

**INDEPENDENT AUDITOR'S REPORT  
To the Members of JKF EVOLVE LIMITED****Report on the Audit of Financial Statements****Opinion**

We have audited the accompanying financial statements of **JKF EVOLVE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the material accounting policies and other explanatory information (herein after referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2024, its Loss (including Other comprehensive income), changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this Auditors' Report. Our opinion on the 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 financial statements, our responsibility is to read the other information identified when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

## **Responsibility of Management and Those charged with Governance for the Financial Statements**

The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position/ state of affairs, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 Board of Directors 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 Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

As part of an audit in accordance with SAs specified under section 143(10) of the Act, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to the 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 Board of Director'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 ability of the Company 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

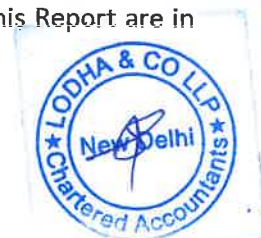
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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 of the accompanying financial statements.
  - 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, except for the matters stated in paragraph 2(g)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended) ("the Rules").
  - 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.



- d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2024 from being appointed as a director in terms of section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31<sup>st</sup> March 2024 and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
- g) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 2 h) (vi) below on reporting under rule 11 (g) of the Rules.
- h) With respect to the other matters to be included in the Auditor's 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 litigations which would impact its financial statements – Refer Note No. 27(i) to the financial statements;
  - ii. The Company has made provision, as required under the applicable law or Indian Accounting Standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv.
    - (a) The management has represented that to the best of its knowledge and belief, as disclosed in Note No. 40(B)(e), no funds (which are material either individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - (b) The management has represented that to the best of its knowledge and belief, as disclosed in Note No. 40(B)(f), no funds (which are material either individually or in aggregate) have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



- (c) Based on such audit procedures performed that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clause (a) and (b) above as required by Rule 11(e) of Companies (Audit & Auditors) Rules, 2014, as amended, contains any material misstatement.
- v. The Company has not declared or paid dividend during the period, accordingly the provisions of section 123 of the Companies Act, 2013 are not applicable.
- vi. Based on our examination which included test checks and written representations received from the management, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that the audit trail feature is not enabled for (i) direct changes made to data in the underlying database level and (ii) in the application when using certain privileged access rights. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.
- As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.
3. In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid/provided any managerial remuneration during the period ended 31<sup>st</sup> March 2024 and thus no comment has been offered under section 197(16) read with Schedule V to the Companies Act, 2013.

For LODHA & CO LLP  
Chartered Accountants  
Firm's Registration No. 301051E/E300284



(Gaurav Lodha)  
Partner

Membership No. 507462

UDIN: 24507462BJZYTY4693

Place: New Delhi

Date: 30<sup>th</sup> April 2024



**ANNEXURE "A" REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF JFK EVOLVE LIMITED FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024.**

To the best of our information and according to the explanations provided to us by the Company and the books of accounts and records examined by us in the normal course of audit, we state that:

i.

- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.  
(B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Property, Plant & Equipment are physically verified by the management as per the phased programme of physical verification to cover all assets over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its Property, Plant & Equipment. Based on the information and records provided to us, the Company was not required to undertake physical verification during the year.
- (c) The Company does not have any immovable properties and hence reporting under clause 3(i)(c) of the Order is not applicable.
- (d) The Company has not revalued any of its property, plant and equipment or intangible assets or both during the year. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment or intangible assets does not arise.
- (e) Based on the information and explanations furnished to us, no proceedings have been initiated during the year or are pending against the Company as at 31<sup>st</sup> March, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.

ii.

- (a) As per the physical verification program, the inventories of the Company were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. Discrepancies noticed were not of 10% or more in the aggregate for each class of inventories on such physical verification of inventories when compared with books of account.
- (b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause 3(ii)(b) of the Order is not applicable.

iii. The Company has not made any investment and not granted any secured or unsecured loan to any companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of Clauses 3(iii) (a), (b), (c), (d), (e) & (f) of the Order are not applicable.

iv. According to the information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees or securities that are covered under the provisions of sections 185 or 186 of the Companies Act, 2013, and hence reporting under clause 3 (iv) of the Order is not applicable.



- v. In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits during the period from public within the provision of section 73 to 76 of the Act or any other relevant provisions of the Act and the rules framed there under (to the extent applicable). We have been informed that, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal against the Company in this regard.
- vi. The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus, reporting under Clause 3(vi) of the Order is not applicable.
- vii.
- (a) According to the records of the Company, the Company is generally been regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues with the appropriate authorities to the extent applicable. There were no undisputed statutory dues payable in respect of Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at 31<sup>st</sup> March 2024 for a period of more than six months from the date they become payable.
- (b) According to the records and information & explanations given to us, there are no dues in respect of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31<sup>st</sup> March 2024 with the appropriate authorities, to the extent applicable, on account of any dispute.
- viii. According to the information and explanations given to us and the records of the Company examined by us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the income Tax Act, 1961 (43 of 1961), that have not been previously recorded in the books of account.
- ix.
- (a) On the basis of audit procedures and according to the information and explanations given to us, in our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) According to the information and explanations given to us including representation received from the management of the Company and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) To the best of our knowledge and belief, in our opinion, term loans/ inter-company deposit availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained. There were no unutilized term loans at the beginning of the year.
- (d) The Company has not taken any funds during the year and hence, reporting under clause 3 (ix)(d) of the Order is not applicable.
- (e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause 3(ix)(e) and (f) of the Order are not applicable.



x.

- (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3 (x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) during the year and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

xi.

- (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under section 143(12) of the Act in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable.
- (c) The provision related to Whistle blower policy 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 and hence reporting under clause 3(xii) of the Order is not applicable.

xiii. According to the information and explanations and records made available by the management of the Company and audit procedures performed, the Company is in compliance with 188 of the Companies Act, where applicable, for all transactions entered into by the Company with the related parties and the details of such related party transactions have been disclosed in the financial statements as required by the applicable Indian accounting standards. The Company is not required to form Audit Committee under section 177 of the Act and hence, provisions of clause 3(xiii) of the Order with respect to section 177 of the Act is not applicable.

xiv. The Company does not have an internal audit system and is not required to have an internal audit system under the provisions of Section 138 of the Companies Act, 2013. Therefore, the requirement to report under clause 3(xiv)(a) and (b) of the Order is not applicable to the Company.

xv. On the basis of records made available to us and according to information and explanations given to us, the Company has not entered into non-cash transactions with the directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi.

- (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, reporting under clause 3(xvi)(a) , (b) and (c) of the Order is not applicable.
- (b) Based on the information and explanations provided by the management of the Company, there are two CIC within the group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016). We have not, however, separately evaluated whether the information provided by the management is accurate and complete.





- xvii. The Company has incurred cash losses of Rs. 14.42 lacs during the financial year covered by our audit and Rs. 10.90 lacs in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company and/ or certificate with respect to meeting financial obligations by the Company as and when they fall due. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial period and hence, provisions of Section 135 of the Act are not applicable to the Company during the period. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the period.
- xxi. The Company is not required to prepare the Consolidated Financial Statements, hence reporting under clause 3(xxi) of the Order is not applicable.

For LODHA & CO LLP  
Chartered Accountants  
Firm's Registration No. 301051E/E300284

  
(Gaurav Lodha)

Partner  
Membership No. 507462  
Place: New Delhi  
Date: 30<sup>th</sup> April 2024



**ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF JKF EVOLVE LIMITED FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024**

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

**Report on the internal financial controls with reference to the financial statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to the financial statements of **JKF EVOLVE LIMITED** ("the Company") as of 31<sup>st</sup> March, 2024 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 Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to the financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on Company's internal financial controls with reference to the financial statements of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 the financial statements was 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 the financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 the financial statements.



## Meaning of Internal Financial Controls With Reference To Financial Statements

A Company's internal financial control with reference to the 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 the 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 authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls With Reference To Financial Statements

Because of the inherent limitations of internal financial controls with reference to the 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to the financial statements and such internal financial controls with reference to the financial statements were operating effectively as at 31<sup>st</sup> March, 2024, based on the internal control with reference to the financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For LODHA & CO LLP  
Chartered Accountants  
Firm's Registration No. 301051E/E300284

  
(Gaurav Lodha)

Partner  
Membership No. 507462  
Place: New Delhi  
Date: 30<sup>th</sup> April 2024



**JKF EVOLVE LIMITED**  
**Balance Sheet as at 31st March, 2024**

₹ in Lacs


|                                     | Note No. | As at 31.03.2024     | As at 31.03.2023     |
|-------------------------------------|----------|----------------------|----------------------|
| <b>ASSETS</b>                       |          |                      |                      |
| <b>(1) Non-current assets</b>       |          |                      |                      |
| (a) Property, plant and equipment   | 2        | 475.15               | -                    |
| (b) Capital work-in-progress        | 3        | 2.43                 | -                    |
| (c) Intangible assets               | 4        | 11.20                | -                    |
| (d) Other non-current assets        | 5        | 58.69                | 148.05               |
|                                     |          | <u>547.47</u>        | <u>148.05</u>        |
| <b>(2) Current assets</b>           |          |                      |                      |
| (a) Inventories                     | 6        | 0.57                 | -                    |
| (b) Financial assets                |          |                      |                      |
| i) Trade receivables                | 7        | 1.83                 | -                    |
| ii) Cash and cash equivalents       | 8        | 0.49                 | 1.99                 |
| iii) Other bank balances            | 9        | 202.89               | -                    |
| iv) Other financial assets          | 10       | 3.61                 | -                    |
| (c) Current tax assets (net)        | 11       | 0.70                 | -                    |
| (d) Other current assets            | 12       | 29.16                | -                    |
|                                     |          | <u>239.25</u>        | <u>1.99</u>          |
| <b>Total assets</b>                 |          | <b><u>786.72</u></b> | <b><u>150.04</u></b> |
| <b>EQUITY AND LIABILITIES</b>       |          |                      |                      |
| <b>Equity</b>                       |          |                      |                      |
| (a) Equity share capital            | 13 A     | 100.00               | 100.00               |
| (b) Other equity                    | 13 B     | (29.75)              | (10.90)              |
|                                     |          | <u>70.25</u>         | <u>89.10</u>         |
| <b>Liabilities</b>                  |          |                      |                      |
| <b>(1) Non-current liabilities</b>  |          |                      |                      |
| (a) Financial liabilities           |          |                      |                      |
| i) Borrowings                       | 14       | 597.02               | 50.00                |
| (b) Deferred tax liabilities (Net)  | 15       | -                    | -                    |
| (c) Other non-current liabilities   | 16       | 25.18                | -                    |
|                                     |          | <u>622.20</u>        | <u>50.00</u>         |
| <b>(2) Current liabilities</b>      |          |                      |                      |
| (a) Financial liabilities           |          |                      |                      |
| i) Other financial liabilities      | 17       | 91.53                | 10.86                |
| (b) Other current liabilities       | 18       | 2.74                 | 0.08                 |
|                                     |          | <u>94.27</u>         | <u>10.94</u>         |
| <b>Total equity and liabilities</b> |          | <b><u>786.72</u></b> | <b><u>150.04</u></b> |

Company overview, Basis of preparation and Accounting Policies

1

The accompanying notes are an integral part of the financial statements.

As per our report of even date  
For LODHA & CO LLP  
Chartered Accountants  
FRN No. 301051E/E300284

  
Gaurav Lodha  
Partner

Membership No : 507462  
New Delhi, the 30th April 2024



For and on behalf of Board of Directors

  
Directors

  
Directors

Chennai, the 30th April 2024

**JKF EVOLVE LIMITED****Statement of Profit and Loss for the year ended 31st March, 2024**

₹ in Lacs

|  | Note No | 2023-24        | For the period<br>03rd October 2022<br>to 31st March 2023 |
|--|---------|----------------|---|
| <b>I Income</b>                                    |         |                |   |
| Revenue from Operations                            | 19      | 1.55           | -   |
| Other Income                                       | 20      | 5.51           | 0.04  |
| <b>Total Income</b>                                |         | <b>7.06</b>    | <b>0.04</b>   |
| <b>II Expenses</b>                                 |         |                |   |
| Cost of materials consumed                         | 21      | 0.39           | -   |
| Employee benefits expense                          | 22      | 2.81           | -   |
| Finance costs                                      | 23      | 10.97          | 0.34  |
| Depreciation and amortisation expense              | 24      | 4.24           | -   |
| Other expenses                                     | 25      | 7.50           | 10.60   |
| <b>Total expenses</b>                              |         | <b>25.91</b>   | <b>10.94</b>  |
| <b>III Profit / (Loss) before tax</b>              |         | <b>(18.85)</b> | <b>(10.90)</b>  |
| <b>IV Tax expense</b>                              |         |                |   |
| Current tax  |         | -              | -   |
| Deferred tax                                       |         | -              | -   |
| <b>V Profit/(Loss) for the year</b>                |         | <b>(18.85)</b> | <b>(10.90)</b>  |
| <b>VI Other Comprehensive Income</b>               |         | -              | -   |
| <b>VII Total Comprehensive Income for the year</b> |         | <b>(18.85)</b> | <b>(10.90)</b>  |
| <b>VIII Earnings per equity share of ₹ 10 each</b> |         |                |   |
| Basic / Diluted                                    | 30      | (1.89)         | (1.09)  |

The accompanying notes are an integral part of the financial statements

As per our report of even date  
For LODHA & CO LLP  
Chartered Accountants  
FRN No. 301051E/E300284



Gaurav Lodha  
Partner

Membership No : 507462  
New Delhi, the 30th April 2024



For and on behalf of Board of Directors



Directors



Directors

Chennai, the 30th April 2024

**JKF EVOLVE LIMITED**  
**Statement of Cash Flows for the year ended 31st March, 2024**

₹ in Lacs

| Particulars  | 2023-24         | For the period 03rd<br>October 2022 to 31st<br>March 2023 |
|--|-----------------|---|
| <b>A Cash flow from operating activities</b>                     |                 |   |
| Profit / (Loss) before tax                                       | (18.85)         | (10.90)   |
| Adjustments for :  |                 |   |
| Depreciation and amortization expenses                           | 4.24            | -   |
| Finance cost   | 10.97           | 0.34  |
| Interest income  | (5.51)          | (0.04)  |
| Unrealised Foreign Exchange Fluctuation                          | 0.19            | -   |
| <b>Operating profit before working capital changes</b>           | <b>(8.96)</b>   | <b>(10.60)</b>  |
| (Increase)/decrease in inventories                               | (0.57)          | -   |
| Increase/(decrease) in other payables                            | 18.14           | 10.94   |
| Increase/(decrease) in other receivables                         | (33.09)         | -   |
| <b>Cash generated from operations</b>                            | <b>(24.48)</b>  | <b>0.34</b>   |
| Direct taxes (paid)  | -               | -   |
| <b>Net Cash from operating activities</b>                        | <b>(24.48)</b>  | <b>0.34</b>   |
| <b>B Cash flow from Investing Activities</b>                     |                 |   |
| Purchase of Property, Plant and Equipment /Capital Advance given | (367.70)        | (148.05)  |
| Sale of Capital Assets   | 49.95           | -   |
| Fixed Deposit made   | (202.89)        | (75.00)   |
| Fixed Deposit redeemed   | -               | 75.00   |
| Interest received  | 3.44            | 0.04  |
| <b>Net Cash used in investing activities</b>                     | <b>(517.20)</b> | <b>(148.01)</b>   |
| <b>C Cash flow from financing activities</b>                     |                 |   |
| Receipt on Issue of Equity Share Capital                         | -               | 100.00  |
| Interest paid  | (6.84)          | (0.34)  |
| Proceeds / (utilisation) from Inter Corporate Deposits           | 547.02          | 50.00   |
| <b>Net cash used in financing activities</b>                     | <b>540.18</b>   | <b>149.66</b>   |
| <b>Net increase / (decrease) in cash and cash equivalents</b>    | <b>(1.50)</b>   | <b>1.99</b>   |
| Cash and cash equivalents as at the beginning of the year        | 1.99            | -   |
| <b>Cash and cash equivalents as at the end of the year</b>       | <b>0.49</b>     | <b>1.99</b>   |

**Note :**

- 1) Figures in brackets are outflows.
- 2) Cash and cash equivalents comprise of :
  - (a) Balances with banks
    - Current accounts
- 3) The above cash flow statement has been prepared under the Indirect method as set out in Indian Accounting Standard (IND AS-7).
- 4) **Non Cash changes in liabilities arising from financing activities :**

| Particulars  | As at<br>01.04.2023 | Cash Flows    | Non- Cash Changes | As at 31.03.2024 |
|--|---------------------|---------------|-------------------|------------------|
| Long-term Borrowings - Current year                | 50.00               | 547.02        | -                 | 597.02           |
| - Previous year                                    | -                   | 50.00         | -                 | 50.00            |
| <b>Total liabilities from financing activities</b> | <b>50.00</b>        | <b>547.02</b> | <b>-</b>          | <b>597.02</b>    |
| Previous Year                                      | -                   | 50.00         | -                 | 50.00            |

As per our report of even date  
For LODHA & CO LLP  
Chartered Accountants  
FRN No. 301051E/E300284



Gaurav Lodha  
Partner  
Membership No : 507462  
New Delhi, the 30th April 2024



For and on behalf of Board of Directors

  
Directors

  
Directors

Chennai, the 30th April 2024

**JKF EVOLVE LIMITED****Statement of Changes in Equity (SOCE) for the year ended 31st March, 2024**

₹ in Lacs

**I Share Capital**

| Particulars                                     | As at 31.03.2024 | As at 31.03.2023 |
|---|------------------|------------------|
| <b>Issued, Subscribed and fully paid up:</b>    |                  |                  |
| Equity Shares - 10,00,000 of ₹10 each           |                  |                  |
| <b>Balance at the beginning of the year</b>     | 100.00           | -                |
| Changes in equity share capital during the year | -                | 100.00           |
| <b>Balance as on 31st March 2024</b>            | <b>100.00</b>    | <b>100.00</b>    |

**II Other Equity**

| Particulars                              | Reserves and Surplus | Total          |
|--|----------------------|----------------|
|  | Retained Earnings    |                |
| <b>As at the beginning of the period</b> | -                    | -              |
| Profit/(Loss) for the period             | (10.90)              | (10.90)        |
| <b>As on 31st March, 2023</b>            | <b>(10.90)</b>       | <b>(10.90)</b> |
| Profit/(Loss) for the year               | (18.85)              | (18.85)        |
| <b>As at 31st March, 2024</b>            | <b>(29.75)</b>       | <b>(29.75)</b> |

As per our report of even date

For and on behalf of Board of Directors

For LODHA & CO LLP  
Chartered Accountants  
FRN No. 301051E/E300284



Gaurav Lodha  
Partner

Membership No : 507462  
New Delhi, the 30th April 2024



Directors



Directors

Chennai, the 30th April 2024

## **JKF EVOLVE LIMITED**

### **Notes to the financial statements for the year ended 31st March, 2024**

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#### **1.1 The Company overview**

JKF EVOLVE Limited (the "Company") is incorporated in India on 03rd October 2022 as public limited company. The registered office of the company is situated at 3, Madurai-Melakkal Road, Kochadai, Madurai - 625016, Tamilnadu, India. The Company is a wholly owned subsidiary of J.K. FENNER (INDIA) LIMITED.

The Company has been formed:

To Manufacturers, producers, processors, extractors, refiners, designers, contractors, merchants, stockists, distributors, retailers, exporters, importers, suppliers, franchisers, agents, repairers, makers, e-tailers, buyers, sellers, engineers, owners, operators, franchisees, job workers, assembler or sub-assembler or in any other commercial form in all kinds and descriptions of all or any of the following goods, products, services and activities for all sort of automotive vehicles including Electric Vehicles and Industries such as Automotive, Infrastructure, Railways, Aviation, Defence, Telecommunication, Power, Hydraulic, Pneumatics, Telecommunication, Cement, Paper, Tyre with or without collaboration in India and/or abroad:

- Products made of materials like rubber, plastic, metal and any other substances like Mechanical Transmission belts, chains, sprockets, abrasives, Gears, Motors, Controllers, E-Axle, ADAS Cameras, Charging Stations, light weighting parts, engineering products, conveyor, sensors, elevator and transmission beltings, anti-vibration mountings, moulded or otherwise, belt fasteners and belt fastening machines, Hoses of all kinds and descriptions.

- Industrial automation products, lubricants, filters, oil seals, oil sealing materials, packings of all descriptions in synthetic rubbers, natural rubbers and leather plastics.

- Mechanical Transmission Systems, Sealing Systems, Fluid transfer systems, Vibration reducing systems, Engineering solution services including hi-tech engineering components, Industrial automation including Industry 4.0, auto and auto component segment, Industrial component segment, electric, hybrid and fuel cell vehicles, advanced driver system, electrical and electronic systems, artificial intelligence, data storage devices.

*These financial statements were approved and adopted by Board of Directors of the Company in their meeting held 30th April, 2024.*

#### **1.2 Basis of preparation of financial statements**

##### **(i) Basis of preparation and Statement of compliance**

The Financial statement of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Companies Act 2013. All accounting polices and applicable Ind AS have been applied consistently for all period presented.

##### **(ii) Basis of Measurement**

The financial statements have been prepared under historical cost convention on accrual basis, except for the items that have been measured at fair value as required by relevant Ind AS. The financial statements correspond to the classification provisions contained in Ind AS-1 (Presentation of Financial Statements).

The preparation of these financial statements requires management judgments, estimates and assumptions that affect the application of accounting policies, the accounting disclosures made and the reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are made in the period, in which, the estimates are revised and in any future periods, effected pursuant to such revision.

##### **(iii) Functional and Presentation Currency**

The financial statements have been presented in Indian Rupees(₹) which is also the Company's functional currency and all values are rounded to the nearest lacs(₹ 00,000), and upto 2 decimal places, except when otherwise indicated.





## JKF EVOLVE LIMITED

Notes to the financial statements for the year ended 31st March, 2024

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### 1.3 Material accounting policies

The material accounting policies set out below have been applied consistently throughout the periods presented in these financial statements.

#### 1.3.1 Property, Plant and Equipment

##### Recognition and measurement:

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenses directly attributable in bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Expenditure directly attributable in bringing the asset to the location during construction / erection period is included under 'Capital Work-in-Progress' and is allocated to the respective property, plant and equipment on completion of construction / erection.

The cost and related accumulated depreciation are eliminated from the financial statements, upon sale and disposition of the assets and the resultant gains or losses are recognised in the statement of profit and loss.

Assets subjected to operating leases are included in Property, Plant and Equipment.

##### Depreciation:

Depreciation on property, plant and equipment has been provided using straight line method over their useful lives and in the manner prescribed under Schedule II of the Companies Act, 2013. However, in respect of certain assets including assets given on the operating lease, depreciation is provided as per the useful lives as assessed by the management supported by technical advice ranging from 10 to 15 years for plant and machinery **and useful lives ranging from 3 to 5 years for certain vehicles and office equipments.**

#### 1.3.2 Intangible Assets:

Intangible assets are recognised, if the future economic benefits attributable to the assets are expected to flow to the Company and cost of the asset can be measured reliably. The same are amortised over the expected duration of benefits. Such intangible assets are measured at cost less any accumulated amortisation and impairment losses, if any. **Cost includes expenses directly attributable in bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.**

**The cost and related accumulated amortisation are eliminated from the financial statements, upon sale, disposition and withdrawal from permanent use of the assets and when no future economic benefits are expected from its disposal. The resultant gains or losses are recognised in the statement of profit and loss.**

Specialised software is amortised over the period of five years from the year of installation.

**Expenditure incurred on intangible assets which are under development is included under intangible assets under development.**

#### 1.3.3 Lease:

##### Right of Use Assets

The Company recognises a right-of-use asset, on a lease-by-lease basis, to measure that right-of-use asset an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet.

The cost of right-of-use assets includes the amount of lease liabilities recognised. Initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment test.

##### Lease Liabilities

The Company recognise a lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate.



The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on a lease by lease basis.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

#### **Short-term Leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term. Company has considered Lease value less than Rs. 4.20 Lac per annum as low value asstes for exemption.

#### **Significant judgment in determining the lease term of contracts with renewal options**

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

#### **1.3.4 Cash and cash equivalents:**

Cash and cash equivalents include cash on hand and at bank, cheques on hand and remittances in transit for the purpose of meeting short-term cash commitments.

#### **1.3.5 Foreign currency transactions and translation:**

The functional currency of the company is Indian rupee (₹). Foreign currency transactions are recorded at exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies as at the balance sheet date are translated at exchange rate prevailing at the year end. Exchange differences arising on actual payments / realisations and year end translations including on forward contracts are recognized within Statement of Profit and Loss.

#### **1.3.6 Inventories**

*Inventories are valued at lower of cost and not roalisablo valuo. However, materials and other supplies held for use in production of inventories are not written down below cost, if the finished goods are expected to be sold at or above cost. The cost is computed on weightlited average basis. Finished Goods, Traded Goods and Process Stock include cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Slow-moving and obsolete items based upon technical evaluation are provided for.*

#### **1.3.7 Borrowing cost:**

Borrowing Cost is charged to statement of profit and loss statement except borrowing cost meant for acquisition of qualifying assets, which is capitalised, using the effective interest method till the date of commercial use.

#### **1.3.8 Income tax:**

Income tax comprises of current and deferred tax. Income tax expense is recognised in the Statement of Profit and Loss, except to the extent it relates to items directly recognised in Equity or in Other Comprehensive Income.

a) **Current tax:** Current Tax is the amount of tax payable on the estimated taxable income for the current year as per the provisions of Income Tax Act, 1961.

b) **Deferred tax:** Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unabsorbed losses and unabsorbed depreciation to the extent, it is probable that taxable income will be available against which the same can be realised. Deferred tax assets are reviewed at the end of each subsequent reporting period.

#### **1.3.9 Provisions and Contingencies:**

##### **a) Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the present value of best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

##### **b) Contingencies**

A disclosure for contingent liability is made when there is 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 liabilities are reviewed at each balance sheet date.

Contingent assets are neither recognised nor disclosed in the financial statements.



### 1.3.10 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.

#### (a) Financial assets

Financial assets include cash and cash equivalents, trade and other receivables, loans, investments in securities and other eligible current and non-current assets.

At initial recognition, all financial assets are measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial asset, which are not fair value through profit and loss, are added to the fair value on initial recognition. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Such financial assets are subsequently classified under one of the following three categories according to the purpose for which they are held. The classification is reviewed at the end of each reporting period.

#### Financial assets at amortised cost:

At the date of initial recognition, these financial assets are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates. These financial assets are intended to be held until maturity. Therefore, they are subsequently measured at amortised cost by applying the Effective Interest Rate ("EIR") method to the gross carrying amount of the financial asset. The EIR amortisation is included as interest income in the statement of profit or loss.

#### Financial assets at fair value through other comprehensive income:

At the date of initial recognition, these financial assets are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates, as well as held for selling. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognised in Other Comprehensive Income (OCI). Interest income calculated using the EIR method, impairment gain or loss and foreign exchange gain or loss are recognised in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from the OCI to Statement of Profit and Loss.

#### Financial assets at fair value through profit or loss:

At the date of initial recognition, financial assets that are held for trading, or which are measured neither at amortised cost nor at fair value through OCI. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognised in the Statement of Profit and Loss.

Investment in equity shares of subsidiaries and associates are valued at cost.

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109 'Financial Instruments'.

The Company assesses impairment based on the expected credit losses ("ECL") model to all its financial assets except equity instruments measured at fair value and financial assets measured on fair value through profit and loss ("FVTPL") basis.

#### (b) Financial liabilities

Financial liabilities include long-term and short-term loans and borrowings, trade and other payables and other eligible current and non-current liabilities.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and other payables, net of directly attributable transaction costs. After initial recognition, financial liabilities are classified under one of the following two categories:

#### Financial liabilities at amortised cost:

After initial recognition, such financial liabilities are subsequently measured at amortised cost by applying the EIR method to the gross carrying amount of the financial liability. The EIR amortisation is included in finance expense in the statement of profit or loss.

#### Financial liabilities at fair value through profit or loss:

Financial liabilities which are designated as such on initial recognition, or which are held for trading. Fair value gains / losses attributable to changes in own credit risk is recognised in OCI. These gains / losses are not subsequently transferred to Statement of Profit and Loss. All other changes in fair value of such liabilities are recognised in the Statement of Profit and Loss.



### 1.3.11 Revenue:

Revenue is recognised upon transfer of control of promised goods or services to customers at transaction price (net of taxes and duties), arrived at by determining the fair value of the consideration received or receivable after adjusting returns, allowances, trade discounts, volume discounts etc. in exchange of goods or services.

For applying above principle, the Company adopts five step model, which are: a) Identify the contract(s) with customer(s); b) Identify the performance obligations under the contract(s); c) Determine the transaction price; d) Allocate the transaction price to the performance obligations in the contract(s); e) recognise revenue.

Contract Liabilities are recognised when there is an entity's obligation to transfer goods or services to a customer for which, the entity has received consideration from the customer. Revenue in excess of invoicing are classified as contract assets.

Inter-unit transfer of goods for captive consumption are included in respective heads of accounts to reflect the true working. Any unrealised profits on unsold stock is not considered for valuing the inventory. This has no impact on the profitability.

Sale of Goods: Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer. 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 is net of variable consideration on account of various discounts and schemes offered by the Company as part of the Contract.

Interest income is recognized on *time proportion basis* using the effective interest rate method.

### 1.3.12 Earnings per share (EPS):

Basic earnings per share is calculated by dividing the profit or loss for the period attributable to the equity holders of the company by the weighted average number of ordinary shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss 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.

### 1.3.13 Cash flow statement

Cash flow statement is prepared using the indirect method.



**JKF EVOLVE LIMITED**

Notes to the financial statements for the year ended 31st March, 2024

₹ in Lacs

**NON CURRENT ASSETS**

**2 Property, plant and equipment**

| Particulars         | Gross Value         |                      |                        |                      | Depreciation        |                    |                        |                     | Net Value            |                     |
|---------------------|---------------------|----------------------|------------------------|----------------------|---------------------|--------------------|------------------------|---------------------|----------------------|---------------------|
|                     | As at<br>01-04-2023 | Additions            | Sales /<br>Adjustments | As at<br>31-03-2024  | As at<br>01-04-2023 | For the<br>year    | Sales /<br>Adjustments | As at<br>31-03-2024 | As at<br>31-03-2024  | As at<br>31-03-2023 |
| Plant and Equipment | -<br>(-)            | 461.73<br>(-)        | -<br>(-)               | 461.73<br>(-)        | -<br>(-)            | 2.64<br>(-)        | -<br>(-)               | 2.64<br>(-)         | 459.09<br>(-)        | -<br>(-)            |
| Office Equipment    | -<br>(-)            | 16.86<br>(-)         | -<br>(-)               | 16.86<br>(-)         | -<br>(-)            | 0.80<br>(-)        | -<br>(-)               | 0.80<br>(-)         | 16.06<br>(-)         | -<br>(-)            |
| <b>Total</b>        | -<br>(-)            | <b>478.59</b><br>(-) | -<br>(-)               | <b>478.59</b><br>(-) | -<br>(-)            | <b>3.44</b><br>(-) | -<br>(-)               | <b>3.44</b><br>(-)  | <b>475.15</b><br>(-) | -<br>(-)            |

Figures in brackets represent amounts pertaining to previous year.



**JKF EVOLVE LIMITED**

Notes to the financial statements for the year ended 31st March, 2024

₹ in Lacs

|  | As at<br>31.03.2024 | As at<br>31.03.2023 |
|--|---------------------|---------------------|
|--|---------------------|---------------------|

**3 Capital Work-In-Progress**

Capital work-in-progress (CWIP) includes machinery under installation/in transit, pre-operative expenses (refer note no. 36) and other assets under erection. Details are as under :

|                                       |             |          |
|---------------------------------------|-------------|----------|
| Balance at the beginning of the year  | -           | -        |
| Additions during the year             | 530.97      | -        |
| Less: Capitalization during the year  | 478.59      | -        |
| Less: Disposed off during the year    | 49.95       | -        |
| <b>Balance at the end of the year</b> | <b>2.43</b> | <b>-</b> |

**Capital Work-In-Progress ageing schedule****As at March 31, 2024**

| Particulars                    | Amount in CWIP for a period of |             |             |                   | Total |
|--------------------------------|--------------------------------|-------------|-------------|-------------------|-------|
|                                | Less than 1 Year               | 1 - 2 years | 2 - 3 years | More than 3 years |       |
| Projects in Progress           | 2.43                           | -           | -           | -                 | 2.43  |
| Projects temporarily suspended | -                              | -           | -           | -                 | -     |

**As at March 31, 2023**

| Particulars                    | Amount in CWIP for a period of |             |             |                   | Total |
|--------------------------------|--------------------------------|-------------|-------------|-------------------|-------|
|                                | Less than 1 Year               | 1 - 2 years | 2 - 3 years | More than 3 years |       |
| Projects in Progress           | -                              | -           | -           | -                 | -     |
| Projects temporarily suspended | -                              | -           | -           | -                 | -     |



**JKF EVOLVE LIMITED**

Notes to the financial statements for the year ended 31st March, 2024

₹ in Lacs

**NON CURRENT ASSETS**

**4 Intangible assets**

| Particulars  | Gross Value         |                     |                        | Amortisation        |                     |                    | Net Value              |                     |                     |
|--------------|---------------------|---------------------|------------------------|---------------------|---------------------|--------------------|------------------------|---------------------|---------------------|
|              | As at<br>01-04-2023 | Additions           | Sales /<br>Adjustments | As at<br>31-03-2024 | As at<br>01-04-2023 | For the<br>year    | Sales /<br>Adjustments | As at<br>31-03-2024 | As at<br>31-03-2023 |
| Software     | -<br>(-)            | 12.00<br>(-)        | -<br>(-)               | 12.00<br>(-)        | -<br>(-)            | 0.80<br>(-)        | -<br>(-)               | 11.20<br>(-)        | -<br>(-)            |
| <b>Total</b> | -<br>(-)            | <b>12.00</b><br>(-) | -<br>(-)               | <b>12.00</b><br>(-) | -<br>(-)            | <b>0.80</b><br>(-) | -<br>(-)               | <b>11.20</b><br>(-) | -<br>(-)            |

Figures in brackets represent amounts pertaining to previous year.



**JKF EVOLVE LIMITED**

Notes to the financial statements for the year ended 31st March, 2024

|  | ₹ in Lacs           |                     |
|--|---------------------|---------------------|
|  | As at<br>31.03.2024 | As at<br>31.03.2023 |
| <b>5 Other Non - Current Assets</b>                                    |                     |                     |
| Capital advances   | 58.69               | 148.05              |
|  | <u>58.69</u>        | <u>148.05</u>       |
| <b>6 Inventories (Valued at lower of cost or net realisable value)</b> |                     |                     |
| Raw materials  | 0.57                | -                   |
|  | <u>0.57</u>         | <u>-</u>            |





**JKF EVOLVE LIMITED**

Notes to the financial statements for the year ended 31st March, 2024

₹ in Lacs

|  | As at<br>31.03.2024 | As at<br>31.03.2023 |
|--|---------------------|---------------------|
|--|---------------------|---------------------|

**7 Trade Receivables**

**Considered good - Undisputed**

|              |             |          |
|--------------|-------------|----------|
| Unsecured    | 1.83        | -        |
| <b>Total</b> | <b>1.83</b> | <b>-</b> |

**Trade receivables ageing schedule**

**As at March 31, 2024**

| Particulars                         | Not due     | Outstanding for the following period from due date of payment |                   |           |           |                   | Total       |
|-------------------------------------|-------------|---|-------------------|-----------|-----------|-------------------|-------------|
|                                     |             | Less than 6 months  | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years |             |
| <b>Considered good - Undisputed</b> |             |   |                   |           |           |                   |             |
| Unsecured                           | 1.83        | -   | -                 | -         | -         | -                 | 1.83        |
| <b>Total</b>                        | <b>1.83</b> | <b>-</b>  | <b>-</b>          | <b>-</b>  | <b>-</b>  | <b>-</b>          | <b>1.83</b> |

**As at March 31, 2023**

| Particulars                         | Not due  | Outstanding for the following period from due date of payment |                   |           |           |                   | Total    |
|-------------------------------------|----------|---|-------------------|-----------|-----------|-------------------|----------|
|                                     |          | Less than 6 months  | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years |          |
| <b>Considered good - Undisputed</b> |          |   |                   |           |           |                   |          |
| Unsecured                           | -        | -   | -                 | -         | -         | -                 | -        |
| <b>Total</b>                        | <b>-</b> | <b>-</b>  | <b>-</b>          | <b>-</b>  | <b>-</b>  | <b>-</b>          | <b>-</b> |



**JKF EVOLVE LIMITED**

Notes to the financial statements for the year ended 31st March, 2024

|  | ₹ in Lacs           |                     |
|--|---------------------|---------------------|
|  | As at<br>31.03.2024 | As at<br>31.03.2023 |
| <b>8 Cash and cash equivalents</b>       |                     |                     |
| <b>Balances with banks</b>               |                     |                     |
| Current accounts                         | 0.49                | 1.99                |
|  | <b>0.49</b>         | <b>1.99</b>         |
| <b>9 Other bank balances</b>             |                     |                     |
| Margin money deposit against LC          | 202.89              | -                   |
|  | <b>202.89</b>       | <b>-</b>            |
| <b>10 Other financial assets</b>         |                     |                     |
| Receivable from related party            | 1.54                | -                   |
| Interest accrued but not due on deposits | 2.07                | -                   |
|  | <b>3.61</b>         | <b>-</b>            |
| <b>11 Current tax assets (Net)</b>       |                     |                     |
| Advance income tax (Net of provisions)   | 0.70                | -                   |
|  | <b>0.70</b>         | <b>-</b>            |
| <b>12 Other Current Assets</b>           |                     |                     |
| Balances with Government Authorities     | 29.16               | -                   |
|  | <b>29.16</b>        | <b>-</b>            |



**JKF EVOLVE LIMITED**

**Notes to the financial statements for the year ended 31st March, 2024**

**13 A Share capital**

₹ in Lacs

| Particulars  | As at                | As at                |
|--|----------------------|----------------------|
|  | 31.03.2024           | 31.03.2023           |
| <b>a) Authorised:</b>  |                      |                      |
| Equity Shares - 10,00,000 equity shares of ₹ 10 each                 | 100.00               | 100.00               |
| Preference Shares - 9,00,000 preference shares of ₹ 100 each         | 900.00               | 900.00               |
|  | <b>1,000.00</b>      | <b>1,000.00</b>      |
| <b>b) Issued, Subscribed and fully paid up:</b>                      |                      |                      |
| Balance at the beginning of the year                                 | 100.00               | -                    |
| Changes in equity share capital during the year                      | -                    | 100.00               |
| Balance at the end of the year                                       | <b>100.00</b>        | <b>100.00</b>        |
| <b>c) Reconciliation of the number of equity shares outstanding:</b> |                      |                      |
|  | <b>No. of Shares</b> | <b>No. of Shares</b> |
| Shares outstanding as at the beginning of the year                   | 10,00,000            | -                    |
| Add : Issued during the year   | -                    | 10,00,000            |
| Less : Redeemed during the year                                      | -                    | -                    |
| Shares outstanding as at the end of the year                         | <b>10,00,000</b>     | <b>10,00,000</b>     |

**d) Details of each shareholder holding more than 5% equity shares**

| Name of the shareholder  | As at 31.03.2024   |                        | As at 31.03.2023   |                        |
|--|--------------------|------------------------|--------------------|------------------------|
|  | No. of shares held | % holding in the class | No. of shares held | % holding in the class |
| Equity shares of Rs. 10 each fully paid up<br>J.K. Fenner India Ltd (including nominee shareholders) - Holding Company | 10,00,000          | 100%                   | 10,00,000          | 100%                   |

**e) Shareholding of promoters**

| Promoter Name   | No of Shares | % of Total Shares held | % change during the period |
|---|--------------|------------------------|----------------------------|
| J.K. Fenner India Ltd(including nominee shareholders)- Holding Company: |              |                        |                            |
| March 31, 2024  | 10,00,000    | 100%                   | -                          |
| March 31, 2023  | 10,00,000    | 100%                   | NA                         |

**f) Rights, restrictions and preferences attached to each class of Shares**

The Company has only one class of equity Shares having a par value of Rs.10/- each. Each shareholder of equity shares is entitled to one vote per equity share held. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting and also has equal right in distribution of profit/surplus in proportions to the number of equity shares held by the shareholders.

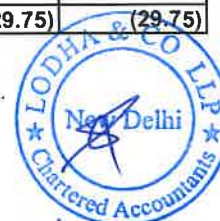
g) Aggregate number of share issued for consideration other than cash, bonus shares issued and share bought back during the period of five years immediately preceding the reporting date. - Nil

**13 B Other Equity**

| Particulars                       | Reserves and Surplus | Total          |
|-----------------------------------|----------------------|----------------|
|                                   | Retained Earnings    |                |
| As at the beginning of the period | -                    | -              |
| Profit/(Loss) for the period      | (10.90)              | (10.90)        |
| <b>As on 31st March, 2023</b>     | <b>(10.90)</b>       | <b>(10.90)</b> |
| Profit/(Loss) for the year        | (18.85)              | (18.85)        |
| <b>As at 31st March, 2024</b>     | <b>(29.75)</b>       | <b>(29.75)</b> |

**Nature and Purpose of reserves**

(i) **Retained Earnings:-** Represents the profit that the Company has earned till date.



**JKF EVOLVE LIMITED**

Notes to the financial statements for the year ended 31st March, 2024

₹ in Lacs

**NON-CURRENT LIABILITIES****14 Financial Liabilities - Borrowings**

| Particulars                           | Non - Current       |                     | Current             |                     |
|---------------------------------------|---------------------|---------------------|---------------------|---------------------|
|                                       | As at<br>31.03.2024 | As at<br>31.03.2023 | As at<br>31.03.2024 | As at<br>31.03.2023 |
| <b>Unsecured</b>                      |                     |                     |                     |                     |
| <b>Inter Corporate Deposits (ICD)</b> |                     |                     |                     |                     |
| From related parties                  | 597.02              | 50.00               | -                   | -                   |
|                                       | <b>597.02</b>       | <b>50.00</b>        | -                   | -                   |

- (i) Rs.597.02 lacs (PY. Rs. 50.0 Lacs) payable to Holding Company in 5 yearly equal instalments after completion of 3 years from drawdown date at interest @ 5% p.a. for wef Jan 2023 (Ballooning rate of interest @ 8.04% p.a.).



**JKF EVOLVE LIMITED**

Notes to the financial statements for the year ended 31st March, 2024

₹ in Lacs

|  | As at<br>31.03.2024 | As at<br>31.03.2023 |
|--|---------------------|---------------------|
| <b>15 Deferred tax liabilities (Net)</b>                         |                     |                     |
| <b>Deferred tax liabilities:</b>                                 |                     |                     |
| Difference between book and tax WDV of PPE and Intangible Assets | 5.69                | -                   |
| <b>Deferred tax assets:</b>                                      |                     |                     |
| Brought forward losses and unabsorbed depreciation*              | (5.69)              | -                   |
|  | <u>-</u>            | <u>-</u>            |
| <b>16 Other Non - Current liabilities</b>                        |                     |                     |
| Deferred Custom Duty liability*                                  | 25.18               | -                   |
|  | <u>25.18</u>        | <u>-</u>            |

\*Considering the prudence, Deferred Tax Assets in current year have been recognised on brought forward losses/ unabsorbed depreciation only to the extent of deferred tax liability.

\*The company has imported certain machines without payment of custom duty as per Private Custom Bonded warehouse provision of Custom Act 1962. The Company has recognised provision of Rs 25.18 Lacs against Custom Duty payable at the time of disposal of machine as scrap.



**JKF EVOLVE LIMITED**

Notes to the financial statements for the year ended 31st March, 2024

₹ in Lacs

|                                       | As at<br>31.03.2024 | As at<br>31.03.2023 |
|---------------------------------------|---------------------|---------------------|
| <b>CURRENT LIABILITIES</b>            |                     |                     |
| <b>17 Other Financial Liabilities</b> |                     |                     |
| Other payables for expenses           | 1.16                | 10.55               |
| Interest Payable on ICD               | 6.56                | 0.31                |
| Capital payables                      | 83.81               | -                   |
|                                       | <u>91.53</u>        | <u>10.86</u>        |
| <b>18 Other Current Liabilities</b>   |                     |                     |
| Government and other statutory dues   | 2.74                | 0.08                |
|                                       | <u>2.74</u>         | <u>0.08</u>         |



**JKF EVOLVE LIMITED**

Notes to the financial statements for the year ended 31st March, 2024

₹ in Lacs

|   | 2023-24      | For the period 03rd<br>October 2022 to 31st<br>March 2023 |
|---|--------------|---|
| <b>19 Revenue from Operations</b>                 |              |   |
| Sale of products                                  | 1.55         | -   |
|   | <u>1.55</u>  | <u>-</u>  |
| <b>20 Other Income</b>                            |              |   |
| Interest income from short-term deposits          | 5.51         | 0.04  |
|   | <u>5.51</u>  | <u>0.04</u>   |
| <b>21 Consumption of Raw Material</b>             |              |   |
| Raw Material Consumption                          | 6.92         | -   |
| Less:- Pre-operative Expenses transferred to CWIP | (6.53)       | -   |
|   | <u>0.39</u>  | <u>-</u>  |
| <b>22 Employee benefit expenses</b>               |              |   |
| Salaries and Wages                                | 8.60         | -   |
| Contribution to Provident and other Funds         | 0.44         | -   |
| Less:- Pre-operative Expenses transferred to CWIP | (6.23)       | -   |
|   | <u>2.81</u>  | <u>-</u>  |
| <b>23 Finance costs</b>                           |              |   |
| Interest Expense on ICD                           | 13.40        | 0.34  |
| Less:- Pre-operative Expenses transferred to CWIP | (2.43)       | -   |
|   | <u>10.97</u> | <u>0.34</u>   |
| <b>24 Depreciation and amortization expenses</b>  |              |   |
| Depreciation on Property, Plant & Equipment       | 3.44         | -   |
| Amortization of Intangible Assets                 | 0.80         | -   |
|   | <u>4.24</u>  | <u>-</u>  |
| <b>25 Other expenses</b>                          |              |   |
| Power & Fuel ((CY-₹ 207)                          | 0.00         | -   |
| Rent  | 0.25         | -   |
| Rates & taxes                                     | 0.32         | 9.09  |
| Professional Charges                              | 5.17         | 1.01  |
| Travelling expenses                               | 2.90         | -   |
| Exchange Difference (Net)                         | 0.19         | -   |
| Payment to Auditors - Statutory Audit             | 1.00         | 0.50  |
| Miscellaneous Expenses ((PY-₹ 236)                | 0.61         | 0.00  |
| Less:- Pre-operative Expenses transferred to CWIP | (2.94)       | -   |
|   | <u>7.50</u>  | <u>10.60</u>  |



**JKF EVOLVE LIMITED****Notes to the financial statements for the year ended 31st March, 2024**

26 The details of amounts outstanding under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent of information available with the Company are as under: (i) Principal & Interest amount due and remaining unpaid as at 31.03.2024: Nil (Previous year: Nil), (ii) Payment made beyond the appointed day during the year: Nil (Previous year: Nil) and (iii) Interest Accrued and unpaid as at 31.03.2024: Nil (Previous year: Nil).

**27 Contingent Liability and Capital and other commitment:**

(As Certified by the management)

(i) Contingent liability not provided for: ₹ Nil ( Previous Year Nil)

(ii) Capital and Other Commitment: Rs 168.66 Lacs ( Previous Year Rs 377.35 Lac)

28 Unhedged Foreign currency exposure: - (USD) payable Rs 45.04 lacs - USD 0.54 lacs, (Previous year payable Rs Nil- USD Nil lacs), -

**29 Payment to auditors (exclusive of applicable taxes)**

|                       | 2023-24     | For the period<br>03rd October<br>2022 to 31st<br>March 2023 |
|-----------------------|-------------|--|
| i) Statutory Auditors |             |  |
| a) Audit fee          | 1.00        | 0.50   |
| <b>Total</b>          | <b>1.00</b> | <b>0.50</b>  |

**30 Earnings per share**

|  | 2023-24   | For the period<br>03rd October<br>2022 to 31st<br>March 2023 |
|--|-----------|--|
| Profit for the period attributable to Equity Shareholders        | (18.85)   | (10.90)  |
| Weighted average number of Equity Shares for Basic / Diluted EPS | 10,00,000 | 10,00,000  |
| Earnings per share of ₹ 10 each                                  |           |  |
| - Basic / Diluted  | (1.89)    | (1.09)   |

**31 Operating Segments**

(i) Information about Business Segment

Company operates in a Single Primary Segment ( Business Segment ) i.e. EV Products.

(ii) Secondary Segments ( Geographical Segment )

| Revenue       | 2023-24     | For the period<br>03rd October<br>2022 to 31st<br>March 2023 |
|---------------|-------------|--|
| Within India  | 1.55        | -  |
| Outside India | -           | -  |
| <b>Total</b>  | <b>1.55</b> | <b>-</b>   |

All non current assets of the Company are located in India .





**JKF EVOLVE LIMITED**

Notes to the financial statements for the year ended 31st March, 2024

₹ in Lacs

**32 Related Parties (as certified by the management)****(A) Related parties**(i) Ultimate Holding company

Bengal &amp; Assam Company Ltd.( BACL)

(ii) Holding company

J.K. Fenner (India) Limited

(iii) Key Management Personnel (KMP)

Shri. Nagaraju Srirama (w.e.f. 03rd October 2022)

Director

Shri. Amit Agarwal (w.e.f. 03rd October 2022)

Director

Shri. Seshadri Mohan (w.e.f. 03rd October 2022)

Director

**(B) Transactions conducted with related parties in the ordinary course of business :**

| Nature of transactions                      | 2023-24                  | For the period 3rd             |
|---|--------------------------|--------------------------------|
|   |                          | Oct 2022 to 31st<br>March 2023 |
| <b><u>Holding company</u></b>               |                          |                                |
| Inter corporate deposit received / (refund) | 547.02                   | 50.00                          |
| Equity Share Capital Received               | -                        | 100.00                         |
| Interest expenses on ICD                    | 13.31                    | 0.34                           |
| Reimbursement of Other Expenses             | 6.88                     | 10.10                          |
| Purchase of Capital Assets                  | 75.81                    | -                              |
| Sale of Capital Assets                      | 49.95                    | -                              |
| Lease Rent                                  | 0.25                     | -                              |
| <b>(C) <u>Outstanding balances</u></b>      | <b><u>31.03.2024</u></b> | <b><u>31.03.2023</u></b>       |
| <b><u>Amount Payable</u></b>                |                          |                                |
| To Holding company                          | 635.87                   | 60.40                          |
|   | <b><u>635.87</u></b>     | <b><u>60.40</u></b>            |



**33 Financial instruments - Fair values and risk management**

Set out below, is a comparison by class of the carrying amounts and fair value of the financial instruments of the company:

| Particulars                       | As at 31.03.2024 |               | As at 31.03.2023 |              |
|-----------------------------------|------------------|---------------|------------------|--------------|
|                                   | Carrying Amount  | Fair Value    | Carrying Amount  | Fair Value   |
| <b>(i) Financial Assets</b>       |                  |               |                  |              |
| <b>At Amortised cost</b>          |                  |               |                  |              |
| - Trade Receivables               | 1.83             | 1.83          | -                | -            |
| - Other financial assets          | 3.61             | 3.61          | -                | -            |
| - Cash & Cash Equivalents         | 0.49             | 0.49          | 1.99             | 1.99         |
| - Other Bank Balances             | 202.89           | 202.89        | -                | -            |
| <b>Total</b>                      | <b>208.82</b>    | <b>208.82</b> | <b>1.99</b>      | <b>1.99</b>  |
| <b>(ii) Financial Liabilities</b> |                  |               |                  |              |
| <b>At Amortised cost</b>          |                  |               |                  |              |
| - Borrowings                      | 597.02           | 597.02        | 50.00            | 50.00        |
| - Others                          | 91.53            | 91.53         | 10.86            | 10.86        |
| <b>Total</b>                      | <b>688.55</b>    | <b>688.55</b> | <b>60.86</b>     | <b>60.86</b> |

**The following methods and assumptions were used to estimate the fair values:**

1. Cash & Cash Equivalents, other payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
2. Fair value of borrowings and other current financial liabilities, are estimated by discounting future cash flows using rates currently available for debt on similar terms and remaining maturities.

**34 Financial Risk Management Objectives and Policies**

The company's activities are exposed to a variety of financial risks from its operations. The key financial risks include market risk (including foreign currency risk, interest rate risk and commodity price risk), credit risk and liquidity risk.

**Market Risk:** Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises mainly three types of risk: interest rate risk, currency risk and other price risk.

**Foreign Currency Risk:** Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company does not have any foreign currency exposure as at reporting date, hence not exposed to foreign currency risk.

**Foreign currency Sensitivity:** The following table demonstrates the sensitivity to a reasonably possible change in the foreign currency exchange rate with all other variables held constant. The impact on company's profit before tax due to changes in the currency exchange rate is as follows:

| Particulars | Change in currency exchange ratio (bps) | Effect on Profit before tax for the year ended 31.03.2024 | Effect on Profit before tax for the year ended 31.03.2023 |
|-------------|---|---|---|
| USD         | +25                                     | (0.14)  | -   |
|             | -25                                     | 0.14  | -   |

**Interest Rate Risk:** Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Any changes in the interest rates environment may impact future rates of borrowing. The Company mitigates this risk by regularly assessing the market scenario, finding appropriate financial instruments, interest rate negotiations with the lenders for ensuring the cost effective method of financing.

**Other price Risk:** Other price risk is the risk that fair value of a financial instrument will fluctuate due to change in market trade price. Other Price risk arises from financial assets such as Investment in equity investments and bonds. The Company is not exposed to such risk as the company have not any investment at reporting date.

**Credit Risk:** Credit risk is the risk that counterparty might not honor its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables).



**JKF EVOLVE LIMITED**

Notes to the financial statements for the year ended 31st March, 2024

₹ in Lacs

**Trade Receivables:** Customer credit risk is managed based on company's established policy, procedures and controls. The company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors. Credit risk is reduced by receiving pre-payments and export letter of credit to the extent possible. The Company has a well defined sales policy to minimize its risk of credit defaults. Outstanding customer receivables are regularly monitored and assessed. Impairment analysis is performed based on historical data at each reporting date on an individual basis. However a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively.

**Deposits with Bank:** The deposits with banks constitute mostly the liquid investment of the company and are generally not exposed to credit risk.

**Liquidity Risk:** Liquidity risk is the risk, where the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The table below summarises the maturity profile of company's financial liabilities based on contractual undiscounted payments:

| Particulars                  | Upto 3 years  | > 3 years     |
|------------------------------|---------------|---------------|
| <b>As at 31st March 2024</b> |               |               |
| Borrowings                   | 238.81        | 358.21        |
| Other Financial Liabilities  | 91.53         | -             |
| <b>Total</b>                 | <b>330.34</b> | <b>358.21</b> |
| <b>As at 31st March 2023</b> |               |               |
| Borrowings                   | 10.00         | 40.00         |
| Other Financial Liabilities  | 10.86         | -             |
| <b>Total</b>                 | <b>20.86</b>  | <b>40.00</b>  |

**35 Capital Management**

The company's policy is to maintain an adequate capital base so as to maintain creditor and market confidence and to sustain future development. Capital includes issued capital, share premium and all other equity reserves attributable to equity holders. In order to strengthen the capital base, the company may use appropriate means to enhance or reduce capital, as the case may be.

The company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net Debt is calculated as borrowings less cash and cash equivalents.

| Particulars                     | As at 31.03.2024 | As at 31.03.2023 |
|---------------------------------|------------------|------------------|
| Borrowings                      | 597.02           | 50.00            |
| Less: Cash and cash Equivalents | (0.49)           | (1.99)           |
| <b>Net Debt</b>                 | <b>596.53</b>    | <b>48.01</b>     |
| Equity Share capital            | 100.00           | 100.00           |
| Other Equity                    | (29.75)          | (10.90)          |
| <b>Total Capital</b>            | <b>70.25</b>     | <b>89.10</b>     |
| <b>Capital and Net Debt</b>     | <b>666.78</b>    | <b>137.11</b>    |
| <b>Gearing Ratio</b>            | <b>89.46%</b>    | <b>35.02%</b>    |

**36 Details of Preoperative expenses capitalised during the year**

| Expenditure incurred during construction period till start of manufacturing activity | 2023-24<br>(April to 15th<br>March)* | For the period 03rd<br>October 2022 to 31st<br>March 2023 |
|--|--------------------------------------|---|
| Opening Balance (A)  | -                                    | -   |
| <b>Add: incurred during the period:</b>  |                                      |   |
| a) Cost of materials consumed  | 6.53                                 | -   |
| b) Employee benefits expense   | 6.23                                 | -   |
| c) Finance costs   | 2.43                                 | -   |
| d) Other expenses  | 2.94                                 | -   |
| <b>Total Expenditure incurred during the period (B)</b>                              | <b>18.13</b>                         | <b>-</b>  |
| <b>Total Expenditure during trial run (C=A+B)</b>                                    | <b>18.13</b>                         | <b>-</b>  |
| <b>Less Capitalised during the year (D)</b>  | <b>15.70</b>                         | <b>-</b>  |
| <b>Total Capital Work in Progress at the end of year = (C-D)</b>                     | <b>2.43</b>                          | <b>-</b>  |

**37** The Company has commissioned its Hub motor manufacturing plant on March 15, 2024 whereas it commenced its commercial production with effect from March 23, 2024 on receipt of order, at Sipcot Industrial Complex, Nilakottai, Pallapatty-62420, India which is taken on sub lease from J.K. Fenner (India) Limited, holding company.

**38** Certain balances of trade receivable and other liabilities are subject to confirmation and/or reconciliation. In the opinion of management, on confirmation / reconciliation, there will not be any material impact.



**JKF EVOLVE LIMITED**

Notes to the financial statements for the year ended 31st March, 2024

**39 Revenue recognised under contracts**

- a) The disaggregation of revenue earned under contracts as per Ind AS-115 is as follows:

|  | 2023-24 | For the period 03rd<br>October 2022 to 31st<br>March 2023 |
|--|---------|---|
| <b>Category-wise</b>                           |         |   |
| <b>Revenue recognised at the point of time</b> |         |   |
| EV Products                                    | 1.55    | -   |

- b) Revenue-related receivables at the year end:

|                                     | As at 31.03.2024 | As at 31.03.2023 |
|-------------------------------------|------------------|------------------|
| Trade receivables (Refer Note no.7) | 1.83             | -                |

- c) Reconciling the amount of revenue recognised during the year in the statement of profit and loss at the contracted price :

|   | 2023-24     | For the period 03rd<br>October 2022 to 31st<br>March 2023 |
|---|-------------|---|
| Revenue as per contracted price                       | 1.55        | -   |
| Reductions towards variable consideration components* | -           | -   |
| <b>Revenue from contracts with customers</b>          | <u>1.55</u> | <u>-</u>  |

\* The reduction towards variable consideration comprises of discounts, claims against obligations, etc.



**JKF EVOLVE LIMITED**  
Notes to the financial statements for the year ended 31st March, 2024


**40 (A). Disclosure w.r.t analytical ratios**

| Sl. No. | Ratio                       | Numerator                                  | Denominator                                       |       | 31.03.2024 | 31.03.2023 | % variance | Reason for variance   |
|---------|-----------------------------|--|---|-------|------------|------------|------------|---|
| 1       | Current Ratio               | Current Assets                             | Current Liabilities                               | Times | 2.54       | 0.18       | 1295%      | Since the Company has been incorporated during the last year and has commenced manufacturing activities in March-24 only, variance in ratios is not comparable. |
| 2       | Debt-Equity Ratio           | Total Debt                                 | Shareholder's Equity                              | Times | 8.50       | 0.56       | 1414%      |   |
| 3       | Debt Service Coverage Ratio | PAT+ Interest + Depreciation/ Amortisation | Interest  | Times | -0.33      | -31.06     | -99%       |   |
| 4       | Return on Equity            | Net Profit after tax                       | Average Shareholder's Equity                      | % age | -23.7%     | -12.2%     | 93%        |   |
| 5       | Inventory Turnover          | Net Sales                                  | Average Inventory                                 | Times | 5.44       | NA         | 100%       |   |
| 6       | Trade receivables Turnover  | Net Sales                                  | Average trade receivables                         | Times | 1.69       | NA         | 100%       |   |
| 7       | Trade payables Turnover     | Net purchases                              | Average Trade payables                            | Times | NA         | NA         | NA         |   |
| 8       | Net Capital Turnover        | Net Sales                                  | Working Capital                                   | Times | 0.01       | NA         | NA         |   |
| 9       | Net Profit ratio            | Net Profit after tax                       | Net Sales   | % age | -1216.1%   | NA         | 100%       |   |
| 10      | Return on Capital Employed  | EBIT                                       | Capital employed (Tangible Networth + Total Debt) | % age | -1.2%      | -7.6%      | -84%       |   |

**(B). Other Regulatory information**

- The Company does not have any benami property, and no proceeding has been initiated or pending against the Company for holding any benami property.
  - The Company does not have any transactions with companies struck off.
  - The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
  - The Company have not traded or invested in crypto currency or virtual currency during the period.
  - The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
    - Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or
    - Provide any Guarantee, Security, or the like to or on behalf of the Ultimate Beneficiaries.
  - The Company have not received any fund from any Person(s) or Entity(ies), including Foreign Entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
    - Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or
    - Provide any Guarantee, Security, or the like to or on behalf of the Ultimate Beneficiaries.
  - The company has not been sanctioned working capital limit in excess of Rs. 5 crore, in aggregate, at any points of time during the period, from bank on the basis of security of current assets.
  - The Company has no such transaction which is not recorded in the Books of Accounts that has been surrendered or disclosed as income during the period in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
  - The Company have not been declared wilful defaulter by any Banks or any other Financial Institution at any time during the period.
  - The Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software.
- 41 The Company is not covered under The Payment of Gratuity Act, 1972, as the number of employees are less than the prescribed limit defined in the Acts.
- 42 Figures less than ₹ 500/-, if any, have been shown at actual in bracket.
- 43 The Company was incorporated on 3rd October, 2022 and thus previous year accounts have been prepared for the period 03 October, 2022 to 31 March, 2023. Accordingly same are not comparable with current year figures.
- 44 Previous year figures have been reclassified / regrouped / recast, wherever necessary.

As per our report of even date  
For LODHA & CO LLP  
Chartered Accountants  
FRN No. 301051E/E300284

  
Gaurav Lodha  
Partner  
Membership No : 507462  
New Delhi, the 30th April 2024



For and on behalf of Board of Directors

  
Directors

  
Directors

Chennai, the 30th April 2024