malhoutra.
Term loan aggregating INR Nil lakhs (31 March 2020: INR 43 lakhs).	Secured, by way of first charge on current assets and second charge on leasehold land and other fixed assets. Corporate guarantee by Dynamatic Technologies Limited, JKM Erla Automotive Limited and personal guarantee of Mr. Udayant Malhoutra.

17 Non-current provisions

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Provision for employee benefits		
Provision for gratuity (refer note 38)	-	28
Provision for compensated absences	-	29
	-	**57**

18 Other non - current liabilities

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Trade advance received from associate company* (refer note 42)	-	1,333
	-	**1,333**

*Amount represents long term, trade advances received from Eisenwerk Erla Gmbh, Germany which carries an interest of 3 month LIBOR. The advance shall be settled against purchases by Eisenwer Erla Gmbh which is expected to be consumed by March 2022. Accordingly, the Company has disclosed INR 1,333 lakhs as non-current which is expected to be consumed after twelve months.

All amounts are in INR lakhs unless otherwise stated

19 Current borrowings

Particulars	As at 31 March 2021	As at 31 March 2020
Secured loans		
- Financial institutions	155	-
Unsecured loans		
From banks		
- Bill discounting facility from banks - refer footnote (i)	-	153
	155	**153**

(i) The Company has availed vendor bill discounting facility from bank which carry interest of 12% per annum, and is payable within 60 days from date of discounting of bills.

Information about the Company's exposure to interest rate, currency and liquidity risk are disclosed in note 39.

20 Trade payables

Particulars	As at 31 March 2021	As at 31 March 2020
Dues to micro and small enterprises (refer note 37)	454	323
Dues of creditors other than micro and small enterprises	2,792	2,955
	3,246	**3,278**

All trade payables are current.
The Company's exposure to currency and liquidity risk are disclosed in note 39.

21 Other current financial liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Current maturities of long term borrowings (refer note 16)	-	263
Loan from related party (refer note 42)	973	-
Interest due to a related party (refer note 42)	714	669
Employee related liabilities	111	55
Accrued expenses	88	187
Capital creditors	30	67
Retention money	26	26
Interest accrued but not due on borrowings	-	4
	1,942	**1,271**

22 Current provisions

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits		
Provision for gratuity (refer note 38)	108	21
Provision for compensated absences	46	5
	154	26
Less: Liabilities classified as held for sale (part of disposal group) Refer Note 1 and 50	(154)	-
	-	**26**

23 Other current liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Trade advance received from ultimate holding company (refer note 42)	6,500	6,105
Advance from associate company* (refer note 42)	1,725	348
Statutory liabilities	249	91
	8,474	**6,544**

*(refer note 18 read alongwith note 42).

JKM Ferrotech Limited
Notes to the standalone financial statements for the year ended 31 March 2021
All amounts are in INR lakhs unless otherwise stated

24 Revenue from operations

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Sale of products		
Revenue from sale of products (Refer Note 48)	9,149	10,771
Total revenue from sale of products (A)	**9,149**	**10,771**
Other operating revenue		
Scrap sales	86	30
Total other operating revenue (B)	**86**	**30**
Total revenue from operations (A + B)	**9,235**	**10,801**

25 Other income

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest income on financial assets carried at amortised cost	24	5
	24	**5**

26 Cost of materials consumed

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Inventory of materials at the beginning of the year	192	112
Add: Purchases	5,497	5,786
Less: Inventory of materials at the end of the year	230	192
	5,459	**5,706**

27 Changes in inventories of finished goods and work-in-progress

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Opening stock		
Finished goods	43	85
Work-in-progress	1,743	1,985
	1,786	**2,070**
Closing stock		
Finished goods	25	43
Work-in-progress	1,083	1,743
	1,108	**1,786**
	678	**284**

All amounts are in INR lakhs unless otherwise stated

28 Employee benefits expense

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries and wages	653	650
Contribution to provident fund and other funds	68	63
Gratuity expense (Refer Note 38)	59	11
Staff welfare expenses	11	15
	791	**739**

29 Finance costs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest expense on financial liabilities at amortised cost	192	293
Interest on trade advance from related parties (refer note 42)	89	443
	281	**736**

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 3.1)	1,044	1,004
Amortisation of intangible assets (refer note 3.2)	14	23
	1,058	**1,027**

31 Other expenses

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Power and fuel	1,573	2,019
Subcontractor charges	697	963
Freight outward	271	339
Consumption of stores, loose tools and spare parts	154	220
Material handling charges	123	146
Legal and professional fees	46	64
Payments to Auditors (Refer Note 34)	11	11
Repairs and maintenance:		
- plant and machinery	46	62
- buildings	33	17
- others	6	8
Rent	19	2
Travelling and conveyance	13	32
Packing expenses	25	42
Rates and taxes	50	20
Security charges	39	39
Insurance	25	23
Bank charges	19	25
Printing and stationery	8	8
Communication expenses	5	5
Loss allowance on financial assets (net)	152	23
Miscellaneous expenses	62	96
	3,377	**4,164**

32 Contingent liabilities

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Claims against the Company not acknowledged as debts #		
Income tax matters	1,073	920
Indirect tax	254	201

Outflow, if any, arising out of the said claim including interest, if any, would depend on the outcome of the decision of the Appellate Authority and the Company's right for future appeal before the judiciary.

33 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	-	37

There are no other material commitments.

34 Payment to auditors (excluding GST) included in legal and professional fees

Particulars	**For the year ended**	
	31 March 2021	**31 March 2020**
Statutory audit fees	10	10
Out of pocket expenses	1	1
Total	**11**	**11**

35 Leases

Effective 01 April 2019, the Company applied Ind AS 116 - "Leases" to applicable lease contracts existing as on 01 April 2019. The Company has used the modified retrospective method prescribed under Ind AS 116 and accordingly, the comparative numbers have not been retrospectively adjusted. The application of Ind AS 116 did not have a significant impact on the loss and loss per share for the year ended 31 March 2021 and 31 March 2020.

Rental expense recorded for short-term leases was INR 19 lakhs for the year ended 31 March 2021 (Previous year: INR 2 lakhs).

36 Segment reporting

The Board of Directors has been identified as Chief Operating Decision Maker ("CODM") as defined by Ind AS 108, Operating Segments. The Company is structured into a single segment of manufacturing of iron castings and accordingly the CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by the products portfolio and segment information has been presented accordingly.

A Geographical information

The geographical information analyses the Company's revenue and non-current assets by the Company's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been disclosed on the basis of geographical location of the customer and segment assets which have been disclosed based on the geographical location of the assets.

Particulars	**Revenue from operations for the year ended**		**Non current assets* As at**	
	31 March 2021	**31 March 2020**	**31 March 2021**	**31 March 2020**
India	9,235	10,801	12	7,474
Outside India	-	-	-	-
Total	**9,235**	**10,801**	**12**	**7,474**

*Non-current assets excludes financial assets.

All amounts are in INR lakhs unless otherwise stated

B Major customer

Revenue from the following external customers are more than 10% of the Company's total revenue:

Particulars	31 March 2021	31 March 2020
Customer 1	2,869	3,600
Customer 2	2,705	1,813
Customer 3	1,025	1,733
Customer 4	963	1,344
Customer 5	-	966
Customer 6	-	665

37 Dues to micro, small and medium enterprises

Total outstanding dues of micro, small and medium enterprises, which are outstanding for more than the stipulated period and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter refer to as "the MSMED Act") are given below:

Particulars	31 March 2021	31 March 2020
(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;		
(i) Principal	454	323
(ii) Interest	-	20
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year, and	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

38 Assets and liabilities relating to employee benefits

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Net defined benefit liability, gratuity plan	108	48
Liability for compensated absences	46	34
	154	82
Less: Liabilities classified as held for sale (part of disposal group) Refer Note 1 and 50	(154)	-
Total employee benefit liability	**-**	**82**
Current	-	26
Non-current	-	56
	-	**82**

The Company operates following post-employment defined benefit plan:

Defined benefit plan

The Company operates post-employment defined benefit plan that provide gratuity, governed by the Payment of Gratuity Act,1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement / termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service or part thereof in excess of six months. The gratuity plan is a funded plan. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

These defined benefit plans expose the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

A Funding

The Company expects to pay INR Nil lakhs in contributions to its defined benefit plans in 2021-22.

B Reconciliation of net defined benefit liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability/ assets and its components:

Reconciliation of present value of the defined benefit obligation

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Obligation at the beginning of the year	79	60
Interest cost	5	5
Current service cost	38	8
Past service cost	18	-
In Other Comprehensive Income (in OCI)		
- Changes in financial assumptions	-	5
- Experience adjustments	-	1
Obligation at the end of the year	**140**	**79**
Reconciliation of present value of plan assets		
Plan assets at the beginning of the year, at fair value	30	28
Interest income on plan assets	2	2
Plan assets at end of the year, at fair value	**32**	**30**
Net defined benefit liability	**108**	**49**

C (i) Expense recognised in the Statement of profit or loss -

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Current service cost	38	8
Interest cost	3	5
Interest income	-	(2)
Past service cost	18	-
Net gratuity cost	**59**	**11**

(ii) Remeasurement recognised in other comprehensive income

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Actuarial loss / (gain) on on defined benefit obligation	-	6
Return on plan assets, excluding interest income	-	-
Total loss / (gain) recognised in other comprehensive income	**-**	**6**

D Plan assets

Particulars	As at 31 March 2021	As at 31 March 2020
Insurance fund	32	32
	32	**32**

E Defined benefit obligation

(i) Actuarial Assumptions

Particulars	As at 31 March 2021	As at 31 March 2020
Rate of return on planned assets	6.80%	6.83%
Discounting rate	6.80%	6.83%
Future salary growth	9.00%	6.00%
Attrition rate	5.00%	5.00%
Weighted average duration of defined benefit obligation (in years)	9	9
Retirement age (in years)	58	58

Notes:

(i) The discount rate is based on the prevailing market yield on Government Securities as at the balance sheet date for the estimated term of obligations.

(ii) The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Group’s policy for plan asset management.

(iii) The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

(ii) Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant would have affected defined benefit obligation by amounts shown below:

Particulars	As at 31 March 2021	As at 31 March 2020
Projected Benefit Obligation (gross)	140	78
Impact of change in discount rate by +1%	(12)	(6)
Impact of change in discount rate by -1%	13	6
Impact of change in salary rate by +1%	13	6
Impact of change in salary rate by -1%	(11)	(6)
Impact of change in employee turnover rate by +1%	(2)	0
Impact of change in employee turnover rate by -1%	2	(0)

Defined contribution plan

The Company's contribution to Provident Fund aggregating to INR 49 lakhs (31 March 2020: INR 51 lakhs) has been recognised in the Statement of Profit and Loss under the head employee benefit expense.

39 Financial risk management

The Company has exposure to the following risks arising from financial instruments:
- 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. Credit risk arises from cash held with banks, 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

Trade and other receivables

The maximum exposure to credit risk at the reporting date is primarily from trade receivables. However, the management also considers the factors that may influence the credit risk of its customer base. Customers of the Company are spread across diverse industries and geographical areas. The Company limits its exposure to credit risk from trade receivables by establishing a maximum credit period and takes appropriate measures to mitigate the risk of financial loss from defaults. Recurring credit evaluation of credit worthiness is performed based on the financial condition of respective

Expected credit loss assessment for Trade Receivables as at 31 March 2021 and 31 March 2020 are as follows:

The Company establishes an allowance for credit loss that represents its estimate of expected losses in respect of trade and other receivables based on past and the recent collection trend. The maximum exposure to credit risk as at reporting date is primarily from trade receivables as at 31 March 2021 amounting to INR 1,267 lakhs (31 March 2020: 1,245 lakhs). The movement in allowance for credit loss in respect of trade and other receivables during the year was as follows -

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Balance as at beginning of the year	417	394
Net measurement of loss allowance	152	23
Balance as at end of the year	**569**	**417**

(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 bank balances 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.

a) Financing arrangement

The Company maintains the following line of credit:

Short term loan from Non-banking financial institution carrying interest rate of 13.00% per annum aggregating INR 155 lakhs is repayable in remaining 6 monthly installments. The loan are secured by way of Corporate guarantee by Dynamatic Technologies Limited.

Financial risk management (continued)

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:

As at 31 March 2021

Particulars	Contractual cash flows				
	Carrying amount	Total	0-1 years	1-5 years	5 years and above
Borrowings*	155	155	155	-	-
Trade payables	3,246	3,246	3,246	-	-
Other financial liabilities (current and non - current) #	1,942	1,942	1,942	-	-
	5,343	**5,343**	**5,343**	**-**	**-**

As at 31 March 2020

Particulars	Contractual cash flows				
	Carrying amount	Total	0-1 years	1-5 years	5 years and above
Borrowings*	417	417	417	-	-
Trade payables	3,278	3,278	3,278	-	-
Other financial liabilities (current and non - current) #	1,008	1,008	1,008	-	-
	4,703	**4,703**	**4,703**	**-**	**-**

As disclosed in note 16 and 19, the Company has secured bank loan that contains loan covenants. Except for these financial liabilities, it is not expected that cash flows included in maturity analysis could occur significantly earlier.

* Includes current maturities of long term borrowings

Excludes current maturities of long term borrowings

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 exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currency of the Company. The functional currency of the Company is INR. The currencies in which these transactions are primarily denominated are in Euro.

Management monitors the movement in foreign currency and the Company's exposure in each of the foreign currency. Based on the analysis and study of movement in foreign currency, the Company decides to exchange its foreign currency.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to management is as follows:

Particulars	Currency	As at 31 March 2021		As at 31 March 2020	
		Amount in foreign	Amount in INR lakhs	Amount in foreign currency	Amount in INR lakhs
Other current financial liabilities	EURO	77,529	67	24,102	20

The following significant exchange rates have been applied

Currency	Year end spot rate	
	31 March 2021	31 March 2020
EURO/INR	85.78	83.09

All amounts are in INR lakhs unless otherwise stated

Sensitivity analysis

A reasonably possible strengthening/(weakening) of the EURO against INR at 31 March 2021 and 31 March 2020 would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Particulars	Profit and loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2021				
Euro (+7% movement)	4,65,531	(4,65,531)	3,44,493	(3,44,493)
31 March 2020				
Euro (-4% movement)	1,40,184	(1,40,184)	1,03,737	(1,03,737)

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.

(a) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	As at	
	31 March 2021	31 March 2020
Financial Assets		
Bank Deposits	54	51
Financial Liabilities		
Variable rate borrowings ((including current maturities of long term debts)	-	263
Fixed rate borrowings (including current maturities of long term debts)	155	153
Trade Advance	8,225	7,786
Total borrowings	**8,380**	**8,202**

Particulars	Profit and loss		Equity, net of tax	
	1% Increase	1% decrease	1% Increase	1% decrease
31 March 2021				
Variable rate borrowings	(84)	84	(62)	62
31 March 2020				
Variable rate borrowings	(82)	82	(61)	61

40 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 2021	31 March 2020
Borrowings (current and non-current)	8,380	8,202
Less: Cash and cash equivalents	(222)	(29)
Adjusted net debt	**8,158**	**8,173**
Total equity	(3,679)	(1,294)
Net debt to equity ratio	**-***	**-***

* The net debt to equity ratio is not computed as the Company has negative equity as at the end of reporting period.

All amounts are in INR lakhs unless otherwise stated

41 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 judgement 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 2021	Level 1	Level 2	Level 3	Total
Financial assets measured at amortised cost					
Loans (current and non - current)	-	-	-	-	-
Trade receivables, net of loss allowance	1,267	-	-	-	-
Cash and cash equivalents	222	-	-	-	-
Bank balances other than cash and cash equivalents	54	-	-	-	-
Financial assets measured at fair value					
Investments in equity shares	33	-	-	33	33
Total financial assets	**1,576**	**-**	**-**	**33**	**33**
Financial liabilities measured at amortised cost					
Borrowings (current and non - current) #	155	-	-	-	-
Trade payables	3,246	-	-	-	-
Other financial liabilities (current and non - current)*	1,942	-	-	-	-
Total financial liabilities	**5,343**	**-**	**-**	**-**	**-**

Particulars	Carrying amount	Fair value			
	31 March 2020	Level 1	Level 2	Level 3	Total
Financial assets measured at amortised cost					
Loans (current and non - current)	171	-	-	-	-
Trade receivables, net of loss allowance	1,245	-	-	-	-
Cash and cash equivalents	29	-	-	-	-
Bank balances other than cash and cash equivalents	51	-	-	-	-
Financial assets measured at fair value					
Investments in equity shares	34	-	-	34	34
Total financial assets	**1,530**	**-**	**-**	**34**	**34**
Financial liabilities measured at amortised cost					
Borrowings (current and non - current) #	153	-	-	-	-
Trade payables	3,278	-	-	-	-
Other financial liabilities (current and non - current)*	1,271	-	-	-	-
Total financial liabilities	**4,702**	**-**	**-**	**-**	**-**

Excludes current maturities of long term borrowings

* Includes current maturities of long term borrowings

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 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 Borrowings: It includes loans taken from banks, inter corporate deposits and bill discounting facilities. Borrowings are classified and subsequently measured in the financial statements at amortised cost. Considering that the interest rate on loans is reset on yearly basis, the carrying amount of the loan would be a reasonable approximation of its fair value.

2 Trade payables and other financial liabilities: Fair values of trade payables and 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.

All amounts are in INR lakhs unless otherwise stated

42 Related party disclosures

Description of relationship	Name of related party
Ultimate holding company	Dynamatic Technologies Limited
Holding company	JKM Erla Automotive Limited
Company under the same management	Eisenwerk Erla Gmbh, Germany
Entities over which key executive management personnel or relatives of such personnel are able to exercise significant influence	Wavell Investments Private Limited
Key executive management personnel	Suresh Kumar R - Manager
	Lakshmi Dayanand Kamath - Chief Financial Officer (resigned with effect from 28 August 2020)
	Chalapathi P - Director and Chief Financial Officer (Effective from 11 February 2021)
	Chandrashekar S - Company Secretary

a) Following is the summary of significant transactions and balances with Dynamatic Technologies Limited:

Particulars	Transactions for the year ended		Outstanding balance [Receivable/ (Payable)]	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Sales (net of returns and taxes)	250	1,628	-	-
Purchase of raw materials	-	15	-	-
Interest expense	45	443*	(714)	(669)
Advance received	514	3,955	(6,500)	(6,105)
Loan received	1,088	-	(973)	-
Reimbursement of expenses	159	55	-	-
Corporate guarantee taken/ (settled), net	(334)	(868)	155	489

* including tax deducted at source

b) The following is the summary of significant transactions and balances with Eisenwerk Erla Gmbh, Germany:

-

Particulars	Transactions for the year ended		Outstanding balance [Receivable/ (Payable)]	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Sales (net of returns and taxes)	-	4	-	-
Interest expense	44	40	-	-
Advance received	-	-	(1,681)	(1,681)

All amounts are in INR lakhs unless otherwise stated

c) The following is the summary of significant transactions and balances with Wavell Investments Private Limited:

Particulars	Transactions for the year ended		Outstanding balance [Receivable/ (Payable)]	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Intercorporate deposit (repaid)	-	(170)	-	-

d) The following is the summary of significant transactions and balances with Key executive managerial personnel:

Particulars	Transactions for the year ended	
	31 March 2021	31 March 2020
Managerial Remuneration to:		
Suresh Kumar R*	44	45
Lakshmi Dayanand Kamath*	13	31

*Managerial remuneration does not include gratuity and compensated absences as the same has been provided based on the actuarial valuation determined for the Company as a whole.

Terms and conditions

All transactions with these related parties are priced at arm's length basis and resulting outstanding balances are to be settled in cash within six months to one year of reporting date except the non current portion of the advance from Dynamatic Technologies Limited and Eisenwerk Erla Gmbh, which will be settled in the next 18-24 months. The balances receivable/payable are unsecured.

43 Loss per share

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Loss for the year attributable to equity shareholders	(2,385)	(1,850)

Reconciliation of basic and diluted shares used in computing loss per share:

Particulars	31 March 2021	31 March 2020
Number of equity shares outstanding at the beginning of the year	16,65,13,064	16,65,13,064
Add: Weighted average number for equity shares issued during the year	-	-
Weighted average number of equity shares outstanding during the year	16,65,13,064	16,65,13,064

Loss per share		
Basic	(1.43)	(1.11)
Diluted	(1.43)	(1.11)

All amounts are in INR lakhs unless otherwise stated

44 Details of non-current investments purchased and sold during the year under section 186(4) of the Act:

Investment in equity instruments

Particulars	Face value per unit	As at 1 April 2020	Purchased during the year	Sold during the year	As at 31 March 2021
Unquoted					
Investments carried at fair value through profit and loss					
TCP Limited	INR 10	1	-	-	1
		(100)*			(100)*
Kamachi Industries Limited	INR 10	33	-	-	33
		(332,000)*			(332,000)*

Particulars	Face value per unit	As at 1 April 2019	Purchased during the year	Sold during the year	As at 31 March 2020
Unquoted					
Investments carried at fair value through profit and loss					
TCP Limited	INR 10	1	-	-	1
		(100)*			(100)*
Kamachi Industries Limited	INR 10	33	-	-	33
		(332,000)*			(332,000)*

*The amounts in parenthesis represents number of shares.

45 Details of loans given during the previous year under Section 186(4) of the Act

The Company has not granted any loans to any person or body corporate and hence no dislosure required under Sec 186(4) in the financial year 2020-21.

46 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. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the international as well as specified domestic transactions entered into with the associated enterprise during the financial year and expects such records to be in existence latest by the end of the stipulated timeline, 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 the tax expenses and that of provision for taxation.

47 Income tax

A Amount recognised in statement of profit and loss

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Current income tax:		
Current income tax charge	-	-
Deferred tax:		
Attributable to-		
Origination and reversal of temporary differences	-	-
	-	-
Income tax expense reported in the statement of profit and loss	**-**	**-**

B Income tax recognised in other comprehensive income

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Net gain / (loss) on remeasurement of defined benefit liability / (assets)	-	(6)
Income tax charged to OCI	**-**	**(6)**

C The actual tax expense for the year ended 31 March 2021 is zero considering the unabsorbed tax losses and depreciation.

All amounts are in INR lakhs unless otherwise stated

D Deferred tax

Deferred tax relates to the following:

Particulars	**As at 1 April 2020**	**Recognised in profit or loss during 2020-21**	**Recognised in OCI during 2020-21**	**As at 31 March 2021**
Deferred tax assets / (liabilities)				
Property, plant and equipment and intangible assets	(611)	185	-	(426)
Provision for loss allowance	105	38	-	143
Provision for gratuity and compensated absences	28	11	-	39
Unabsorbed depreciation / loss	476	(232)	-	244
Others	2	-	-	-
Deferred tax assets / (liabilities)	**-**	**-**	**-**	**-**

Particulars	**As at 1 April 2019**	**Recognised in profit or loss during 2019-20**	**Recognised in OCI during 2019-20**	**As at 31 March 2020**
Deferred tax assets / (liabilities)				
Property, plant and equipment and intangible assets	(746)	135	-	(611)
Provision for loss allowance	103	2	-	105
Provision for gratuity and compensated absences	16	12	-	28
Unabsorbed depreciation / loss	625	(149)	-	476
Others	2	-	-	2
Deferred tax assets / (liabilities)	**-**	**-**	**-**	**-**

E Unrecognised deferred tax assets/ (liabilities)

Particulars	**31 March 2021**	**31 March 2020**
Difference between book value and tax base of Property, plant and equipment	(1,692)	(2,427)
Provision for loss allowance	568	417
Provision for gratuity and compensated absences	155	111
Others	-	8
Unabsorbed depreciation and tax losses	18,570	18,570
Net unrecognized timing differences	17,601	16,679
Tax impact	4,430	4,198

No deferred tax adjustments were required in respect of amounts recognised in Other Comprehensive Income in view of the nature of items included therein and the availability of unabsorbed tax losses (including tax depreciation)

All amounts are in INR lakhs unless otherwise stated

48 Revenue from contracts with customers

A. Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers for the year ended 31 March 2021 and 31 March 2020 by market or type of customers, timing of revenue recognition, contract-type and geography.

The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Market or type of customer		
Non-government	9,149	10,771
Total	**9,149**	**10,771**
Timing of revenue recognition		
Goods or services transferred at point in time	9,149	10,771
Total	**9,149**	**10,771**
Primary geographical markets		
India	9,149	10,771
Total	**9,149**	**10,771**

Reconciling the amount of revenue recognised under profit and loss:

Particulars	31 March 2021	31 March 2020
Revenue as per Contract	9,149	10,771
Revenue from contract with customers	**9,149**	**10,771**
Other Operating revenue		
Scrap sales	86	30
Revenue from profit and loss statement	**9,235**	**10,801**

B. Contract balances

The Company does not have any contract balances.

C. Remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised as the end of the reporting period and an explanation as to when the Company expects to recognise these amount in revenue. Unsatisfied or partially satisfied performance obligations are subject to variability due to several factors such as termination changes in contract scope, re-validation of estimates and economic factors.

Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognised corresponds directly with the value to the customer of the Company's performance completed to date, typically those contracts where invoicing is on time and material, unit price basis.

49 Reconciliation of liabilities from financing activities:

Particulars	1 April 2020	Cash flows	Non Cash Changes		31 March 2021
			Interest Expense	Finance guarantee	
Non- Current Borrowings					
Secured					
- Term loan from banks*	263	(263)	-	-	-
Current Borrowings					
Secured					
- Financial institutions: Short Term Loan	-	155	-	-	155
Unsecured		-			
- Bill discounting facility from banks	153	(153)	-	-	-
Interest due to related party	669	44	89	-	714
Interest on borrowings	4	(196)	192		-
Total liabilities from financing activities	**1,089**	**(413)**	**281**	**-**	**869**

* includes current maturities of long term borrowings

Particulars	1 April 2019	Cash flows	Non Cash Changes		31 March 2020
			Interest Expense	Finance guarantee	
Non- Current Borrowings					
Secured					
- Term loan from banks*	996	(733)	-	-	263
Current Borrowings					
Unsecured					
- Bill discounting facility from banks	250	(97)	-	-	153
- Inter-corporate deposit	170	(170)	-	-	-
Interest due to related party	270	(44)	443	-	669
Interest on borrowings	-	(289)	293	-	4
Total liabilities from financing activities	**1,686**	**(1,333)**	**736**	**-**	**1,089**

* includes current maturities of long term borrowings

50 (i) Carrying value of assets and liabilities classified as held for sale, relating to the Disposal group referred to in Note 1.

Particulars	As at 31 March 2021	As at 31 March 2020
Assets classified as held for sale		
Property plant & equipment	6,496	-
Current assets	1,979	-
Assets of disposal group held for sale	**8,475**	**-**
Liabilities directly associated with assets classified as held for sale		
Current Liabilities	154	-
Liabilities of disposal group held for sale	**154**	**-**

(ii) The Cash Flow Statement summarises cash flows from the discontinued operations relating to the foundry business. Refer Note 1.

for and on behalf of the Board of Directors of
JKM Ferrotech Limited

Sd/-

Chalapathi P
Director and Chief Financial Officer
DIN.: 08087615

P S Ramesh
Director
DIN: 0005205364

Chandrashekar S
Company Secretary

Place: Bengaluru
Date: 05 June 2021