

**INDEPENDENT AUDITOR'S REPORT**

**To The Members of Jash Engineering Limited**

**Report on the Audit of the Special Purpose Financial Statement of Jash USA Inc.**

We have audited the accompanying Special Purpose Financial Statements of Jash USA Inc. (the Company), which comprise the balance sheet as at 31 March, 2024, and the statement of profit, and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information (herein stated as Special Purpose Financial Statements). These financial statements have been prepared solely for the purpose of Jash Engineering Limited ("the Parent Company") to prepare its Consolidated Financial Statements.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements give the information required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit and cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the financial statements 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 Responsibility 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 (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the special purpose financial statements.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these special purpose financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibility for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the special purpose 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's



ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 special purpose financial statements.

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

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

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

As required by Section 143(3) of the Act, based on our audit we report, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.



**Restriction in Use**

The report has been issued at the request of the Holding Company for the purpose of preparation of Consolidated Financial Statements for the financial year ended 31 March 2024. As a result, our report may not be suitable for any other purpose. Our report is intended solely for the information of and use of the Holding Company in relation to the preparation/ audit respectively of the Consolidated Financial Statements of the Holding Company for the year ended 31 March 2024 and is not intended to be and shall not be used by anyone other than these specific parties. We neither accept nor assume liability, responsibility, or duty of care to any other party or for any other purpose.

For Deloitte Haskins & Sells LLP  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)



*P. Sharma*

Pallavi Sharma  
Partner

Membership No. 113861  
UDIN: 24113861BKBPBP2639

Place: Mumbai  
Date: 9 May 2024



**Jash USA, Inc.**  
**Standalone Balance Sheet as at 31 March 2024**  
*(All amounts in United States Dollar, unless otherwise stated)*

	Notes	As at 31 March 2024	As at 31 March 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4 (a)	11,75,475	11,28,522
Right-of-use asset	4 (b)	2,99,060	1,04,931
Capital work-in-progress	5	2,706	70,573
Intangible assets	6	4,35,000	5,80,000
Deferred tax assets (net)	7	3,36,457	6,65,460
Other non-current assets	8	8,134	9,168
<b>Total non-current assets</b>		<b>22,56,832</b>	<b>25,58,654</b>
<b>Current assets</b>			
Inventories	9	30,58,166	23,38,435
Trade receivables	10	81,45,713	80,07,425
Cash and cash equivalents	11 (a)	28,61,148	6,66,555
Other bank balances	11 (b)	1,64,885	-
Other financial assets	12	24,893	1,05,093
Other current assets	13	4,63,313	2,23,090
<b>Total current assets</b>		<b>1,47,18,118</b>	<b>1,13,40,598</b>
<b>Asset held for sale</b>	14	<b>10,50,000</b>	<b>10,50,000</b>
<b>Total assets</b>		<b>1,80,24,950</b>	<b>1,49,49,252</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	15	74,12,648	74,12,648
Other equity	16	(2,96,134)	(24,11,651)
<b>Total equity</b>		<b>71,16,514</b>	<b>50,00,997</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	17 (a)	-	8,31,977
Lease liabilities	18 (a)	1,84,477	25,857
<b>Total non-current liabilities</b>		<b>1,84,477</b>	<b>8,57,834</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	17 (b)	9,963	13,550
Lease liabilities	18 (b)	1,16,149	81,984
Trade payables	19	62,89,059	65,91,144
Other financial liabilities	20	4,78,710	8,577
Other current liabilities	21	34,69,860	23,59,182
Provisions	22	2,08,045	-
Current tax liabilities (net)	23	1,52,173	35,984
<b>Total current liabilities</b>		<b>1,07,23,959</b>	<b>90,90,421</b>
<b>Total liabilities</b>		<b>1,09,08,436</b>	<b>99,48,255</b>
<b>Total equity and liabilities</b>		<b>1,80,24,950</b>	<b>1,49,49,252</b>
Summary of material accounting policy information	3		

The accompanying notes form an integral part of these standalone financial statements

Note no 1- 45

This is the Standalone Balance Sheet referred to in our report of even date.

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm's Registration No. 117366W/W-100018

  
**Pallavi Sharma**  
Partner  
Membership No. 113861



For and on behalf of Board of Directors of  
**Jash USA, Inc.**

  
**Pratik Patel**  
Director

  
**D. T. Manwani**  
Director

Place: Mumbai  
Date: 09 May 2024

Place: Indore  
Date: 09 May 2024

Jash USA, Inc.

**Standalone Statement of Profit and Loss for the year ended 31 March 2024**

(All amounts in United States Dollar, unless otherwise stated)

	Notes	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Income</b>			
Revenue from operations	24	2,64,61,826	1,95,91,902
Other income	25	1,34,779	7,67,103
<b>Total income</b>		<b>2,65,96,605</b>	<b>2,03,59,005</b>
<b>Expenses</b>			
Purchase of Stock-in-trade		78,91,490	66,48,744
Cost of materials consumed	26	51,20,335	35,60,006
Changes in inventories of finished goods and work-in-progress	27	(2,40,490)	5,67,650
Employee benefits expense	28	55,10,507	42,48,130
Finance costs	29	1,60,473	80,137
Depreciation and amortisation expense	30	4,49,059	4,36,876
Other expenses	31	49,05,461	41,29,087
<b>Total expenses</b>		<b>2,37,96,835</b>	<b>1,96,70,630</b>
<b>Profit before tax</b>		<b>27,99,770</b>	<b>6,88,375</b>
<b>Tax expense</b>	32		
Current tax expense		3,64,884	24,932
Deferred tax expense/(credit)		3,29,003	(3,81,510)
<b>Net profit for the year</b>		<b>21,05,883</b>	<b>10,44,953</b>
<b>Earnings per equity share (in USD):</b>	33		
Basic		113.83	56.48
Diluted		113.83	56.48
Summary of material accounting policy information	3		

The accompanying notes form an integral part of these standalone financial statements

Note no 1- 45

This is the Standalone Statement of Profit and Loss referred to in our report of even date.

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm's Registration No. 117366W/W-100018

For and on behalf of Board of Directors of  
**Jash USA, Inc.**



**Pallavi Sharma**  
Partner  
Membership No. 113861





**Pratik Patel**  
Director



**D. T. Manwani**  
Director



Place: Mumbai  
Date: 09 May 2024

Place: Indore  
Date: 09 May 2024

**Jash USA, Inc.**  
**Standalone Statement of Cash Flows for the year ended 31 March 2024**  
*(All amounts in United States Dollar, unless otherwise stated)*

	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>A CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	27,99,770	6,88,375
<b>Adjustments for:</b>		
Depreciation of property, plant and equipment	3,04,059	2,17,783
Amortization of intangible assets	1,45,000	2,19,093
(Profit)/ loss on disposal of property, plant and equipment (net)	534	(1,700)
Interest income on bank deposits	(47,859)	(28)
Provision for warranty	83,809	-
Advances and other balance written off	6,21,592	9,19,831
Share based payments (amortisation)	9,635	6,938
Interest income on other financial assets measured at amortized cost	(818)	(679)
Finance cost	1,60,473	70,114
<b>Operating profit before working capital changes</b>	<b>40,76,195</b>	<b>21,19,727</b>
<b>Change in operating assets and liabilities:</b>		
-(Increase)/ Decrease in trade receivables	(7,59,880)	(23,26,568)
-(Increase)/Decrease in inventories	(7,19,732)	1,85,295
-(Increase)/ Decrease in other assets	(1,58,989)	(81,580)
-Increase/ (Decrease) in provisions	1,24,236	-
-Increase/ (Decrease) in financial and other liabilities	15,80,810	15,65,605
-(Decrease)/ Increase in trade payables	(3,02,084)	(5,34,415)
<b>Cash generated from operations</b>	<b>38,40,556</b>	<b>9,28,064</b>
Income taxes paid/refunds (net)	(2,48,695)	3,038
<b>Net cash flow generated from operating activities (A)</b>	<b>35,91,861</b>	<b>9,31,102</b>
<b>B CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment and intangible assets	(1,98,774)	(7,25,201)
Interest received	48,677	707
Investment in fixed deposits	(1,64,885)	-
<b>Net cash flow (used in) investing activities (B)</b>	<b>(3,14,982)</b>	<b>(7,24,494)</b>
<b>C CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from long term borrowings	-	1,21,389
Proceeds from current borrowings	8,00,000	-
Interest paid on borrowings	(1,05,433)	-
Repayment of long term borrowings	(8,31,977)	-
Proceeds from/(repayment of) short term borrowings (net)	(8,03,587)	-
Repayment of principal component of lease obligation (net)	(92,871)	(6,830)
Payment of interest on lease obligation	-	(10,117)
Payment of other interest	(48,418)	-
<b>Net cash flow (used in)/generated from financing activities (C)</b>	<b>(10,82,286)</b>	<b>1,04,442</b>
Net increase/(decrease) in cash and cash equivalents (A+B+C)	21,94,593	3,11,050
Cash and cash equivalents at the beginning of the year	6,66,555	3,55,505
<b>Cash and cash equivalents at the end of the year</b>	<b>28,61,148</b>	<b>6,66,555</b>



*(This space has been intentionally left blank)*

**Jash USA, Inc.**  
**Standalone Statement of Cash Flows for the year ended 31 March 2024**  
*(All amounts in United States Dollar, unless otherwise stated)*

	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Reconciliation of cash and cash equivalents as per cash flow statement</b>		
Cash on hand	21,302	36,058
Balances with banks - in current accounts and cash credit accounts	9,72,396	6,30,497
Balances with banks - to the extent held as margin money	18,67,450	-
	<b>28,61,148</b>	<b>6,66,555</b>

This is the Standalone Cash Flow Statement referred to in our report of even date.

Note: The Standalone Statement of Cash Flows has been prepared in accordance with 'Indirect Method' as set out in the Ind AS - 7 on 'Statement of Cash Flows', as notified under Section 133 of the Companies Act, 2013, read with the relevant rules thereunder.

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm's Registration No. 117366WW-100018

For and on behalf of Board of Directors of  
**Jash USA, Inc.**



**Pallavi Sharma**  
Partner  
Membership No. 113861



**Pratik Patel**  
Director



**D. T. Manwani**  
Director

**Place: Mumbai**  
**Date: 09 May 2024**

**Place: Indore**  
**Date: 09 May 2024**



**Jash USA, Inc.**  
**Standalone Statement of Change in Equity for the year ended 31 March 2024**  
*(All amounts in United States Dollar, unless otherwise stated)*

	For the year ended 31 March 2024
	Amount
<b>A Equity share capital</b>	
Particulars	
Balance as at 01 April 2022	1,85,000
Changes in equity share capital during the year	-
<b>Total share capital as at 31 March 2023</b>	<b>1,85,000</b>
Changes in equity share capital during the year	-
<b>Total share capital as at 31 March 2024</b>	<b>1,85,000</b>
<b>Additional share capital</b>	
Balance as at 01 April 2022	72,27,648
Changes in additional share capital during the year	-
<b>Total share capital as at 31 March 2023</b>	<b>72,27,648</b>
Changes in additional share capital during the year	-
<b>Total share capital as at 31 March 2024</b>	<b>72,27,648</b>
(For the above additional capital, no share capital were issued, which is in accordance with the State Corporate statute)	
<b>Balance as at 31 March 2023</b>	<b>74,12,648</b>
<b>Balance as at 31 March 2024</b>	<b>74,12,648</b>

**B Other equity**

	ESOP reserve	Retained earnings	Total
Balance as at 31 March 2022	10,188	(34,73,729)	(34,63,541)
Profit for the year	-	10,44,953	10,44,953
Addition during the year	6,937	-	6,937
<b>Balance as at 31 March 2023</b>	<b>17,125</b>	<b>(24,28,776)</b>	<b>(24,11,651)</b>
Profit for the year	-	21,05,883	21,05,883
Addition during the year	9,635	-	9,635
<b>Balance as at 31 March 2024</b>	<b>26,760</b>	<b>(3,22,893)</b>	<b>(2,96,134)</b>

This is the Standalone Statement of Changes in Equity referred to in our report of even date.

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm's Registration No. 117366W/W-100018

*P. Sharma*  
**Pallavi Sharma**  
Partner  
Membership No. 113861



Place: Mumbai  
Date: 09 May 2024

For and on behalf of Board of Directors of  
**Jash USA, Inc.**

*Pratik Patel*  
**Pratik Patel**  
Director



*D. T. Manwani*  
**D. T. Manwani**  
Director

Place: Indore  
Date: 09 May 2024

## Jash USA Inc

### Summary to the material accounting policies and other explanatory information for the year ended 31 March 2024

#### 1. Company overview

Jash USA Inc ('the Company') is a wholly owned subsidiary private company of Jash Engineering Ltd., domiciled in United States of America and is incorporated on 06 December 2010. The company has branches in Houston, Texas and production facility in Orange, Massachusetts.

During the year ended 31 March 2017, Jash USA, Inc. incorporated a wholly owned subsidiary company by the name of Rodney Hunt Inc. with no capital. Jash USA, Inc. and Rodney Hunt Inc. are collectively referred to as the Company. Rodney Hunt Inc has been terminated as a corporation on 30 October 2023, as per the certificate of termination obtained from the Secretary of State (Texas).

The Company is engaged in the business of manufacturing and trading of varied engineering products for general engineering industry, water and wastewater industry and bulk solids handling industry.

#### 2. General information and statement of compliance with Ind AS

These standalone financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by the Ministry of Corporate Affairs ('MCA') under section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, other relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India (SEBI). The Company has uniformly applied the accounting policies for the periods presented.

These Special purpose financial statements have been prepared solely for the purpose of Jash Engineering Limited ("the Parent Company") to prepare its Consolidated Financial Statements.

##### A. Basis of preparation of Financial Statements

The standalone financial statements have been prepared on accrual and going concern basis. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

The standalone financial statements have been prepared under historical cost convention basis except—

- Certain financial assets which are measured at fair value;
- Share based payments which are measured at fair value of the options

##### Functional and presentation currency

The standalone financial statements have been prepared and presented in US Dollar (USD), which is the Company's functional and presentation currency.

##### B. Going Concern

The company has positive cash flows from operations for the year ended 31 March 2024, and accumulated losses of USD 296,134 as on 31 March 2024. The company believes that cash flow from operations and borrowing base loan arrangement if any will be sufficient to meet the company's current anticipated cash needs for at least the next twelve months, including working capital needs and various contractual obligations. However, there is no assurance that cash balances and working capital loan arrangement will be sufficient, and it is possible that the company may



require additional cash resources. If these current cash resources are insufficient to satisfy the Company's cash requirements, the company may obtain additional equity financing from Parent company.

**C. Basis for consolidation**

Rodney Hunt Inc, is a wholly owned subsidiary of Jash USA Inc, incorporated with no capital. As there are no transactions, the management has not maintained/prepared separate books of accounts of Rodney Hunt Inc. and hence, the management has prepared standalone books of accounts of Jash USA Inc. which included nil transactions of Rodney Hunt Inc.

**3. Summary of material accounting policies and information**

The standalone financial statements have been prepared using the material accounting policies and measurement bases summarised below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**3.1 Property, plant and equipment**

Recognition and initial measurement

Property, plant and equipment are stated at cost, less accumulated depreciation and amortisation. The cost comprises purchase price and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Subsequent measurement (depreciation and useful lives)

Depreciation on fixed assets is calculated using the straight-line method to allocate their cost, net of their residual values, over the estimated useful life of the asset as follows:

Particulars	Useful life
Land	Indefinite
Buildings	10 years
Plant and equipment	5 years
Computers	3 years
Furniture	5 years
Office equipment	3 years
Exhibition goods	5 years

The Company has estimated a lower useful life compared to the ones mentioned in schedule II of the Companies Act, 2013. Assets individually costing less than USD 500 are fully written-off in the year of acquisition. Depreciation on additions /(disposals) is provided on pro-rata basis i.e., from / (up to) the date on which the asset is ready to use / (disposed-off) during the period.

De-recognition

An item of property, plant and equipment and any significant component initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-



recognition of the asset/significant component (calculated as the difference between the net disposal proceeds and the carrying amount of the asset/significant component) is recognised in statement of profit and loss, when the asset is derecognised.

### 3.2 Capital work-in-progress

Capital work-in-progress are carried at cost, comprising direct cost and related incidental expenses acquire property, plant and equipment. Assets which are not ready to be intended use are also shown under capital work-in-progress.

### 3.3 Intangible assets

#### Recognition and initial measurement

Intangible assets are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

#### Subsequent measurement

Intangible assets consisting of trademarks. These are amortised on a straight-line basis over the estimated useful lives from the date when the assets are available for use. The estimated useful life (amortisation period) of the intangible assets is arrived basis the expected pattern of consumption of economic benefits and is reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

Asset class	Useful life (years)
Trademarks	10

### 3.4 Assets held for sale

Non-current assets are classified as held for sale if their carrying value will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell. Such assets are not depreciated or amortized while they are classified as held for sale. Such assets classified as held for sale are presented separately from the other assets in the balance sheet.

### 3.5 Revenue recognition

The Company generates revenue from sale of varied engineering products for general engineering industry, water and waste, water industry, bulk solids handling industry and also from rendering installation services along with the sale of goods, if specified in the contract with customers.

To determine whether to recognise revenue, the Company follows a 5-step process in accordance with Ind AS 115 - Revenue from contracts with customers:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.





Revenue is measured at fair value of consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales. In case of multi-element revenue arrangements, which involve delivery or performance of multiple products, services, evaluation will be done of all deliverables in an arrangement to determine whether they represent separate units of accounting at the inception of arrangement. Total arrangement consideration related to the bundled contract is allocated among the different elements based on their relative fair values (i.e., ratio of the fair value of each element to the aggregated fair value of the bundled deliverables). In case the relative fair value of different components cannot be determined on a reasonable basis, the total consideration is allocated to the different components based on residual value method.

The Company determines when it has satisfied its performance obligation to transfer a product by evaluating when a customer obtains control of that product. For some contracts, control is transferred either when the product is delivered to the customer's site or when the product is shipped, depending on the terms of the contract (including delivery and shipping terms). However, for some contracts, a customer may obtain control of a product even though that product remains in the Company's physical possession. In that case, the customer has the ability to direct the use of, and obtain substantially all of the remaining benefits from, the product even though it has decided not to exercise its right to take physical possession of that product. Consequently, the entity does not control the product. Instead, the entity provides custodial services to the customer over the customer's asset.

Revenue is recognised at a point in time, when (or as) the Company satisfies performance obligations by transferring the promised goods or services to its customers.

The Company recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Company satisfies a performance obligation before it receives the consideration, the Company recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

#### **Sale of goods**

Revenue from sale of goods is recognised when the control of goods is transferred to the buyer as per the terms of the contract, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods. Control of goods refers to the ability to direct the use of and obtain substantially all of the remaining benefits from goods.

#### **Sale of services**

Revenue from sale of services in respect of installation/repair/field-inspection services is recognised when the performance obligation is completed.

#### **Interest income**

Interest income is recognised on time proportion basis considering the amount outstanding and rate applicable. For all financial assets measured at amortised cost, interest income is recorded using the effective interest rate (EIR) i.e. the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets.

### **3.6 Leases**

The Company assesses at contract inception whether a contract is, or contains, a lease in accordance with Ind AS 116 - Leases. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.



Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**a) Right-of-use assets ('ROU assets')**

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. 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. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

**b) Lease liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

**c) 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 that are considered to be 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 as a lessor

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

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

**3.7 Inventories**

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:



**Summary to the material accounting policies and other explanatory information for the year ended 31 March 2024**

- Raw materials and stock-in-trade: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted moving average basis.
- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity.

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

### **3.8 Impairment of non-financial assets**

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

At each reporting date, the Company assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed which is the higher of fair value less costs of disposal and value-in-use and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost. Impairment losses previously recognised are accordingly reversed in the statement of profit and loss.

To determine value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Company's latest approved budget, adjusted as necessary to exclude the effects of future re-organisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessment of the time value of money and asset-specific risk factors.

### **3.9 Foreign currency**

#### Initial recognition of Transactions

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate applicable as at the date of the transaction.

#### Subsequent recognition of balances

Foreign currency non-monetary items (item balances) which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Monetary items denominated in foreign currency are restated at the exchange rate prevailing on the balance sheet date.

#### Exchange differences

Exchange differences arising on the settlement/restatement of monetary items at the exchange rates different from those at which they were initially recorded during the year or reported in the previous standalone financial statements, are recognised as income or expense in the year in which they arise.



### 3.10 Financial instruments

#### Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs. Subsequent measurement of financial assets and financial liabilities is described below.

#### Non-derivative financial assets

##### Subsequent measurement

**Financial assets carried at amortised cost** – A 'financial asset' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and;
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

##### De-recognition of financial assets

A financial asset is de-recognised when the contractual rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

#### Non-derivative financial liabilities

##### Subsequent measurement

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

##### De-recognition of financial liabilities

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

#### Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.





### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

### 3.11 Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss ('ECL') model for measurement and recognition of impairment loss for financial assets. ECL is provided for when there has been a significant increase in credit risk and then, factors historical trends and forward-looking information. An impairment loss is recognised either based on the 12 months' probability of default or lifetime probability of default.

#### Trade receivables

In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of such receivables.

#### Other financial assets

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

### 3.12 Income taxes

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Federal tax and State tax provisions of The United States. Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss, unused tax credits or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax asset under the provisions of the federal tax and state tax laws are recognised when it is probable that future economic benefit associated with it in the form of adjustment of future income tax liability, will flow to the Company and the asset can be measured reliably. Deferred tax asset is set off to the extent allowed in the year in which the Company becomes liable to pay income taxes at the enacted tax rates. Deferred tax asset is reviewed at



each reporting date and is recognised to the extent that is probable that future taxable profits will be available against which they can be used. Significant management judgment is required to determine the probability of recognition of deferred tax asset.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

### **3.13 Employee benefits**

#### **Short-term employee benefits**

All employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

#### **Defined contribution plan**

401K is a defined contribution plan under which the company pays contributions to Internal Revenue Service in accordance with Internal Revenue Code section 401(a). The Company has no legal or constructive obligations to pay further contributions after payment of the minimum contribution. The contributions recognised in respect of defined contribution plans are expensed as they accrue. Liabilities and assets may be recognised if underpayment or prepayment has occurred and are included in non-current/current liabilities or non-current/current assets, respectively.

#### **Other long-term employee benefits**

The liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after time balance sheet date is estimated.

### **3.14 Provisions, contingent liabilities and contingent assets**

Provisions are recognised only when there is a present obligation, as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When provisions are discounted, the increase in the provision due to the passage of time is recognised as a finance cost.

#### **Onerous contracts:**

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.



**Warranty provision:**

Provisions for warranty-related costs are recognised when the service provided. Provision is based on historical experience. The estimate of such warranty-related costs is revised annually.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised. However, when inflow of economic benefits is probable, related asset is disclosed.

**3.15 Stock based compensation**

The Company accounts for stock-based compensation expense relating to equity stock options ("ESOP") that will be settled in shares of Jash Engineering Limited, its parent company. Equity-settled plans are accounted at fair value as at the grant date. The fair value of the share-based option is determined at the grant date using a market-based option valuation model (Black Scholes Option Valuation Model). The fair value of the option is recorded as compensation expense amortized over the vesting period of the options, with a corresponding increase in 'Other Equity' under the head 'ESOP Reserve'.

The Company recognized stock-based compensation for awards granted by the ultimate parent company, that are expected to vest on a straight-line basis over the requisite service period of the awards. In respect of awards that have a graded vesting schedule and with only service conditions, compensation cost is recognized on straight line basis over the requisite service period for each separately vesting portion of the award as if the award was-in-substance, multiple awards.

**3.16 Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

**3.17 Cash and cash equivalent**

Cash and cash equivalents comprises of cash at banks and on hand, cheques on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

**3.18 Segment reporting**

The Company's business activity primarily falls within a single segment which is manufacturing and trading of varied engineering products for general engineering industry, water and wastewater industry and bulk solids handling industry. The geographical segments considered are "within The US" and "outside The US" and are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company who monitors the operating results of its business units not separately for the purpose of making decisions about resource allocation and performance assessment. The CODM is the Board of Directors who make strategic decisions and is responsible for allocating resources and assessing the financial performance of the operating segments. The analysis of geographical segments is based on geographical location of the customers. The Company



has opted to provide segment information in its consolidated Ind AS financial statement in accordance with para 4 of Ind AS 108 - Operating Segments.

### 3.19 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. Cash and cash equivalents for the purpose of the statement of cash flows comprise cash and deposit with banks and financial institutions. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalent.

### 3.20 Borrowing cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### 3.21 Recent accounting pronouncement

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2024.

## 4. Significant management in applying accounting policies and estimation uncertainty

The preparation of the Company's standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the related disclosures.

### Significant management judgements

- a) **Recognition of deferred tax assets** – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized.
- b) **Evaluation of indicators for impairment of assets** – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.
- c) **Contingent liabilities**– At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.





d) **Provisions** – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

Significant estimates

a) **Impairment of financial assets** – At each balance sheet date, based on historical default rates observed over expected life, existing market conditions as well as forward looking estimates, the management assesses the expected credit losses on outstanding receivables and advances. Further, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with industry and country in which the customer operates.

b) **Fair value measurements** – Management applies valuation techniques to determine fair value of stock options. This involves developing estimates and assumptions around volatility, dividend yield which may affect the value of stock options. Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

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

Level 3: inputs for assets or liabilities that are not based on observable market data (unobservable inputs)

The Company recognizes transfers between levels of fair value hierarchy at the end of reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 35 – financial instruments.

c) **Useful lives of depreciable/amortisable assets** – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utilisation of assets.

d) **Provision for non/ slow moving Inventory** – Management creates adequate provisions on the non-moving or slow-moving inventory in accordance with suitable policy to determine net realizable value of the Inventory. Inventory includes Raw material, finished goods and stock in trade. Inventories are measured at the lower of cost and net realizable value. Provision is made for slow moving and obsolete inventory in accordance with the policy of the Company. The Company's policy and provision for slow moving and obsolete inventory is reviewed periodically by the management.



## Summary of material accounting policies and other explanatory information for the year ended 31 March 2024

(All amounts in United States Dollar, unless otherwise stated)

## 4 (a) Property plant and equipment

	Land	Buildings	Plant and Equipments	Computers	Furniture and Fixtures	Exhibition goods	Total
<b>Balance as at 31 March 2022</b>	-	5,59,131	7,37,204	28,759	1,01,169	38,530	14,64,793
Additions during the year	4,44,700	-	1,17,654	19,899	23,624	-	6,05,877
Disposals/adjustment during the year	-	-	(67,527)	(11,366)	(24,319)	-	(1,03,211)
<b>Balance as at 31 March 2023</b>	<b>4,44,700</b>	<b>5,59,131</b>	<b>7,87,331</b>	<b>37,292</b>	<b>1,00,474</b>	<b>38,530</b>	<b>19,67,459</b>
Additions during the year	-	-	2,39,208	26,982	6,541	-	2,72,731
Disposals/adjustment during the year	-	-	(7,000)	(13,026)	(11,684)	-	(31,710)
<b>Balance as at 31 March 2024</b>	<b>4,44,700</b>	<b>5,59,131</b>	<b>10,19,539</b>	<b>51,248</b>	<b>95,331</b>	<b>38,530</b>	<b>22,08,480</b>
<b>Accumulated depreciation</b>							
<b>Balance as at 31 March 2022</b>	-	2,09,678	3,54,674	20,353	75,406	38,300	6,98,411
Depreciation charge for the year	-	55,912	1,55,179	9,238	20,038	230	2,40,597
Reversal on disposal/adjustment of assets	-	-	(67,526)	(10,082)	(22,464)	-	(1,00,072)
<b>Balance as at 31 March 2023</b>	<b>-</b>	<b>2,65,590</b>	<b>4,42,328</b>	<b>19,509</b>	<b>72,980</b>	<b>38,530</b>	<b>8,38,937</b>
Depreciation charge for the year	-	55,912	1,35,641	12,182	15,419	-	2,19,154
Reversal on disposal/adjustment of assets	-	-	(7,000)	(6,401)	(11,684)	-	(25,085)
<b>Balance as at 31 March 2024</b>	<b>-</b>	<b>3,21,502</b>	<b>5,70,969</b>	<b>25,290</b>	<b>76,715</b>	<b>38,530</b>	<b>10,33,006</b>
<b>Net block</b>							
<b>Balance as at 31 March 2023</b>	<b>4,44,700</b>	<b>2,93,541</b>	<b>3,45,003</b>	<b>17,783</b>	<b>27,494</b>	<b>-</b>	<b>11,28,522</b>
<b>Balance as at 31 March 2024</b>	<b>4,44,700</b>	<b>2,37,629</b>	<b>4,48,570</b>	<b>25,958</b>	<b>18,616</b>	<b>-</b>	<b>11,75,475</b>

Notes:

## (i) Right of use assets

Refer note 38 for contractual commitments for lease payments.

## (ii) Property, plant and equipment pledged as security

Refer note 17(a) for information on property, plant and equipment pledged as security by the Company.



**Jash USA, Inc.**  
**Summary of material accounting policies and other explanatory information for the year ended 31 March 2024**  
*(All amounts in United States Dollar, unless otherwise stated)*

**(iii) Lien Rights on Buildings**

A building with a carrying value of USD 237,629 (March 31 2023: USD 293,541 ) has been given on lien to Clark Construction Group LLC (Contractor) as per terms and conditions of the purchase order. The company is not allowed to sell/transfer without notifying the contractor till the time of completion of the project (Sales as per Purchase Order). This project is expected to be completed in August 2024.

	As at 31 March 2024	As at 31 March 2023
<b>4 (b) Right of use assets</b>		
<b>Gross carrying value</b>	304,402	227,996
Additions during the year	279,034	76,406
Disposals/adjustment during the year	-	-
<b>Balance as at reporting date</b>	<b>583,436</b>	<b>304,402</b>
<b>Accumulated depreciation</b>		
Depreciation charge for the year	199,471	125,378
Reversal on disposal/adjustment of assets	84,905	74,093
Disposals/adjustment during the year	-	-
<b>Balance as at reporting date</b>	<b>284,376</b>	<b>199,471</b>
<b>Net balance as at reporting date</b>	<b>299,060</b>	<b>104,931</b>

Refer note 38 for contractual commitments for lease payments.

	As at 31 March 2024	As at 31 March 2023
<b>5 Capital work in progress (CWIP)</b>		
Capital work in progress*	2,706	70,573

\*Capital work in progress represents certain projects under construction.

**CWIP ageing schedule as on 31 March 2024**

Capital Work in Progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in progress	2,706	-	-	-	2,706
Project temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>2,706</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,706</b>



**Jash USA, Inc.**

**Summary of material accounting policies and other explanatory information for the year ended 31 March 2024**

*(All amounts in United States Dollar, unless otherwise stated)*

**CWIP ageing schedule as on 31 March 2023**

Capital Work in Progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in progress	70,573	-	-	-	70,573
Project temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>70,573</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>70,573</b>

**Movement in Capital work in progress (CWIP) during the year:**

**As at 31 March 2022**

Additions during the period  
 Disposal during the period  
 Transferred to Property, plant and equipment

**As at 31 March 2023**

Additions during the period  
 Disposal during the period  
 Transferred to Property, plant and equipment

**As at 31 March 2024**

<b>Capital WIP</b>	-
	70,573
	-
	-
<b>70,573</b>	<b>2,706</b>
	-
	70,573
<b>2,706</b>	



*(This space has been intentionally left blank)*

(All amounts in United States Dollar, unless otherwise stated)

**6 Intangible assets**

	Trademarks	Total
<b>Gross block</b>		
<b>Balance as at 31 March 2022</b>	1,450,000	1,450,000
Additions during the year	-	-
<b>Balance as at 31 March 2023</b>	1,450,000	1,450,000
Additions during the year	-	-
<b>Balance as at 31 March 2024</b>	1,450,000	1,450,000
<b>Accumulated Amortisation</b>		
<b>Balance as at 31 March 2022</b>	725,000	725,000
Amortisation for the year	145,000	145,000
<b>Balance as at 31 March 2023</b>	870,000	870,000
Amortisation for the year	145,000	145,000
<b>Balance as at 31 March 2024</b>	1,015,000	1,015,000
<b>Net block</b>		
<b>Balance as at 31 March 2023</b>	580,000	580,000
<b>Balance as at 31 March 2024</b>	435,000	435,000



(This space has been intentionally left blank)



## 7 Deferred tax assets (net)

	As at 31 March 2024	As at 31 March 2023
Deferred Tax Asset	336,457	665,460
	<b>336,457</b>	<b>665,460</b>

The Company has NIL net operating loss carry forwards as of 31 March 2024 (31 March 2023: USD 1,179,722) at federal level.

The net operating loss carryforwards at state level as of 31 March 2024: USD 388,131 (31 March 2023: USD 388,484) which if unutilized will expire based on the statute of the states.

## Movement in deferred tax assets

	As at 01 April 2023	Recognized in P&L	As at 31 March 2024
<b>Tax effect of items constituting deferred tax liability</b>			
Temporary difference on account of Property, plant, Equipment & Intangibles	(39,899)	(24,320)	(64,219)
	<b>(39,899)</b>	<b>(24,320)</b>	<b>(64,219)</b>
<b>Tax effect of items constituting deferred tax Assets</b>			
Right of use Assets & related liabilities	708	(371)	337
Provision (Expected Credit Loss & Warranty)	243,946	(24,047)	219,899
Revaluation loss	27,018	(320)	26,698
Intangibles	70,446	10,768	81,214
Stock options expenses	4,160	2,264	6,424
Outstanding expenses-Rep Commission	12,146	(12,146)	-
Advance from customers	10,346	53,366	63,712
Disallowed interest	68,517	(66,125)	2,392
Net operating losses	268,073	(268,073)	-
	<b>705,359</b>	<b>(304,683)</b>	<b>400,676</b>
Net deferred tax asset	<b>665,460</b>	<b>(329,003)</b>	<b>336,457</b>

## Movement in deferred tax assets

	As at 01 April 2022	Recognized in P&L	As at 31 March 2023
<b>Tax effect of items constituting deferred tax liability</b>			
Temporary difference on account of Property, plant, Equipment & Intangibles	(54,894)	14,995	(39,899)
	<b>(54,894)</b>	<b>14,995</b>	<b>(39,899)</b>
<b>Tax effect of items constituting deferred tax Assets</b>			
Right of use Assets & related liabilities	3,778	(3,070)	708
Provision (Expected Credit Loss & Warranty)	68,313	175,633	243,946
Revaluation loss	27,656	(638)	27,018
Intangibles	60,089	10,357	70,446
Stock options expenses	2,533	1,627	4,160
Outstanding expenses-Rep Commission	-	12,146	12,146
Advance from customers	-	10,346	10,346
Disallowed interest	55,731	12,785	68,516
Net operating losses	688,645	(420,572)	268,073
	<b>906,745</b>	<b>(201,386)</b>	<b>705,359</b>
Deferred tax assets not recognised	(567,901)	567,901	-
Net deferred tax asset	<b>283,950</b>	<b>381,510</b>	<b>665,460</b>

## 8 Other non-current assets

	As at 31 March 2024	As at 31 March 2023
Rent deposit	8,134	9,168
	<b>8,134</b>	<b>9,168</b>

## 9 Inventories

(Valued at lower of cost and net realisable value, unless otherwise stated)

	As at 31 March 2024	As at 31 March 2023
Raw material	1,867,679	1,388,437
Work-in-progress	885,337	289,333
Stock in trade	305,150	179,724
Goods in transit	-	480,941
	<b>3,058,166</b>	<b>2,338,435</b>

Write-downs of inventories to net realisable value is USD 287,506 during the financial year 2023-24 (31 March 2023: USD 760,808 ). These are recognised as an expense during the year and included in changes in value of inventories.



10 Trade receivables

Unsecured, considered good  
 Unsecured, credit impaired  
 Less: Allowance for expected credit loss

	As at 31 March 2024	As at 31 March 2023
	8,145,713	8,007,425
	832,282	1,004,243
	(832,282)	(1,004,243)
	<u>8,145,713</u>	<u>8,007,425</u>

Trade receivables ageing schedule as on 31 March 2024

Particulars	As at 31 March 2024						
	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	4,912,201	2,930,070	303,442	-	-	-	8,145,713
(ii) Undisputed Trade Receivables – Significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	2,981	348,761	170,487	224,917	85,135	832,282
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – Significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>4,912,201</b>	<b>2,933,051</b>	<b>652,203</b>	<b>170,487</b>	<b>224,917</b>	<b>85,135</b>	<b>8,977,995</b>

Trade receivables ageing schedule as on 31 March 2023

Particulars	As at 31 March 2023						
	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	5,463,751	2,154,137	268,253	121,284	-	-	8,007,425
(ii) Undisputed Trade Receivables – Significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	20,000	-	-	649,426	40,628	294,190	1,004,243
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – Significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>5,483,751</b>	<b>2,154,137</b>	<b>268,253</b>	<b>770,710</b>	<b>40,628</b>	<b>294,190</b>	<b>9,011,668</b>

11 (a) Cash and cash equivalents

Balances with banks:  
 - in current and cash credit accounts  
 - to the extent held as margin money\*  
 Prepaid Cash Balance

	As at 31 March 2024	As at 31 March 2023
	972,396	630,497
	1,867,450	-
	21,302	36,058
	<u>2,861,148</u>	<u>666,555</u>

\* The deposits amounting to USD 1,867,449 (31 Mar 2023: Nil) are pledged against guarantees for cash credit/letter of credit and other facilities

11 (b) Other Bank Balances

Fixed Deposits\*  
 Interest Accrued Bank deposits

	161,326	-
	3,559	-
	<u>164,885</u>	<u>-</u>

\* The deposits amounting to USD 161,326 (31 Mar 2023: Nil) are pledged against guarantees for cash credit/letter of credit and other facilities



## 12 Other financial assets (current)

	As at 31 March 2024	As at 31 March 2023
Security deposits	-	6,101
Other Receivables*	24,893	98,992
	<u>24,893</u>	<u>105,093</u>

\*Due from related party (refer note 37(v))

## 13 Other current assets

	As at 31 March 2024	As at 31 March 2023
Advances to suppliers	430,412	213,598
Advances given to employees	9,400	-
Prepaid expenses	23,501	9,492
	<u>463,313</u>	<u>223,090</u>

## 14 Asset held for sale

	As at 31 March 2024	As at 31 March 2023
Asset held for sale*	1,050,000	1,050,000
	<u>1,050,000</u>	<u>1,050,000</u>

\*The Company vide an agreement dated 25 July 2017, acquired factory shed and land from VAG USA LLC. Out of the assets acquired from VAG USA LLC., the Company intends to sell about 40 acres of land and factory shed. A proposal for the same has been given to Orange town committee to construct homes, subject to approval from committee. The company expects to complete the sale by 31 March 2025. The assets held for sale are valued at realizable value as on 31 March 2024. The proceeds of disposal are expected to substantially exceed the carrying amount of the related net assets and accordingly, no impairment losses have been recognized on the classification of these operations as held for sale.

(This space has been intentionally left blank)



## 15 Equity share capital

	As at 31 March 2024		As at 31 March 2023	
	Number of shares	Amount	Number of shares	Amount
<b>Authorised Share Capital</b>				
Equity shares of USD 10 each	18,500	1,85,000	18,500	1,85,000
	<b>18,500</b>	<b>1,85,000</b>	<b>18,500</b>	<b>1,85,000</b>
<b>Issued, subscribed and fully paid up</b>				
Equity shares of USD 10 each	18,500	1,85,000	18,500	1,85,000
	<b>18,500</b>	<b>1,85,000</b>	<b>18,500</b>	<b>1,85,000</b>
Add: Additional capital	-	72,27,648	-	72,27,648
<b>Total</b>		<b>74,12,648</b>		<b>74,12,648</b>

(For the above additional capital, no shares were issued, which is in accordance with the State Corporate statute)

## a) Reconciliation of equity share outstanding at the beginning and end of the year

Balance at the beginning of the year  
Add: Shares issued during the year  
Total shares capital outstanding at the end of the year

	As at 31 March 2024	As at 31 March 2023
	18,500	18,500
	-	-
	<b>18,500</b>	<b>18,500</b>

## b) Details of shareholders holding more than 5% of the shares of the Company

Jash Engineering Limited

	As at 31 March 2024		As at 31 March 2023	
	Number of shares	% of holding	Number of shares	% of holding
Jash Engineering Limited	18,500	100.00%	18,500	100.00%

## c) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of USD 10 per share. Each holder of equity shares is entitled to one vote per share.

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

## d) Details of shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and bought back during the last 5 years to be given for each class of shares

There are no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and bought back during the last 5 years.

## 16 Other equity

Opening balance  
ESOP reserve on grant of ESOP's to employees  
Closing balance  
**Retained earnings**  
Opening balance  
Add: Net profits during the year  
Add: Additions during the year  
Closing balance  
**Total**

	As at 31 March 2024	As at 31 March 2023
	17,125	10,188
	9,635	6,937
	26,760	17,125
	-	-
	(24,28,776)	(34,73,729)
	21,05,883	10,44,953
	-	-
	<b>(3,22,893)</b>	<b>(24,28,776)</b>
	<b>(2,96,134)</b>	<b>(24,11,651)</b>



(This space has been intentionally left blank)

## 17 (a) Non-current borrowings

	As at 31 March 2024	As at 31 March 2023
<b>Loans</b>		
i) Loan from financial institution (Secured)	-	63,469
ii) Loan from related party (Unsecured)	9,963	782,058
	<u>9,963</u>	<u>845,527</u>
<b>Less : Current maturities of non-current borrowings (refer note 17 (b))</b>	(9,963)	(13,550)
	<u>-</u>	<u>831,977</u>

**Repayment terms and security for the outstanding long term borrowings (including current maturities)****i) Loan from financial institution**

The company obtained two loans from CIT Finance . One loan is of amount USD 26,999 on 19 August 2022 at 8.54% and another loan is of amount USD 40,749 on 09 March 2023 at 7.71 % p.a. Repayment of both the loan in 60 equal monthly installments of USD 642.03 and USD 940.80 respectively. Outstanding book balance of loan as of 31 March 2023 is USD 23,399 and USD 40,069 respectively. Both the loans have been repaid during the FY 2023-24 and the net balance as on 31 March 2024 is Nil

**ii) Loan from Related Party**

The company borrowed USD 500,000 for the business purpose from parent Company. This loan bears an interest of 8%. The loan was originally obtained in 2017 for a period for 2 years and the same was extended after the expiry of the term in 2019 for another period of 2 years and then 2021 for another period of 2 years. As at the year ended 31 March 2024, the entire principal loan amount of USD 500,000 was paid and an interest amount of USD 9,963 is outstanding (31 March 2023-Principal USD 500,000 and interest USD 282,058)

## 17 (b) Current borrowings

	As at 31 March 2024	As at 31 March 2023
Current maturities of non-current borrowings		
-Term loans from banks (Secured)	9,963	13,550
	<u>9,963</u>	<u>13,550</u>

**B) Reconciliation of liabilities arising from financing activities**

	Non-current borrowings and Current maturities of non-current borrowings	Current borrowings	Total
<b>As at 01 April 2022</b>	<u>772,089</u>	<u>66,720</u>	<u>838,809</u>
<b>Cash flows:</b>			
Proceeds from borrowings (net)	92,575	28,814	121,389
Repayment of principal component of lease obligation (net)	(6,830)	-	(6,830)
Payment of interest on lease obligation	-	-	-
Non-cash:	-	-	-
<b>As at 31 March 2023</b>	<u>857,834</u>	<u>95,534</u>	<u>953,368</u>
<b>Cash flows:</b>			
Proceeds from borrowings	-	800,000	800,000
Repayment of borrowings	(831,977)	(803,587)	(1,635,564)
Repayment of principal component of lease obligation	-	(92,871)	(92,871)
Non-cash:			
Interest on lease obligations	3,351	3,271	6,622
Adjustment in lease liability through right of use asset	279,034	-	279,034
Other	(123,765)	123,765	-
<b>As at 31 March 2024</b>	<u>184,477</u>	<u>126,112</u>	<u>310,589</u>

## 18 (a) Lease liabilities

	As at 31 March 2024	As at 31 March 2023
Lease liabilities (refer note 38)	300,626	107,841
Less : Current maturities of lease liabilities (refer note 18 (b))	(116,149)	(81,984)
	<u>184,477</u>	<u>25,857</u>

## 18 (b) Lease liabilities

	As at 31 March 2024	As at 31 March 2023
Lease liability	116,149	81,984
	<u>116,149</u>	<u>81,984</u>





19 Trade payables

	As at 31 March 2024	As at 31 March 2023
Total outstanding dues *	62,89,059	65,91,144
	<b>62,89,059</b>	<b>65,91,144</b>

\*Due to related party (refer note 37(vi))

Trade payables ageing schedule as on 31 March 2024

Particulars	As at 31 March 2024				
	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed	62,50,493	26,385	12,181	-	62,89,059
(ii) Disputed dues	-	-	-	-	-
<b>Total</b>	<b>62,50,493</b>	<b>26,385</b>	<b>12,181</b>	<b>-</b>	<b>62,89,059</b>

Trade payables ageing schedule as on 31 March 2023

Particulars	As at 31 March 2023				
	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed	65,41,394	11,219	-	38,531	65,91,144
(ii) Disputed dues	-	-	-	-	-
<b>Total</b>	<b>65,41,394</b>	<b>11,219</b>	<b>-</b>	<b>38,531</b>	<b>65,91,144</b>

20 Other financial liabilities (Current)

Employee related payables  
 Other payables

	As at 31 March 2024	As at 31 March 2023
Employee related payables	4,19,866	8,577
Other payables	58,844	-
	<b>4,78,710</b>	<b>8,577</b>

21 Other current liabilities

Advance from customers  
 Other payables  
 Payable to statutory authorities

	As at 31 March 2024	As at 31 March 2023
Advance from customers	34,66,747	21,66,676
Other payables	-	1,92,506
Payable to statutory authorities	3,113	-
	<b>34,69,860</b>	<b>23,59,182</b>

22 Provisions (Current)

Leave encashment  
 Provision for warranty\*

	As at 31 March 2024	As at 31 March 2023
Leave encashment	1,24,236	-
Provision for warranty*	83,809	-
	<b>2,08,045</b>	<b>-</b>

Provision for warranty

\*A provision for warranty for expected claims/ expenditure is based on past experiences of the Company of the level of claims/ expense incurred in the past. The Company expects significant portion of the cost will have to be incurred in next financial year, therefore, has accordingly classified the entire amount as current provision.

23 Current tax liabilities (net)

Provision for tax (net of provision for tax: USD 390,272)

	As at 31 March 2024	As at 31 March 2023
Provision for tax (net of provision for tax: USD 390,272)	1,52,173	35,984
	<b>1,52,173</b>	<b>35,984</b>



(This space has been intentionally left blank)

(All amounts in United States Dollar, unless otherwise stated)

**24 Revenue from operations**

	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Operating revenue*</b>		
Sale of products	2,63,42,096	1,95,12,267
Sale of services	95,865	79,635
<b>Other Operating revenue</b>		
Scrap sales	23,865	-
	<b>2,64,61,826</b>	<b>1,95,91,902</b>

\*Refer note 39 for revenue related disclosure.

**25 Other income**

	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Interest from</b>		
Bank deposits	47,859	28
Interest income on other financial assets measured at amortized cost	818	679
<b>Rental income</b>	-	35,417
Profit on sale of property, plant and equipment	-	1,700
Covid relief grant*	-	5,32,265
Miscellaneous Income	86,102	1,97,014
	<b>1,34,779</b>	<b>7,67,103</b>

\* The Company applied under employee retention credit program by US department of treasury in FY 2022-23 and received successfully an amount of USD 532,265. This amount is non refundable and granted for not laying off any employee due to Covid downfall.

**26 Cost of materials consumed**

	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Opening stock</b>	13,88,437	10,06,082
Add: Purchases made during the year	55,99,577	39,42,362
	<b>69,88,014</b>	<b>49,48,444</b>
<b>Less: Closing stock</b>	18,67,679	13,88,437
	<b>51,20,335</b>	<b>35,60,007</b>

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

	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Opening stock</b>		
Work-in-progress	2,89,333	1,07,150
Stock-in-trade	1,79,724	8,03,134
Goods in transit	4,80,940	6,07,364
<b>Closing stock</b>		
Work-in-progress	8,85,337	2,89,333
Stock-in-trade	3,05,150	1,79,724
Goods in transit	-	4,80,941
<b>Changes in inventories</b>	<b>(2,40,490)</b>	<b>5,67,650</b>

**28 Employee benefits expense**

	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries and incentives	47,10,960	36,68,509
Post-employment pension benefits	69,587	92,312
Post-employment medical benefits	-	2,44,230
Share based payments to employees (refer note 40)	9,635	6,938
Staff welfare expenses	7,20,325	2,36,141
	<b>55,10,507</b>	<b>42,48,130</b>



**29 Finance costs**

	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest on		
Loans from financial institutions	21,184	2,077
Loans from related party	44,799	57,920
Loans from Others	39,450	-
On lease obligations	6,622	10,117
Other borrowing costs	48,418	10,023
	<b>1,60,473</b>	<b>80,137</b>

**30 Depreciation and amortisation expense**

	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation of property, plant and equipment (refer note 4 (a))	2,19,154	2,17,783
Depreciation of right-of-use assets (refer note 4 (b))	84,905	-
Amortisation of intangible assets(refer note 6)	1,45,000	2,19,093
	<b>4,49,059</b>	<b>4,36,876</b>

**31 Other expenses**

	For the year ended 31 March 2024	For the year ended 31 March 2023
Advertisement and sales promotion expense	2,05,999	2,04,552
Bad Debts	13,998	1,90,328
Warranty Expenses	5,35,009	-
Provision for expected credit losses	6,07,594	7,29,503
Office and Software	1,81,911	1,24,689
Commission and brokerage	9,00,968	6,39,267
Communication expenses	49,305	41,634
Freight expenses	5,72,865	6,70,943
Insurance Expenses	1,91,613	1,84,710
Legal and professional fees	4,34,054	2,58,394
Power, fuel and water	2,85,619	3,39,701
Rates and taxes	3,11,492	2,61,969
Rent	5,758	4,570
Repairs and maintenance		
- on buildings	1,31,288	1,38,106
- on others	10,163	-
Sub-contracting/ manpower charges	1,75,597	97,164
Travelling expense	2,37,053	1,70,091
Miscellaneous expenses	54,641	73,465
Loss on disposal of property, plant and equipment	534	-
	<b>49,05,461</b>	<b>41,29,087</b>

**32 Tax expense**

The income tax expense consists of the following:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Current tax expense	3,64,884	24,932
Deferred tax credit	3,29,003	(3,81,510)
<b>Total tax expense</b>	<b>6,93,887</b>	<b>(3,56,578)</b>

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 21% (previous year: 21%) and the reported tax expense in profit or loss are as follows:



(This space has been intentionally left blank)

	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Accounting profit before income tax</b>	2,799,770	688,375
At USA statutory income tax rate of 21% (31 March 2023: 21%)	587,952	144,559
<b>Tax effect of amounts which are not deductible (taxable) in calculating taxable income:</b>		
Permanent differences	(4,491)	(112,215)
State tax	91,390	9,808
State tax true-up	471	9,843
Federal tax-true up	(2,674)	(11,099)
Deferred tax true up	11,545	-
State deferred tax impact	5,818	11,063
Change in net operating losses (NOL)	(14,325)	148,301
Effect of current year (income) losses for which no deferred tax asset is recognized	19,978	(567,901)
Others	(1,777)	11,063
<b>Income tax (benefit) expense recognized in income (loss) from continuing operations</b>	<b>693,887</b>	<b>(356,578)</b>

The tax rate used for years ended 31 March 2024 and 31 March 2023 reconciliation above is the corporate federal tax rate of 21% payable by corporate entities in US on taxable profits under US Tax Laws.

Based on the recent history of profitability and future profitability projections, the management believes that the deferred tax assets will be realized during the foreseeable future. Accordingly, the management has recognized Deferred tax assets of USD 329,003 as on 31 March 2024 (31 March 2023 USD -381,510)

### 33 Earnings per equity share

	For the year ended 31 March 2024	For the year ended 31 March 2023
a) Net profit attributable to equity shareholders	2,105,883	1,044,953
b) Weighted average number of common equity shares for basic EPS	18,500	18,500
c) Weighted average number of common and dilutive common equivalent share	18,500	18,500
d) Nominal value of shares	10	10
e) Earnings per share		
Basic earnings per share	113.83	56.48
Diluted earnings per share	113.83	56.48



(This space has been intentionally left blank)

34 Contingent liabilities and other matters

**Guarantees\***

Great Midwest Insurance Company  
Hancock Whitney Bank

	As at 31 March 2024	As at 31 March 2023
		-
	4,060,000	-
	345,344	-
	<u>4,405,344</u>	<u>-</u>

\* Project guarantees is backed by two fixed deposits amounting to USD 2,028,775

*(This space has been intentionally left blank)*





**35 Financial instruments****A Financial assets and liabilities****The carrying amounts of financial instruments as at 31 March 2024:**

Measured at	As at 31 March 2024		Fair values hierarchy		
	Amortised Cost**	FVTPL***	Level 1	Level 2	Level 3
Trade receivables	81,45,713	-	-	-	-
Cash and cash equivalents	28,61,148	-	-	-	-
Other financial assets	24,893	-	-	-	-
<b>Total</b>	<b>1,10,31,754</b>	-	-	-	-
<b>Measured at</b>					
Borrowings (including current maturities of non-current borrowings)	3,10,589	-	-	-	-
Trade payables	62,89,059	-	-	-	-
Other financial liabilities	4,78,710	-	-	-	-
<b>Total</b>	<b>70,78,358</b>	-	-	-	-

**The carrying amounts of financial instruments as at 31 March 2023:**

Measured at	As at 31 March 2023		Fair values hierarchy		
	Amortised Cost**	FVTPL***	Level 1	Level 2	Level 3
Trade receivables	80,07,425	-	-	-	-
Cash and cash equivalents	6,66,555	-	-	-	-
Other financial assets	1,05,093	-	-	-	-
<b>Total</b>	<b>87,79,073</b>	-	-	-	-
<b>Measured at</b>					
Borrowings (including current maturities of non-current borrowings)	9,53,368	-	-	-	-
Trade payables	65,91,144	-	-	-	-
Other financial liabilities	8,577	-	-	-	-
<b>Total</b>	<b>75,53,089</b>	-	-	-	-

**B Fair values hierarchy**

The fair value of financial instruments as referred to in note (A) above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements].

The categories used are as follows:

Level 1: Quoted prices for identical instruments in an active market

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a net asset value or valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

\*\* Fair value of financial assets and liabilities measured at amortised cost approximates their respective carrying values as the management has assessed that there is no significant movement in factor such as discount rates, interest rates, credit risk from the date of the transition. The fair values are assessed by the management using Level 3 inputs.

\*\*\*The financial instruments measured at FVTPL represents the following items constitutes to level 1 category and other financial liability containing derivative liability has been valued using level 2 valuation hierarchy above.

**C Financial Risk Management****Risk Management**

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Ageing analysis	Diversification of asset base and specified credit limits.
Liquidity risk	Borrowings and other liabilities	Rolling cash flowforecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign	Recognised financial assets and liabilities not denominated in USD	Cash flow forecasting	Forward contract, if required
Market risk - price risk	Investments measured at fair value	Sensitivity analysis	Diversification of investment portfolio, strategic and systematic investments
Market risk - Interest rate	Long-term and short-term borrowings at variable rates	Sensitivity analysis	Negotiation of terms that reflect the market factors

The Company's risk management is carried out by a finance department (of the Company) under policies approved by the Board of directors. The Board of directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

**1 Credit risk**

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and other financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.



**a) Credit risk management****(i) Credit risk rating**

The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

(i) Low credit risk

(ii) Moderate credit risk

(iii) High credit risk

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

Financial assets (other than trade receivables) that expose the entity to credit risk are managed and categorised as follows:

Basis of categorisation	Asset class exposed to credit risk	Provision for expected credit loss
Low credit risk	Cash and cash equivalents, other bank balances, loans and other financial assets	12 month expected credit loss.
Moderate credit risk	Other financial assets	Other financial assets - 12 month expected credit loss, unless credit risk has increased significantly since initial recognition, in which case allowance is measured at lifetime expected credit loss
High credit risk	Other financial assets	Other financial assets - Life time expected credit loss (when there is significant deterioration) or specific provision, whichever is higher

The Company recognises lifetime expected credit losses on trade receivables using a simplified approach, wherein Company has defined percentage of provision by analysing historical trend of default (net of any recoveries from the insurance companies) relevant to each business segment based on the criteria defined above and such provision percentage determined have been considered to recognise life time expected credit losses on trade receivables (other than those where default criteria are met in which case the full expected loss against the amount recoverable is provided for).

Financial assets (other than trade receivables) that expose the entity to credit risk (Gross exposure):

Particulars	As at 31 March 2024	As at 31 March 2023
- Low credit risk on financial reporting date		
Cash and cash equivalents	28,61,148	6,66,555
Other financial assets	24,893	1,05,093

**Cash & cash equivalents and bank deposits**

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

**Trade receivables and loans**

Life time expected credit loss is provided for trade receivables. Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions. Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

**Other financial assets measured at amortised cost**

Other financial assets measured at amortised cost includes export benefits receivables, bank deposits with maturity of more than 12 months and other receivables. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

**(ii) Expected credit losses****i) Financial assets (other than trade receivables)**

Company provides for expected credit losses on loans and advances other than trade receivables by assessing individual financial instruments for expectation of any credit losses.

- For cash & cash equivalents and other bank balances - Since the Company deals with only high-rated banks and financial institutions, credit risk in respect of cash and cash equivalents, other bank balances and bank deposits is evaluated as very low.

- For loans - Credit risk for loan given to subsidiaries are evaluated on an individual basis by the management after considering the future cash flows expected to be derived. Credit risk for security deposits and loans is considered low because the Company is in possession of the underlying asset.

- For other financial assets - Credit risk is evaluated based on Company's knowledge of the credit worthiness of those parties and loss allowance is measured. Credit risk in respect of other financial assets is considered as very low.

As at 31 March 2024	Gross carrying amount	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	28,61,148	-	28,61,148
Other bank balances	1,64,885	-	1,64,885
Other financial assets	24,893	-	24,893

As at 31 March 2023	Gross carrying amount	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	6,66,555	-	6,66,555
Other bank balances	-	-	-
Other financial assets	1,05,093	-	1,05,093



**ii) Expected credit loss for trade receivables under simplified approach**

The Company recognizes lifetime expected credit losses on trade receivables using a simplified approach, wherein Company has defined percentage of provision by analysing historical trend of default based on the criteria defined below and such provision percentage determined have been considered to recognise life time expected credit losses on trade receivables (other than those where default criteria are met in which case the full expected loss against the amount recoverable is provided for). Further, the Company has evaluated recovery of receivables on a case to case basis where these related parties will be able to generate adequate positive cash flows for payment of their dues to the Company. Hence, no provision on account of expected credit loss model has been considered for such related party balances.

As at 31 March 2024	Gross carrying amount- trade receivables	Expected loss rate	Expected credit loss
<b>Unrelated</b>			
Not Due	49,12,201	0.00%	-
Less than 6 Months past due	29,33,051	0.10%	2,981
6 Months to 1 Year past due	6,52,203	53.47%	3,48,761
1 Year to 2 Year past due	1,70,487	100.00%	1,70,487
2 Year to 3 Year past due	2,24,917	100.00%	2,24,917
More than 3 Years past due	85,135	100.00%	85,135
<b>Total</b>	<b>89,77,994</b>		<b>8,32,281</b>

As at 31 March 2023	Gross carrying amount- trade receivables	Expected loss rate	Expected credit loss
<b>Unrelated</b>			
Not Due	54,83,751	0.36%	20,000
Less than 6 Months past due	21,54,137	0.00%	-
6 Months to 1 Year past due	2,68,253	0.00%	-
1 Year to 2 Year past due	7,70,710	84.26%	6,49,425
2 Year to 3 Year past due	40,628	100.00%	40,628
More than 3 Years past due	2,94,190	100.00%	2,94,190
<b>Total</b>	<b>90,11,672</b>		<b>10,04,243</b>

**Reconciliation of loss allowance provision from beginning to end of reporting period:**

Reconciliation of loss allowance	Trade receivables
Loss allowance on 01 April 2022	2,74,740
Add: Changes in loss allowances due to bad debts	7,29,503
Less: Changes in loss allowances due to recover from receivables/Writeoffs	-
<b>Loss allowance on 31 March 2023</b>	<b>10,04,243</b>
Add: Changes in loss allowances due to bad debts	6,07,594
Less: Changes in loss allowances due to recover from receivables/Writeoffs	(7,79,556)
<b>Loss allowance on 31 March 2024</b>	<b>8,32,281</b>

**2 Liquidity risk**

Liquidity risk is the risk that 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 to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

**a) Maturities of financial liabilities**

The tables below analyse the Company's financial liabilities into relevant maturity based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Refer note 38 for maturities of lease liabilities

As at 31 March 2024	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Borrowings (including current maturities of non-current borrowings and excluding lease liabilities)	9,963	-	-	-	9,963
Trade payables	62,89,059	-	-	-	62,89,059
Other financial liabilities	4,78,710	-	-	-	4,78,710
<b>Total</b>	<b>67,77,732</b>	-	-	-	<b>67,77,732</b>

As at 31 March 2023	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Borrowings (including current maturities of non-current borrowings and excluding lease liabilities)	13,550	7,95,608	13,550	22,819	8,45,527
Trade payables	65,91,144	-	-	-	65,91,144
Other financial liabilities	8,577	-	-	-	8,577
<b>Total</b>	<b>66,13,271</b>	<b>7,95,608</b>	<b>13,550</b>	<b>22,819</b>	<b>74,45,248</b>





**3 Market risk****i) Foreign currency risk**

Since majority of transactions are in USD, the Company is not significantly exposed to foreign currency risk.

**4 Interest rate risk****i) Liabilities**

Since the Company has no variable interest rate borrowings, the Company is not significantly exposed to interest rate risk

**36 Capital management**

The Company's capital management objectives are

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

**(a) Debt equity ratio**

Particulars	As at 31 March 2024	As at 31 March 2023
Net debt*	3,10,589	9,53,368
Total equity	71,16,514	50,00,997
<b>Net debt to equity ratio</b>	<b>4.36%</b>	<b>19.06%</b>

\* Net Debts included borrowing and lease liability



(This space has been intentionally left blank)

Jash USA, Inc.  
Summary of material accounting policies and other explanatory information for the year ended 31 March 2024

(All amounts in United States Dollar, unless otherwise stated)

37 Related party transactions

Related party disclosures, as required by Indian Accounting Standard 24 - Related Party Disclosures is as under:

- (i) Parent company  
Jash Engineering Limited
- (ii) Subsidiary company  
Rodney Hunt Inc- terminated on 30 October 2023
- (iii) Key management personnel  
Mr. Pratik Patel, Director  
Mr. D.T Manwani, Director

(iv) Transactions with related parties during the year

Particulars	Subsidiary Companies		Key management personnel and their relatives		Entities in which key management personnel/director is having significant influence/ interested/ entity having significant influence over the Company		Total	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Purchase of Goods								
Jash Engineering Limited	7,884,412	6,674,130	-	-	-	-	7,884,412	6,674,130
	7,884,412	6,674,130					7,884,412	6,674,130
Purchase of Fixed Assets								
Jash Engineering Limited	3,954	-	-	-	-	-	3,954	-
	3,954	-					3,954	-
Re-work charges								
Jash Engineering Limited	168,715	234,890	-	-	-	-	168,715	234,890
	168,715	234,890					168,715	234,890
Share options issued by parent company								
Jash Engineering Limited	9,635	6,938	-	-	-	-	9,635	6,938
	9,635	6,938					9,635	6,938
Interest expense								
Jash Engineering Limited	44,799	57,920	-	-	-	-	44,799	57,920
	44,799	57,920					44,799	57,920
Sale of Goods								
Jash Engineering Limited	21,010	-					21,010	-
	21,010	-					21,010	-
Expenses incurred by Parent company on behalf of related party								
Jash Engineering Limited	-	639	-	-	-	-	-	639
	-	639					-	639





**Jash USA, Inc.**  
**Summary of material accounting policies and other explanatory information for the year ended 31 March 2024**  
*(All amounts in United States Dollar, unless otherwise stated)*

**37 Related party transactions (continued)**

**(v) Year end balances**

Particulars	Parent Company Companies		Key management personnel and their relatives		Entities in which key management personnel/director is having significant influence/ interested/ entity having significant influence over the Company		Total	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023
<b>Borrowing (including interest accrued)</b>								
Jash Engineering Limited	9,963	7,82,058	-	-	-	-	9,963	7,82,058
	9,963	7,82,058	-	-	-	-	9,963	7,82,058
<b>Trade payables</b>								
Jash Engineering Limited	46,80,291	60,21,113	-	-	-	-	46,80,291	60,21,113
	46,80,291	60,21,113	-	-	-	-	46,80,291	60,21,113
<b>Other Financial Assets</b>								
Jash Engineering Limited	24,893	98,992	-	-	-	-	24,893	98,992
	24,893	98,992	-	-	-	-	24,893	98,992



*(This space has been intentionally left blank)*

**38 Lease related disclosures****A Lease payments not included in measurement of lease liability**

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

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Short-term leases	5,758	4,570

**B** Total cash outflow for leases for the year ended 31 March 2024 was USD 92,872 (31 March 2023: USD 80,116).

**C Maturity of lease liabilities**

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

Gross lease payments	Minimum lease payments due						Total
	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	
31 March 2024	1,21,876	1,23,098	83,016	-	-	-	3,27,990
31 March 2023	90,284	22,707	-	-	-	-	1,12,991



*(This space has been intentionally left blank)*

**39 Revenue from Contracts with Customers**

The Company supplies various category of equipments for water control and water treatment along with installation services in some cases. The revenue in respect of these is recognised on point in time basis when the control of goods is transferred to the customer. Following are the major category of products supplied by the Company.

**Description of nature of goods sold**

- (i) Castings
- (ii) Screening equipment
- (iii) Sluice gate
- (iv) Valves and valves components
- (v) Process Equipments
- (vi) Fabricated Gates

Sale of services includes installation charges in respect of sale of goods.

**(a) Disaggregation of revenue**

The Company has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by geography and timing of recognition.

**For the year ended 31 March 2024**

Revenue from contracts with customers	Goods	Services	Other operating revenue	Total
<b>Revenue by geography</b>				
Domestic	2,53,63,869	95,865	23,865	2,54,83,599
Export	9,78,227	-	-	9,78,227
<b>Total</b>	<b>2,63,42,096</b>	<b>95,865</b>	<b>23,865</b>	<b>2,64,61,826</b>
<b>Revenue by time</b>				
Revenue recognised at point in time	2,63,42,096	95,865	23,865	2,64,61,826
Revenue recognised over time	-	-	-	-
<b>Total</b>	<b>2,63,42,096</b>	<b>95,865</b>	<b>23,865</b>	<b>2,64,61,826</b>

**For the year ended 31 March 2023**

Revenue from contracts with customers	Goods	Services	Other operating revenue	Total
<b>Revenue by geography</b>				
Domestic	1,92,17,345	79,635	-	1,92,96,980
Export	2,94,922	-	-	2,94,922
<b>Total</b>	<b>1,95,12,267</b>	<b>79,635</b>	<b>-</b>	<b>1,95,91,902</b>
<b>Revenue by time</b>				
Revenue recognised at point in time	1,95,12,267	79,635	-	1,95,91,902
Revenue recognised over time	-	-	-	-
<b>Total</b>	<b>1,95,12,267</b>	<b>79,635</b>	<b>-</b>	<b>1,95,91,902</b>

**(b) Assets and liabilities related to contracts with customers**

Description	As at 31 March 2024	As at 31 March 2023
<b>Contract liabilities related to sale of goods</b>		
Advance from customers*	34,66,747	21,66,676

\*Advance from customers are contract liabilities, where Invoice has been issued and performance obligations are not yet satisfied.

**(c) Significant change in contract liabilities**

Description- Advance from customers	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Opening</b>	<b>21,66,676</b>	<b>5,38,045</b>
Less: Goods and services delivered during the period against opening contract liabilities	(19,01,256)	(34,47,079)
Add: Advances received during the period	32,01,327	50,75,710
<b>Closing balance</b>	<b>34,66,747</b>	<b>21,66,676</b>

**(d) Reconciliation of revenue recognised in Statement of Profit and Loss with Contract price**

Description	For the year ended 31 March 2024	For the year ended 31 March 2023
Contract price	2,64,61,826	1,95,91,902
<b>Revenue from operations as per Statement of Profit and Loss</b>	<b>2,64,61,826</b>	<b>1,95,91,902</b>

(e) Company has not incurred any cost for obtaining contracts except administrative cost required for preparation of offers and the same is charged to Statement of Profit and Loss.

(f) At the end of the financial year, there are no unsatisfied performance obligation for the contracts with original expected period of satisfaction of performance obligation of more than one year.

(This space has been intentionally left blank)



**40 Share-based payments****a) Employee option plan**

The establishment of the Jash Engineering Employee Stock Option Scheme was approved by shareholders through postal ballot on 10 August 2019. The Employee Stock Option Plan is designed to provide incentives to employees who have completed a minimum three years in the Company. Under the plan, participants are granted options which vest in four Tranchees in four years from the grant date. Participation in the plan is at the board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

Once vested, the options remain exercisable for a period of one month as followed by management based on discretion given by scheme.

Options carry no dividend or voting rights until they are exercised. When exercisable, each option is convertible into one equity share. The exercise price of the options determined at 20% discount on the closing market price of one day prior to the date of grant on stock exchange where the equity shares of the Company are listed.

Set out below is a summary of options granted under the plan:

	For the year ended 31 March 2024		For the year ended 31 March 2023	
	Average exercise price per share option (INR)	Number of options	Average exercise price per share option (INR)	Number of options
Opening balance	118.64	6,800	118.64	11,900
Granted during the year from Tranche II	688.24	21,000	-	-
Exercised during the year from Tranche I	118.64	(6800)	118.64	(5,100)
Exercised during the year from Tranche II	688.24	(2100)	-	-
Closing balance		18,900		6,800

**(b) Expense arising from share-based payment transactions**

Total expenses arising from share-based payment transactions recognised in profit or loss as part of employee benefit expense were as follows:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Employee option plan	9,635	6,938
Total employee share-based payment expense	9,635	6,938

On the basis of the pronouncements of Ind AS 102, the Company has an option to either record the same as liability, payable to the parent company or the same should be considered as contribution to reserves by the parent company. The Company elects to consider the same as contribution made by the parent company. As a result of which, there has been an addition to reserves amounting to USD 9,635 and USD 6,938 during the year ended 31 March 2024 and 31 March 2023 respectively.



*(This space has been intentionally left blank)*

## 41 Ratios to disclosed as per requirement of Schedule III to the Act

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>a. Current ratio</b>		
Current assets (Numerator)	1,47,18,118	1,13,40,598
Current liabilities (Denominator)	1,07,23,959	90,90,421
<b>Current ratio</b>	<b>1.37</b>	<b>1.25</b>
% Change as compared to the preceding year	10.01%	1.86%
<b>b. Debt-equity ratio</b>		
Total debt (Numerator)	3,10,589	9,53,368
Shareholder's equity (Denominator)	60,58,755	50,00,997
<b>Debt-equity ratio</b>	<b>0.05</b>	<b>0.19</b>
% Change as compared to the preceding year	(73.11%)	(10.25%)
<b>Explanation for change in the ratio by more than 25% as compared to the preceding year:</b>		
Debt repayment during the year and increased profit for the year resulted in higher shareholder equity and lower Debt-equity		
<b>c. Debt service coverage ratio</b>		
Earnings available for debt service (Numerator) *	26,66,997	14,94,023
Debt service (Denominator) #	10,01,891	84,396
<b>Debt service coverage ratio</b>	<b>2.66</b>	<b>17.70</b>
% Change as compared to the preceding year	(84.96%)	(9.38%)
* Earning for Debt Service = Net Profit after taxes + Interest expense + Depreciation		
# Debt service = Interest and Lease payments + Principal repayments		
<b>Explanation for change in the ratio by more than 25% as compared to the preceding year:</b>		
Higher turnover of 35% resulted in higher earnings available for debt service.		
<b>d. Return on equity ratio</b>		
Profit / (loss) for the period/year (Numerator)	21,05,883	10,44,953
Average shareholder's equity (Denominator)	60,58,755	50,00,997
<b>Return on equity</b>	<b>0.35</b>	<b>0.21</b>
% Change as compared to the preceding year	66.35%	29.69%
<b>Explanation for change in the ratio as compared to the preceding year:</b>		
Higher turnover of 35% resulted in higher return on equity		
<b>e. Inventory turnover ratio</b>		
<b>On Raw material</b>		
Cost of goods sold (Numerator)	1,30,11,826	1,02,08,750
Average inventory of raw materials and stores and spares (Denominator) *	16,28,058	11,97,260
<b>Inventory turnover ratio</b>	<b>7.99</b>	<b>8.53</b>
% Change as compared to the preceding year	(6.27%)	(27.08%)
<b>On Finished goods and Work in progress</b>		
Revenue from operations (Numerator)	2,64,61,826	1,95,91,902
Average inventory of finished goods and work in progress (Denominator) *	10,70,243	12,33,823
<b>Inventory turnover ratio</b>	<b>24.73</b>	<b>15.88</b>
% Change as compared to the preceding year	55.71%	55.00%
* Average inventory = (Opening balance + Closing balance / 2)		
<b>Explanation for change in the ratio by more than 25% as compared to the preceding year:</b>		
Due to higher turnover and lower intransit stock, overall inventory turnover has improved		
<b>f. Trade receivables turnover ratio</b>		
Net sales (Numerator)	2,64,61,826	1,95,91,902
Average trade receivable (Denominator) *	80,76,569	74,03,048
<b>Trade receivables turnover ratio</b>	<b>3.28</b>	<b>2.65</b>
% Change as compared to the preceding year	23.80%	(12.51%)
* Average trade receivables = (Opening balance + Closing balance / 2)		
<b>g. Trade payables turnover ratio</b>		
Purchases (Numerator)	1,34,91,067	1,05,91,105
Average trade payable (Denominator) *	64,40,102	68,58,352
<b>Trade payables turnover ratio</b>	<b>2.09</b>	<b>1.54</b>
% Variance	35.65%	17.54%
* Average trade payables = (Opening balance + Closing balance / 2)		
<b>Explanation for change in the ratio by more than 25% as compared to the preceding year:</b>		
Higher purchases and better utilization of credit terms lead to improved payables turnover		





**Jash USA, Inc.**

**Summary of material accounting policies and other explanatory information for the year ended 31 March 2024**

*(All amounts in United States Dollar, unless otherwise stated)*

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>h. Net capital turnover ratio</b>		
Net sales (Numerator)	2,64,61,826	1,95,91,902
Working capital (Denominator) *	39,94,160	22,50,178
<b>Net capital turnover ratio</b>	<b>6.63</b>	<b>8.71</b>
% Change as compared to the preceding year	(23.91%)	(12.41%)
* Working capital = Total Current assets - Total Current liabilities		
<b>i. Net profit ratio</b>		
Profit / (loss) for the period/year (Numerator)	21,05,883	10,44,953
Net sales (Denominator)	2,64,61,826	1,95,91,902
<b>Net profit ratio</b>	<b>0.08</b>	<b>0.05</b>
% Change as compared to the preceding year	49.21%	48.72%
<b>Explanation for change in the ratio by more than 25% as compared to the preceding year:</b>		
Sales have increased in current year showcasing healthy conversion of increased order booking.		
<b>j. Return on capital employed</b>		
Earning before interest and taxes (Numerator)	29,11,825	7,48,372
Capital employed (Denominator)*	71,26,477	58,46,523
<b>Return on capital employed</b>	<b>0.41</b>	<b>0.13</b>
% Change as compared to the preceding year	219.21%	41.18%
* Capital Employed = Total equity + Total debt		
<b>Explanation for change in the ratio as compared to the preceding year:</b>		
Higher sales and improved cost of goods sold		
<b>k. Return on investment</b>		
Profit before taxes (Numerator)	27,99,770	6,88,375
Total Assets (Denominator)	1,80,24,950	1,49,49,252
<b>Return on investment</b>	<b>0.16</b>	<b>0.05</b>
% Change as compared to the preceding year	237.32%	61.34%
<b>Explanation for change in the ratio by more than 25% as compared to the preceding year:</b>		
Higher sales and improved cost of goods sold resulted in better return on investment		



*(This space has been intentionally left blank)*

**42 Segment Reporting**

The Company has opted to provide segment information in its consolidated Ind AS financial statement in accordance with para 4 of Ind AS 108 - Operating Segments.

**43 Additional regulatory information not disclosed elsewhere in the financial statements**

- a) The Company does not have any Benami property and no proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- b) The Company has not been declared a 'Wilful Defaulter' by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
- c) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- d) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.
- e) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- f) The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.
- g) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
- h) The Company does not have any transactions with struck off companies.
- i) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- j) The Company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- k) The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- l) The Company has not any banking facility which required to filed returns or statements of current assets

**44** Rodney Hunt Inc. is a wholly owned subsidiary of Jash USA Inc, incorporated with no capital. As there are no transactions, the management has not maintained/prepared separate books of accounts of Rodney Hunt Inc. and hence, the management has prepared standalone books of accounts of Jash USA Inc. which includes nil transactions of Rodney Hunt Inc. Therefore, It is impracticable to disclose the above note separately for Rodney Hunt Inc. Hence, the disclosure for Rodney Hunt Inc. has been included with Jash USA Inc. Rodney Hunt Inc has been terminated as a Coproration on 30 October 2023 as per Certificate of termination obtained from the Secretary of State (Texas)

(This space has been intentionally left blank)



**Jash USA INC**

**Summary of material accounting policies and other explanatory information for the year ended 31 March 2024**

*(All amounts in United States Dollar, unless otherwise stated)*

**45** The Company has evaluated subsequent events and transactions that occurred after the balance sheet date up to 09 May 2024, the date the financial statements were available to be issued. Based on the evaluation, the Company is not aware of any events or transactions that would require recognition or disclosure in the financial statements.

This is a Summary of material accounting policy information and other explanatory information referred to in our report of even date

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm's Registration No. 117366W/W-100018



**Pallavi Sharma**  
Partner  
Membership No. 113861



**Place:** Mumbai  
**Date:** 09 May 2024

For and on behalf of Board of Directors of  
**Jash USA, Inc.**



**Pratik Patel**  
Director

**Place:** Indore  
**Date:** 09 May 2024



**D. T. Manwani**  
Director