Since 1963
MEHRA GOEL & CO. Chartered Accountants

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Independent Auditor's Report
To the Members of
JBM Solaris Electric Vehicles Private Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the Ind AS financial statements of **JBM Solaris Electric Vehicles Private Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2021, and the Statement of Profit and Loss (including the Statement of Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, its profit including other comprehensive income, its cash flows and changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS Financial Statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Information Other than the Ind AS Financial Statements and Auditor's Report thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the Ind AS financial statements and our auditors' report thereon.

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

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

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Management's Responsibility for the Ind AS Financial Statements

The accompanying Financial Statements have been approved by the Company's Board of Directors. The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to Ind AS financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;

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(d) In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to Ind AS financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**;

(g) In our opinion and according to the information and explanation given to us, the managerial remuneration for the year ended March 31, 2021 has not been paid /provided by the company to its directors accordingly the provisions of section 197 read with Schedule V to the Act is not applicable to the company.

(h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigation which would impact its financial position.

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

iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

For Mehra Goel & Co.
Chartered Accountants
FRN- 000517N

MEHRA GOEL & CO. NEW DELHI CHARTERED ACCOUNTANTS

Manish Goyal

Manish Goyal
Partner
M.No. 094757
UDIN: 21094757AAAABL7272
Date: 31st August, 2021
Place: Gurugram

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

(This is the annexure referred to in Para 1 of 'Report on other legal and regulatory requirements' of our report of even date to the members of JBM Solaris Electric Vehicles Private Limited)

(i) In respect of its Fixed Assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets have been physically verified by the management and no material discrepancies have been noticed on physical verification as confirmed by the management. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) In our opinion and according to the information and explanations given to us, the Company does not have any immovable property. Accordingly, the provisions of clause 3(i)(c) of the order is not applicable to the company.

(ii) As per information and explanation given to us, the inventory of finished goods, semi-finished goods and raw material at works were, during the year, physically verified by the management at reasonable intervals. In respect of store and spare parts and stocks in transit were verified with the confirmation or statement of account or correspondence of third parties or subsequent receipt of goods.
In our opinion and on the basis of our examination of inventory records, we are of the opinion that the company is maintaining proper records of inventory and no material discrepancies were observed on physical verification done by the management.

(iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships and other parties, mentioned in the register maintained under section 189 of the Companies Act, 2013. Since, the company has not granted any loans, provisions of clause (iii) (a) to (iii) (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, the company has not granted any loans or made investments or provided any securities and guarantees to the parties covered under Section 185 and 186 of the Act.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year in terms of the provision of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Accordingly the provisions of clause 3(v) of the Order are not applicable to the company.

(vi) According to the information and explanation given to us, the maintenance of the cost records has not been prescribed by the central government under section 148 of the Companies Act, 2013. Accordingly the provisions of clause 3(vi) of the Order are not applicable to the company.

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(vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were in arrears as at March 2021, for a period of more than six months from the date they became payable.

(b) According to the information and explanations and records of the company, there are no disputed dues of provident fund, employee's state insurance, Income tax, Goods and Services Tax, duty of customs, cess and value added tax. Accordingly, paragraph 3(vii)(b) of the Order is not applicable to the Company.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks as at the balance sheet date. There is no amount payable to Banks, Financial Institution, and Government or by way of debenture during the Year.

(ix) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable to the Company.

(x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit, nor have been informed of any such case by the management.

(xi) According to the information and explanations given to us and based on our examination of the records of the company, the Managerial remuneration has not been paid or provided during the year. Accordingly, the provisions of clause 3(xi) of the Order are not applicable to the Company.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, the provisions of clause 3(xii) of the Order are not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required under Ind AS 24, Related Party Disclosures specified under section 133 of the Act..

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

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(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause (xv) of the Order are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.Accordingly, the provisions of clause 3(xvi) of the Order are not applicable to the Company.

For Mehra Goel & Co.
Chartered Accountants
FRN- 000517N

Manish Goyal

Manish Goyal
Partner
M.No. 094757
UDIN: 21094757AAAABL7272
Date: 31st August, 2021
Place: Gurugram

Annexure B to the Independent Auditors' Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over Ind AS financial statements of **JBM Solaris Electric Vehicles Private Limited** ("the Company") as of 31 March 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over Ind AS financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act,2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these Ind AS financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Ind AS financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these Ind AS financial statements.

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Meaning of Internal Financial Controls with reference to Ind AS Financial Statements

A company's internal financial control with reference to these Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to these Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over financial reporting with reference to Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to these Ind AS financial statements, including the possibility of collusion or improper Management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to these financial statements to future periods are subject to the risk that the internal financial control with reference to these financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to these Ind AS financial statements and such internal financial controls over financial reporting with reference to these Ind AS financial statements were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Mehra Goel & Co.
Chartered Accountants
FRN- 000517N

Manish Goyal
Partner
M.No. 094757
UDIN: 21094757AAAABL7272
Date: 31st August, 2021
Place: Gurugram

JBM Group
Our milestones are touchstones

JBM Solaris Electric Vehicles Private Limited

CIN: U34300DL2016PTC315153

BALANCE SHEET AS AT 31st ,March 2021

(₹ in Lakhs)

	Particulars	Note no.	As at 31st March, 2021	As at 31st March, 2020
I.	**ASSETS**			
	Non-current assets			
	(a) Property, plant and equipment	3 (a)	1.21	1.00
	(b) Intangible assets	3 (b)	2,682.74	2,286.02
	(c) Intangible assets under development		-	337.90
	(d) Financial assets			
	(i) Loans	5	0.25	0.25
			2,684.20	**2,625.17**
	Current assets			
	(a) Inventories	6	19.29	8.18
	(b) Financial Assets			
	(i) Trade receivables	7	92.31	29.38
	(ii) Cash and cash equivalents	8	6.02	14.37
	(c) Other current assets	9	593.66	543.17
			711.28	**595.10**
	Total Assets		**3,395.48**	**3,220.27**
II.	**EQUITY AND LIABILITIES**			
	Equity			
	(a) Equity Share capital	10	1,500.00	1,500.00
	(b) other equity	11	(596.11)	(243.93)
			903.89	**1,256.07**
	Liabilities			
	Non-current liabilities			
	(a) Financial liability			
	(i) Borrowings	12	850.00	850.00
			850.00	**850.00**
	Current liabilities			
	(a) Financial liabilities			
	(i) Trade payables			
	Total Outstanding Due to MSME			
	Total Outstanding Dues of Creditors Other Than MSME	13	227.91	84.58
	(ii) Other financial liabilities	14	1,408.35	1,018.15
	(b) Other current liabilities	15	5.33	11.47
			1,641.59	**1,114.20**
	Total Equity and Liability		**3,395.48**	**3,220.27**

The 'Notes to Financial Statements' form integral part of Financial Statements (1 - 33)

As per our report of even date attached
For Mehra Goel & Company
Chartered Accountants
Firm Registration No. : 000517N

Manish Goyal
Partner
Membership No. : 094757
UDIN: 21094757AAAABL7272

31/05/2021

MEHRA GOEL & CO. CHARTERED ACCOUNTANTS NEW DELHI

Place : Gurugram
Date : 21-May-2021

For and on behalf of Board of Directors
JBM Solaris Electric Vehicles Pvt Ltd

Rakesh Razdan
Director
DIN : 08653731
Place : Gurugram

Sandip Sanyal
Director
DIN : 07186909
Place : Gurugram

JBM SOLARIS ELECTRIC VEHICLES PVT. LTD.

JBM Group
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JBM Solaris Electric Vehicles Private Limited

CIN: U34300DL2016PTC315153

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st March, 2021

(₹ in Lakhs)

	Particulars	Note no.	For the Period Ended 31st March, 2021	For the Period Ended 31st March, 2020
I.	Revenue from Operations	16	71.66	3,601.77
II.	Other Income	17	0.00	0.58
III.	**Total Revenue (I+II)**		**71.66**	**3,602.34**
IV.	**EXPENSES**			
	Purchase of stock -in- trade		-	3,440.28
	Finance costs	18	67.34	52.00
	Depreciation and amortization expense	4	262.51	155.36
	Other expenses	19	94.00	115.13
	TOTAL EXPENSES		**423.85**	**3,762.76**
V.	**Profit before exceptional items and tax (III-IV)**		**(352.19)**	**(160.42)**
VI.	**Exceptional items**		-	-
VII.	**Profit before tax**		**(352.19)**	**(160.42)**
VIII.	**Tax Expense**		-	-
			-	-
	Profit(Loss) for the year (VII - VIII)		**(352.19)**	**(160.42)**
IX.	**Profit after tax for the year (VII-VIII)**		**(352.19)**	**(160.42)**
X	**Total Comprehensive Income**		**(352.19)**	**(160.42)**
XI	**Earnings per equity share:**	20		
	(1) Basic		**(2.35)**	**(1.07)**
	(2) Diluted		**(2.35)**	**(1.07)**
	Significant Accounting Policies	**2**		

The 'Notes to Financial Statements' form integral part of Financial Statements (1 - 33)

As per our report of even date attached
For Mehra Goel & Company
Chartered Accountants
Firm Registration No. : 000517N

Manish Goyal 31/08/2021
Manish Goyal
Partner
Membership No. : 094757
UDIN: 21094757AAAABL7272
Place : Gurugram
Date : 21-May-2021

MEHRA GOEL & CO. NEW DELHI CHARTERED ACCOUNTANTS

For and on behalf of Board of Directors
JBM Solaris Electric Vehicles Pvt Ltd

Rakesh Razdan
Director
DIN : 08653731
Place : Gurugram

Sandip Sanyal
Director
DIN : 07186909
Place : Gurugram

JBM SOLARIS ELECTRIC VEHICLES PVT. LTD.

JBM Solaris Electric Vehicles Private Limited
CIN: U34300DL2016PTC315153

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2021

(₹ in Lakhs)

A Equity Share capital

Particular	Balance as at 01st April 2019	Changes in Equity share capital during the year	Balance at the end of March 2020	Changes in Equity share capital during the year	Balance at the end of March 2021
Equity Share capital	1,500.00	-	1,500.00	-	1,500.00

B Other Equity

(₹ in Lakhs)

	Share Application Money Pending Allotment	Retained earnings	Total
Balance as at 01.04.2019	-	**(83.51)**	**(83.51)**
Restated balance at the beginning of the reporting period		(83.51)	**(83.51)**
Profit for the year	-	**(160.42)**	**(160.42)**
Share application money (Share issue) During the Year	-	-	-
Balance as at 31.03.2020	-	**(243.93)**	**(243.93)**
Restated balance at the beginning of the reporting period		(243.93)	**(243.93)**
Profit for the year	-	**(352.19)**	**(352.19)**
Share application money (Share issue) During the Year	-		-
Balance as at 31.03.2021	-	**(596.11)**	**(596.11)**

The 'Notes to Financial Statements form integral part of Financial Statements

As per our report of even date attached
For Mehra Goel & Company
Chartered Accountants
Firm Registration No. : 000517N

Manish Goyal 31/08/2021
Partner
Membership No. : 094757
UDIN:
21094757AAAABL7272

Place : Gurugram
Date : 21-May-2021

MEHRA GOEL & CO. CHARTERED ACCOUNTANTS NEW DELHI

For and on behalf of Board of Directors
JBM Solaris Electric Vehicles Pvt Ltd

Rakesh Razdan
Director
DIN : 08653731
Place : Gurugram

Sandip Sanyal
Director
DIN : 07186909
Place : Gurugram

JBM SOLARIS ELECTRIC VEHICLES PVT. LTD.

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JBM Solaris Electric Vehicles Private Limited

CIN: U34300DL2016PTC315153

CASH FLOW STATEMENT FOR THE YEAR 2020-21

(₹ in Lakhs)

PARTICULARS		For the year ended March, 2021	For the year ended March, 2020
A.	**CASH FLOW FROM OPERATING ACTIVITIES :**		
	Profit before tax	(352.19)	(160.42)
	Adjustment for :		
	Depreciation and Amortisation expense	262.51	155.35
	Finance Cost	67.34	52.00
	Unrealised Exchange loss/(Gain) (Net)	7.96	0.00
	Interest income	-	(0.54)
	Operating Profit before Working Capital Changes	(14.38)	46.39
	Adjustment for :		
	Trade and other receivables	(113.42)	(55.01)
	Inventories	(11.10)	(8.18)
	Trade and other liabilities	137.18	66.27
	Cash Generated From Operations	(1.72)	49.46
	Net Cash Used in Operating Activities	(1.72)	49.46
B.	**CASH FLOW FROM INVESTING ACTIVITIES :**		
	Purchase of Property, Plant and Equipment & Intangible Assets (including CWIP and Intangible aseets under development)	(0.68)	(29.97)
	Interest received	-	0.54
	Net Cash used in Investing Activities	(0.68)	(29.42)
C.	**CASH FLOW FROM FINANCING ACTIVITIES :**		
	Issue of Equity Share Capital	-	50.00
	Proceeds from non corrent borrowings	-	0.00
	Increase/(Decrease) in current borrowings	-	(6.67)
	Finance cost paid	(5.95)	(49.05)
	Net cash flow from financing activities	(5.95)	(5.72)
	Net Increase in Cash and cash equivalents	(8.35)	14.32
	Cash and cash equivalents at the beginning of the year **(Refer Note No.8)**	14.37	0.05
	Cash and cash equivalents at the end of the year **(Refer Note No.8)**	6.02	14.37

Notes:

1 The above Cash Flow Statement has been prepared under the indirect method as set out in the Indian Accounting Standard (IND -AS) - 7 on " Statement of Cash Flows"

2 Figures in bracket represents cash outflow

3 Cash and Cash Equivalents includes Bank Balances and Cash in hand as per Note No.8

4 As per IND AS 7 cash flow statements requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

(₹ in Lakhs)

Particulars	As at 01st April 2020	Cash flows	Acquisition/Foreign exchange movement/ Fair value changes	31st March 2021
Borrowings- Non Current	850.00	-	-	850.00
	850.00	-	-	850.00

The 'Notes to Financial Statements' form integral part of Financial Statements (1 - 33)

As per our report of even date attached

For Mehra Goel & Company
Chartered Accountants
Firm Registration No. : 000517N

Manish Goyal 31/08/2021
Manish Goyal
Partner
Membership No. : 094757
UDIN:
21094757AAAABL7272
Place : Gurugram
Date : 21-May-2021

MEHRA GOEL & CO. NEW DELHI CHARTERED ACCOUNTANTS

For and on behalf of Board of Directors
JBM Solaris Electric Vehicles Pvt Ltd

Rakesh Razdan
Director
DIN : 0865[illegible]
Place : Gurugram

Sandip Sanyal
Director
DIN : 07186909
Place : Gurugram

JBM SOLARIS ELECTRIC VEHICLES PVT. LTD.

1. Corporate Information
JBM Solaris Electric Vehicle Private Limited (the "Company") is a private limited Company incorporated on 19.09.2016 under the Indian Companies Act 2013 having its registered office at Plot no 118, HSIIDC Industrial Estate, sector 59, Ballabhgarh, Faridabad, Haryana - 121004. The Company is joint venture between JBM Auto Limited and Solaris Bus & Coach sp. z.o.o. The Company's primary objective is to design, develop, manufacture & sell, import, export, supply and trading of Electric Buses along with their related changing ecosystem to cater to all types of customers.

The financial statements for the year ended March 31, 2021 were approved by the Board of Directors and authorize for issue on : 21-May-2021

2. Significant accounting policies

(i) Statement of compliance with Ind AS
The Financial Statements have been prepared as a going concern in accordance with Indian Accounting Standards (Ind AS) notified under the section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

(ii) Basis of Preparation and Presentation
The financial statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies mentioned below. Historical cost is generally based on the fair value of the consideration given in exchange of goods or services. The principal accounting policies are set out below:-

All assets and liabilities have been classified as current or non-current according to the Company's operating cycle and other criteria set out in the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current & non-current classification of assets and liabilities.

(iii) Use of estimates and judgments
The preparation of 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 amount of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the year in which the estimates are revised and future years affected.

(iv) Revenue Recognition
The Company has adopted Ind AS 115 "Revenue from Contracts with Customers", with effect from April 01, 2018 using the cumulative effect method whereby the effect of applying this standard is recognised at the date of initial application (i.e. April 01, 2018). Accordingly, the comparative information in the Statement of Profit and Loss is not restated. There is no impact on adoption of Ind AS 115.
Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of discounts offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:
1. The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Company's performance does not create an asset with an alternative use to the Company and an entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

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ELECTRIC VEHICLES JBM SOLARIS

Dividend and Interest Income
Dividend income from investments is recognized when the shareholders' right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).
Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

For all financial instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of the financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in other income in the Statement of Profit and Loss. Interest income in respect of financial instruments measured at fair value through profit or loss is included in other income.

(v) Leasing
Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as Lessee
The Company's lease asset classes primarily consist of leases for land and buildings. 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.

The Company has adopted Ind AS 116 "Lease Accounting model", with effect from April 01, 2019 using the cumulative effect method whereby the effect of applying this standard is recognised at the date of initial application (i.e. April 01, 2019). Accordingly, the comparative information in the Statement of Profit and Loss is not restated.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 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.
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 liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

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.

(vi) Functional and Presentation Currency
Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian Rupee (INR), which is the Company's functional and presentation currency.

(vii) Taxation
Income tax expense represents the sum of the tax currently payable and deferred tax.

MEHRA GOEL & CO. NEW DELHI CHARTERED ACCOUNTANTS

JBM SOLARIS ELECTRIC VEHICLES PVT. LTD.

Current Tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred Tax
Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and incurred tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and Deferred Tax for the Year
Current and deferred tax are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the income taxes are also recognised in other comprehensive income or directly in equity respectively.

(viii) Borrowing Costs
Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

Borrowing costs consist of interest, which is computed as per effective interest method, and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(ix) Employee Benefits
Short-term obligations

Liabilities for wages and salaries including non-monetary benefits that are expected to be settled within the operating cycle after the end of the period in which the employees render the related services are recognised in the period in which the related services are rendered and are measured at the undiscounted amount expected to be paid.

Other long-term employee benefit obligations

Liabilities for leave encashment and compensated absences which are not expected to be settled wholly within the operating cycle after the end of the period in which the employees render the related service are measured at the present value of the estimated future cash outflows which is expected to be paid using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

Post-employment obligations
Defined benefit plans
The Company has defined benefit plans namely gratuity fund for employees. The gratuity fund is recognised by the income tax authorities and are administered through Trust set up by the LIC. Any shortfall in the size of the fund maintained by the Trust is additionally provided for in profit or loss.

The liability or asset recognised in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by Actuary using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

MEHRA GOEL & CO. CHARTERED ACCOUNTANTS NEW DELHI

JBM SOLARIS ELECTRIC VEHICLES PVT. LTD.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in profit or loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

The Company has defined contribution plans for post retirements benefits, namely, Employee Provident Fund Scheme administered through Provident Fund Commissioner and Superannuation Fund administered through Life Insurance Corporation of India. The Company's contribution are charged to revenue every year. The Company has no further payment obligations once the contributions have been paid. The Company's contribution to State Plans namely Employees' State Insurance Fund and Employees' Pension Scheme are charged to the Statement of Profit and Loss every year.

Termination Benefits

A liability for the termination benefit is recognised when the Company can no longer withdraw the offer of the termination benefit.

(x) Inventories

Inventories are valued at the lower of cost and net realizable value, less any provisions for obsolescence. Cost is determined on the following basis:-

Raw Material is recorded at cost on a weighted average cost formula

Stores & Spares are recorded at cost on a weighted average cost formula

Finished goods & Work-in-progress are valued at raw material cost plus cost of conversion and attributable proportion of manufacturing overhead incurred in bringing inventories to its present location and condition.

By Products and Scrap are valued at net realizable value.

Machinery spares (other than those qualify to be capitalized as PPE and depreciation accordingly) are charged to profit and loss on consumption.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(xi) Provisions and Contingencies

Provisions

Provisions are recognized when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation.

Provisions are determined based on best management estimate required to settle the obligation at balance sheet date.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.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent Assets

Contingent asset being a possible asset that arises from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, is not recognized but disclosed in the financial statements.

(xii) Property, Plant and Equipment (PPE)

Property, Plant and Equipment (PPE) are stated at cost of acquisition, net of accumulated depreciation and accumulated impairment losses, if any. Freehold land is measured at cost and is not depreciated.

NEW DELHI

JBM SOLARIS ELECTRIC VEHICLES PVT. LTD.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. The other repairs and maintenance of revenue nature are charged to the Statement of Profit and Loss during the reporting period in which they have incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method on a pro-rata basis from the month in which each asset is ready to use to allocate their cost, net of their residual values, over their estimated useful lives of the assets as prescribed in Part C of Schedule II of the companies Act, 2013 except in respect of the following assets:

Nature of Assets	Life
Computer & Computer software	3 years

Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost of acquisition and are stated net of accumulated amortization and accumulated impairment losses, if any.
The cost of an intangible asset includes purchase cost (net of rebates and discounts), including any import duties and non-refundable taxes, and any directly attributable costs on making the asset ready for its intended use.

Amortisation methods and useful lives

The Cost of Intangible assets are amortized on a straight line basis over their estimated useful life. Technical know-how/license fee/product development relating to process design/plants/facilities are capitalized at the time of capitalization of the said plants/facilities and amortised as follows:-
Residual Value is considered as Nil in the below cases:

Nature of Assets	Life
Technical knowhow	5 years
License fees, Design, Technical know-how & Prototype related to bus	10 years

The amortisation period and method are reviewed atleast at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

Intangible Assets under development:

Designing , manufacturing and selling vehicle is a capital intensive and requires substantial investments in intangible assets such as research and development , product design and engineering technology. Product development costs incurring on new vehicle platform, engines, transmission and new product are recognized as intangible assets under development, when feasibility has been established same will be capitalised under intangible assets. The Company has committed technical, financial and other resources to complete the development and it is probable that assets will generate probable future economic benefits.

(xiii) Earnings Per Share

Basic Earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. For the purpose of calculating Diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, except where the result would be anti-dilutive.

(xiv) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial instruments (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss. Subsequently, financial instruments are measured according to the category in which they are classified.

MEHRA GOEL & CO. NEW DELHI CHARTERED ACCOUNTANTS

JBM SOLARIS ELECTRIC VEHICLES PVT. LTD.

Financial Assets
All recognised financial assets are subsequently measured in their entirety at either amortised cost using the effective interest method or fair value, depending on the classification of the financial assets.

Classification of Financial Assets
Classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The Company classifies its financial assets in the following measurement categories:

(a) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and those measured at amortised cost

(b) The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

A financial asset that meets the following two conditions is measured at amortised cost unless the asset is designated at fair value through profit or loss under the fair value option:

(a) Business model test: the objective of the Company's business model is to hold the financial asset to collect the contractual cash flows.
(b) Cash flow characteristic test: the contractual term of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option:

(a) Business model test: the financial asset is held within a business model whose objective is achieved by both collecting cash flows and selling financial assets.
(b) Cash flow characteristic test: the contractual term of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are measured at fair value through profit or loss.

Trade Receivables
Trade receivables are recognized initially at fair value and subsequently measured at amortized cost less provision for impairment.

Cash and Cash Equivalents
In the cash flow statement, cash and cash equivalents includes cash in hand, cheques, balances with bank and short-term deposit with bank with an original maturity of three months or less.

Impairment of Financial Assets
The Company assesses impairment based on expected credit losses (ECL) model to the following:

(a) financial assets measured at amortised cost
(b) financial assets measured at fair value through other comprehensive income
(c) Expected credit losses are measured through a loss allowance at an amount equal to:
the twelve month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within twelve months after the reporting date); or
full life time expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Derecognition of Financial Assets
A financial asset is derecognised only when

(a) The Company has transferred the rights to receive cash flows from the financial asset or
(b) Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients or
(c) The rights to receive cash flows from the asset has expired

MEHRA GOEL & CO. NEW DELHI CHARTERED ACCOUNTANTS

JBM SOLARIS ELECTRIC VEHICLES PVT. LTD.

Foreign Exchange Gains and Losses
The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the exchange rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortised cost or fair value through profit or loss the exchange differences are recognised in profit or loss except for those which are designated as hedge instrument in a hedging relationship. Further change in the carrying amount of investments in equity instruments at fair value through other comprehensive income relating to changes in foreign currency rates are recognised in other comprehensive income.

Financial Liabilities and Equity Instruments

Classification of Debt or Equity
Debt or equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity Instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities
All financial liabilities are subsequently measured at amortized cost using the effective interest rate method or at fair value through Statement of Profit and Loss.

Trade and Other Payables
Trade and other payables represent liabilities for goods or services provided to the Company prior to the end of financial year which are unpaid.

Borrowings
Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in Statement of Profit and Loss over the period of the borrowings using the effective interest rate method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of Profit Loss.

Foreign Exchange Gains or Losses
For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are recognised in Statement of Profit and Loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the exchange rate at the end of the reporting period. For financial liabilities that are measured as at fair value through profit or loss, the foreign exchange component forms part of the fair value gains or losses and is recognized in statement of Profit Loss.

Derecognition of Financial Liabilities
The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

(xv) Segment Information
The Company is primarily engaged in the business of "manufacturing and selling of Electric Vehicle" for indian market which is governed by the same set of risk and returns. Hence there is only one business and geographical segment as per the Ind AS - 108 (Operating Segment).

(xvi) Dividends
Final dividends on shares are recorded on the date of approval by the shareholders of the Company.

(xvii) Rounding of amounts
All amounts disclosed in the financial statements and the accompanying notes have been rounded off to the nearest lakhs as per the requirement of Schedule III (Division II) of the Companies Act 2013, unless otherwise stated.

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JBM Group
Our milestones are touchstones

JBM Solaris Electric Vehicles Private Limited

CIN: U34300DL2016PTC315153

Notes to financial statements for the period ended March 31, 2021

(₹ in Lakhs)

Note No. 3(a) : Property , Plant and Equipment

Particulars	Office Equipment (Including Computer System)	TOTAL ASSETS
Gross Block		
As at April 01, 2019	1.35	1.35
Additions	0.30	0.30
As at March 31, 2020	1.65	1.65
Additions	0.98	0.98
Disposals	-	-
As at March 31, 2021	2.63	2.63
Depreciation		
As at April 01, 2019	0.18	0.18
Charged For the Period	0.48	0.48
As at March 31, 2020	0.66	0.66
Charged For the Period	0.76	0.76
As at March 31, 2021	1.42	1.42
Net Block		
As at March 31, 2020	1.00	1.00
As at March 31, 2021	1.21	1.21

MEHRA GOEL & CO. CHARTERED ACCOUNTANTS NEW DELHI

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JBM Solaris Electric Vehicles Private Limited

CIN: U34300DL2016PTC315153

Notes to financial statements for the period ended March 31, 2021

(₹ in Lakhs)

Note No. 3(b) : Other Intangible Assets

Particulars	Prototype	Total
Gross Block		
As at April 01, 2019	1,465.05	1,465.05
Additions	988.29	988.29
As at March 31, 2020	2,453.34	2,453.34
Additions	658.47	658.47
Disposals		-
As at March 31, 2021	3,111.81	3,111.81
Depreciation		
As at April 01, 2019	12.44	12.44
Charged For the Period	154.88	154.88
As at March 31, 2020	167.32	167.32
Charged For the Period	261.75	261.75
As at March 31, 2021	429.07	429.07
Net Block		
As at March 31, 2020	2,286.02	2,286.02
As at March 31, 2021	2,682.74	2,682.74

Note No. 4 Depreciation and Amortisation Expenses

Particulars	For The Year 2020-21	For The Year 2019-20
Depreciation and Amortisation on PPE	0.76	0.48
Amortisation on Intangible Assets	261.75	154.88
Total	**262.51**	**155.36**

MEHRA GOEL & CO. CHARTERED ACCOUNTANTS NEW DELHI

JBM SOLARIS ELECTRIC VEHICLES PVT. LTD.

JBM Solaris Electric Vehicles Private Limited

CIN: U34300DL2016PTC315153

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in Lakhs)

	Particulars	As at 31st March, 2021	As at 31st March, 2020
5	**LOANS**		
	(Unsecured, considered good)		
	Security Deposit	0.25	0.25
		0.25	**0.25**
6	**INVENTORIES**		
	Raw material	19.24	8.02
	Raw Material in transit	0.05	0.16
		19.29	**8.18**
	CURRENT FINANCIAL ASSETS		
7	**TRADE RECEIVABLES**		
	(Unsecured, considered good)		
	Debts overdue for more than six months from due date		
	- Considered good	92.31	29.38
	- Considered doubtful	-	-
		92.31	**29.38**
		92.31	**29.38**
	Other debts, considered good	-	-
		92.31	**29.38**
8	**CASH AND CASH EQUIVALENTS**		
	Cash in hand	0.22	0.46
	Balances with Banks		
	- In Current account	5.80	13.91
		6.02	**14.37**
9	**Other Current Asset**		
	Balance with Statutory/Government Authorities	416.43	410.59
	Other assets	177.23	132.58
		593.66	**543.17**
10	**SHARE CAPITAL**		
A.	**Authorised**		
	1,50,00,000 (P.Y 1,50,00,000) Equity Shares of Rs. 10 /- each	**1,500.00**	**1,500.00**
		1,500.00	**1,500.00**
B.	**Issued, Subscribed and Paid Up**		
	1,50,00,000 (P.Y. 1,50,00,000) Equity Shares of Rs. 10 /- each fully paid up	**1,500.00**	**1,500.00**
		1,500.00	**1,500.00**

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

	As at 31st March, 2021	As at 31st March, 2020
Number of equity shares outstanding at the beginning of the year	**1,50,00,000.00**	**1,50,00,000.00**
Add: issued/cancelled during the year	-	-
Number of equity shares outstanding at the end of the year	**1,50,00,000.00**	**1,50,00,000.00**

ii) Terms/rights attached to equity shares

The Company has one class of equity shares having par value of Rs.10/ per share. Each shareholder is entitled for one vote per share held. The dividend proposed by the board of directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in the 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, in proportion to their shareholding.

iii) Details of shareholders holding more than 5% equity shares in the Company. (Refer Note No. 22)

MEHRA GOEL & CO. CHARTERED ACCOUNTANTS NEW DELHI

JBM SOLARIS ELECTRIC VEHICLES PVT. LTD.

JBM Group
Our milestones are touchstones

JBM Solaris Electric Vehicles Private Limited

CIN: U34300DL2016PTC315153

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in Lakhs)

	Particulars	As at 31st March, 2021	As at 31st March, 2020
11	**Other Equity**		
	Statement of Profit & Loss		
	Balance at the Beginning of the year	(243.93)	(83.51)
	Add: Profit after tax for the year	(352.19)	(160.42)
		(596.11)	**(243.93)**

10A. Nature and purpose of reserves :-

(a) Retained Earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

	NON CURRENT BORROWINGS		
12	**UNSECURED**		
	Inter corporate loan		
	From Related parties	850.00	850.00
		850.00	**850.00**

Maturity Profile :

Term of Loan Repayment	Balance As At 31.03.2021, Rs. In Lacs.	Yearly /Quarterly /Monthly	Balance Installment as on 31.03.2021	Rate of Interest
Inter Corporate Loan	850	Bullet	-	MCLR Linked rate

	CURRENT FINANCIAL LIABLITIES		
13	**TRADE PAYABLES**		
	Others	227.91	84.58
		227.91	**84.58**

*In terms of Section 22 of Micro, Small & Medium Enterprises Development Act 2006, the outstanding to these enterprises are required to be disclosed. However, these enterprises are required to get registered under the Act. On communicating with them no enterprise has filed any registration certification with the Company. Hence, the disclosure of required information is not applicable.

14	**OTHER FINANCIAL LIABILITIES**		
	Interest accrued but not due on borrowings	89.36	18.60
	Payable for Capital Goods	1,319.00	999.55
		1,408.35	**1,018.15**
15	**OTHER CURRENT LIABILITIES**		
	Statutory Dues Payable	5.26	11.47
	Advance from customers	0.07	-
		5.33	**11.47**

MEHRA GOEL & CO. CHARTERED ACCOUNTANTS NEW DELHI

JBM SOLARIS ELECTRIC VEHICLES PVT. LTD.

JBM Solaris Electric Vehicles Private Limited

CIN: U34300DL2016PTC315153

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
16 REVENUE FROM OPERATIONS		
Sale of Products	1.25	3,576.37
Sale of Services	70.41	25.40
Gross Revenue from Operations	**71.66**	**3,601.77**
17 OTHER INCOME		
Interest	0.00	0.55
Exchange Fluctuation	-	0.03
	0.00	**0.58**
18 FINANCE COSTS		
Interest- others	76.50	81.97
Other Financial Charges	0.21	-
	76.71	**81.97**
Less: Transferred to Project Commissioned/under Commissioning	9.37	29.97
	67.34	**52.00**
19 OTHER EXPENSES		
Technical Serv expenses	12.85	51.84
AMC Charges	63.94	24.13
Packing Material	-	1.16
Rent (including land lease rent)	-	27.00
Rates & taxes	2.66	0.89
Insurance	1.44	2.06
Repair & Maintenance		
Others	1.98	0.45
Exchange Fluctuation(Net)	7.96	-
Other Administrative Expenses	3.17	7.60
	94.00	**115.13**
Less: Transferred to Project Commissioned/under Commissioning	-	-
	94.00	**115.13**

MEHRA GOEL & CO. CHARTERED ACCOUNTANTS NEW DELHI

JBM SOLARIS ELECTRIC VEHICLES PVT. LTD.

JBM Solaris Electric Vehicles Private Limited

CIN: U34300DL2016PTC315153

Notes forming part of financial statements
(Amount in lakhs, unless otherwise stated)

Note No. 20 : EARNINGS PER SHARE

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:	**Year Ended 31 March 2021**	**Year Ended 31 March 2020**
Profit/ (loss) after tax for calculation of basic EPS (₹ In Lakhs)	(352.19)	(160.42)
Add: Adjustment for potential shares	-	-
Profit/(loss) after tax for calculation of diluted EPS (₹ In Lakhs)	(352.19)	(160.42)
Weighted average number of equity shares in calculating basic EPS	1,50,00,000	1,50,00,000
Effect of dilution:	-	-
Total weighted average number of shares in calculating diluted EPS	1,50,00,000	1,50,00,000
Basic Earning per share (in Rs.)	(2.35)	(1.07)
Diluted Earning per share (in Rs.)	(2.35)	(1.07)

JBM Solaris Electric Vehicles Private Limited

Notes forming part of financial statements
(Amount in lakhs, unless otherwise stated)

Note No. 21 : RELATED PARTY DISCLOSURE

Joint venture companies
- JBM Auto Limited
- Solaris Bus & Coach sp.z.o.o

Key Manangment Personnel
- Ankit (Company Secretary till 31.08.2020))

Following transactions were carried out with related parties in the ordinary course of business for the Year ended 31st March 2021 :

(₹ in Lakhs)

Nature of transaction	Joint Venture Peroid Ended 31 March 2021	Joint Venture Peroid Ended 31 March 2020
Purchase of Services		
JBM Auto Limited	46.73	388.62
Solaris Bus & Coach sp.z.o.o	12.85	102.86
Purchase of Goods		
JBM Auto Limited	54.88	3,410.26
Purchase of Capital Goods		
JBM Auto Limited	311.50	-
Sale of Services		
JBM Auto Limited	-	88.50
Reimbursement of Expenses		
JBM Auto Limited	20.49	104.98
Payment to KMPs		
Payment to Ankit (Company Secretary)	0.80	-
Rent Expenses		
JBM Auto Limited	-	27.00
Inter Corporate Loan Taken		
JBM Auto Limited	-	50.00
Interest Expenses*		
JBM Auto Limited	76.50	81.97
Inter Corporate Loan		
JBM Auto Limited	850.00	850.00
Payable		
Solaris Bus & Coach sp.z.o.o	97.95	78.83
JBM Auto Limited	1,447.05	892.15

* Interest of Rs. 9.37 lacs (PY 29.97 Lacs) has been capitalised.

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2021, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2010: INR Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

NOTE No. 22 : DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% EQUITY SHARE CAPITAL

Name of Shareholder	31-Mar-21		31-Mar-20	
	No. of shares	% holding	No. of shares	% holding
Equity shares of Rs. 10 each fully paid up				
JBM Auto Limited	1,19,84,657	79.90	1,19,84,657	79.90
Solaris Bus & Coach sp.z.o.o	30,15,343	20.10	30,15,343	20.10

MEHRA GOEL & CO. CHARTERED ACCOUNTANTS NEW DELHI

JBM SOLARIS ELECTRIC VEHICLES PVT. LTD.

Notes forming part of financial statements
(Amount in lakhs, unless otherwise stated)

Note No. 23 : SEGMENT INFORMATION
The Company is primarily engaged in the business of "selling of Electric Vehicle" for Indian market which is governed by the same set of risks and returns. Hence there is only one business and geographical segment as per the Indian Accounting Standard "Operating Segment (Ind AS-108)", segment information has not been disclosed.

Note No. 24 : AUDITOR'S REMUNERATION (EXCLUDING SERVICE TAX/GST) **(₹ in Lakhs)**

Stautory Auditors	31-Mar-21	31-Mar-20
Statutory Audit Fees	0.50	0.50
Out of Pocket Exp	-	0.05

Note No. 25 : DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	-	-
Principal amount due to micro and small enterprises	-	-
Interest due on above	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

Note No. 26 : LEASES
Operating Lease : Company as Lessee
The Company has adopted Ind AS 116 "Lease Accounting model", with effect from April 01, 2019 there is no effect of applying this at the date of initial application (i.e. April 01 2019) since all are short term lease.

Short-Term Lease
The Company leases mainly office facilities under cancellable operating lease agreements. Minimum lease payments under operating lease are recognized on a straight line basis over the term of the lease. Rent expense for operating leases for the year ended March 31, 2021 and March 31, 2020 was Rs Nil akhs and Rs 27.00 Lakhs respectively. There are no restrictions imposed by the lease agreements and there is no sub leases. There are no contingent rents. The operating lease agreements period is for 11 month that have renewable option on a periodic basis on mutually concern by lessee and lessor.

Note No. 27 : FINANCIAL INSTRUMENTS
(A) Fair values
The Company uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques:

The following is the basis of categorising the financial instruments measured at fair value into Level 1 to Level 3:

Level 1: This level includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.

MEHRA GOEL & CO. NEW DELHI CHARTERED ACCOUNTANTS

JBM SOLARIS ELECTRIC VEHICLES PVT. LTD.

Notes forming part of financial statements
(Amount in lakhs, unless otherwise stated)

Level 2: This level includes financial assets and liabilities, measured using inputs other than quoted prices included within 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: This level includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The fair value of the financial assets are determined at the amount that would be received to sell an asset in an orderly transaction between market participants.

(B) Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value.

The management of the Company reviews the capital structure of the Company on regular basis. As part of this review, the Board considers the cost of capital and the risks associated with the movement in the working capital.

The Company monitors its capital using gearing ratio, which is net debt divided to total equity. Net debt includes, loans and borrowings less cash and cash equivalents.

(₹ in Lakhs)

Particulars	**31-Mar-21**	**31-Mar-20**
Net debt	843.98	835.63
Total equity	903.89	1,256.07
Net debt to equity ratio (Times)	**0.93**	**0.67**

(C) Categories of financial instruments

(₹ in Lakhs)

Particulars	**As at31st March, 2021**		**As at31st March, 2020**	
	Carrying Value	**Fair Value**	**Carrying Value**	**Fair Value**
Measured at amortised cost				
Financial Assets				
Loans	0.25	0.25	0.25	0.25
Cash & cash equivalent	6.02	6.02	14.37	14.37
Other Bank Balance	-	-	-	-
Other current financial assets	92.31	92.31	29.38	29.38
Total financial assets	**98.58**	**98.58**	**44.00**	**44.00**
Financial liabilities				
Measured at amortised cost				
Non current borrowings	850.00	850.00	850.00	850.00
Trade payable	227.91	227.91	84.58	84.58
Other current financial liabilities	1,408.35	1,408.35	1,018.15	1,018.15
Total financial liabilities	**2,486.26**	**2,486.26**	**1,952.73**	**1,952.73**

MEHRA GOEL & CO. CHARTERED ACCOUNTANTS NEW DELHI

JBM SOLARIS ELECTRIC VEHICLES PVT. LTD.

JBM Solaris Electric Vehicles Private Limited

Notes forming part of financial statements
(Amount in lakhs, unless otherwise stated)

(D) Financial risk management objectives and policies

The Company has a Risk Management Committee established by its Board of Directors for overseeing the Risk Management Framework and developing and monitoring the Company's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Company's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Company.

The risk management policies aims to mitigate the following risks arising from the financial instruments:

- Market risk
- Credit risk; and
- Liquidity risk

D .1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is exposed in the ordinary course of its business to risks related to changes in foreign currency exchange rates and interest rates.

a) Foreign currency risk management

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and foreign currency loans and borrowings (Foreign currency buyer's credit).

Liabilities/Assets	Foreign Currency (In Lakhs)		INR Equivalent (In Lakhs)	
	As at 31-03-2021	As at 31-03-2020	As at 31-03-2021	As at 31-03-2020
Liabilities				
Euro	1.01	1.01	97.95	78.83

Foreign currency sensitivity analysis

The following tables demonstrate the sensitivity to a reasonably possible change in USD, EURO, SEK,CNY and JPY exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives. The Company's exposure to foreign currency changes for all other currencies is not material.

Impact on Profit / (loss) for the year for a 5% change:

(₹ In Lakhs)

Particulars	Depreciation in INR		Appreciation in INR	
Payables	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
USD /INR	(4.90)	(3.94)	4.90	3.94

b) Interest rate risk management

The Company is exposed to interest rate risk because Company borrow funds at fixed interest rates. The Company's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note. So the sensitivity analysis in respect of such borrowing is not applicable.

D.2 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.The Company's exposure and wherever appropriate, the credit ratings of its counterparties are continuously monitored and spread amongst various counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management of the Company.

MEHRA GOEL & CO. NEW DELHI CHARTERED ACCOUNTANTS

JBM SOLARIS ELECTRIC VEHICLES PVT. LTD.

Financial instruments that are subject to concentrations of credit risk, principally consist of balance with banks, trade receivables, loans and advances and derivative financial instruments. None of the financial instruments of the Company result in material concentrations of credit risks.

Balances with banks were not past due or impaired as at the year end. In other financial assets that are not past dues and not impaired, there were no indication of default in repayment as at the year end.

Trade receivables
Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on exchange losses historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 21. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

D.3 Liquidity risk
Liquidity risk refer to the risk that the Company can not meet its financials obligations. The objective of liquidity risk management is to maintain sufficient liquidity and to ensure funds are available for use as per the requirements.

The Company's objective is to maintain a balance between continuity of funding and flexibility. The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

(₹ in Lakhs)

	< 1 Year	1 to 5 years	> 5 years	Total
Year ended				
31-Mar-21				
Non current borrowings (ICD)	-	850.00	-	850.00
Trade payables	227.91	-	-	227.91
Other financial liabilities	1,408.35	-	-	1,408.35
	1,636.26	**850.00**	-	**2,486.26**
Year ended				
31-Mar-20				
Non current borrowings (ICD)	-	850.00	-	850.00
Trade payables	84.58	-	-	84.58
Other financial liabilities	1,018.15	-	-	1,018.15
	1,102.73	-	-	**1,952.73**

Note No. 28 : EVENTS AFTER THE REPORTING PERIOD
There are no reportable events that ocurred after the end of the reporting period.

Note No. 29 : SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS
The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The company continually evaluates these estimates and assumptions based on most recently available information. Revision to accounting estimates are recognized prospectively in the statement of profit and loss in the period in which the estimates are revised and in any future periods affected.

MEHRA GOEL & CO. CHARTERED ACCOUNTANTS NEW DELHI

JBM SOLARIS ELECTRIC VEHICLES PVT. LTD.

A. Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements:

Operating Lease Commitments - Company as Lessee

The company has entered into leasing arrangement wherein the company is required to pay monthly lease rental. The company has determined, based on an evaluation of terms and conditions of the arrangement e.g. lease term, lease rental expenses , fair value of the leased assets, transfer/retention of significant risk and rewards of the ownership of leased assets determined the lease as operating lease.

B. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

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

The Company has considered possible effects that may result from pandemic relating to COVID-19 on the carrying amount of property, plant and equipment, investments, inventories, receivables and other current assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions due to pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

(ii) Impairment of financial assets

The impairment provisions for trade receiables are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on the company's past history and other factors at the end of each reporting period.
Assumptions are also made by the management with respect to valuation of inventories, contingencies, and measurement of recoverable amounts of cash generation unit.

(iii) Estimates related to useful life of Property Plant & Equipments & Intangible Assets

Depreciation on Property Plant & Equipment is calculated on a straight-line basis over the useful lives estimated by the management. These rates are in line with the lives prescribed under Schedule II of the Companies Act, 2013.

The management has re-estimated useful lives and residual values of its assets. The management based upon the nature of asset, the operating condition of the asset, the estimated usage of the asset, past history of replacement and anticipated technological changes, believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of property, plant and equipment & Intangible Assets.

(iv) Impairment of Assets

An impairment exists when the carrying value of an asset exceeds its recoverable amount. Recoverable amount is the higher of its fair value less costs to sell and its value in use. The value in use calculation is based on a discounted cash flow model. In calculating the value in use, certain assumptions are required to be made in respect of highly uncertain matters, including management's expectations of growth in EBITDA, long term growth rates; and the selection of discount rates to reflect the risks involved.

(v) Contingent liabilities

The contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company. The Company evaluates the obligation through Probable, Possible or Remote model ('PPR'). In making the evaluation for PPR, the Company take into consideration the Industry perspective, legal and technical view, availability of documentation/agreements, interpretation of the matter, independent opinion from professionals (specific matters) etc. which can vary based on subsequent events. The Company provides the liability in the books for probable cases, while possible cases are shown as contingent liability. The remotes cases are not disclosed in the financial statement.

Notes forming part of financial statements
(Amount in lakhs, unless otherwise stated)

(vi) Taxes
Provision for tax liabilities require judgments on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the Statement of Profit or Loss.

Note No. 30 : CHANGE IN ACCOUNTING POLICY
During the Financial year 2020-21 the company has changed its accounting policy with respect to the inventory valuation from FIFO to weighted average cost formula. Change in an accounting policy will providing reliable and more relevant information about the effects of transactions in the financial statements.

The change in accounting policy does not has a material effect on the information in the balance sheet hence retrospectively effect is not required as per Para 40A of Ind AS 1 Presentation of Financial statements

Note No. 31 : AMENDMENTS TO STANDARDS THAT ARE NOT YET EFFECTIVE AND HAVE NOT BEEN ADOPTED BY THE COMPANY
There is no such notification which would have been applicable from April 1, 2021

Note No. 32 : CONTINGENT LIABILITIES AND COMMITMENTS

Other Commitments
Guarantee issued by the Bank on behalf of the Company is Rs. 234.70 Lakhs (P.Y. 226.91 Lakhs).

Note No. 33 : OTHERS
During the F.Y. 2020-21 Solaris Bus & Coach sp. z o.o (formally Solaris Bus & Coach S.A) initiated its intention to exit from the JV by selling its entire share holding in the Comapny to JBM Auto limited, the matter is under discussion between the JV partners and yet to be concluded. JBM Auto Limited intends to continue the business of the Company on a going concern basis.

As per our report of even date attached

For Mehra Goel & Company
Chartered Accountants
Firm Registration No. - 000517N

Manish Goyal 31/08/2021
Manish Goyal
Partner
Memebership No. 094757
UDIN:
21094757AAAABL7272
Place : Gurugram
Dated : 21-May-2021

MEHRA GOEL & CO. CHARTERED ACCOUNTANTS NEW DELHI

For and on behalf of Board of Directors
JBM Solaris Electric Vehicles Private Limited

Rakesh Razdan
Director
DIN :08653731
Place: Gurugram

Sandip Sanyal
Director
DIN :07186909
Place: Gurugram

JBM SOLARIS ELECTRIC VEHICLES PVT. LTD.