

**JBM Auto Limited**

Plot No. 133, Sector 24,  
Faridabad - 121 005 (Haryana)  
T : +91-129-4090200  
F : +91-129-2234230  
W : www.jbm-group.com



Our milestones are touchstones

JBMA/SEC/2018-19/ 52  
6<sup>th</sup> September, 2018

**BSE Ltd.**

Phiroze Jeejeebhoy Tower,  
Dalal Street  
Mumbai - 400 001

**The National Stock Exchange of India Ltd.**

Exchange Plaza, 5th Floor  
Plot No.C/1, G Block,  
Bandra Kurla Complex, Bandra (E)  
Mumbai - 400 051

**Sub: Submission of Annual Report of 22<sup>nd</sup> Annual General Meeting of the Company as per requirement of regulation 34 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 for the year ended 31<sup>st</sup> March, 2018**

Sir,

We are herewith submitting a copy of Annual Report of 22<sup>nd</sup> Annual General Meeting of the Company which was held on Tuesday, the 4<sup>th</sup> September, 2018 at Air Force Auditorium, Subroto Park, New Delhi - 110 010 at 12:30 P.M as per the requirements of regulation 34 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 for the year ended 31<sup>st</sup> March, 2017.

This is for your information and record please.

Thanking You,

Yours truly,

**For JBM Auto Limited**

**(Vivek Gupta)  
Chief Financial Officer  
& Company Secretary**

100  
Encl.: As above

**Works:**

Plant II : Plot No. 5, Sector 31, Kasna Indl. Area, Greater Noida, Gautam Budh Nagar-201 306 T:+91 120 4522500, F:+91 120 4522504  
Plant III : 71-72, M.I.D.C. Satpur, Nashik - 422 007 T: +91 253 2207297 F: +91 253 2360559  
Plant IV : Plot No. B-2, Survey No. 1, Tata Motors Vendor Park, Sanand, Ahmedabad - 382 170 (Gujrat) T:+91 2717 645180  
Plant V : Plot No. 157-E, Sector 3, Pithampur Industrial Area, Distt. Dhar-454 775 (M.P.)  
Plant VI : SP-1/891, RIICO Industrial Area, Pathredi, Distt. Alwar, Rajasthan -303107  
**Corp. Office** : Plot No. 9, Institutional Area, Sector 44, Gurgaon-122003 (Hr.) T:+91-124-4674500, 4674550 F:+91-124-4674599  
**Regd. Office** : 601, Hemkunt Chambers, 89, Nehru Place, New Delhi - 110 019 T: +91 11 26427104, F: +91 11 26427100  
CIN : L74899DL1996PLC083073

JBM AUTO  
Annual Report  
2017 - 18

S U S T A I N  
A N D  
S C A L E - U P



# ELECTRIC MOBILITY ECOSYSTEM

**OEM**  
Electric & Conventional  
Fuel Buses



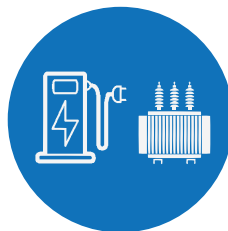
**KEY AGGREGATES**  
Battery | Motor  
Traction System



**POWER TRANSMISSION  
& DISTRIBUTION**



**CHARGING INFRASTRUCTURE**  
(Sub Stations, Metering &  
Charger)



**ITS**  
(Intelligent Transport System)



**OPERATION &  
MAINTENANCE**





## Corporate Overview

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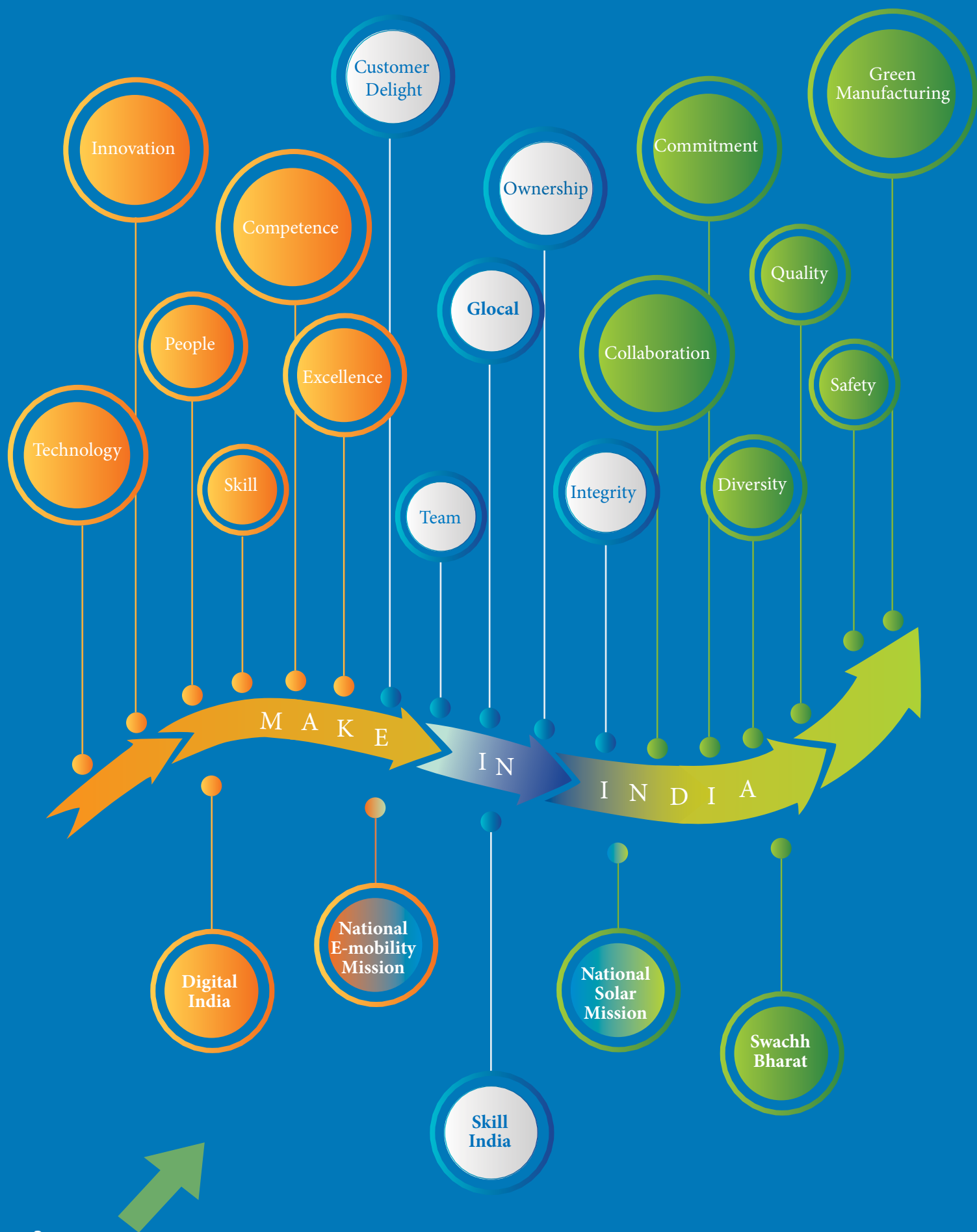
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### Cautionary Statement Regarding Forward-Looking Statement

The information and opinion expressed in this Annual Report may contain certain forward-looking statements relating to the future business, development and economic performance. Such statements may be subject to a number of risks and uncertainties which could cause actual developments and results to differ materially from the statements made in this Report. JBM Auto Limited shall not be liable for any loss, which may arise as a result of any action taken on the basis of the information contained herein. Furthermore, certain industry data are collected from various reports and sources publicly available. We cannot authenticate the correctness of the same and readers are requested to exercise their own judgment in assessing the risk associated with the Company.



## SUSTAIN & SCALE-UP

Intrinsic to the core JBM DNA, we have been relentlessly working towards creating products that not only address the requirements of the future but are also green & sustainable. At JBM Auto Ltd., we believe in scaling up the business in tandem with our accountability towards the environment, thus, propelling our belief of shared prosperity.

As a responsible corporate citizen, it is time to create an ecosystem around eco-consciousness, thereby, subsequently scaling up the business on such foundations that forms the ethos and the business vision of JBM Auto Ltd.

Traditional methodology of auto component and automobile manufacturing has been defied by JBM Auto Ltd.'s green manufacturing approach that reflects positively on the environment. Using solar energy to propel its manufacturing; zero discharge certification and launching India's first indigenously manufactured public transport electric vehicle at the Auto Expo 2018, to creating a self-sustaining eco-system that energizes the functionality of the Electric Vehicle; JBM Auto Ltd. has consistently proved its mettle not only in creating value for all its stakeholders, but also bringing sustainability in its product development and creating an eco-system that propels positive energy.

Our theme of 'Sustain and Scale-Up' reflects the core deliverables of the company as a 'Glocal' corporate citizen and the results that can be achieved with being a mindful corporation. This is not the end but the beginning of creating value to those we serve, our country & our planet.



USING SOLAR ENERGY TO PROPEL ITS MANUFACTURING; ZERO DISCHARGE CERTIFICATION AND LAUNCHING INDIA'S FIRST INDIGENOUSLY MANUFACTURED PUBLIC TRANSPORT ELECTRIC VEHICLE AT THE AUTO EXPO 2018, TO CREATING A SELF-SUSTAINING ECO-SYSTEM THAT ENERGIZES THE FUNCTIONALITY OF THE ELECTRIC VEHICLE; JBM AUTO LTD. HAS CONSISTENTLY PROVED ITS METTLE NOT ONLY IN CREATING VALUE FOR ALL ITS STAKEHOLDERS, BUT ALSO BRINGING SUSTAINABILITY IN ITS PRODUCT DEVELOPMENT AND CREATING AN ECO-SYSTEM THAT PROPELS POSITIVE ENERGY.



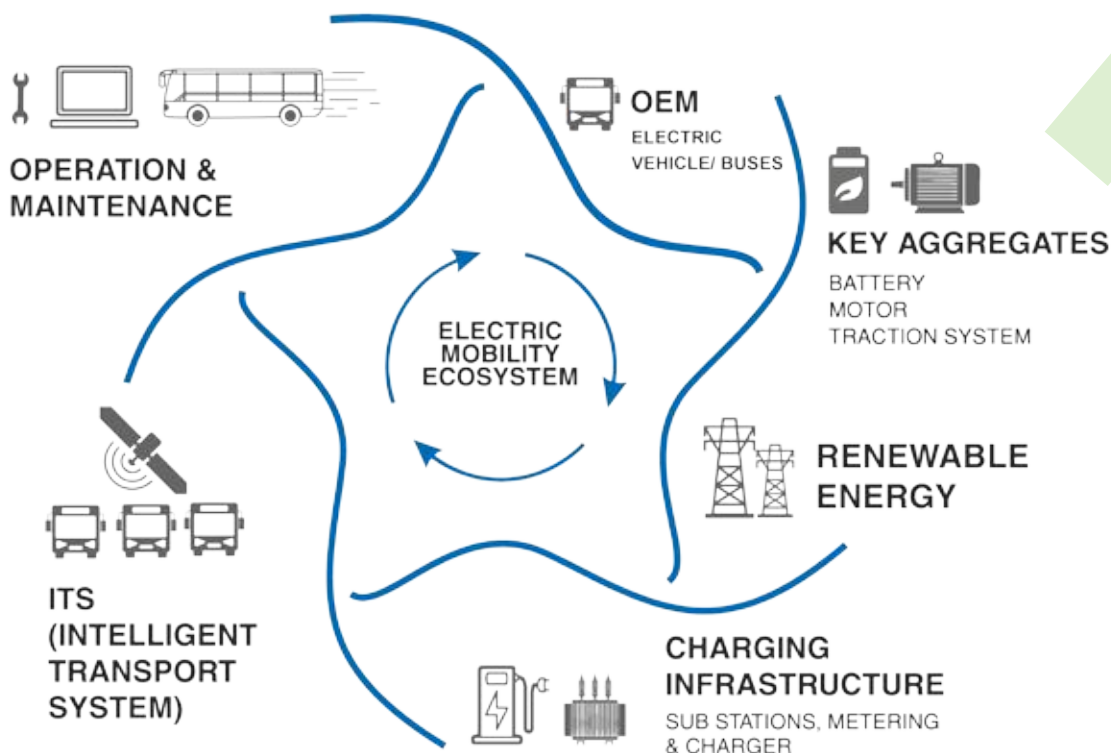
## AMPLIFYING THE E-MOBILITY ECOSYSTEM

The years 2018 and 2019 will be exhilarating years for us, as JBM Auto ventures mindfully into the high-tech & environment friendly e-Mobility solutions and ecosystem space. The launch of our Electric Bus ECO-LIFE, which is India's first 100% Electric, Zero Emission bus, is testimony to this fact.

The EV Ecosystem of JBM Group holistically comprises of the vehicle, key aggregates like battery, charging system with a well-structured operating pattern. All our new initiatives like electric vehicles, renewable energy and environment management systems and services are linked to the 'Green-o-Tech approach' aimed at sustainable and eco-friendly developmental synergies. E-Vehicle is the prime mover of your company's Green-o-Tech initiative which is getting enhanced traction by virtue of the support from our renewable energy and environment management services arm, thus, moulding it as an end-to-end in-house solution.

Consistent innovation, constant learning and benchmarking best technology in all our endeavours has been the cornerstone for our sustained and consistent growth over the decades. We strongly believe in the 'Total Cost of Ownership' (TCO) approach, making it an essential catalyst in the JBM ecosystem. We believe in acting as a one-stop shop encapsulating end to end solutions for the customer, thereby, optimising the TCO to achieve customer delight.

With focus on comfortable and eco-friendly transportation, JBM Auto has introduced ECO-LIFE with the sole intention of transforming today's customary commutation into tomorrow's congenial eco-transportation. Our focus is to bring path finding innovation in the EV business, thus, supporting a green and sustainable environment.







## LETTER FROM THE CHAIRMAN'S DESK



### Dear Shareholders,

With consistent growth over the years, India is the fastest growing G20 economy today. Increasing investments and exports, aptly supported by the smooth implementation of the new goods and services tax (GST), have been the major growth engines. By virtue of rising capacity utilization and revival in corporate earnings, investment has revived. Private consumption has suffered from the confidence and employment shocks associated with demonetization. However, a recovery is underway as suggested by the recent rebound in almost all automotive segments. As mentioned in my last year's address, our government's dual objective of bringing the unorganised sectors into the tax compliant mainstream and propelling the benefits of economic growth to larger sections of our society have strengthened the foundation of a new India that is already on its way towards a sustained economic growth in the coming decades.

India has been implementing a host of development and growth initiatives to address its upcoming challenges. The Government's flagship program, 'Skill India' has taken robust shape in training and upskilling the country's employable manpower. The 'Make in India', along with the 'Ease of Doing Business' in India has not only boosted investment but has also fostered innovation and built best in class manufacturing infrastructure. Given the wave of rapid urbanization, schemes such as Smart Cities and AMRUT are focused towards creating dynamic urban spaces in towns and cities across the Nation. On the infrastructure front, transport and navigation systems are being upgraded with latest facilities leading to better roads and highways, therefore, giving impetus to the automotive sector. The increasing urbanization has as well raised the daily lifestyle requirements of consumers where transportation, be it private or public, is increasingly becoming the lifeline of Indian cities & towns.

The Automotive Mission Plan 2026 aims to propel the Indian Automobile Industry to be a frontrunner in the "Make In India" programme, as it is amongst the foremost drivers of the manufacturing sector. Over the next decade, the Indian automotive sector is likely to contribute in excess of 12% of the country's GDP and comprise more than 40% of its manufacturing sector. The AMP envisages that the Indian Automotive Industry will grow 3.5-4 times in value from its current output of around Rs 4,64,000 cr to about Rs. 16,16,000 – Rs. 18,88,500 cr by 2026, thereby, constituting almost 50% of the total manufacturing GDP.

The auto industry is currently witnessing rapid adoption of Electric Vehicles (EVs), shared mobility and Bharat Stage VI emission & safety norms. India is aptly placed to leapfrog the conventional mobility model and achieve a shared, electric and connected mobility future by capitalizing on the existing capabilities and building on foundational government programmes and policies. National policies, such as FAME i.e. Faster Adoption for Manufacturing of Electric & Hybrid Vehicles and National Electric Mobility Mission are designed to encourage EV deployment and manufacturing in India.

Your company's momentum in the EV space has been on the upswing. Keeping to our business vision of having social impact on the environment played a crucial role in the transitioning of the OEM business of your company. I am happy to share with you that your company's JV with Solaris Bus & Coach, Europe has grown from strength to strength and has successfully launched India's First 100% Electric Bus 'ECO-LIFE' under the aegis of 'Make In India'. Moreover, the OEM division of your company has taken giant strides in the areas of New Product Development and acquisition of new customers. A stellar representation was made in the Auto Expo 2018 where your company unveiled 3 new products and launched the 100% Electric Bus 'ECO-LIFE', unveiled 'SKOOLIFE' CNG variant which is targeted at premium schools and 'CITYLIFE' CNG Non-AC variant for citybus operations. The 'CITYLIFE' CNG bus operation is now the lifeline of citizens and visitors of Noida and Greater Noida, which is being operated by Noida Metro Rail Corporation (NMRC). The bus

operations in Noida-Greater Noida was very successful with the fleet availability of over 99.5%. Ministry of Housing and Urban affairs, Govt. of India has conferred a special award to Noida- Greater Noida Bus operations under NMRC during their 10th Urban Mobility Conference cum Expo.

In the auto component space, your company's focus remains on moving up the value chain by enhancing the product range to cover the entire range of OEM requirements. From intricate parts, chassis & suspension systems and other critical aggregates, your company has added capabilities towards complete cabin building for commercial vehicles. Your company is now poised to undertake a major indigenisation plan of truck & CV cabins of international quality for global and domestic commercial vehicle players. For the passenger vehicle segment, your company has been catering to the widest range of systems and assemblies as a full service supplier. The portfolio in this segment is expanded by the addition of products like Pedal Box assembly, etc. Your company has bagged the prestigious Pedal Box assembly business from Ford and has, as well, secured new export business from Volvo for Europe and Asia.

The year gone by has been aptly rewarding for the Indian automobile industry. The overall vehicle production grew by 14.78% to reach 29.07 million vehicles. The passenger vehicle segment recorded an annual growth of 7.89%, riding on a robust growth of 20.97% in the demand of utility vehicles. Moreover, the sale of commercial vehicles and two wheelers grew by 19.94% and 14.80%, respectively. The overall automobile exports in FY17-18 registered a growth of 16.12%, backed by strong growth of 20.29% in 2 wheeler and 40.13% in 3 wheeler vehicles segments. According to ACMA, the Indian Auto Components Industry would grow to US\$ 100 billion by 2020, backed by strong exports estimated to be of US\$80-100 billion by 2026, from the current US\$ 11.2 billion.

I am glad to report a 13.02% growth recorded in your company's net profit of Rs. 81.13 crore in FY18. Your company's net worth as on March 31, 2018 increased by 17.03% to Rs. 417.36 crore reflecting a corresponding increase in the book value per share to Rs. 102.30 as compared to Rs. 87.42 per share in the previous year.

During the year, your company's Board of Directors considered and approved a scheme of amalgamation for the merger of JBM Auto System (P) Ltd. (subsidiary company) and JBM MA Automotive (P) Ltd. (associate company) with JBM Auto Ltd. The scheme of amalgamation is subject to statutory and regulatory approvals as per applicable laws. The proposed merger would result in achieving business and administrative synergies, consolidation & simplification of the Group structure, cost savings resulting from rationalization of business processes, improved organizational capability arising from pooling of financial resources and maximizing the overall shareholders value by strengthening its core competencies.

At JBM Auto, we have been consistent towards R&D so as to be able to provide complete array of services that encompass design, development, prototyping, testing and validation. We are actively expanding the portfolio to light-weighting parts and alternate materials to meet the emerging needs of safety & emission norms. Our engineering & R&D teams have been trained in Japan and are well versed in the design, development and testing technologies. Your company has also commenced full circle testing facilities for various Japanese, American, European and Indian OEMs by virtue of the world class test lab established recently.

To conclude, I extend my sincere appreciation to the management and the staff of the company for their valued contribution, as always. A big thanks to you, our valued stakeholders. Your faith and trust in our capabilities keeps motivating us to evolve higher and stronger.

I look forward to keep energizing all our stakeholders with a vision to sustain our environment in tandem to scaling-up our capabilities and capacities.

Thank you and Jai Hind.

**Surendra Kumar Arya**  
Chairman

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**I am glad to report a 13.02% growth recorded in your company's net profit of Rs. 81.13 crore in FY18. Your company's net worth as on March 31, 2018 increased by 17.03% to Rs. 417.36 crore reflecting a corresponding increase in the book value per share to Rs. 102.30 as compared to Rs. 87.42 per share in the previous year. Recognition of our state-of-the-art in-house R&D Centre at Kosi was renewed by the Department of Scientific & Industrial Research, Ministry of Science & Technology, Govt. of India.**

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## NEW MILESTONES FOR INDIAN AUTOMOTIVE INDUSTRY IN FY17-18

### Passenger Vehicle production crosses 4 million mark in FY18

The FY18 produced around 4,010,373 units of passenger vehicles, which is 13.79 per cent of the total vehicle produced in the country. First time India's passenger vehicle production figure crossed over 4 million units out of which 19% units has been exported to other countries. Utility vehicles, too, crossed 1 million production milestone in FY18. One out of every three passenger vehicles produced was a utility vehicle. The auto sector witnessed highest-ever production in the passenger car and utility segment in the FY18.

### India's Tractor Sales touches new heights in FY18

Tractor sales have been on a continuous rise due to 2 successive years of good monsoon, improved crop production, easy financing options and growing use of tractors in non-agricultural sectors. The sector saw an impressive growth of over 22% from 5,81,500 units in FY16-17 to 7,11,400 units in FY17-18.

### CV creates new record

Domestic sales of commercial vehicles created a new record by selling 856,453 units in FY2017-18. The segment surpassed its earlier sales record of 809,499 units in FY 2011-12.

### Three-wheelers production crosses 1-million mark

With the highest growth among all the segments, three-wheelers also recorded the highest production at 30.39 per cent to 1,021,911 units in FY18. The 3W sales touched the peak at 635,698, growing at a whopping 24.19% growth rate.

### Domestic Sales Trends (in no.'s)

| Category            | 2013-14         | 2014-15         | 2015-16         | 2016-17         | 2017-18         | % Increase   |
|---------------------|-----------------|-----------------|-----------------|-----------------|-----------------|--------------|
| Passenger Vehicles  | 2503509         | 2601236         | 2789208         | 3047582         | 3287965         | 7.89         |
| Commercial Vehicles | 632851          | 614948          | 685704          | 714082          | 856453          | 19.94        |
| Three Wheelers      | 480085          | 532626          | 538208          | 511879          | 635698          | 24.19        |
| Two Wheelers        | 14806778        | 15975561        | 16455851        | 17589738        | 20192672        | 14.80        |
| <b>Grand Total</b>  | <b>18423223</b> | <b>19724371</b> | <b>20468971</b> | <b>21863281</b> | <b>24972788</b> | <b>14.22</b> |

### Export Trends (in no.'s)

| Category            | 2013-14        | 2014-15        | 2015-16        | 2016-17        | 2017-18        | % Increase   |
|---------------------|----------------|----------------|----------------|----------------|----------------|--------------|
| Passenger Vehicles  | 596142         | 621341         | 653053         | 758727         | 747287         | (1.51)       |
| Commercial Vehicles | 77050          | 86939          | 103124         | 108271         | 96867          | (10.53)      |
| Three Wheelers      | 353392         | 407600         | 404441         | 271894         | 381002         | 40.13        |
| Two Wheelers        | 2084000        | 2457466        | 2482876        | 2340277        | 2815016        | 20.29        |
| <b>Grand Total</b>  | <b>3110584</b> | <b>3573346</b> | <b>3643494</b> | <b>3479169</b> | <b>4040172</b> | <b>16.12</b> |



### Passenger Vehicle sales all-time high

The passenger vehicle domestic sales touched an all-time high at 3.3 million units in FY18 with exports clocking around 7.5 lac units. The auto industry recorded highest-ever sales in the passenger vehicles in the FY18. Moreover, one of the largest customers of JBM Auto, Ford exported the highest volumes from India in the year 2017-18.



## WE ARE JBM AUTO

JBM Auto Ltd. is the flagship company of the USD 1.50 billion JBM Group. The company is the leading manufacturer of auto components, tooling and buses in the country. The company's manufacturing facilities are strategically located in close proximity of leading automobile hubs of India at Delhi-NCR, Sanand, Pune, Indore, Nasik, Bangalore and Chennai.

Over the years, the company has put thrust on technological excellence, innovation and supplies avant-garde products to almost all major OEMs in India. The Company is ahead of its time as far as its business blue print is concerned where it has given utmost importance to safety, agility, excellence in delivery, precision in designing, environment and community development.



## OUR BUSINESS DIVISIONS

### 01 COMPONENT DIVISION

It manufactures key auto systems & high level assemblies. Most of its innovative products are safety critical items such as chassis & suspension systems like axles, twist beams, lower control arms, sub-frames, exhaust systems, air tanks, fuel tanks, complete cowl assemblies, pedal boxes; aesthetical parts like skin panels (doors, roof, rear panel, front panel, bumpers); BIW parts & assemblies (floor, upper body parts like pillar, roof header, cross car beam, cross truck beam, oil pan assembly) and many more.

### 02 TOOL ROOM DIVISION

The Tool Room division has its focus on innovation and it keeps on upgrading itself to interface with all new industry requirements and technology. It manufactures tools and dies for turnkey projects. We have added Line Building business this year alongwith major focus on safety critical items like chassis & suspension systems and key aesthetical parts like skin panels. High strength steel applications are being taken up as a key strength with new opportunities coming up for crash, safety, light-weighting requirements of multiple OEMs where we will use materials upto 980 MPA based on the customer requirements and product applicability.


// **Young to be brave and  
old to be smart.** //

**1961cr**

Turnover  
FY 2017-18  
(without  
IND-AS)

**1633cr**

Turnover  
FY 2017-18  
(IND-AS)



**We make Key Auto Systems, Assemblies, Tools, Dies, Buses and have now embarked on the journey of Electric Vehicles and Charging Infrastructure**

## 03 OEM DIVISION



### Bus Manufacturing:

Having long endeavored to empower the transportation segment in India, the company came up with technologically superior buses customized to suit a variety of usage patterns and geographies. These buses have revolutionized the public transportation sector in India by enhancing features and facilities which are unique in the Indian bus segment. The bus division deals in a diverse portfolio of buses suited across various applications like citybus, school bus and staff bus.

### Electric Vehicles:

Expanding the product portfolio further, JBM introduced ECO-LIFE series, the 'Make in India' 100% electric buses in joint venture with Solaris Bus from Europe. The company's focus is to be a one-stop solution provider in the Electric Vehicles segment by providing a complete ecosystem solution for E-Mobility i.e. Electric Buses, Know-how of key aggregates like Battery, Charging Infrastructure which can be operated in different conditions across geographies. By way of its in-house R&D centres, JBM Auto offers entire range of activities right from design, development, engineering, prototyping, testing and validation making it independently competent for catering to customer needs.

**14**

state-of-the-art  
manufacturing  
facilities

**3**

Business  
Divisions

**4000**

Employee  
Strength

State-of-the-art in-  
house R&D centre  
recognised by  
DSIR







## KEY CLIENTELE



DAIMLER

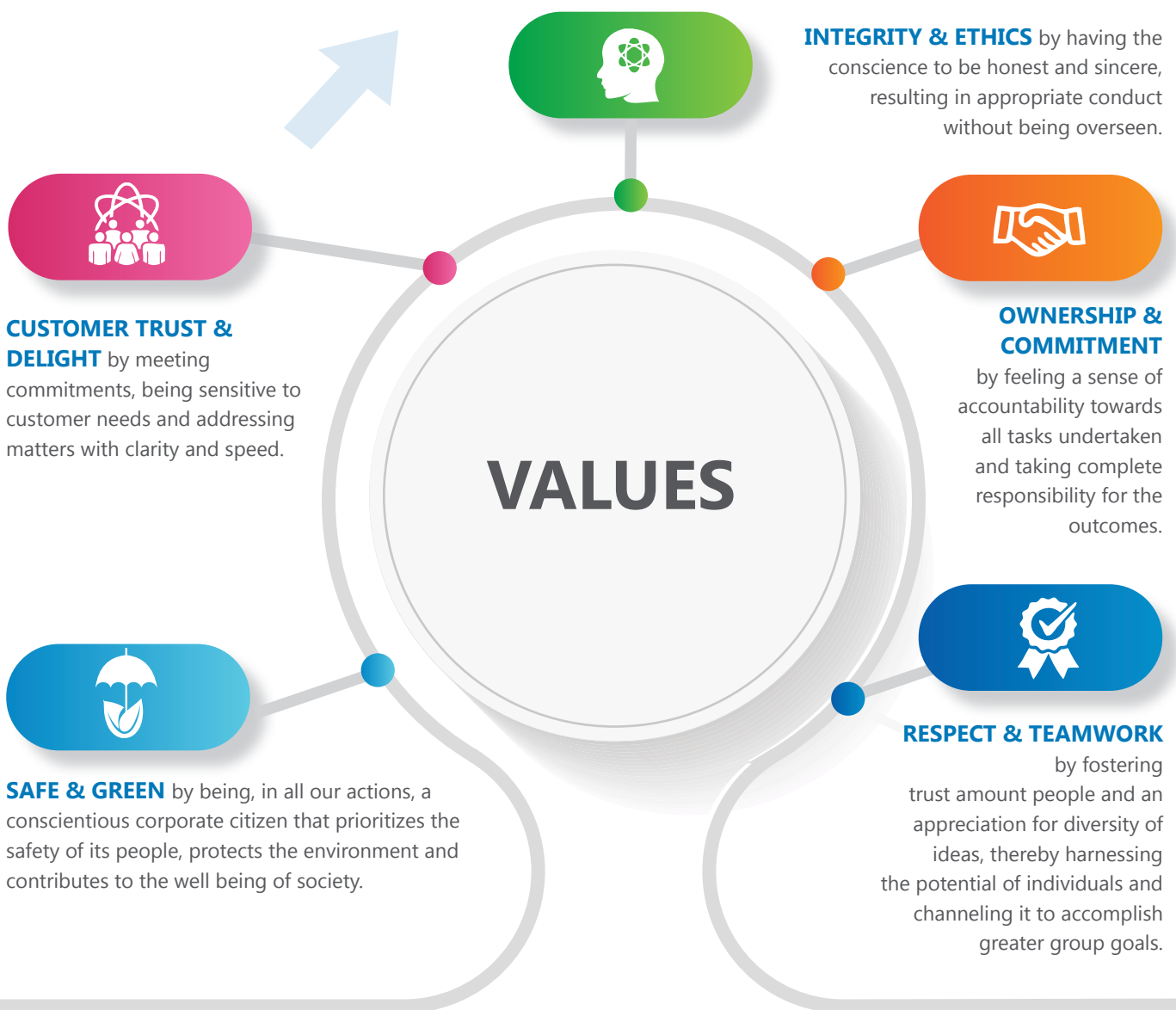




## OUR BELIEF SYSTEM

### VISION

Expanding **Leadership** in our business by creating an **agile** environment that delivers **excellence** and **delight** to stakeholders through the power of **people, innovation and technology**.





## KEY ACHIEVEMENTS OF THIS FISCAL

### Component Division

- Bagged the prestigious Pedal Box assembly business from Ford.
- Secured new export business from Volvo to supply across multiple countries in Europe.
- Commenced full circle testing facilities for various OEMs by virtue of the world class test lab established last year.
- Turnaround in Sanand, Indore, Chennai and Pune Plant leading to increase in turnover, the effects of which shall fructify completely in FY18-19 & FY19-20.
- A scheme of amalgamation for the merger of JBM Auto System (P) Ltd. (subsidiary company) and JBM MA Automotive (P) Ltd. (associate company) with JBM Auto Ltd. has been approved by the BOD and is currently under statutory compliance as per applicable laws.
- The proposed merger would result in achieving business & administrative synergies, consolidation of the Group structure, improved organizational capability arising from pooling of resources and maximizing the overall shareholders value by strengthening its core competencies.

#### Chennai Plant

- o Our Chennai plant bagged the Q1 certification from Ford for meeting their Global quality and delivery standards. Ford Q1 certification designates your company as a preferred supplier and recognizes the company for achieving excellence in four critical areas i.e. capable systems, continuous improvement, ongoing performance and customer delight. This Q1 certification publicly acknowledges your company amongst the best of Ford's global suppliers and qualifies your company for consideration of Ford Motor Company's World Excellence Award, which is conferred only to its elitist automotive suppliers.
- o Our facilities have been enhanced to B by Renault Nissan under the Alliance Supplier Evaluation System (ASES) which now stand best in class in India currently. The ASES Quality standard of Renault Nissan stands as a worldwide reference for Quality Assurance. The extensive system contains 240 evaluation criteria to be qualified by successful supplier to achieve this standard. These strict quality evaluations, assessed by global evaluators, have been successfully implemented by your company making it the preferred supplier.
- o Both these certifications stand testimony to your company's commitment towards driving excellence and surpassing global benchmarks to attain customer delight.

#### Sanand Plant

- o Received the best Kaizen award by Tata Motors Ltd. The team from JBM Auto Sanand plant participated in the Kaizen competition held under 'Quality month celebrations' conducted by Tata Motors Ltd. and were adjudged the best amongst all TML suppliers.
- o Secured business for new components for multiple models of Tata which are performing very well with monthly sales getting enhanced regularly. The team has also developed components for Electric Vehicle.
- o Improved productivity & capacity utilization. Productivity in Press shop increased by 50% with a stupendous jump in productivity of the weld shop by almost 100%. This was achieved by implementing various measures such as Layout Optimization, Line Balancing, Efficiency Improvement and Waste elimination. Productivity enhancement hiked the annual production of components by 60.7%. This has also reflected positively with capacity utilization increasing by 42% and increase in sales by 40% in FY2017-18 in comparison to FY2016-17.

#### Pune Plant

- o Conferred the Mahindra Supplier Excellence award for outstanding performance rendered in FY18.
- o FCA appreciations in recognition of successful launch of Jeep Compass.
- o Technology and capacity enhancement for skin panels.
- o Multiple Robotic cells, Dual arm programmable CMM & Green Room for sustenance of skin panels quality.
- o New technology addition for safety critical systems.
- o New Technology for Welding of Hot Formed parts.

#### Nashik Plant

- o Heavy press shop extension done during the year along with Robotic Weld cells.
- o Added multiple assembly lines for Chassis & Suspension Systems.
- o New Processes added incorporating world class technology towards Laser Cutting, Shot Blasting, Induction Hardening, Machining, Online CMM.

#### Indore Plant

- o Initiated expansion towards addition of new welding and assembly line, the same will be operational in FY19.





## Tool Room Division

- Becoming first choice for import substitution tooling from OEMs for critical and high tensile parts.
- Major focus towards enhancing die life by means of improved simulation, robustness in design and manufacturing.
- Significant improvement in Quality by reducing quality loops using CAE tools and skill upgradation initiatives.
- Successfully delivered turnkey Cabin development project thereby moving up the value chain.
- New model launches from all major OEMs instrumental in creating strong pipeline for FY19 & FY20.



## OEM Division

- Launched India's first 100% Electric Low Floor Bus on 12 meter platform - 'ECO-LIFE'.
- Launched 'SKOOLIFE' CNG variant which is targeted at the Premium Schools and 'CITYLIFE' CNG Non-AC variant for upcoming City Bus operations.
- SKOOLIFE is currently operating in a few Premium Schools in multiple cities.
- BIZLIFE is operating for premium staff movement in South India.
- Ministry of Housing and Urban affairs, Govt. of India has conferred a special award to Noida- Greater Noida Bus operations under NMRC during their 10th Urban Mobility Conference cum Expo.
- The UITP Global Summit of Urban Public Transportation, Montreal, Canada, conferred the India Recognition Award for the Noida- Greater Noida bus service.
- JV with Solaris Bus & Coach working towards development of 100% electric buses on new platforms & variants.
- The OEM Division is consistently striving towards adding capabilities and further upscaling its R&D initiatives so as to introduce new models to cater to the market needs with faster time to market.
- Our state-of-the-art in-house R&D Centre at Kosi was recognized by the Department of Scientific & Industrial Research, Ministry of Science & Technology, Govt. of India. This recognition stands valid until 31st March 2021.



## FORTUNE INDIA'S TOP MIDSIZE COMPANY

### RECOGNISED BY FORTUNE INDIA IN A ROW

JBM Auto Ltd. had been felicitated with the prestigious Fortune India Next 500 Award for its consistent performance across the various business divisions and honoured amongst 'India's Top Wealth Creators' for the 4th consecutive year. Besides, the company also jumped to the 2nd position, up from 35th position, it had earned in the last year's Fortune India rankings. Moreover, JBM Auto was ranked at 1st position in the Auto Ancillary sectoral rankings for the year.

Fortune India's award is a homage to the mid-size companies that have demonstrated exceptional capability to grow higher and have carved a niche for themselves in their respective domains. Under this category in FY17-18, Fortune India felicitated top companies who exhibited remarkable growth during the year.



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The Company leapfrogged to 2nd position, up from the 35th position, it had earned in FY16-17 Fortune India rankings. JBM Auto was ranked at 1st position in the Auto Ancillary sectoral rankings for the year.

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## SKILL DEVELOPMENT INITIATIVES

Your company's Skill Development Centre (SDC) is a leading training center in promoting National Apprenticeship Promotion Scheme (NAPS). It provides apprenticeship opportunity to freshers as well as ITI pass candidates. It is an approved Examination Center for conducting All India Trade Test under Directorate General of Training, Ministry of Skill Development, Government of India. SDC is also affiliated to Automotive Skill Development Council as its training partner. In the last 4 years, we have successfully trained and placed more than 5000 candidates hailing from different parts of the country. The training courses have been customized on 'Earn & Learn' principle, thereby, helping the under privileged and tribal candidates from North East, Jharkhand, Chhattisgarh, Madhya Pradesh, etc. We have also signed an MoU with the Government ITIs to support training on dual system basis. We are pleased to mention that B. Voc. Courses in Robotics & Automation and Tool & Die Manufacturing are being offered in partnership with Haryana Vishwakarma Skill University, providing exposure to latest industry practices to the candidates. JBM Auto Ltd. has been conferred with the 'Saksham Sathi Award' on 1st March 2018 by the Honorable Chief Minister of Haryana. Moreover, our SDC Head has been felicitated as the National Brand Ambassador for Apprenticeship Training.



In The Last 4 Years, We have Successful trained and placed more than 5000 candidates hailing from different parts of the country. The training courses have been costomized on **'EARN & LEARN' PRINCIPLE, THEREBY, HELPING THE UNDER PRIVILEGED AND TRIBAL CANDIDATES.**













## SOCIAL PERFORMANCE

JBM AUTO firmly believes in contributing to the society in a positive manner. Our societal activities endorse the concept of socio-economic equity along with environmental sustainability. We have persistently worked towards economic empowerment of the rural communities wherein we have provided economic independence to them and improved their infrastructure through our community outreach programs.

We believe that education is the best weapon that can help people fight poverty. So, education is one of the routes, we have taken to socially uplift the village community in rural India. We are promulgating education amongst people by adopting 'Ekal Vidyalayas', which are one-teacher run schools involved in the integrated & holistic development of rural & tribal India by educating every child.

Besides, we have been associated with several NGOs who are actively involved in imparting education to the underprivileged and are helping in character building, improving health & hygiene of people, and increasing their exposure to sports. In the healthcare stream, we have been organising in-house blood donation camps over the years for children suffering from Thalassemia. These camps have witnessed encouraging participation of our employees who have donated blood for the cause. We have also been reaching out to extend our support to distressed people and communities, the victims of natural calamities by donating to the Red Cross Foundation. We believe that good value should be instilled at a very early age, therefore, we have produced motivational CD's for distribution to various schools and institutions, which, in turn, will help nurture a healthy and ethical society.

For us, a holistic approach towards business is imperative, hence, we have taken into account both social and environmental ethos and have woven them together into our business DNA. Our ways of operating will be and are always in line with social and environmental needs that will not only help make our business viable but also create a good value for all our stakeholders.



### Our sustainable approach includes:

- ▶ Managing our operational activities in an effective manner and adopting a safe strategy to reduce environmental and health hazard.
- ▶ Designing and implementing a framework that contains effective environment conservation policies.
- ▶ Instituting a Health and Safety Management Team which monitors, sets, and reviews the environmental health and safety objectives and targets.
- ▶ Practicing a sustainable manufacturing procedure wherein emphasis is on an effective waste recycling process.

## CORPORATE INFORMATION



Mr. Nishant Arya,  
Director



Mr. Surendra Kumar  
Arya, Chairman



Ms. Pravin Tripathi,  
Director  
(4th Sept, 2017 onwards)



Mr. Ashok Kumar  
Agarwal, Director



Mr. Mahesh Kumar  
Aggarwal, Director



Mr. Sandip Sanyal,  
Executive Director

**Chief Financial Officer & Company Secretary**  
Mr. Vivek Gupta

**Statutory Auditor**  
Sahni Natrajan and Bahl, Chartered Accountants

**Share Transfer Agent**  
MCS Share Transfer Agent Limited

**Bankers**  
Axis Bank Ltd.  
Canara Bank  
IDFC Bank

Citibank N.A.  
DBS Bank Ltd.  
HDFC Bank Ltd.  
ICICI Bank Ltd.  
IndusInd Bank Ltd.  
Kotak Mahindra Bank Ltd.  
Standard Chartered Bank  
RBL Bank Ltd.  
Yes Bank Ltd.

**NBFC**  
Tata Capital Financial Services Ltd.  
Bajaj Finance Ltd.

# FINANCIAL HIGHLIGHTS

## CONSOLIDATED

(₹ In Crores)

| Particulars  | 2014     | 2015     | 2016     | 2017     | 2018     |
|--|----------|----------|----------|----------|----------|
| Net Revenue from Operation   | 1,363.89 | 1,556.95 | 1,517.76 | 1,500.92 | 1,632.88 |
| Other Income   | 5.59     | 4.09     | 6.40     | 14.86    | 10.90    |
| Total Income   | 1,369.48 | 1,561.04 | 1,524.16 | 1,515.78 | 1,643.78 |
| EBITDA   | 160.15   | 197.04   | 196.54   | 190.67   | 214.58   |
| Depreciation   | 40.16    | 39.76    | 58.95    | 50.05    | 55.57    |
| Finance cost   | 35.98    | 34.92    | 52.75    | 52.75    | 48.58    |
| Profit Before Tax<br>(including share of Joint Venture & Associates) | 84.02    | 122.36   | 84.84    | 97.38    | 123.88   |
| Tax Expense  | 27.03    | 29.73    | 21.90    | 25.46    | 42.75    |
| Profit After Tax (before adjustment to<br>Non-Controlling Interest)  | 56.99    | 92.63    | 62.94    | 71.92    | 81.13    |
| Other comprehensive income   |          |          |          | (0.10)   | 0.03     |
| Non controlling Interest   | 6.78     | 16.22    | 10.56    | 6.54     | 10.66    |
| Total Comprehensive Income attributable to<br>Owners of the company  | 50.21    | 76.41    | 52.38    | 65.28    | 70.51    |
| Equity Share Capital   | 10.20    | 20.40    | 20.40    | 20.40    | 20.40    |
| Reserves & Surplus   | 227.06   | 280.23   | 278.78   | 336.22   | 396.96   |
| Net Worth  | 237.26   | 300.63   | 299.18   | 356.62   | 417.36   |
| Debt Equity Ratio (times)  | 0.59     | 0.82     | 0.80     | 0.70     | 0.71     |

## KEY INDICATORS

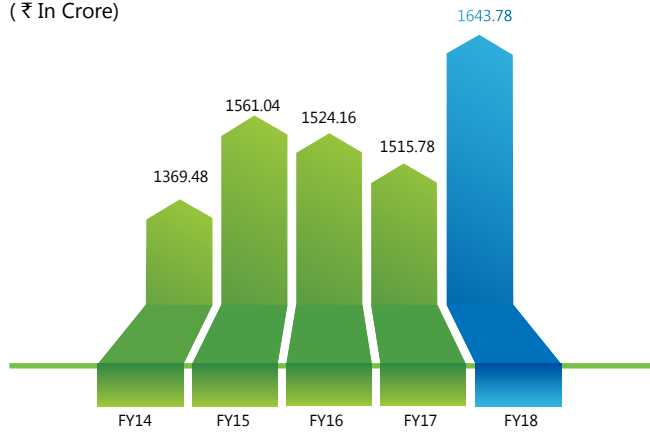
| Particulars                                | 2014   | 2015   | 2016   | 2017     | 2018     |
|--|--------|--------|--------|----------|----------|
| EBITDA / Net sales (%)                     | 11.74  | 12.66  | 12.95  | 12.70    | 13.14    |
| PBT/Net Sales (%)                          | 6.16   | 7.86   | 5.59   | 6.49     | 7.59     |
| PAT/Net Sales (%)                          | 4.18   | 5.95   | 4.15   | 4.35     | 4.32     |
| RONW (PAT/Net worth)%                      | 24.02  | 30.81  | 21.04  | 18.30    | 16.89    |
| Earning Per Share                          | 12.19  | 18.25  | 12.39  | 16.02    | 17.27    |
| Cash Earning Per share                     | 22.15  | 28.48  | 27.29  | 28.27    | 30.90    |
| Book Value per share                       | 58.16  | 73.69  | 73.34  | 87.42    | 102.30   |
| Dividend Per Share                         | 0.75   | 2.50   | 1.75   | 2.00     | 2.00     |
| Proposed Equity Dividend(Rs in cr)         | 3.06   | 10.20  | 7.14   | 8.16     | 8.16     |
| Corporate Dividend tax(Rs in cr)           | -      | 0.15   | 0.70   | 1.66     | 1.68     |
| Dividend Pay-out ratio (%) (Standalone)    | 12.59% | 30.80% | 31.83% | 24.72%   | 30.65%   |
| Price /Earnings ratio (times)              | 2.90   | 11.98  | 12.14  | 17.36    | 22.06    |
| No. of share (in cr)                       | 4.08   | 4.08   | 4.08   | 4.08     | 4.08     |
| Market Price of Share as on 31st March(Rs) | 35.35  | 218.70 | 150.40 | 278.10   | 381.05   |
| Market Capitalization (Rs in cr)           | 144.21 | 892.19 | 613.56 | 1,134.52 | 1,554.51 |

Note:

- The figures related to Profit and Loss from FY 17 to FY 18 are as per IND AS and from FY 14 to FY 16 are as per I-GAAP.
- The figures related to Balance Sheet from FY 16 to FY 18 are as per IND AS and from FY 14 to FY 15 are as per I-GAAP.

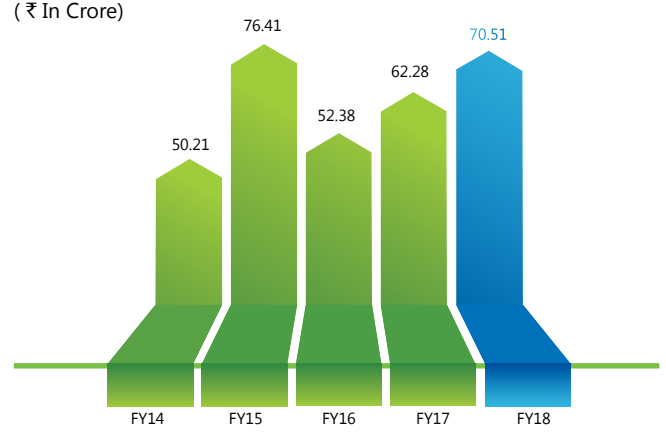
### Total Income(Net Income)

(₹ In Crore)



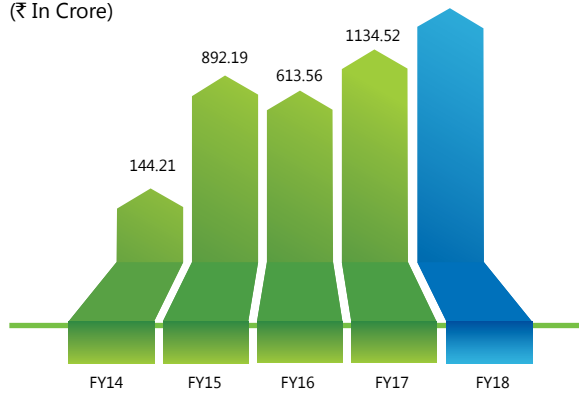
### Total Comprehensive Income

(₹ In Crore)



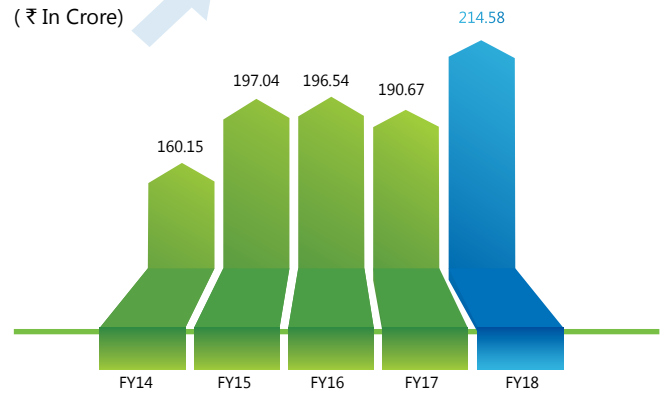
### Market Capitalization

(₹ In Crore)

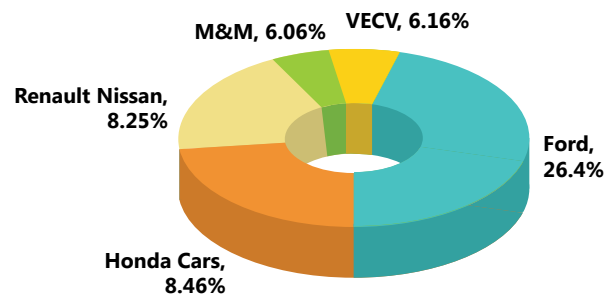


### EBITDA

(₹ In Crore)



### Share of Revenues



### Distribution of Income 2018

(In %)

- 6.50 Profit/(loss) before share of Profit/(loss) of an associate and a joint venture
- 3.19 Excise duty
- 2.86 Finance Cost
- 7.08 Other expenses
- 3.27 Depreciation and amortisation expense
- 9.75 Employee benefits expense
- 67.34 Raw Material Consumed

### Consolidated Turnover Analysis

Segment wise Turnover (net of excise duty) Breakup:

₹ in Cr.

| Sl | Division              | 2017-18      | 2016-17      |
|----|-----------------------|--------------|--------------|
| 1  | Component             | 1,530        | 1,356        |
| 2  | Tool Room             | 85           | 102          |
| 3  | OEM                   | 18           | 42           |
|    | <b>Total Turnover</b> | <b>1,633</b> | <b>1,501</b> |



## BOARD'S REPORT

To the Members,

Your Directors are pleased to present the 22nd Annual Report on the business and operation of the Company together with Audited Financial Statement (Standalone and Consolidated) for the financial year ended 31st March, 2018.

### 1. FINANCIAL RESULTS

The Company's financial performance for the year ended 31st March 2018 is summarized below:

₹ In Crores

| PARTICULARS  | Standalone |            | Consolidated |            |
|--|------------|------------|--------------|------------|
|  | FY 2017-18 | FY 2016-17 | FY 2017-18   | FY 2016-17 |
| Revenue from operations*   | 765.78     | 698.06     | 1632.88      | 1500.92    |
| Other Income   | 10.81      | 14.82      | 10.90        | 14.86      |
| Total Income   | 776.59     | 712.88     | 1643.78      | 1515.78    |
| <b>Earnings Before Interest , Taxes and Depreciation and amortization</b>          | 99.41      | 102.25     | 214.58       | 190.67     |
| Less: Depreciation   | 25.04      | 23.08      | 55.57        | 50.05      |
| Less: Finance Cost   | 27.00      | 30.22      | 48.58        | 52.75      |
| <b>Profit for the period before share of profit in associate and joint venture</b> | 47.38      | 48.95      | 110.43       | 87.87      |
| Share of profit of associate and joint venture                                     | -          | -          | 13.44        | 9.51       |
| <b>Profit Before Tax</b>   | 47.38      | 48.95      | 123.88       | 97.38      |
| Tax Expense  | 15.27      | 9.2        | 42.75        | 25.46      |
| <b>Profit for the period for continuing operations</b>                             | 32.10      | 39.76      | 81.13        | 71.92      |
| Other Comprehensive income for the year  | 0.01       | (0.03)     | 0.03         | (0.10)     |
| Total Comprehensive income for the year  | 32.11      | 39.73      | 81.17        | 71.82      |
| Less: Non-Controlling Interest   | -          | -          | (10.66)      | (6.54)     |
| <b>Total Comprehensive income attributable to the owner of the company</b>         | 32.11      | 39.72      | 70.51        | 65.28      |

\*Figures for revenue from operations are comparable numbers i.e. Excise duty has been removed as same does not form part of Revenue post GST implementation.

Profit for the financial year 2016-17 includes exceptional income of Rs. 11.05 Crore (net of taxes of Rs. 7.64 Crore.)

The financial statements for the year ended 31st March, 2018 are prepared under IND AS (Indian Accounting Standards) which has become applicable w.e.f. 01.04.2017. The Company has, for the first time, adopted IND AS with the transition date of April 1st 2016.

### 2. FINANCIAL HIGHLIGHTS

#### On Standalone Basis

During the financial year 2017-18, the Company's net revenue from operation is Rs.765.78 Crore as against Rs.698.06 Crore in the previous year, thereby registering top-line growth of 9.70% due to higher sales by the Company to Mahindra & Mahindra, Tata Motors Ltd. and Volvo Eicher Commercial Vehicles.

The profit before tax is Rs.47.38 Crore in the year 2017-18 as against Rs. 48.95 Crore in the previous year. The previous year profit includes exceptional income of Rs. 11.05 Crore (net of tax of Rs. 7.64 Crore)

## On Consolidated Basis

In compliance with the applicable provisions of Companies Act, 2013 including the Indian Accounting Standard (Ind AS) 110 on Consolidated Financial Statements, this Annual Report also includes Consolidated Financial Statements for the financial year 2017-18.

The Company's Consolidated Net Revenue from operations is Rs.1632.88 crores as against Rs.1500.92 crores in the previous year, thereby registering top-line growth of 8.79% due to higher sales by the Company to Ford India Pvt. Ltd., Mahindra & Mahindra, Tata Motors Ltd. and Volvo Eicher Commercial Vehicles.

Profit before tax for the year stood at Rs.123.87 crores as against Rs.97.38 crores in the previous year.

Your Company has taken several steps to reduce the cost and increase its market share in all products.

## 3. DIVIDEND AND APPROPRIATION

### Dividend

The Board has recommended a final dividend of Rs. 2/- (40%) per equity share (on fully paid-up equity share of Rs. 5 each) for the financial year ended 31st March, 2018, which will result in an outflow of Rs. 9.84 Crore (including Corporate Dividend Tax of Rs.1.68 crore).

The payment of dividends is subject to the approval of the shareholders at the ensuing 22nd Annual General Meeting (AGM) of the Company.

### Appropriation

No amount has been transferred to the General Reserve for the financial year 2017-18.

## 4. CHANGE IN THE NATURE OF BUSINESS, IF ANY

There was no change in the nature of the business of the Company during the financial year ended 31st March, 2018.

## 5. COMPLIANCE WITH SECRETARIAL STANDARDS

Your Directors confirm that the Secretarial Standards issued by the Institute of Company Secretaries of India, as applicable to the Company, have duly complied with.

## 6. ADOPTION OF INDIAN ACCOUNTING STANDARDS (IND AS)

In accordance with the notification issued by the Ministry of Corporate Affairs (MCA), your Company is required to prepare financial statements under Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 with effect from 1st April, 2017. Ind AS has replaced the existing Indian GAAP prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2014.

Accordingly, your Company has adopted Indian Accounting Standard ("Ind AS") with effect from 1st April, 2017 with the transition date of 1st April, 2016 and the Financial Statements for the year ended 31st March, 2018 have been prepared in accordance with Ind AS. The financial statements for the year ended 31st March, 2017 have also been restated to comply with Ind AS to make them comparable.

Explanations capturing areas of differences and reconciliations from Indian GAAP to Ind AS have been provided in the notes to accounts to the standalone and consolidated financial statements.

## 7. HUMAN RESOURCES

The overall satisfaction of the employees of the Company is very high. Employees continued to take charge through collaborative approach and rigorous thinking which become possible through effective HR policies and its religious implementation. The employees' relations were peaceful and harmonious throughout the year.

## 8. SHARE CAPITAL AND LISTING OF SHARES

The Authorized Share Capital of the Company is Rs. 50 Crore including preference share capital of Rs. 10 Crore and subscribed & paid up Equity Share Capital of the Company is Rs. 20.40 Crore and preference share capital is Rs. 10 Crore. During the year there is no activity under the following heads:

| S. No | PARTICULARS                              | ACTIVITY DURING THE YEAR |
|-------|--|--------------------------|
| 1.    | Issue of shares with differential rights | Nil                      |
| 2.    | Buy back of securities                   | Nil                      |
| 3.    | Issue of sweat equity shares             | Nil                      |
| 4.    | Bonus shares                             | Nil                      |
| 5.    | Employees stock option                   | Nil                      |

The Company's equity shares are listed on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). The shares are actively traded on NSE and BSE and have not been suspended from trading.

## 9. SUBSIDIARY AND ASSOCIATE COMPANIES

Pursuant to Section 134 of the Companies Act, 2013 and rule 8(1) of Companies (Accounts) Rules 2014, the report on performance and financial position of subsidiaries included in the Consolidated Financial Statements of the Company. The Company has formulated a policy for determining material subsidiaries. The policy may be accessed on the website of the Company at [http://www.jbmgroup.com/pdf/JBM-Auto-Ltd/Policy/Material-Subsidiary-Policy/JBMA\\_Auto\\_Material-Subsidiary.pdf](http://www.jbmgroup.com/pdf/JBM-Auto-Ltd/Policy/Material-Subsidiary-Policy/JBMA_Auto_Material-Subsidiary.pdf)

In compliance with IND AS 110, your company has prepared its Consolidated Financial Statements, which forms part of this Annual Report. Pursuant to provisions of Section 129(3) of the Companies Act, 2013, a separate statement containing the salient features of the subsidiary companies in the prescribed form AOC-1 is a part of the Consolidated Financial Statements.

The Joint Venture partner MA SRL Italy has exited from JV Agreement as on 31.01.2018 by sale of entire holding in the JV company named 'JBM MA Automotive Private Limited'. However, the Company is continuing its existing business.

## 10. ESTABLISHMENT OF NEW TOOL ROOM IN JOINT VENTURE WITH M/S OGIHARA THAILAND CO. LTD AND JAY BHARAT MARUTI LTD.

Your Company is expanding its tooling manufacturing capacity and obtaining know how for localizing High Tensile dies and critical BIW parts. Your Company is setting up a new tool room in association with M/s Ogihara Thailand Co. Ltd and M/s Jay Bharat Maruti Limited for manufacturing of press stamping dies along with Ultra High Tensile and critical BIW Dies. A new joint venture Company namely M/s JBM Ogihara Die Tech Private Limited has been incorporated. The new tool room will be situated at Greater Noida in Uttar Pradesh. The tool room will be used primarily to cater the requirements of Maruti Suzuki India Limited (MSIL) and other OEM's localization of imported tooling.

## 11. DIRECTORS AND KEY MANAGERIAL PERSONNEL

### Directors

Pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013, one-third of total number of Directors are liable to retire by rotation every year and, if eligible, offer themselves for re-appointment at every Annual General Meeting (AGM). Consequently, Mr. Surendra Kumar Arya, Director will retire by rotation at the ensuing AGM, and being eligible, offers himself for re-appointment in accordance with provisions of the Companies Act, 2013.

Mrs. Vimal Vashisht due to health issues, has resigned from the Directorship of the Company with effect from closure of business hours on 30th May 2017.

Further, Mrs. Pravin Tripathi has been appointed as Woman Director on the Board of the Company with effect from 4th September 2017.

The Company has received necessary declaration from all the Independent Directors under Section 149(7) of the Companies Act, 2013 confirming that they meet the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year, the Non-executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees for the purpose of attending meetings of Board and Committees of the Company.

None of the Directors of the Company is disqualified under Section 164(2) of the Companies Act, 2013 and rules made there under.

### Key Managerial Personnel (KMP)

Pursuant to the Provisions of Section 203 of the Companies Act, 2013 read with rules made thereunder following are designated as Key Managerial Personnel (KMP) of the Company:

- |     |                   |   |                         |
|-----|-------------------|---|-------------------------|
| (1) | Mr. Sandip Sanyal | - | Executive Director      |
| (2) | Mr. Vivek Gupta   | - | CFO & Company Secretary |

## 12. COMPLIANCES UNDER COMPANIES ACT, 2013

### (i) Extract Of Annual Return

In accordance with section 134(3)(a) of the Companies Act, 2013, the extract of Annual return pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014 in form MGT-9 is annexed herewith as **Annexure-I** and forms a part of this report.

### (ii) Meetings of the Board

During the financial year 2017-18, Five (5) Board Meetings were held. For details thereof kindly refer to the Corporate Governance Report forming part of this Annual Report.

### (iii) Audit Committee

Detailed information of the Committee is provided in the Report on Corporate Governance forming part of this Annual Report.

### (iv) Annual General Meeting

21st Annual General Meeting of the Company was held on 18th August, 2017, at Air Force Auditorium, Subroto Park, New Delhi-110010.

### (v) Committees Of The Board

Detailed information on the Board and its Committees is provided in the Report on Corporate Governance forming part of this Annual Report.

### (vi) Corpopate Restructuring

The Board in the meeting held on March 1st, 2018, has approved a Scheme of Merger (by way of absorption) of JBM Auto System Private Limited and JBM MA Automotive Private Limited with JBM Auto Limited. The necessary NOC/observation letter has been received from NSE & BSE on 4th June 2018. Company is seeking sanction for merger from National Company Law Tribunal Delhi and Mumbai ongoing updates can be assessed from the website of the company [www.jbmgroup.com](http://www.jbmgroup.com).

### (vii) Company's Policy On Appointment And Remuneration Of Directors

The criteria for determining qualifications, positive attributes and independence in terms of Act and the rules made thereunder, both in respect of independent and the other Directors as applicable has been approved by the Nomination and Remuneration Committee. The Board is well diversified and have balance of skills, experience and diversity of perspectives appropriates to the Company.

Directors are appointed/re-appointed with the approval of the Members. All directors, other than Independent Directors and Whole Time Director, are liable to retire by rotation, unless approved by the members. One-third of the Directors who are liable to retire by rotation, retire every year and are eligible for re-election.

The Company's policy relating to remuneration of Directors, Key Managerial Personnel and other employee is displayed on the website of the Company at [www.jbmgroup.com](http://www.jbmgroup.com).



#### **(viii) Directors' Responsibility Statement**

Pursuant to the provisions of clause (c) of Sub-section (3) of Section 134 of the Companies Act, 2013, your Directors hereby confirm that they:

- i. Have followed in the preparation of Annual Accounts for the financial year 2017-18, the applicable Accounting Standards and no material departures have been made for the same;
- ii. Had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2018 and of the profit of the Company for the year ended on that date;
- iii. Had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. Had prepared the annual accounts on a going concern basis;
- v. Have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- vi. Have devised proper systems to ensure compliance with the provisions of all applicable laws and that such system are adequate and operating effectively.

#### **(ix) Declaration Of Independent Directors**

The Independent Directors of the Company have given a declaration confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 ("the Act") and the SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015.

The term of appointment of independent Directors may be accessed on the Company's website at the link:

<http://www.jbmgroup.com/pdf/JBM-Auto-Ltd/T&C-Appointment-of-Independent-Director/jbm-auto-appointment-of-Independent-directors>.

#### **(x) Related Party Transactions**

All contracts or arrangements or transactions that were entered into by the Company during the financial year with related parties were on an arm's length basis and in the ordinary course of business. All Related Party Transactions have been approved by the Audit Committee and Board of Directors.

Further, the prescribed details of related party transactions of the Company in Form No. AOC-2, in terms of section 134 of the Act read with rule 8 of the Company (Accounts) Rules, 2014 is given as **Annexure-II** to this report.

The policy on materiality of and dealing with related party transaction as approved by the Board of Directors of the Company may be accessed on the web site of the Company at [http://www.jbmgroup.com/pdf/JBM-Auto-Ltd/Policy/Policy-on-Related-Party-Transaction/JBMA\\_Auto\\_tp.pdf](http://www.jbmgroup.com/pdf/JBM-Auto-Ltd/Policy/Policy-on-Related-Party-Transaction/JBMA_Auto_tp.pdf)

#### **(xi) Auditors And Auditor's Report**

##### **(a) Statutory Auditors**

M/s Sahni Natarajan and Bahl, Chartered Accountants, (Firm Registration No. 002816N) was appointed as the Statutory Auditors of the Company by the shareholders at 21st Annual General Meeting (AGM) held on 18th August, 2017, to hold office for a period of five consecutive years commencing from the conclusion of 21st AGM till the conclusion of the 26th Annual General Meeting.

As per MCA notification dated 7th May 2018 annual ratification for appointment of Statutory Auditor's by the shareholders is no more required.

Pursuant to Section 139 and 141 of the Companies Act, 2013 and relevant rules prescribed there under, the Company has received certificate from the Auditors to the effect, inter-alia, that their appointment, would be within the limits laid down by the Act, shall be as per the term provided under the Act, that they are not disqualified for such appointment under the provisions of applicable laws. The

Auditors have also confirmed that they have subjected themselves to the peer review process of Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the Peer Review Board of the ICAI.

There is no qualification or reservation or remarks made by the Auditors in their Report. The Notes on Financial Statements referred to in the Auditors report are self-explanatory and do not require any further comments.

**(b) Secretarial Auditors**

In terms of Section 204 of the Companies Act 2013 and rules made there under, Mrs. Sunita Mathur, Practicing Company Secretary (CP No. 741) was appointed to conduct the Secretarial Audit of the Company for the financial year 2017-18. She has confirmed that she is eligible for the said appointment.

The Secretarial Audit Report for the financial year 2017-18 is annexed to this Report as **Annexure-III**

The report is self-explanatory and do not call for any further comments. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

**(c) Internal Audit**

In terms of the provisions of Section 138 read with Companies (Accounts) Rules 2014, and other applicable provisions, if any, of the Companies Act, 2013, on the recommendation of the Audit Committee, the Board of Directors of the Company has appointed M/s Mehra Goel & Co, Chartered Accountants, as Internal Auditors of the Company to audit the internal function and activities of the Company and to review various operations of the Company; the Company continued to implement their suggestions and recommendations to improve the control environment.

**(xii) Corporate Social Responsibility (CSR)**

The CSR Committee of the Board of Directors has been formed comprising of three directors with Chairman being Independent Director. CSR Committee has framed and formulated a CSR Policy indicating the activities to be undertaken by the Company, in accordance with schedule VII of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 issued under the Act. The same has also been approved and reviewed from time to time by the Board. The CSR policy is available at the website of the Company at [http://www.jbmgroup.com/pdf/JBM-Auto-Ltd/Policy/CSR-Policy/JBMA\\_Auto\\_CSR\\_Policy.pdf](http://www.jbmgroup.com/pdf/JBM-Auto-Ltd/Policy/CSR-Policy/JBMA_Auto_CSR_Policy.pdf). The Annual Report on CSR Activities, as stipulated under the Act forms an integral part of this Report and is appended as **Annexure-IV**.

**(xiii) Conservation Of Energy, Technology Absorbtion And Foreign Exchange Earnings And Outgo**

Information pursuant to conservation of energy, technology absorption and foreign exchange earnings and outgo, as required to be disclosed under the Companies Act, 2013 is annexed as **Annexure-V** and forms a part of this report.

**(xiv) Remuneration Policy**

The policy for selection of Directors and determining Directors independence, and the Remuneration Policy for Directors, Key Managerial Personnel & other employees are attached herewith and marked as **Annexure- VI**.

**(xv) Particulars Of Loans, Guarantees Or Investments**

Particulars of loans, guarantees and investments under Section 186 of the Companies Act, 2013 as at the end of the financial year 2017-18 are provided in the notes to standalone financial statement.

## 13. PERFORMANCE EVALUATION

The Board of Directors have evaluated the performance of each of Independent Directors (without participation of the relevant Director). The annual evaluation of the performance of the Board, its Committees and individual Directors has been made. The evaluation criteria as approved by the Nomination and Remuneration Committee included various aspects of the functioning of Board such as composition, process and procedures including adequate and timely information, attendance, decision making, roles and responsibilities etc.

The performance of individual directors including the Chairman was evaluated on various parameters such as industry knowledge & experience, vision, commitment, time devoted etc. The evaluation of Independent Directors was based on aspects like participation & contribution to the Board decisions, knowledge, experience, integrity etc.

#### **14. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT**

The Statutory Auditors, Internal Auditors and Secretarial Auditors of the Company have not reported any frauds to the Audit Committee or to the Board of Directors under Section 143(12) of the Companies Act, 2013, including rules made thereunder.

#### **15. CORPORATE GOVERNANCE**

Corporate Governance refers to a set of systems, procedures and practices which ensure that the Company is managed in the best interest of all corporate stakeholders i.e. shareholders, employees, suppliers, customers and society in general.

Corporate Governance is more as a way of business life than a mere legal obligation. The Company has adopted various practices of governance conforming to highest ethical and responsible standard of business. Strong and effective implementation of governance practices in the Company have been rewarded in terms of improved share valuations, stakeholder's confidence, market capitalization, high credit ratings, bagging of various awards etc.

A certificate from the Secretarial Auditor of the Company regarding compliance of the conditions of Corporate Governance as stipulated under Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached in Corporate Governance Report forming part of Annual Report.

#### **16. MANAGEMENT DISCUSSION AND ANALYSIS**

Management Discussion and Analysis for the year as stipulated under Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is separately given and forms part of this Annual Report and provides a more detailed analysis on the performance of individual businesses and their outlook.

#### **17. RISK MANAGEMENT**

The Company has implemented a comprehensive and fully integrated 'Enterprise Risk Management' framework in order to anticipate, identify, measure, manage, mitigate, monitor and report the principal risks and uncertainties that can impact its ability to achieve its strategic business objectives.

This integration is enabled by alignment of Risk Management, Internal Audit, Legal and compliance methodologies and processes in order to maximize enterprise value of the Company and ensure high value creation for our stakeholder over a period of time.

#### **18. INTERNAL FINANCIAL CONTROLS**

The Directors have laid down proper and adequate system of internal financial controls to be followed by the Company and such policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the adequacy and completeness of accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

To have robust internal financial controls, the Company has in place Standard Operating Procedures for all its critical business processes. Extensive use of SAP and other software systems have also resulted in strengthening the internal financial controls and accurate reporting of operational and financial data.

#### **19. INTERNAL CONTROLS SYSTEMS AND THEIR ADEQUACY**

Your Company maintains adequate internal control system and procedures commensurate with its size and nature of operations. The internal control systems are designed to provide a reasonable assurance over reliability in financial reporting, ensure appropriate authorization of transactions, safeguarding the assets of the Company and prevent misuse/ losses and legal compliances.

The internal control system includes a well-defined delegation of authority and a comprehensive Management Information System coupled with quarterly reviews of operational and financial performance, a well-structured budgeting process with regular monitoring of expenses and Internal audit. The Internal Audit reports are periodically reviewed by the management and the Audit Committee and necessary improvements are undertaken, if required.



## 20. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has laid down sexual harassment policy pursuant to provision of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made there under. The objective of this policy is to provide protection against sexual harassment of women at workplace and for the prevention and redressal of complaints of sexual harassment and for matters connected therewith. The Company has zero tolerance on sexual harassment at workplace. The company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the financial year 2017-18, no complaints was received under this policy. This Policy is made available at the website of the Company at <http://www.jbmgroup.com/pdf/JBM-Auto-Ltd/Policy/Sexual-Harrasement-Policy/sexual-harrasement-policy.pdf>

## 21. VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has a Whistle Blower Policy (the "WB Policy") with a view to provide vigil mechanism to Directors, employees and other stakeholders to disclose instances of wrongdoing in the workplace and report instances of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The Policy provides that the Company investigates such incidents, when reported, in an impartial manner and takes appropriate action. The WB Policy also provides mechanism for adequate safeguards against victimization of Director(s)/ Employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. The Whistle Blower Policy has been posted on the website of the Company and the details of the same are explained in the Report on Corporate Governance forming part of this Annual Report. The Whistle Blower Policy is available at the website of the Company at [http://www.jbmgroup.com/pdf/JBM-Auto-Ltd/Policy/Whistle-Blower-Policy/JBMA\\_Whistle-Blower-Policy.pdf](http://www.jbmgroup.com/pdf/JBM-Auto-Ltd/Policy/Whistle-Blower-Policy/JBMA_Whistle-Blower-Policy.pdf)

## 22. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS

During the year under review, no significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

## 23. PUBLIC DEPOSITS

During the year, your Company did not accept any public deposits under Chapter V of the Companies Act, 2013 and as such, no amount on account of principal or interest on public deposits was outstanding as of 31st March, 2018.

## 24. MATERIAL CHANGES AND COMMITMENTS, IF ANY

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relate and the date of this report.

## 25. EMPLOYEES STOCK OPTION PLANS/SCHEMES

No Employee Stock Options were granted to the Directors or Employees of the Company during the year under review.

## 26. PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are form part of this Annual Report.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are form part of the Annual Report.

However, as per first proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the registered office of the Company during working hours and any member interested in obtaining a copy of such information may write to the Company Secretary at the registered office of the Company and the same will be furnished without any fee.

## 27. COST RECORDS

Maintenance of cost records as specified under Section 148(1) of the Companies Act, 2013 are not applicable to the Company. Accordingly, such accounts and records are not made and maintained by the Company during the financial year 2017-18.

## **ACKNOWLEDGEMENT**

The Board places on record its appreciation for the support and continued co-operation extended by all the customers, vendors, dealers, bankers, regulators and business associates. The Board places on record its appreciation to all the employees for their dedicated and committed services. Your Directors deeply acknowledge the continued trust and confidence that the shareholder place in the management and are confident that with their continued support, the Company will achieve its objectives and emerge stronger in the coming years.

**For and on behalf of the Board of Directors of  
JBM Auto Limited**

**Date: 06.08.2018**

**Place: Gurugram**

**Sd/-  
Surendra Kumar Arya  
Chairman  
DIN : 00004626**

## 'Annexure-I'

## FORM No. MGT 9

### EXTRACT OF ANNUAL RETURN

**As on financial year ended on 31st March, 2018**

**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management & Administration) Rules, 2014**

#### I. REGISTRATION & OTHER DETAILS:

|    |  |   |
|----|--|---|
| 1. | CIN  | L74899DL1996PLC083073   |
| 2. | Registration Date  | 05.11.1996  |
| 3. | Name of the Company  | JBM Auto Limited  |
| 4. | Category/Sub-category of the Company                                       | Public Company/ Limited by shares   |
| 5. | Address of the Registered office & contact details                         | 601, Hemkunt Chamber, 89, Nehru Place,<br>New Delhi – 110019 Tel : 011 26427104, Fax : 01126427100                        |
| 6. | Whether listed company   | Yes   |
| 7. | Name, address & contact details of the Registrar & Transfer Agent, if any. | MCS Share Transfer Agent Ltd<br>F-65, 1st Floor, Okhla Industrial Area, Phase- 1<br>New Delhi – 110020, Tel : 01141406149 |

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the Company shall be stated)

| S. No. | Name and Description of main products / services | NIC Code of the Product / service | % to total turnover of the company |
|--------|--|-----------------------------------|------------------------------------|
| 1      | Sheet Metal Components for Automobiles           | 25910                             | 86.77                              |
| 2      | Tools & Dies for Automobiles                     | 28221                             | 11.06                              |

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| SN | Name & Address of the Company                | CIN / GLN             | Holding/Subsidiary Associate Company | % of share holding | Applicable Section |
|----|--|-----------------------|--------------------------------------|--------------------|--------------------|
| 1  | JBM Auto System Private Limited              | U34300DL1998PTC314334 | Subsidiary                           | 73.89              | 2(87)(ii)          |
| 2  | JBM Ogihara Automotive India Limited         | U27100DL2009PLC187584 | Subsidiary                           | 51.00              | 2(87)(ii)          |
| 3  | JBM Solaris Electric Vehicle Private Limited | U34300DL2016PTC315153 | Subsidiary                           | 80.00              | 2(87)(ii)          |
| 4  | Indo Tooling Private Limited                 | U28931MP2008PTC034503 | Associate                            | 50.00              | 2(6)               |
| 5  | JBM MA Automotive Private Limited            | U29220PN2007PTC155874 | Associate                            | 50.00              | 2(6)               |



## VI. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

### a) Category-wise Share Holding

| Category of Shareholders                           | No. of Shares held at the beginning of the year [Face Value of equity shares is Rs. 5/- each] |          |          |                   | No. of Shares held at the end of the year [Face Value of equity shares is Rs. 5/- each] |          |          |                   | % Change during the year |
|--|---|----------|----------|-------------------|---|----------|----------|-------------------|--------------------------|
|  | Demat   | Physical | Total    | % of Total Shares | Demat   | Physical | Total    | % of Total Shares |                          |
| A. Promoters                                       |   |          |          |                   |   |          |          |                   |                          |
| (1) Indian   |   |          |          |                   |   |          |          |                   |                          |
| a) Individual/ HUF                                 | 1146384   | --       | 1146384  | 2.81              | 1145659   | --       | 1145659  | 2.81              | --                       |
| b) Central Govt                                    | --  | --       | --       | --                | --  | --       | --       | --                | --                       |
| c) State Govt(s)                                   | --  | --       | --       | --                | --  | --       | --       | --                | --                       |
| d) Bodies Corp.                                    | 24129540  | --       | 24129540 | 59.15             | 24129540  | --       | 24129540 | 59.15             | --                       |
| e) Banks / FI                                      | --  | --       | --       | --                | --  | --       | --       | --                | --                       |
| f) Any other                                       | --  | --       | --       | --                | --  | --       | --       | --                | --                       |
| Sub-Total (A)(1)                                   | 25275924  |          | 25275924 | 61.96             | 25275199  |          | 25275199 | 61.96             | --                       |
| (2) Foreign  |   |          |          |                   |   |          |          |                   |                          |
| a) NRIs – Individual                               |   | --       | --       | --                | --  | --       | --       | --                | --                       |
| b) Other Individual                                |   | --       | --       | --                | --  | --       | --       | --                | --                       |
| c) Bodies Corp                                     | .   | --       | --       | --                | --  | --       | --       | --                | --                       |
| d) Banks / FI                                      |   | --       | --       | --                | --  | --       | --       | --                | --                       |
| e) Any Other                                       |   | --       | --       | --                | --  | --       | --       | --                | --                       |
| Sub-Total (A)(2)                                   | --  | --       | --       | --                | --  | --       | --       | --                | --                       |
| Total Sharehold- ing of Promoter (A)=(A)(1)+(A)(2) | 25275924  | --       | 25275924 | 61.96             | 25275199  | --       | 25275199 | 61.96             | --                       |
| B. Public Shareholding                             |   |          |          |                   |   |          |          |                   |                          |
| 1. Institutions                                    |   |          |          |                   |   |          |          |                   |                          |
| a) Mutual Funds                                    | 58860   | 1200     | 60060    | 0.14              | 104473  | --       | 104473   | 0.26              | 0.12                     |
| b) Banks / FI                                      | 10551   | 1200     | 11751    | 0.03              | 4171  | 1200     | 5371     | 0.01              | (0.02)                   |
| c) Central Govt                                    | --  | --       | --       | --                | 63100   | --       | 63100    | 0.15              |                          |
| d) State Govt(s)                                   | --  | --       | --       | --                | --  | --       | --       | --                | --                       |
| e) Venture Capital Funds                           | --  | --       | --       | --                | --  | --       | --       | --                | --                       |
| f) Insurance Companies                             | 4320  | --       | 4320     | 0.01              | 4320  | --       | 4320     | 0.01              | --                       |
| g) FIIs  | --  | --       | --       | --                | --  | --       | --       | --                | --                       |
| h) Foreign Venture Capital Funds                   | --  | --       | --       | --                | --  | --       | --       | --                | --                       |

| Category of Shareholders   | No. of Shares held at the beginning of the year [Face Value of equity shares is Rs. 5 each] |               |                 |                   | No. of Shares held at the end of the year [Face Value of equity shares is Rs. 5/ each] |               |                 |                   | % Change during the year |
|--|---|---------------|-----------------|-------------------|--|---------------|-----------------|-------------------|--------------------------|
|  | Demat   | Physical      | Total           | % of Total Shares | Demat  | Physical      | Total           | % of Total Shares |                          |
| i) Others (Foreign Portfolio Investors)  | 84313   | 480           | 84793           | 0.21              | 193089   | --            | 193089          | 0.47              | 0.26                     |
| <b>Sub-total (B)(1)</b>  | <b>158044</b>   | <b>2880</b>   | <b>160924</b>   | <b>0.39</b>       | <b>369153</b>  | <b>1200</b>   | <b>370253</b>   | <b>0.90</b>       | <b>0.36</b>              |
| <b>2. Non-Institutions</b>   |   |               |                 |                   |  |               |                 |                   |                          |
| a) Bodies Corp.  | --  | --            | --              | --                | --   | --            | --              | --                | --                       |
| i) Indian  | 8752069   | 8880          | 8760949         | 21.47             | 8856040  | 1680          | 8857720         | 21.71             | 0.24                     |
| ii) Overseas   | --  | --            | --              | --                | --   | --            | --              | --                | --                       |
| b) Individuals   | --  | --            | --              | --                | --   | --            | --              | --                | --                       |
| i) Individual shareholders holding nominal share capital up to Rs. 2 lakh        | 4046127   | 233580        | 4279707         | 10.49             | 4082461  | 165749        | 4248210         | 10.41             | (0.08)                   |
| ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh | 2038124   | --            | 2038124         | 5.00              | 1753750  | --            | 1753750         | 4.30              | (0.70)                   |
| c) NRI   | 279736  | --            | 279736          | 0.69              | 288352   | --            | 288352          | 0.71              | 0.02                     |
| d) Trust   | --  | --            | --              | --                | 400  | --            | 400             | 0.00              | --                       |
| e) NBFC  | --  | --            | --              | --                | 1380   | --            | 1380            | 0.00              | --                       |
| <b>Sub-total (B)(2)</b>  | <b>15116056</b>   | <b>242460</b> | <b>15358516</b> | <b>37.65</b>      | <b>14982383</b>  | <b>167429</b> | <b>15149812</b> | <b>37.13</b>      | <b>(0.52)s</b>           |
| <b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>                              | <b>15274100</b>   | <b>245340</b> | <b>15519440</b> | <b>38.04</b>      | <b>15351536</b>  | <b>168629</b> | <b>15520165</b> | <b>38.03</b>      | <b>(0.01)</b>            |
| C. Shares held by Custodian for GDRs & ADRs                                      | --  | --            | --              | --                | --   | --            | --              | --                | --                       |
| <b>Grand Total (A+B+C)</b>   | <b>40550024</b>   | <b>245340</b> | <b>40795364</b> | <b>100.00</b>     | <b>40626735</b>  | <b>168629</b> | <b>40795364</b> | <b>100.00</b>     | <b>--</b>                |

**b) Shareholding of Promoters & Promotor Group.**

| S.No. | Shareholder's Name                    | Shareholding at the beginning of the year (As on 01-04-2017) |                                  |  | Shareholding at the end of the year (As on 31-03-2018) |                                  |   | % change in shareholding during the year |
|-------|---------------------------------------|--|----------------------------------|--|--|----------------------------------|---|--|
|       |                                       | No. of Shares  | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares  | % of total Shares of the company | % of Shares Pledged/ encumbered to total shares |  |
| 1     | Surendra Kumar Arya                   | 118140   | 0.29                             | 0.00   | 118140   | 0.29                             | 0.00  | Nil                                      |
| 2     | Surendra Kumar Arya (HUF)             | 288856   | 0.71                             | 0.00   | 288856   | 0.71                             | 0.00  | Nil                                      |
| 3     | Neelam Arya                           | 396188   | 0.97                             | 0.00   | 396188   | 0.97                             | 0.00  | Nil                                      |
| 4     | Nishant Arya                          | 339400   | 0.83                             | 0.00   | 339400   | 0.83                             | 0.00  | Nil                                      |
| 5     | RamRichpal Rameshwardas Agarwal       | 1400   | 0.003                            | 0.00   | 600  | 0.00                             | 0.00  | 0.00                                     |
| 6     | Satya Priya Arya                      | 2100   | 0.01                             | 0.00   | 2100   | 0.01                             | 0.00  | Nil                                      |
| 7     | Vishudda Ramrichhpal Aggarwal         | 300  | 0.00                             | 0.00   | 375  | 0.00                             | 0.00  | 0.00                                     |
| 8     | JBM Builders Pvt. Limited             | 3030832  | 7.43                             | 0.00   | 3030832  | 7.43                             | 0.00  | Nil                                      |
| 9     | JBM Industries Limited                | 720  | 0.00                             | 0.00   | 720  | 0.00                             | 0.00  | Nil                                      |
| 10    | ANS Holding Pvt.Limited               | 2058996  | 5.05                             | 0.00   | 2058996  | 5.05                             | 0.00  | Nil                                      |
| 11    | NAP Investment & Leasing Pvt. Limited | 2274616  | 5.58                             | 0.00   | 2274616  | 5.58                             | 0.00  | Nil                                      |
| 12    | A to Z Securities Limited             | 4190160  | 10.27                            | 0.00   | 4190160  | 10.27                            | 0.00  | Nil                                      |
| 13    | SMC Credit Limited                    | 7570260  | 18.56                            | 0.00   | 7570260  | 18.56                            | 0.00  | Nil                                      |
| 14    | Focal Leasing & Credit Limited        | 1579132  | 3.87                             | 0.00   | 1579132  | 3.87                             | 0.00  | Nil                                      |
| 15    | Shuklamber Exports Limited            | 3424824  | 8.40                             | 0.00   | 3424824  | 8.40                             | 0.00  | Nil                                      |
|       | <b>TOTAL</b>                          | <b>25275924</b>  | <b>61.96</b>                     | 0.00   | <b>25275199</b>  | <b>61.96</b>                     | 0.00  | <b>0.00</b>                              |



**c) Change in Promoters' Shareholding as on 01-04-2017 & 31-03-2018 and their transactions**

| S. No | Name                            | PAN        | Shareholding                         |                                  | Date              | Increase / Decrease in Shareholding | Reason     | Cumulative Shareholding during the year (01-04-17 to 31-03-18) |                                  |
|-------|---------------------------------|------------|--------------------------------------|----------------------------------|-------------------|-------------------------------------|------------|--|----------------------------------|
|       |                                 |            | No of Shares (01-04-17) & (31-03-18) | % of total shares of the Company |                   |                                     |            | Shares   | % of total shares of the Company |
| 1     | Neelam Arya                     | ADTPA6583A | 396188                               | 0.97                             | 01.04.2017        |                                     |            |  |                                  |
|       |                                 |            | <b>396188</b>                        | <b>0.97</b>                      | <b>31.03.2018</b> | <b>NIL</b>                          | <b>NIL</b> |  |                                  |
|       |                                 |            |                                      |                                  |                   |                                     |            |  |                                  |
| 2     | Nishant Arya                    | AGZPA5633Q | 339400                               | 0.83                             | 01.04.2017        |                                     |            |  |                                  |
|       |                                 |            | <b>339400</b>                        | <b>0.83</b>                      | <b>31.03.2018</b> | <b>NIL</b>                          | <b>NIL</b> |  |                                  |
|       |                                 |            |                                      |                                  |                   |                                     |            |  |                                  |
| 3     | Surendra Kumar Arya (HUF)       | AABHS4048B | 288856                               | 0.71                             | 01.04.2017        |                                     |            |  |                                  |
|       |                                 |            | <b>288856</b>                        | <b>0.71</b>                      | <b>31.03.2018</b> | <b>NIL</b>                          | <b>NIL</b> |  |                                  |
|       |                                 |            |                                      |                                  |                   |                                     |            |  |                                  |
| 4     | Surendra Kumar Arya             | ACNPA3721H | 118140                               | 0.29                             | 01.04.2017        |                                     |            |  |                                  |
|       |                                 |            | <b>118140</b>                        | <b>0.29</b>                      | <b>31.03.2018</b> | <b>NIL</b>                          | <b>NIL</b> |  |                                  |
|       |                                 |            |                                      |                                  |                   |                                     |            |  |                                  |
| 5     | Satya Priya Arya                | AABPA9565F | 2100                                 | 0.01                             | 01.04.2017        |                                     |            |  |                                  |
|       |                                 |            | <b>2100</b>                          | <b>0.01</b>                      | <b>31.03.2018</b> | <b>NIL</b>                          | <b>NIL</b> |  |                                  |
|       |                                 |            |                                      |                                  |                   |                                     |            |  |                                  |
| 6     | Ramrichpal Rameshwardas Agarwal | ADKPA3201A | 1400                                 | 0.00                             | 01.04.2017        |                                     |            |  |                                  |
|       |                                 |            |                                      |                                  | 28.07.2017        | -250                                | Sale       | 1150   | 0.00                             |
|       |                                 |            |                                      |                                  | 11.08.2017        | -150                                | Sale       | 1000   | 0.00                             |
|       |                                 |            |                                      |                                  | 08.09.2017        | -100                                | Sale       | 900  | 0.00                             |
|       |                                 |            |                                      |                                  | 15.09.2017        | -200                                | Sale       | 700  | 0.00                             |
|       |                                 |            |                                      |                                  | 27.10.2017        | -100                                | Sale       | 600  | 0.00                             |
|       |                                 |            |                                      |                                  | 17.11.2017        | -100                                | Sale       | 500  | 0.00                             |
|       |                                 |            |                                      |                                  | 29.12.2017        | -100                                | Sale       | 400  | 0.00                             |
|       |                                 |            |                                      |                                  | 02.03.2018        | 200                                 | Purchase   | 600  | 0.00                             |
|       |                                 |            | <b>600</b>                           | <b>0.00</b>                      | <b>31.03.2018</b> |                                     |            |  |                                  |
|       |                                 |            |                                      |                                  |                   |                                     |            |  |                                  |

| S. No | Name                                 | PAN        | Shareholding                         |                                  | Date       | Increase / Decrease in Shareholding | Reason   | Cumulative Shareholding during the year (01-04-17 to 31-03-18) |                                  |
|-------|--------------------------------------|------------|--------------------------------------|----------------------------------|------------|-------------------------------------|----------|--|----------------------------------|
|       |                                      |            | No of Shares (01-04-17) & (31-03-18) | % of total shares of the Company |            |                                     |          | Shares   | % of total shares of the Company |
| 7     | Vishudda Ramrichhpal Aggarwal        | AABPA3925F | 300                                  | 0.00                             | 01.04.2017 |                                     |          |  |                                  |
|       |                                      |            |                                      |                                  | 27.10.2017 | 75                                  | Purchase | 375  | 0.00                             |
|       |                                      |            | 375                                  | 0.00                             | 31.03.2018 |                                     |          |  |                                  |
|       |                                      |            |                                      |                                  |            |                                     |          |  |                                  |
| 8     | SMC Credit Limited                   | AAACS0197B | 7570260                              | 18.56                            | 01.04.2017 |                                     |          |  |                                  |
|       |                                      |            | 7570260                              | 18.56                            | 31.03.2018 | NIL                                 | NIL      |  |                                  |
|       |                                      |            |                                      |                                  |            |                                     |          |  |                                  |
| 9     | A to Z Securities Limited            | AAACA3106C | 4190160                              | 10.27                            | 01.04.2017 |                                     |          |  |                                  |
|       |                                      |            | 4190160                              | 10.27                            | 31.03.2018 | NIL                                 | NIL      |  |                                  |
|       |                                      |            |                                      |                                  |            |                                     |          |  |                                  |
| 10    | Shuklamber Exports Limited           | AABCS8643M | 3424824                              | 8.4                              | 01.04.2017 |                                     |          |  |                                  |
|       |                                      |            | 3424824                              | 8.4                              | 01.04.2017 | NIL                                 | NIL      |  |                                  |
|       |                                      |            |                                      |                                  |            |                                     |          |  |                                  |
| 11    | JBM Builders Private Limited         | AAACJ0071B | 3030832                              | 7.43                             | 01.04.2017 |                                     |          |  |                                  |
|       |                                      |            | 3030832                              | 7.43                             | 31.03.2018 | NIL                                 | NIL      |  |                                  |
|       |                                      |            |                                      |                                  |            |                                     |          |  |                                  |
| 12    | ANS Holding Private Limited          | AAACA0671J | 2058996                              | 5.05                             | 01.04.2017 |                                     |          |  |                                  |
|       |                                      |            | 2058996                              | 5.05                             | 31.03.2018 | NIL                                 | NIL      |  |                                  |
|       |                                      |            |                                      |                                  |            |                                     |          |  |                                  |
| 13    | Focal Leasing & Credit Limited       | AAACF1850C | 1579132                              | 3.87                             | 01.04.2017 |                                     |          |  |                                  |
|       |                                      |            | 1579132                              | 3.87                             | 01.04.2017 |                                     |          |  |                                  |
|       |                                      |            |                                      |                                  |            |                                     |          |  |                                  |
| 14    | JBM Industries Limited               | AAACJ8038J | 720                                  | 0.00                             | 01.04.2017 |                                     |          |  |                                  |
|       |                                      |            | 720                                  | 0.00                             | 31.03.2018 | NIL                                 | NIL      |  |                                  |
|       |                                      |            |                                      |                                  |            |                                     |          |  |                                  |
| 15    | NAP Investment and Leasing Pvt. Ltd. | AAACN2343L | 2274616                              | 5.58                             | 01.04.2017 |                                     |          |  |                                  |
|       |                                      |            | 2274616                              | 5.58                             | 31.03.2018 | NIL                                 | NIL      |  |                                  |

**b) Detail of Top 10 Shareholders as on 31-03-17 & 31-03-18 and their transactions (Other Than Promoters)**

| S.No | Name                                   | Shareholding  |                                  | Date       | Increase / Decrease in Shareholding | Reason   | Cumulative Shareholding during the year (01-04-17 to 31-03-18) |                                  |
|------|--|---|----------------------------------|------------|-------------------------------------|----------|--|----------------------------------|
|      |  | No of Shares at the Beginning (01-04-17) / end of the Year (31-03-18) | % of total shares of the Company |            |                                     |          | Shares   | % of total shares of the Company |
| 1    | Zeal Impex And Traders Private Limited | 4018968   | 9.85                             | 01.04.2017 |                                     |          |  |                                  |
|      |  | 4018968   | 9.85                             | 31.03.2018 | NIL                                 | NIL      |  |                                  |
| 2    | Amity Infotech Pvt. Ltd.               | 4000000   | 9.81                             | 01.04.2017 |                                     |          |  |                                  |
|      |  | 4000000   | 9.81                             | 31.08.2018 | NIL                                 | NIL      |  |                                  |
| 3    | Anil Kumar Goel                        | 720000  | 1.76                             | 01.04.2017 |                                     |          |  |                                  |
|      |  |   |                                  | 14.07.2017 | -20000                              | Sale     | 700000   | 1.72                             |
|      |  |   |                                  | 15.09.2017 | -50000                              | Sale     | 650000   | 1.59                             |
|      |  |   |                                  | 22.09.2017 | -20000                              | Sale     | 630000   | 1.54                             |
|      |  | 630000  | 1.54                             | 31.08.2018 |                                     |          |  |                                  |
| 4    | Arvindkumar Sancheti                   | 125590  | 0.31                             | 01.04.2017 |                                     |          |  |                                  |
|      |  |   |                                  | 09.06.2017 | -1852                               | Sale     | 123738   | 0.30                             |
|      |  |   |                                  | 09.02.2018 | 22540                               | Purchase | 146278   | 0.36                             |
|      |  | 146278  | 0.36                             | 31.03.2018 |                                     |          |  |                                  |
| 5    | D Srimathi                             | 133040  | 0.33                             | 01.04.2017 |                                     |          |  |                                  |
|      |  |   |                                  | 08.09.2017 | 3000                                | Purchase | 136040   | 0.33                             |
|      |  | 136040  | 0.33                             | 31.08.2018 |                                     |          |  |                                  |



| S.No | Name  | Shareholding  |                                  | Date       | Increase / Decrease in Shareholding | Reason   | Cumulative Shareholding during the year (01-04-17 to 31-03-18) |                                  |
|------|---|---|----------------------------------|------------|-------------------------------------|----------|--|----------------------------------|
|      |   | No of Shares at the Beginning (01-04-17) / end of the Year (31-03-18) | % of total shares of the Company |            |                                     |          | Shares   | % of total shares of the Company |
| 6    | Arvindkumar J Sancheti                        | 137876  | 0.34                             | 01.04.2017 |                                     |          |  |                                  |
|      |   |   |                                  | 15.09.2017 | 1000                                | Purchase | 138876   | 0.34                             |
|      |   |   |                                  | 15.12.2017 | 1000                                | Purchase | 139876   | 0.34                             |
|      |   |   |                                  | 09.02.2018 | -23519                              | Sale     | 116357   | 0.29                             |
|      |   | 116357  | 0.29                             | 31.08.2018 |                                     |          |  |                                  |
|      |   |   |                                  |            |                                     |          |  |                                  |
| 7    | Motilal Oswal Securities Ltd - Client Account | 76851   | 0.19                             | 01.04.2017 |                                     |          |  |                                  |
|      |   |   |                                  | 07.04.2017 | -6900                               | Sale     | 69951  | 0.17                             |
|      |   |   |                                  | 14.04.2017 | 7803                                | Purchase | 77754  | 0.19                             |
|      |   |   |                                  | 21.04.2017 | 15448                               | Purchase | 93202  | 0.23                             |
|      |   |   |                                  | 28.04.2017 | 4621                                | Purchase | 97823  | 0.24                             |
|      |   |   |                                  | 05.05.2017 | -2933                               | Sale     | 94890  | 0.23                             |
|      |   |   |                                  | 12.05.2017 | 2290                                | Purchase | 97180  | 0.24                             |
|      |   |   |                                  | 19.05.2017 | 2331                                | Purchase | 99511  | 0.24                             |
|      |   |   |                                  | 26.05.2017 | -3958                               | Sale     | 95553  | 0.23                             |
|      |   |   |                                  | 02.06.2017 | 1754                                | Purchase | 97307  | 0.24                             |
|      |   |   |                                  | 09.06.2017 | -1764                               | Sale     | 95543  | 0.23                             |
|      |   |   |                                  | 16.06.2017 | 3107                                | Purchase | 98650  | 0.24                             |
|      |   |   |                                  | 23.06.2017 | -3303                               | Sale     | 95347  | 0.23                             |
|      |   |   |                                  | 30.06.2017 | 515                                 | Purchase | 95862  | 0.24                             |
|      |   |   |                                  | 07.07.2017 | -19841                              | Sale     | 76021  | 0.19                             |
|      |   |   |                                  | 14.07.2017 | 10591                               | Purchase | 86612  | 0.21                             |
|      |   |   |                                  | 14.07.2017 | 10591                               | Purchase | 86612  | 0.21                             |
|      |   |   |                                  | 21.07.2017 | -1353                               | Sale     | 85259  | 0.21                             |
|      |   |   |                                  | 28.07.2017 | -751                                | Sale     | 84508  | 0.21                             |
|      |   |   |                                  | 11.08.2017 | -1014                               | Sale     | 83494  | 0.2                              |
|      |   |   |                                  | 08.09.2017 | -5133                               | Sale     | 78361  | 0.19                             |
|      |   |   |                                  | 15.09.2017 | -26214                              | Sale     | 52147  | 0.13                             |
|      |   |   |                                  | 22.09.2017 | 25339                               | Purchase | 77486  | 0.19                             |
|      |   |   |                                  | 29.09.2017 | 13613                               | Purchase | 91099  | 0.22                             |

| S.No | Name  | Shareholding  |                                  | Date       | Increase / Decrease in Shareholding | Reason   | Cumulative Shareholding during the year (01-04-17 to 31-03-18) |                                  |
|------|---|---|----------------------------------|------------|-------------------------------------|----------|--|----------------------------------|
|      |   | No of Shares at the Beginning (01-04-17) / end of the Year (31-03-18) | % of total shares of the Company |            |                                     |          | Shares   | % of total shares of the Company |
| 7    | Motilal Oswal Securities Ltd - Client Account |   |                                  | 06.01.2017 | 1216                                | Purchase | 92315  | 0.23                             |
|      |   |   |                                  | 13.10.2017 | 860                                 | Purchase | 93175  | 0.23                             |
|      |   |   |                                  | 20.10.2017 | 10690                               | Purchase | 103865   | 0.25                             |
|      |   |   |                                  | 27.10.2017 | -4754                               | Sale     | 99111  | 0.24                             |
|      |   |   |                                  | 03.11.2017 | -9324                               | Sale     | 89787  | 0.22                             |
|      |   |   |                                  | 10.11.2017 | 31320                               | Purchase | 121107   | 0.30                             |
|      |   |   |                                  | 17.11.2017 | -16                                 | Sale     | 121091   | 0.30                             |
|      |   |   |                                  | 24.11.2017 | 38187                               | Purchase | 159278   | 0.39                             |
|      |   |   |                                  | 01.12.2017 | -5096                               | Sale     | 154182   | 0.38                             |
|      |   |   |                                  | 08.12.2017 | -492                                | Sale     | 153690   | 0.38                             |
|      |   |   |                                  | 15.12.2017 | 15668                               | Purchase | 169358   | 0.42                             |
|      |   |   |                                  | 22.12.2017 | -21223                              | Sale     | 148135   | 0.36                             |
|      |   |   |                                  | 29.12.2017 | 13397                               | Purchase | 161532   | 0.40                             |
|      |   |   |                                  | 05.01.2018 | -13171                              | Sale     | 148361   | 0.36                             |
|      |   |   |                                  | 12.01.2018 | 1821                                | Purchase | 150182   | 0.37                             |
|      |   |   |                                  | 19.01.2018 | 12541                               | Purchase | 162723   | 0.40                             |
|      |   |   |                                  | 25.01.2018 | -16383                              | Sale     | 146340   | 0.36                             |
|      |   |   |                                  | 02.02.2018 | 5870                                | Purchase | 152210   | 0.37                             |
|      |   |   |                                  | 09.02.2018 | -11093                              | Sale     | 141117   | 0.35                             |
|      |   |   |                                  | 16.02.2018 | 5950                                | Purchase | 147067   | 0.36                             |
|      |   |   |                                  | 23.01.2018 | -7894                               | Sale     | 139173   | 0.34                             |
|      |   |   |                                  | 02.02.2018 | -3109                               | Sale     | 136064   | 0.33                             |
|      |   |   |                                  | 09.03.2018 | 1430                                | Purchase | 137494   | 0.34                             |
|      |   |   |                                  | 16.03.2018 | 715                                 | Purchase | 138209   | 0.34                             |
|      |   |   |                                  | 23.03.2018 | -13239                              | Sale     | 124970   | 0.31                             |
|      |   | 112310  | 0.28                             | 31.03.2018 | -12660                              | Sale     |  |                                  |
|      |   |   |                                  |            |                                     |          |  |                                  |

| S.No | Name  | Shareholding  |                                  | Date       | Increase / Decrease in Shareholding | Reason   | Cumulative Shareholding during the year (01-04-17 to 31-03-18) |                                  |
|------|---|---|----------------------------------|------------|-------------------------------------|----------|--|----------------------------------|
|      |   | No of Shares at the Beginning (01-04-17) / end of the Year (31-03-18) | % of total shares of the Company |            |                                     |          | Shares   | % of total shares of the Company |
| 8    | Motilal Oswal Securities Ltd - Collateral Account | 2455  | 0.01                             | 01.04.2017 |                                     |          |  |                                  |
|      |   |   |                                  | 07.04.2017 | 73                                  | Purchase | 2528   | 0.01                             |
|      |   |   |                                  | 21.04.2017 | 1922                                | Purchase | 4450   | 0.01                             |
|      |   |   |                                  | 28.04.2017 | -4101                               | Sale     | 349  | 0.00                             |
|      |   |   |                                  | 05.05.2017 | 79                                  | Purchase | 428  | 0.00                             |
|      |   |   |                                  | 12.05.2017 | -317                                | Sale     | 111  | 0.00                             |
|      |   |   |                                  | 19.05.2017 | 163                                 | Purchase | 274  | 0.00                             |
|      |   |   |                                  | 26.05.2017 | 145                                 | Purchase | 419  | 0.00                             |
|      |   |   |                                  | 02.06.2017 | 3199                                | Purchase | 3618   | 0.01                             |
|      |   |   |                                  | 09.06.2017 | -294                                | Sale     | 3324   | 0.01                             |
|      |   |   |                                  | 16.06.2017 | 376                                 | Purchase | 3700   | 0.01                             |
|      |   |   |                                  | 23.06.2017 | 451                                 | Purchase | 4151   | 0.01                             |
|      |   |   |                                  | 30.06.2017 | -276                                | Sale     | 3875   | 0.01                             |
|      |   |   |                                  | 07.07.2017 | 16997                               | Purchase | 20872  | 0.05                             |
|      |   |   |                                  | 14.07.2017 | -998                                | Sale     | 19874  | 0.05                             |
|      |   |   |                                  | 21.07.2017 | -336                                | Sale     | 19538  | 0.05                             |
|      |   |   |                                  | 28.07.2017 | 815                                 | Purchase | 20353  | 0.05                             |
|      |   |   |                                  | 11.08.2017 | -17746                              | Sale     | 2607   | 0.01                             |
|      |   |   |                                  | 08.09.2017 | 1076                                | Purchase | 3683   | 0.01                             |
|      |   |   |                                  | 15.09.2017 | 1498                                | Purchase | 5181   | 0.01                             |
|      |   |   |                                  | 22.09.2017 | -5148                               | Sale     | 33   | 0.00                             |
|      |   |   |                                  | 29.09.2017 | 8535                                | Purchase | 8568   | 0.02                             |
|      |   |   |                                  | 06.10.2017 | 56                                  | Purchase | 8624   | 0.02                             |
|      |   |   |                                  | 13.10.2017 | -1307                               | Sale     | 7317   | 0.02                             |
|      |   |   |                                  | 20.10.2017 | -6403                               | Sale     | 914  | 0.00                             |
|      |   |   |                                  | 27.10.2017 | -123                                | Sale     | 791  | 0.00                             |
|      |   |   |                                  | 03.11.2017 | 3661                                | Purchase | 4452   | 0.01                             |
|      |   |   |                                  | 10.11.2017 | -4208                               | Sale     | 244  | 0.00                             |
|      |   |   |                                  | 17.11.2017 | 11171                               | Purchase | 11415  | 0.03                             |
|      |   |   |                                  | 24.11.2017 | 2198                                | Purchase | 13613  | 0.03                             |
|      |   |   |                                  | 01.12.2017 | -12503                              | Sale     | 1110   | 0.00                             |

| S.No | Name                  | Shareholding  |                                  | Date       | Increase / Decrease in Shareholding | Reason   | Cumulative Shareholding during the year (01-04-17 to 31-03-18) |                                  |
|------|-----------------------|---|----------------------------------|------------|-------------------------------------|----------|--|----------------------------------|
|      |                       | No of Shares at the Beginning (01-04-17) / end of the Year (31-03-18) | % of total shares of the Company |            |                                     |          | Shares   | % of total shares of the Company |
|      |                       |   |                                  | 08.12.2017 | 2419                                | Purchase | 3529   | 0.01                             |
|      |                       |   |                                  | 15.12.2017 | -1957                               | Sale     | 1572   | 0.00                             |
|      |                       |   |                                  | 22.12.2017 | -121                                | Sale     | 1451   | 0.00                             |
|      |                       |   |                                  | 29.12.2017 | 190                                 | Purchase | 1641   | 0.00                             |
|      |                       |   |                                  | 05.01.2018 | -141                                | Sale     | 1500   | 0.00                             |
|      |                       |   |                                  | 12.01.2018 | -1413                               | Sale     | 87   | 0.00                             |
|      |                       |   |                                  | 19.01.2018 | 2830                                | Purchase | 2917   | 0.01                             |
|      |                       |   |                                  | 25.01.2018 | -2041                               | Sale     | 876  | 0.00                             |
|      |                       |   |                                  | 02.02.2018 | 35648                               | Purchase | 36524  | 0.09                             |
|      |                       |   |                                  | 09.02.2018 | 29029                               | Purchase | 65553  | 0.16                             |
|      |                       |   |                                  | 16.02.2018 | -194                                | Sale     | 65359  | 0.16                             |
|      |                       |   |                                  | 23.02.2018 | -15660                              | Sale     | 49699  | 0.12                             |
|      |                       |   |                                  | 02.03.2018 | -1759                               | Sale     | 47940  | 0.12                             |
|      |                       |   |                                  | 09.03.2018 | -46891                              | Sale     | 1049   | 0.00                             |
|      |                       |   |                                  | 16.03.2018 | -372                                | Sale     | 677  | 0.00                             |
|      |                       |   |                                  | 23.03.2018 | -540                                | Sale     | 137  | 0.00                             |
|      |                       | 102360  | 0.25                             | 31.03.2018 | 102223                              | Purchase |  |                                  |
| 9    | Trupti Uday Merchant  | 120000  | 0.29                             | 01.04.2017 |                                     |          |  |                                  |
|      |                       |   |                                  | 01.09.2017 | -40000                              | Sale     | 80000  | 0.20                             |
|      |                       |   |                                  | 16.02.2018 | 20000                               | Purchase | 100000   | 0.25                             |
|      |                       | 100000  | 0.25                             | 31.03.2018 |                                     |          |  |                                  |
|      |                       |   |                                  |            |                                     |          |  |                                  |
| 10   | Sandeep Ravindra Shah | 99560   | 0.24                             | 01.04.2017 |                                     |          |  |                                  |
|      |                       | 99560   | 0.24                             | 31.08.2018 | NIL                                 | NIL      |  |                                  |



**e) Shareholding of Directors and Key Managerial Personnel:**

| SN           | Shareholding of each Directors and each Key Managerial Personnel | Shareholding at the beginning of the year (As on 01-04-2017) |                                  | Change in shareholding during the year |  |        | Cumulative Shareholding during the year (As on 31-03-2018) |                                  |
|--------------|--|--|----------------------------------|--|--|--------|--|----------------------------------|
|              |  | No. of shares (Face Value Rs. 5/-each)                       | % of total shares of the company | Date                                   | Increase/ Decrease in shareholding (face value Rs. 5/- each) | Reason | No. of shares (Face Value Rs. 5/-each)                     | % of total shares of the company |
| A. DIRECTORS |  |  |                                  |  |  |        |  |                                  |
| 1.           | Surendra Kumar Arya (Chairman)                                   | 118140   | 0.29                             | -                                      | -  | -      | 118140   | 0.29                             |
|              |  |  |                                  |  |  |        |  |                                  |
| 2.           | Nishant Arya (Non Executive Director)                            | 339400   | 0.83                             | -                                      | -  | -      | 339400   | 0.83                             |
|              |  |  |                                  |  |  |        |  |                                  |
| 3.           | Sandip Sanyal (Executive Director)                               | Nil  | NA                               | NA                                     | NA   | NA     | NA   | NA                               |
| 4.           | Mr. Ashok Kumar Agarwal (Non Executive Director)                 | Nil  | -                                | NA                                     | NA   | NA     | NA   | NA                               |
|              |  |  |                                  |  |  |        |  |                                  |
| 5.           | Mrs. Vimal Vasisht (Non Executive Director)                      | Nil  | -                                | NA                                     | NA   | NA     | NA   | NA                               |
|              |  |  |                                  |  |  |        |  |                                  |
| 6.           | Mr. Mahesh Kumar Aggarwal (Non Executive Director)               | Nil  | -                                | NA                                     | NA   | NA     | NA   | NA                               |
|              |  |  |                                  |  |  |        |  |                                  |
| 7            | Pravin Tripathi (Non Executive Director)                         | Nil  | -                                | NA                                     | NA   | NA     | NA   | NA                               |

|   |  |      |       |          |      |                  |      |        |
|---|--|------|-------|----------|------|------------------|------|--------|
| <b>B Key Managerial Personnel (KMP's)</b> |  |      |       |          |      |                  |      |        |
| 1.  | Vivek Gupta<br>(CFO & Company Secretary) | 1300 | 0.003 | 21.07.17 | -101 | Open Market sale | 1199 | 0.003% |
|   |  |      |       | 04.08.17 | -46  | Open Market sale | 1153 | 0.003% |
|   |  |      |       | 31.08.18 | -    | -                | 1153 | 0.003% |

## V. INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment.

₹ In Crores

| Particulars  | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| <b>Indebtedness at the beginning of the financial year</b> |                                  |                 |          |                    |
| i) Principal Amount  | 18589.64                         | 6733.79         | -        | 25323.43           |
| ii) Interest due but not paid                              | 0.59                             | -               | -        | 0.59               |
| iii) Interest accrued but not due                          | 106.32                           | -               | -        | 106.32             |
| <b>Total (i+ii+iii)</b>                                    | <b>18696.55</b>                  | <b>6733.79</b>  | <b>-</b> | <b>25430.34</b>    |
| <b>Change in Indebtedness during the financial year</b>    |                                  |                 |          |                    |
| * Addition   | 8262.08                          | 1390.28         | -        | 9652.36            |
| * Reduction  | 2999.83                          | 1334.00         | -        | 4333.83            |
| <b>Net Change</b>  | <b>5262.25</b>                   | <b>56.28</b>    | <b>-</b> | <b>5318.53</b>     |
| <b>Indebtedness at the end of the financial year</b>       |                                  |                 |          |                    |
| i) Principal Amount  | 23839.81                         | -               | -        | 30629.88           |
| ii) Interest due but not paid                              | 0.87                             | -               | -        | 0.87               |
| iii) Interest accrued but not due                          | 118.12                           | -               | -        | 118.12             |
| <b>Total (i+ii+iii)</b>                                    | <b>23958.80</b>                  | <b>6790.07</b>  | <b>-</b> | <b>30748.87</b>    |

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole Time Directors and/or Manager:

| Sl No | Particulars of Remuneration   | Mr. Sandip Sanyal<br>*(Executive Director) | Total Amount<br>(per annum) |
|-------|---|--|-----------------------------|
| 1     | <b>Gross salary</b>   | Nil  | Nil                         |
|       | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | Nil  | Nil                         |
|       | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | Nil  | Nil                         |
|       | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961             | Nil  | Nil                         |
| 2     | <b>Stock Option</b>   | Nil  | Nil                         |
| 3     | <b>Sweat Equity</b>   | Nil  | Nil                         |
| 4     | <b>Commission</b><br>- as % of profit<br>- others, specify...                       | Nil  | Nil                         |
|       | Nil   |  | Nil                         |
| 5     | <b>Others, please specify</b>   | Nil  |                             |
|       | <b>Total (A)</b>  | <b>Nil</b>                                 | <b>Nil</b>                  |

Ceiling as per the Companies Act, 2013 : Rs. 247.05 lacs being 5% of the profit calculated as per section 198 of the Companies Act, 2013

#### Note :-

\* Mr. Sandip Sanyal is also appointed as Executive Director of JBM Auto System Private Limited, subsidiary of the Company w.e.f. 19th May, 2015 and drawing salary from the subsidiary company amounting Rs. 46.67 lakhs.

**B. Remuneration to other directors:**

₹ In lakhs

| S.N.     | Particulars of Remuneration                          | Mr. Surendra Kumar Arya  | Mr. Nishant Arya | Mr. Ashok Kumar Agarwal | Mr. Mahesh Kumar Aggarwal | Mrs. Vimal Vasisht | Pravin Tripathi | Total Amount |
|----------|--|--|------------------|-------------------------|---------------------------|--------------------|-----------------|--------------|
| <b>1</b> | <b>Independent Directors</b>                         |  |                  |                         |                           |                    |                 |              |
|          | • Fee for attending board committee meetings         | NA   | NA               | 0.50                    | 0.40                      | 0.10               | 0.35            | 1.35         |
|          | • Commission   | NA   | NA               | Nil                     | Nil                       | Nil                | Nil             | Nil          |
|          | • Others, please specify                             | NA   | NA               | Nil                     | Nil                       | Nil                | Nil             | Nil          |
|          | <b>Total (1)</b>                                     | -  | -                | <b>0.50</b>             | <b>0.40</b>               | <b>0.10</b>        | <b>0.35</b>     | <b>1.35</b>  |
| <b>2</b> | <b>Other Non-Executive Directors</b>                 |  |                  |                         |                           |                    |                 |              |
|          | • Fee for attending Board and its committee meetings | 0.40   | 0.25             | NA                      | NA                        | NA                 | NA              | 0.65         |
|          | • Commission   | Nil  | Nil              | NA                      | NA                        | NA                 | NA              | Nil          |
|          | • Others, please specify                             | Nil  | Nil              | NA                      | NA                        | NA                 | NA              | Nil          |
|          | <b>Total (2)</b>                                     | <b>0.40</b>  | <b>0.25</b>      | -                       | -                         | -                  | -               | <b>0.65</b>  |
|          | <b>Total (B)=(1+2)</b>                               | <b>0.40</b>  | <b>0.25</b>      | <b>0.50</b>             | <b>0.40</b>               | <b>0.10</b>        | <b>0.35</b>     | <b>2.00</b>  |
|          | <b>Total Managerial Remuneration</b>                 | 0.40   | 0.25             | 0.50                    | 0.40                      | 0.10               | 0.35            | 2.00         |
|          | <b>Overall Ceiling as per the Act</b>                | Rs. 49.41 lacs being 1% of the profit calculated as per section 198 of the Companies Act, 2013 |                  |                         |                           |                    |                 |              |

**C. Remuneration to key managerial personnel other than md/manager/wtd**

As per the provisions of Section 136(1) read with relevant proviso of Companies Act, 2013, the aforesaid information is excluded from this Annexure. Any member interested in obtaining such information may write to the Company Secretary at the registered office of the Company.

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

| S. No. | Type        | Section of the Companies Act | Brief Description   | Details of Compounding fees imposed | Authority [RD / NCLT / COURT] | Appeal made, if any (give Details) |
|--------|-------------|------------------------------|---|-------------------------------------|-------------------------------|------------------------------------|
| 1.     | Compounding | Section 87                   | Compounding fees paid for condonation of delay in filing two e-forms CHG-4 for satisfaction of charge to ROC, NCT of Delhi & Haryana. | Rs. 2,000/- for both e-forms.       | RD, North                     | No appeal made                     |

**'ANNEXURE –II'****FORM NO. AOC – 2****PURSUANT TO CLAUSE (H) OF SUB-CLAUSE (3) OF SECTION 134 OF THE COMPANIES ACT, 2013 AND RULE 8(2) OF THE COMPANIES (ACCOUNTS) RULE, 2014**

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms' length transactions under third proviso thereto

**1. Details of contracts or arrangements or transactions not at arm's length basis**

| SI No. | Name(s) of the related party | Nature of relationship | Nature of Contracts / arrangements/ transactions | Duration of Contracts / arrangements/ transactions | Salient terms of Contracts / arrangements/ transactions including the value if any | Justification for entering into such contracts or arrangements or transactions | Date(s) of approval by the Board | Amount paid as advance if any | Date on Which the Special Resolution was passed in general meeting as required under first proviso to section 188 |
|--------|------------------------------|------------------------|--|--|--|--|----------------------------------|-------------------------------|---|
| Nil    |                              |                        |  |  |  |  |                                  |                               |   |

**2. Details of material contracts or arrangement or transactions at arm's length basis**

| SI No. | Name(s) of the related party | Nature of relationship  | Nature of Contracts / arrangements/ transactions                             | Duration of Contracts / arrangements/ transactions | Salient terms of Contracts / arrangements/ transactions including the value if any                             | Date(s) of approval by the Board/ Audit committee | Amount paid as advance if any |
|--------|------------------------------|---|--|--|--|---|-------------------------------|
| 1      | Neel Metal Products Limited  | Public Company in which Director is holding more than 2% of its paid up share capital | Sale and Purchase of Goods or Material and availing or rendering of services | Ongoing Transactions                               | Transactions in the ordinary course of business and on arms length basis, based on transfer Pricing Guidelines | 30.05.2017 & 14.12.2017                           | Nil                           |

For and on behalf of the Board of Directors of  
JBM Auto Limited

Date: 06.08.2018  
Place: Gurugram

Sd/-  
Surendra Kumar Arya  
Chairman  
DIN : 00004626



**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2018**

**[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To  
The Members  
JBM AUTO LIMITED  
601, Hemkunt Chamber ,  
89 Nehru Place,  
New Delhi - 110019

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by JBM Auto Limited (hereinafter called the "Company"). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made under the Act;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made under the Act;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed under the Act;
- (iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made under the Act to the extent applicable to Overseas Direct Investment (ODI), Foreign Direct Investment (FDI) and External Commercial Borrowings (ECB).
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz:-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
  - i) SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

(vi) Other applicable laws specifically applicable to the Industry to which the Company belongs, as identified by the Management, that is to say:

- The Motor Vehicles Act, 1988
- The Petroleum Act, 1934
- The Environment (Protection) Act, 1986
- The Water (Prevention and Control of Pollution) Act, 1974
- The Air (Prevention and Control of Pollution) Act, 1981

I have also examined compliance with the applicable clauses of the following:

- I) Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI).
- II) Listing agreement entered into by the Company with BSE Limited ("BSE") and National Stock Exchange Of India Limited ("NSE").

During the period under review the Company has complied with the applicable provisions of the Acts, Rules, Regulations, Guidelines, Standards, and Listing Agreement etc. mentioned above.

#### **I further report that**

The Board of Directors is duly constituted with proper balance of Executive Directors, Non Executive Directors, Woman Director and Independent Directors. The change in the composition of the Board of Directors that took place during the period under review was carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions are carried through while the dissenting members views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

#### **I further report that during the audit period,**

1. Show cause notice dated 31.05.2018 was received from the Registrar of Companies (Delhi) for non-filing for form CRL-1 pursuant to the Companies (Restriction on numbers of Layers) Rules, 2017 read with section 2(84) of the Companies Act, 2013. Since, the Company has no subsidiary it is not applicable to it and the same has been conveyed to the Registrar of Companies (Delhi).
2. The Board of Directors has approved the scheme of Merger of JBM Auto System Private Limited and JBM MA Automotive Private Limited with the Company JBM Auto Limited in the Board Meeting held on 01.03.2018. The NOC from the stock exchanges (NSE & BSE) have been received by the Company on 04.06.2018 with few observations and suggestions.

The Company is in the process of seeking sanction of the scheme from NCLT Delhi and Mumbai.

3. During the year, the Company had filed two applications to the Regional Director, North ("RD") for condoning the delay in late filing of two e-forms CHG-4 w.r.t the satisfaction of the Charges. The RD has condoned the delay.

Place: New Delhi  
Date: 06.08.2018

Sd/-  
Sunita Mathur  
Company Secretary in Practice  
FCS No. 1743  
C P No.: 741

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

**'Annexure A'**

To  
The Members  
JBM AUTO LIMITED  
601, Hemkunt Chambers ,  
89 Nehru Place, New Delhi - 110019

Our report of even date is to be read along with this letter

1. Maintenance of Secretarial Record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations, happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: New Delhi  
Date: 06.08.2018

Sd/-  
Sunita Mathur  
Company Secretary in Practice  
FCS No. 1743  
C P No.: 741

## ANNEXURE – IV

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITIES (CSR) ACTIVITIES

A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

The Composition of the CSR Committee consisting of:

- i. Mr. Surendra Kumar Arya, Chairman
- ii. Mr. Nishant Arya, Member
- iii. Mr. Mahesh Kumar Aggarwal, Member

Average net profit of the Company for last three financial years

Average net profit: Rs. 3518.57 Lacs

Prescribed CSR expenditure (2% of the average net profit of the last three financial years)

The Company during the financial year 2017-18 was required to spend Rs. 70.37 Lacs towards CSR activities.

Details of CSR spent during the financial year:

- a. Total amount to be spent for the financial year Rs. 70.37 Lacs
- b. Amount unspent : NIL
- c. Manner in which the amount spent during the financial year is detailed below:

| (1)<br>Sl No. | (2)<br>CSR Project or activity identified | (3)<br>Sector in Which the project is covered                           | (4)<br>Location (Unit)                      | (5)<br>Amount Outlay | (6)<br>Amount spent on the project or programs | (7)<br>Cumulative expenditure up to the reporting period | (8)<br>Amount Spent : Direct or through implementing agencies |
|---------------|---|---|---|----------------------|--|--|---|
| 1             | Vocational Skills                         | Promoting education, including special education and vocational skills. | Plot No. 16, Sector-20B, Faridabad, Haryana | 70.37                | 72.37  | 72.37  | Directly by Company   |
| TOTAL         |   |   |   | 70.37                | 72.37  | 72.37  |   |

## Responsibility Statement by the Corporate Social Responsibility Committee:

The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.

Sd/-  
Sandip Sanyal  
Executive Director

Sd/-  
Surendra Kumar Arya  
Chairman  
CSR Committee



## **Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earning & Outgo required under the Companies (Accounts) Rule, 2014**

### **A. Conservation of energy**

#### **(i) Steps taken for conservation of energy**

Various energy conservation measures taken by the Company during the year under review are:

- a) Replacement of old equipment's with new and high rating equipment's.
- b) Discipline to switch off lights and machineries, when not working or not in use, is being maintained.
- c) Providing high accuracy welding controller in welding line to avoid current variation.
- d) Monitoring and analysis of electricity consumption and awareness training to users.
- e) Replacement of Mercury lamps with CFL/LED lights, wherever possible to conserve energy.
- f) Fitment of energy savers at many places to reduce energy consumption.
- g) Measures to make availability of natural lightings wherever possible to reduce the load on electrical lighting.
- h) Installation of energy Saving Drives on the machines to conserve energy.

#### **(ii) Energy cost reduction**

- a) At Faridabad unit of the Company, the Company has installed an Independent Electricity Feeder to avoid frequent electricity tripping.
- b) Also, at Faridabad unit the company has entered into an agreement with Indian Energy Exchange (IEX) for the purchase of electricity units at cheaper rates through the bidding process.
- c) Constant monitoring to maintain sustainable power consumption level which resulted in optimization of energy consumption.
- d) Minimized compressed air leakage through vigorous maintenance and quantification of leakage in plant, which resulted into reduction in air leakage.
- e) Energy Audit had also been conducted from time to time to avoid the wastages and to reduce the cost of energy.
- f) Installed energy efficient light (LED) in office areas.
- g) Installed energy efficient motors in paint shop which consumes average 30% lesser power than conventional motors .
- h) Using auto power cut off mechanism in paint booth oven based on temperature setting to reduce energy consumption .
- i) Use of IGBT based welding machines which consumes lesser power. Also it facilitates auto cut off of welding machines in case of exceeding specified idle time to reduce power consumption.

## B. Technology absorption

### (i) Efforts made towards technology absorption

R&D team is actively engaged in adapting world class futuristic Electric Vehicle (EV) technology from the joint venture partners M/s Solaris Bus & Coach, S.A. , Poland. Entire 100% Electric Vehicle integration technology is being learnt and indigenized in association with our JV partner. A team of our R&D engineers have travelled M/s Solaris Bus & Coach, S.A. , Poland and learnt the important aspects of Electric Vehicles aggregates and integration.

### (ii) The benefit derived like production improvement, cost reduction, product development or import substitution

This technology adaption resulted in New Product Development of Electric Vehicles platform and variants, better performance of Buses and unique features for Indian market.

### (iii) Information regarding imported technology (Imported during the last three years)

| Detail of Technology Imported   | Year of Import | Whether the Technology been fully absorbed |
|---|----------------|--|
| No Technology imported  | 2017-18        | NA   |
| 1. Adaptation of 100% Electric Vehicle (EV) technology<br>2. For manufacturing of subframe component, front suspension, LWR arms assembly R/L for Honda WRV | 2016-17        | Yes  |
| No Technology imported  | 2015-16        | NA   |

### (iv) Expenditure incurred on research and development

| Sl. No. | Particulars         | Amount Rs. in Lacs |
|---------|---------------------|--------------------|
| (a)     | Revenue Expenditure | 1383.96            |
| (b)     | Capital expenditure | 21.03              |
|         | <b>Total</b>        | <b>1404.99</b>     |

## C. Foreign Exchange Earnings and Outgo

| Particulars                                       | Amount Rs. in Lacs |
|---|--------------------|
| Foreign exchange earned in terms of actual inflow | 845.81             |
| Foreign exchange outgo in terms of actual outflow | 1194.28            |

## NOMINATION AND REMUNERATION POLICY

### Introduction:

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the listing agreement as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee and approved by the Board of Directors.

### Objective and purpose of the Policy:

The objective and purpose of this policy are:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the Auto Component industry.
- To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
- To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

### Effective Date:

This policy shall be effective with retrospective effect from 1st April, 2014.

Constitution of the Nomination and Remuneration Committee:

The Board has changed the nomenclature of Remuneration Committee constituted on 7th June, 2002 by renaming it as Nomination and Remuneration Committee on 30th May, 2014. The Nomination and Remuneration Committee comprises of following Directors:

#### Sr. No. Committee Members

1. Mr. Mahesh Kumar Aggarwal, Chairman (Independent Director)
2. Mr. Ashok Kumar Agarwal, Member (Independent Director)
3. Mr. S. K. Arya, Member (Non-Executive Director)

The Board has the power to reconstitute the Committee consistent with the Company's policy and applicable statutory requirement.

## Definitions

- Board means Board of Directors of the Company.
- Directors mean Directors of the Company.
- Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
- Company means JBM Auto Limited.
- Independent Director means a director referred to in Section 149 (6) of the Companies Act, 2013.

## Key Managerial Personnel (KMP) means-

- (i) Whole-time Director;
  - (ii) Chief Financial Officer;
  - (iii) Company Secretary;
  - (iv) Such other officer as may be prescribed under the applicable statutory provisions/ regulations.
- Senior Management means who are members of its core management team excluding Board of Directors and all members of the management one level below the Executive Director, including the functional Heads. Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

## Applicability

The Policy is applicable to;

- Directors (Executive and Non-Executive)
- Key Managerial Personnel
- Senior Management Personnel

## General

- This Policy is divided in three parts:

**Part – A** covers the matters to be dealt with and recommended by the Committee to the Board,

**Part – B** covers the appointment and nomination and;

**Part – C** covers remuneration and perquisites etc.

- The key features of this Company's policy shall be included in the Board's Report.



## **PART – A**

### **MATTERS TO BE DEALT WITH, PERUSED AND RECOMMENDED TO THE BOARD BY THE NOMINATION AND REMUNERATION COMMITTEE**

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

## **PART – B**

### **POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT**

- **Appointment criteria and qualifications:**

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

3. The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

- **Term / Tenure:**

1. **Whole-time Director:**

- The Company shall appoint or re-appoint any person as its Executive Director (Whole-time Director) for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

2. **Independent Director:**

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

However, if a person who has already served as an Independent Director for 5 (five) years or more in a company as on October 1, 2014 shall be eligible for appointment, on completion of his/her present term, for one more term of upto 5 (five) years only or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of 5 years only.

- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

- **Evaluation:**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

- **Mechanism for evaluating non-executive Board members:**

The performance evaluation of non-executive members is done by the Board annually based on the criteria of attendance and contributions at Board/Committee Meetings as also for the role played other than at Meetings.

- **Removal:**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

- **Retirement:**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

## PART – C

### POLICY RELATING TO THE REMUNERATION FOR THE WHOLE-TIME DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL

- **General:**

1. The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the approval of the shareholders of the Company and Central Government, wherever required.

2. The remuneration and commission to be paid to the Whole-time Director, if any shall be in accordance with the percentage / slabs / conditions laid down as per the provisions of the Companies Act, 2013, and the rules made thereunder.

3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director.

4. Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

- **Remuneration to Whole-time Director, KMP and Senior Management Personnel:**

1. **Fixed pay:**

The Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee.

The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

## **2. Minimum Remuneration:**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

## **3. Provisions for excess remuneration:**

If Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

### **• Remuneration to Non-Executive / Independent Director:**

#### **1. Sitting Fees:**

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. One lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

### **Board's Diversity Policy**

JBMA recognizes and embraces the benefits of having a diverse Board, and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage. A truly diverse Board will include and make good use of differences in the skills, regional and industry experience, background, race, gender and other distinctions between Directors. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately.

All Board appointments, whenever required shall be made on merit, in the context of the skills, experience, independence and knowledge which the Board as a whole requires to be effective.

The Nomination and Remuneration Committee ('the Committee') shall review and assess Board composition on behalf of the Board and recommend the appointment of new Directors, whenever the need for the same arises.

In reviewing Board composition, the Committee will consider the benefits of all aspects of diversity including, but not limited to, those described above, in order to enable it to discharge its duties and responsibilities effectively.

In identifying suitable candidates for appointment to the Board, the Committee will consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board.

# MANAGEMENT DISCUSSION & ANALYSIS

## A. OVERVIEW OF THE ECONOMY

### 1. Global Economy

The World Bank forecasts global economic growth to edge up to 3.1 % in 2018 after a much stronger than expected in 2017, as the recovery in investment, manufacturing, and trade continues, and as commodity exporting developing economies benefit from firming commodity prices.

Growth in advanced economies is expected to moderate slightly to 2.2 % in 2018, as central banks gradually remove their post crisis accommodation and as an upturn in investment levels off. Growth in emerging market and developing economies as a whole is projected to strengthen to 4.5 % in 2018, as activity in commodity exporters continues to recover.

**Source: Global economic prospects, January, 2018, World Bank**

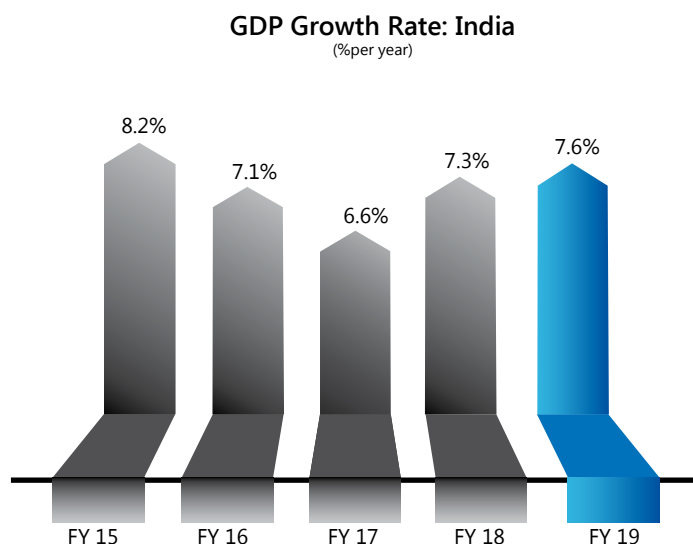
### 2. Overview of Indian Economy

Growth is increasing, making India the fastest-growing G20 economy. Investment and exports, supported by the smoother implementation of the new Goods and Services Tax (GST), are becoming major growth engines. Inflation will hover within the target band, with upside risks reflecting rising oil prices and an increase in housing allowance for public employees.

Fiscal and monetary policies are projected to remain broadly neutral. To reduce the relatively high public debt-to-GDP ratio, containing contingent fiscal liabilities is key, including through better governance of public enterprises. Better risk assessment in banks would allow allocating financial resources to the best projects and avoiding a new increase in non-performing loans. Investing more in education and training, combined with a modernization of labour laws, would help create better jobs and make growth more inclusive.

The economy is rebounding after the transitory negative impacts of demonetization and GST Reforms are gradually paying off, as confirmed by the recovery in industrial production and investment after several weak years. With capacity utilization rising, corporate earnings recovering and the recapitalization of public banks, investment has revived.

**Source: <http://www.oecd.org/economy/india-economic-forecast-summary.html>**



**Source: Asian Development Bank. Asian Development Outlook(ADO) 2018**

## **B. AUTOMOTIVE INDUSTRY IN INDIA IN FY 18**

The Automotive industry with a current annual production of 29.07 million vehicles during F.Y 18 and export of 4.05 million, is expected to be the world's third-largest automotive market by volume by 2026.

As the largest tractor manufacturer, second largest bus manufacturer and third largest heavy trucks manufacturer globally, India holds a strong position in the international heavy vehicles arena.

Known as the Sunrise sector of India, the USD 74 billion auto industry is expected to grow to USD 135 billion by 2020 and 300 bn by 2026 at a CAGR of 15%.

The sub-sectors contribution to the overall market (2017-18):

|      |                     |   |     |
|------|---------------------|---|-----|
| i.   | Two Wheelers        | : | 81% |
| ii.  | Passenger Vehicles  | : | 13% |
| iii. | Three Wheelers      | : | 3%  |
| iv.  | Commercial Vehicles | : | 3%  |

India's rapidly growing 5 auto hubs have a significant potential to be used as a base for export to South East Asia (SEA) and Middle East and North Africa (MENA) regions.

Source : <https://www.investindia.gov.in/sector/automobile>

### **I Investments**

In order to keep up with the growing demand, several auto makers have started investing heavily in various segments of the industry during the last few months. The industry has attracted Foreign Direct Investment (FDI) worth USD 18.41 billion during the period April 2000 to December 2017, according to data released by Department of Industrial Policy and Promotion (DIPP).

### **II Performance of the Auto industry in FY18**

#### **(a) The Automobile Production, Domestic Sales And Exports (No. of Vehicles)**

| Sl. No. | Category           | Production            |                       |              | Domestic Sales        |                       |              | Exports               |                       |              |
|---------|--------------------|-----------------------|-----------------------|--------------|-----------------------|-----------------------|--------------|-----------------------|-----------------------|--------------|
|         |                    | FY 17<br>(In Million) | FY 18<br>(In Million) | % Growth     | FY 17<br>(In Million) | FY 18<br>(In Million) | % Growth     | FY 17<br>(In Million) | FY 18<br>(In Million) | % Growth     |
| 1       | Passenger Vehicle  | 3.80                  | 4.01                  | 5.53         | 3.05                  | 3.29                  | 7.87         | 0.76                  | 0.75                  | -1.32        |
| 2       | Commercial Vehicle | 0.81                  | 0.89                  | 9.88         | 0.71                  | 0.86                  | 21.13        | 0.11                  | 0.10                  | -9.09        |
| 3       | Three Wheelers     | 0.78                  | 1.02                  | 30.77        | 0.51                  | 0.64                  | 25.50        | 0.27                  | 0.38                  | 40.74        |
| 4       | Two Wheelers       | 19.93                 | 23.15                 | 16.16        | 17.59                 | 20.19                 | 14.79        | 2.34                  | 2.82                  | 20.51        |
|         | <b>Total</b>       | <b>25.32</b>          | <b>29.07</b>          | <b>14.81</b> | <b>21.86</b>          | <b>24.98</b>          | <b>69.29</b> | <b>3.48</b>           | <b>4.05</b>           | <b>16.38</b> |



## (b) Current Scenario

The Indian Automotive sector has ended the first quarter of 2018-19 with a robust double-digit growth of 18.01 % across segments. Passenger Vehicles clocked a strong growth of 19.91 % at 8,73,501 units with the highest growth posted by Vans at 27.29 % with domestic sales of 55,078 units. Utility Vehicles recorded a 23.22 % uptick at 2,34,876 units & Cars registered a 17.98 % growth with sales of 5,83,547 units.

Commercial Vehicles were up 51.55 % at 2,30,095 units with the Medium & Heavy Commercial Vehicle segment growing 83.59 % at 89,027 units with Light Commercial Vehicles experiencing an upswing of 36.51 % at 1,41,068 units.

Growth in Two-Wheelers remained strong led by the Motorcycle segment as the rural market was up and consumers had more disposable income in their hands. The Three-Wheeler segment also posted a healthy growth of 54.01 % at 1,61,673 units.

| Segment                              | Domestic Sales (No. of Vehicle) April-June |                  | % Change     |
|--------------------------------------|--|------------------|--------------|
|                                      | 2017-18                                    | 2018-19          |              |
| Passenger Vehicle                    | 728,483                                    | 873,501          | 19.91        |
| Commercial Vehicle                   | 151,831                                    | 230,095          | 51.55        |
| Two-Wheelers                         | 4,897,622                                  | 5,677,343        | 15.92        |
| Three-Wheelers                       | 104,976                                    | 161,673          | 54.01        |
| <b>Grand total of all categories</b> | <b>5,882,912</b>                           | <b>6,942,612</b> | <b>18.01</b> |

## C. INDIAN AUTO-COMPONENT INDUSTRY

The Indian auto-components market contributes almost 7 % to India's GDP and employs as many as 19 million people. The auto components sector has been observing robust growth and turnover is anticipated to reach USD 200 bn by FY 26.

- Auto components exports could account for as much as 26 % of the market by FY 21.
- Auto component production in FY 19 is expected to increase 12 %-14%, on the back of robust growth in domestic and export market & favourable government policies such as Automotive Mission Plan 2016-2026, National Automotive Testing and R&D Infrastructure Projects (NATRiPs). The government has also extended the FAME Scheme from March 2018 to September 2018.

India is emerging as global hub for auto component sourcing. A cost-effective manufacturing base keeps costs lower by 10-25 per cent relative to operations in Europe and Latin America. Relative to competitors, India is geographically closer to key automotive markets like the Middle East and Europe. Global auto component players are increasingly adopting a dual-shore manufacturing model, using overseas facilities to manufacture few types of components and Indian facilities to manufacture the others.

### Investments and expansions in the Indian Auto sector

- Honda has decided to invest USD 124.13 million in India to introduce new products in the market and improve efficiency at its existing plants.
- KIA Motors has announced to invest USD 2 billion in India over the next two years to set up a manufacturing plant and develop a supplier base in Andhra Pradesh, India.
- Suzuki Motor Corp has lined up an investment of about USD 3 billion in the Indian market over the next three years as it aims to maintain its dominance of the Indian passenger vehicle market and ready itself for the next big leap into electric and hybrid vehicle technology. Of the USD 3 billion, almost USD 2.3 billion will be pumped in by Maruti Suzuki India Limited (MSIL) and the rest by manufacturing arm Suzuki Motor Gujarat for expansion of capacity.
- Tata Motors has announced that it will invest USD 1 billion in the Indian Markets for its new upcoming new Models in the next three years as above average growth spurs demand for newer cars.

## **D. INDIAN ELECTRIC VEHICLE SCENARIO**

### **Opportunities for Electric Vehicle in India**

Existing capabilities—including India's dynamic public and private-sector leadership, entrepreneurial culture, ability to build infrastructure right the first time, and a unique confluence of IT and manufacturing skills—could enable it to lead the world in advanced mobility solutions. India's current mobility system reflects many of the underlying properties of the emerging mobility paradigm. India could leapfrog the conventional mobility model and achieve a shared, electric, and connected mobility future by capitalizing on these existing conditions and building on foundational government programmes and policies. National policy, such as the National Electric Mobility Missions of 2020 (NEMMP) is designed to encourage EV deployment and manufacturing in India. The high share of services and low private-vehicle ownership supports service-oriented manufacturing. Recent policy announcements, private-sector activity, and headline news indicate significant convergence among key stakeholders. A transformed mobility future will require participation and collaboration across diverse Stake holder groups. India's public transit system is young and still being built, providing an opportunity to retrofit existing transport hubs and properly site new ones. The Government of India is a major investor in multimodal logistics and transport hub projects (e.g., Delhi-Mumbai Industrial Corridor). Private-sector service providers, especially TNCs and bus aggregators, are eager to fill India's Intermediary public transit gap.

The Indian Electric Vehicles market has so far been insignificant and largely dependent on demand incentives. Based on EVs' TCO attractiveness for customers and push/support from government, 4 possible scenarios can be identified:-

#### **(a) Rapid Transition**

This would be an ideal scenario where there is pull from the customer due to favorable TCO and there is infrastructure support from the government

#### **(b) Regulatory Push**

Due to push from government and mobility restrictions within major cities, customers would be compelled to purchase EVs

#### **(c) Market pull**

There is sufficient demand from the customers due to favorable TCO, however there is lack of government support for setting up charging and other supporting infrastructure

#### **(d) Business as usual**

With an unfavorable TCO for EVs and lack of push from government's would lead to minimal growth in EV penetration across segments. However, massive government push combined with improving TCO has widened the corridor of possibilities for India. RB analysis indicates that favorable TCO is in sight for Electric Vehicles variants of taxi, 2W & 3W segments if global warranty levels can be provided. While most countries globally have transitioned to EV via hybrids, Indian govt. plans to leapfrog to EVs thus bypassing hybrids and the government desires to do so with minimal incentives and by accelerating EV push in mass/public mobility applications. However, supply side challenges exist in India with OEMs, suppliers and research institutes significantly behind their global peers. Unlike global peers, Indian OEMs are dependent on EV tech. owners, divergent on their EV powertrain roadmap & are not working together. Suppliers are underestimating speed of change, while being 7-8 yrs. Behind global peers on tech. – Significant impending local threat from global peers. India has only a handful of institutes who have the resources, capabilities & collaboration experience to help Indian suppliers with basic EV technology.

### **Supply Chain For EV**

As E-mobility displaces conventional automobiles, the cost structure of vehicles is likely to change. The market for ICE components like engine and transmission could shrink gradually while key components and systems related to EV like traction motors and battery, charging technology, power electronics and EV software could see significant growth.

As per the study conducted by ACMA through Roland Berger, the opportunities for xEV component manufacturers are highly optimistic:

- BEV components are expected to grow to USD ~33 bn in India by 2025
- Core xEV components are expected to account for ~50-60% of the total vehicle cost
- Battery pack expected to remain the largest contributor by value (~30%)

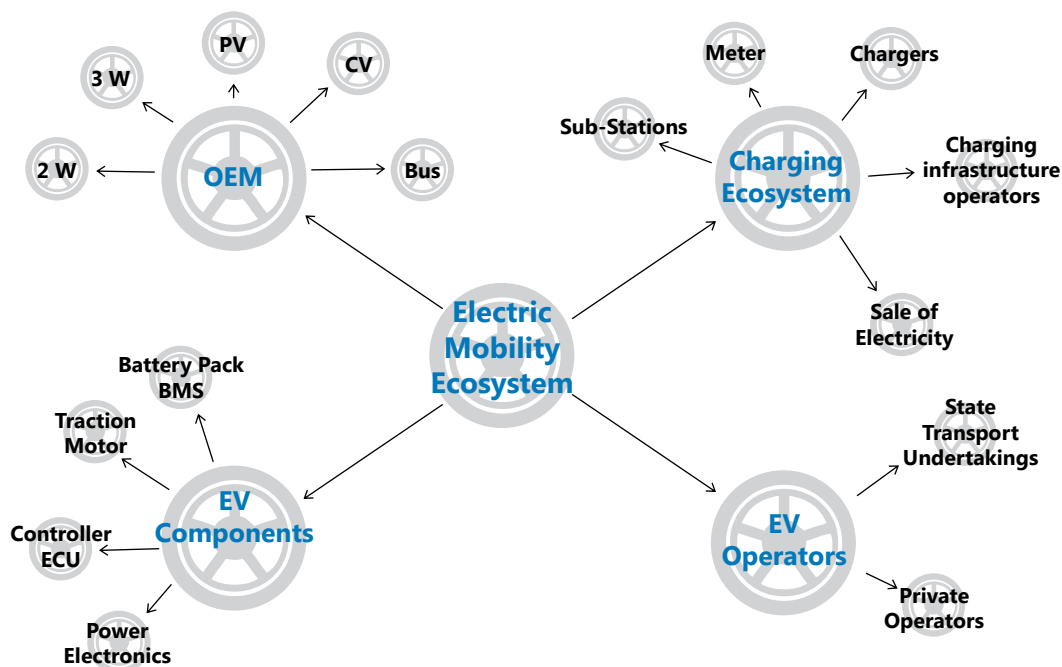
- High value components such as e-motor permanent magnets & Li-ion cells are expected to be imported unless there is a strong govt. & industry push

With evolving technology across key components, companies have enough room to expand their play. At the same time, new players are also entering the EV space—a possible cause for concern among traditional manufacturers unless they prepare for this disruption.

Automotive players in India could expand their play in these times of disruption through the following focus areas:

- Change the mix in the ecosystem:** The entry of EVs in the automotive landscape could change the balance of the industry. OEMs and suppliers may need to start competing for new sources of value addition to maintain their profit pools. Many unconventional partnerships are emerging, such as the foray of global tier-1 auto suppliers into the EV battery business via joint ventures with cell makers. Many EV startups have also mushroomed in the recent past, inspired to replicate the success of a few players. OEMs and component players in India need to figure out opportunities to protect and expand their market share. Interestingly, the established players and EV specialists are trying to develop a presence across most parts of the value chain, while emerging players are selective about their role—venturing into areas like design and engineering, marketing and sales, distribution and charging services.
- Build new competencies:** As EVs take off in India, most automotive players may need greater access to new technical talent not only in software and power electronics but also across commercial and supply chain functions. In addition, there could be a need to build new technology assets like testing facilities, rapid prototyping, and product/ UI design capabilities. Automotive players in India need to assess such needs and find ways to build EV competencies in their existing talent pool or acquire from outside.
- Improve performance:** This could include reducing battery cost and charging time and increasing EV driving range. Globally, battery prices are dropping due to technology and scale improvements—this could affect battery prices in India as well. Additionally, automotive players in India could explore ways to make charging as convenient as refuelling. Battery swapping could be a solution, especially for vehicles like two wheelers and three-wheelers, where product standardization is easier (subject to charging time, ease of swapping, scheduling and routing of vehicles).
- Build scale:** Battery and EV component manufacturers in India need to figure out strategies to develop scale and to make local manufacturing feasible. Going with the conservative estimate of 10 GWh, approximately 200,000 to 500,000 four wheelers (10-20 kWh) and 1.5 million to 2 million two wheelers (3 kWh) sold in a year need to be electric to create the required scale. This seems achievable even excluding the replacement battery demand.

#### Ecosystem for Electric Vehicle



- **EV Manufacturing Capability: 2030**

As per various estimates, of the nearly ~12 mn passenger cars that will be sold in 2030, nearly 30-35% of this will be EV, which means nearly 3.6 mn passenger cars will be EV. To support this kind of volume sales, easily a capacity planning of 6-8 mn will have to be done, off course in a gradual manner. As per our estimates:

- we see at least 1 mn capacity creation happening by FY19.
- Till then Mahindra & Mahindra will take lead in the market by creating capacity of 60,000 Electric Passenger Cars.
- Rest will be catered by MNCs like Nissan, Hyundai etc, which might take leap of faith and have their manufacturing plant in India.

For 2W industry, it will have to create manufacturing capacity of 7 million, 3 Wheeler industry will have to at least 1 million manufacturing capacity for EVs.

- **Battery Manufacturing Capability**

The Central Electrochemical Research Institute (CECRI), Karaikudi in Tamil Nadu, has set up the first indigenous Li-ion fabrication facility that has applications in defence, solar powered devices, railways and other high end usages. However, for large scale commercial use, India doesn't have any battery manufacturing capability for catering to the Electric Vehicle Industry and as result most of the battery requirement is met through imports. The largest Indian electric 2W manufacturer, Hero Electric, imports battery cells from Japan & the battery management electronics have been indigenously made for its vehicles. Ministry of Heavy Industries has announced its intent to set up manufacturing facility with Bharat Heavy Electricals Limited entailing an investment of Rs 1 bn. Suzuki, Toshiba, Denso has also announced that it plans to build lithium-ion batteries for electric vehicles in India and will establish manufacturing plant in Gujarat.

- **Potential in Retrofit of Petrol & Diesel vehicles to hybrid electric**

In a bid to further curb vehicular pollution in the country, the government of India has announced its decision to allow retrofitting of hybrid electric kits in old cars. Now car owners will be able fit aftermarket hybrid systems and electric kits in their old petrol or diesel cars. That said, the government has directed some key norms and rules for retro fitment of these kits to avoid cases of spurious systems and kits. The statement issued by the Ministry of Road Transport and Highways says, "The Retro fitment of hybrid electric system kit to vehicles having Gross Vehicle Weight not exceeding 3,500 kg shall be permitted if, it conforms to Bharat Stage-II or subsequent emission norms, and it was not retrofitted earlier." The statement also added that this applies to the vehicles that meet emission norms and are run on either diesel or petrol only. Ministry has asked global automotive technology companies Bosch and Cummins to provide retrofitting technology. The cost of such conversion is expected to be a little less than Rs. 1 lakh. In fact the government also plans to ask heavy industries ministry to incentivize people going for retrofitting under its national electric mobility mission. The Ministry has clearly mentioned in its statement that owners will have to get these hybrid electric systems and electric kit installed by authorize installers only. These installers will be approved by the registered manufacturer or supplier of such kits. It has also been stipulated that the kit manufacturer or supplier will have to obtain proper approval certificate from a specified test agency and such certificate will be valid for three years from the date of issue.

- **Potential for Automotive Manufacturers**

The government is working on a scheme to provide electric cars on zero down payment for which people can pay out of their savings on expensive fossil fuels, for becoming 100 per cent electric vehicle nation by 2030. Initially the government can handhold the electric vehicle industry for 2-3 years to help it stabilize. State-owned Energy Efficiency Services Ltd (EESL) has invited global bids for 10,000 electric sedans that will run up to 150 km on a single charge, for use by government departments. Vital to the success of electric vehicles is adequate charging infrastructure in the area where they operate. EESL has also floated tenders for 3,000 alternating current (AC) charging points and 1,000 direct current (DC) ones. 400 chargers will be provided in the first phase at different locations in Delhi-NCR. They will be deployed by NTPC and Power Grid depending on the demand. Use of electric cars has been incentivised under the Faster Adoption and Manufacturing of Hybrid Electric Vehicles (FAME) scheme, which has been in operation since April 2015. The National Electric Mobility Mission Plan seeks to have 400,000 electric vehicles on India's streets by 2020. However, electric cars have a tough road to travel. Sales of electric vehicles and hybrids declined to 25,000 units in 2016-17 from 32,000 the previous year. Several states are also in talks with manufacturers to introduce electric buses for use in public transport. Electric vehicles are a part of the government's plan to reduce dependence on costly and polluting fossil fuels.

## • Opportunity for Battery Manufacturers

The Indian Battery market is projected to grow at a CAGR of 16.5% by 2020. The Lead-acid battery industry caters to two broad market categories: automotive and industrial and finds wide application in transportation, communications, power and railway industries. The automotive and communications sector account for 90% of total lead-acid battery consumption. The automotive space comprises the OE market and the replacement market. Driven by the increasing vehicle density in the country, the Automotive Battery industry is witnessing an exponential growth. According to estimates, in a few years, the demand for the automotive start-stop battery and energy storage battery is expected to present a CAGR of 30%-40%, and the battery for low-speed electric vehicle reach a CAGR of around 25%-30%. The Indian auto industry, the feeder industry for automotive batteries, is one of the top ten in the world. Greater affordability, an upwardly mobile rural population, shifting demographics, have all combined to the burgeoning growth of the sector. Major international companies are evincing interest in emerging markets like India and for strategic partnering with Indian companies to participate in this promising market.

## • India has a Leap Frog Opportunity

Existing capabilities—including India's dynamic public and private-sector leadership, entrepreneurial culture, ability to build infrastructure right the first time, and a unique confluence of IT and manufacturing skills—could enable it to lead the world in advanced mobility solutions. India's current mobility system reflects many of the underlying properties of the emerging mobility paradigm. India could leapfrog the conventional mobility model and achieve a shared, electric, and connected mobility future by capitalizing on these existing conditions and building on foundational government programmes and policies. National policy, such as the National Electric Mobility Missions of 2020 (NEMMP) is designed to encourage EV deployment and manufacturing in India. The high share of services and low private-vehicle ownership supports service-oriented manufacturing. Recent policy announcements, private-sector activity, and headline news indicate significant convergence among key stakeholders. A transformed mobility future will require participation and collaboration across diverse Stake holder groups. India's public transit system is young and still being built, providing an opportunity to retrofit existing transport hubs and properly site new ones. The Government of India is a major investor in multimodal logistics and transport hub projects (e.g., Delhi-Mumbai Industrial Corridor) and prospecting more. Private-sector service providers, especially Trans National Companies (TNCs) and bus aggregators, are eager to fill India's Intermediary public transit gap.

## • Implications for India

The electrification of powertrain is inevitable - traditional powertrain component suppliers must act now or else risk losing the EV opportunity to Chinese OEMs and component manufacturers. And with aftermarket revenues and jobs at stake, the country cannot afford to lose the domestic component industry in her quest for EVs. Potential EV opportunities for local suppliers including parts & assemblies for e-motors, thermal mgmt., connectors & power electronics (excl. PDM1)) Engaging in technology tie-ups with global counterparts with strong regulatory support is a potential way forward for local suppliers. Suppliers need to then acquire technology through inorganic routes, given they are 7-8 years behind global counterparts. Suppliers need to next demonstrate capabilities to global & Indian OEMs and build initial scale through supply contracts with global OEMs.

## • Electric Vehicle launched in India

### i. Fully electric cars

Mahindra & Mahindra, Tata Motors have launched their fully electric Cars in India.

### ii. Buses

- India's first electric bus was launched in Bangalore in 2014 under the auspicious of Bangalore Municipal Transport Corporation.
- Ashok Leyland launched its electric bus in October 2016.
- Tata Motors launched its pure electric bus 'Starbus Electric 9m' and hybrid 'StarBus Electric 12m' in January 2017.
- Goldstone Infratech Supplied Himachal Pradesh Transport Corporation with electric buses in September 2017.
- JBM Auto Limited launched its first fully electric Bus 'Ecolife' in the Auto-Expo 2018.



## E. TIME TO MOVE AHEAD

"In line with the government's vision, the Company's focus is to bring path breaking innovation in the electric vehicle space. This vision is just the tip of the iceberg projecting the massive revolution that the country will witness with the adoption of more electric vehicles in the system. Eco-Life is our first offering in this direction. We are committed to offering a complete ecosystem solution for e-mobility, thus supporting a green and sustainable environment."

The new Eco-Life comes powered with a fast charging lithium batteries that can run 150-200 kms in 10-15 hours of city bus operation, depending on the traffic conditions. The lithium batteries are chargeable through pantograph as well as plug-in charging system. The Eco-life electric bus technology is adaptable to the city bus operation depending on demographic and geographic conditions.

### • Way forward

Government needs to define Electric Vehicles targets & plans which are long term, consistent & coherent across ministries, define standards & provide support. A long term consistent policy by the Indian govt. to create a volume certainty would help firm up e-mobility plans of the industry. While Government can help create Electric Vehicles demand through subsidies, infra & awareness, they can help manufacturers with tax benefits & other policy support. GoI needs to provide differential R&D support for large firms, MSMEs, start-ups & academia for future sustenance of capabilities. Indian suppliers need to swiftly catch-up on their EV technology & business readiness by technology acquisitions, collaborations & capability demonstrations. Indian OEMs need to keep a nimble Electric Vehicles powertrain strategy and work together & with the govt. to develop capabilities & roadmaps.

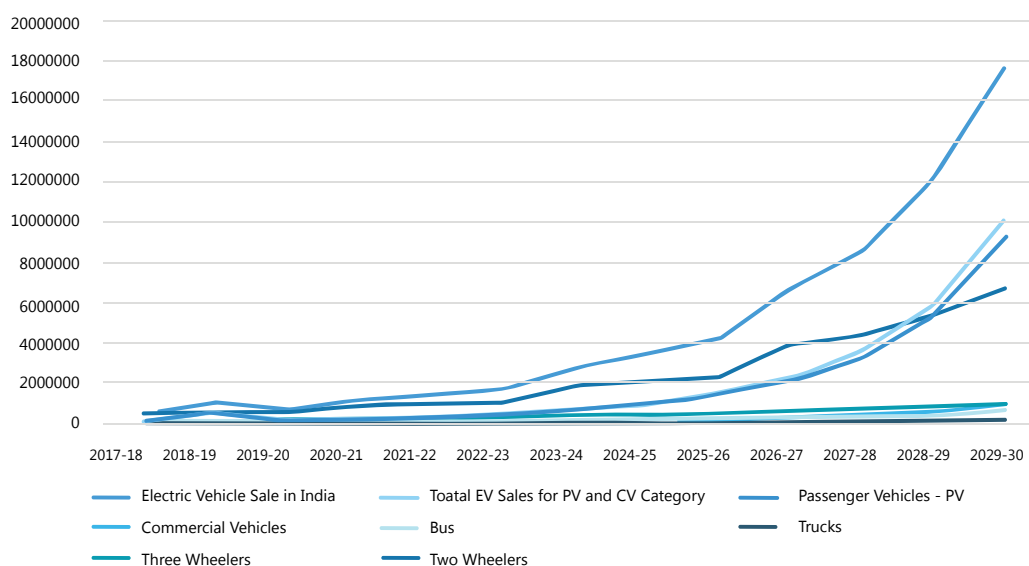
### • How it is beneficial to JBM

The Government of India is targeting 100% electrification in all Automotive Segments by 2030 / 32. Even based on conservative estimate, there will be need for multi-billion dollar charging infrastructure to cater to large population of e-vehicles in coming years. Ministry of Heavy Industries (MOHI) is actively promoting Electric Mobility through FAME I & FAME II policies.

Based on these conducive developments, the Group has decided to be a complete Ecosystem Provider for **Electric Mobility** with Vertical Integration of Electric Vehicles, Key Components / Aggregates along with Charging Infrastructure.

The estimated potential for metal forming parts to be used in EV parts is US 1 Billion for metal housings in battery, chargers, controllers and other similar parts. This high potential can add to our topline and bottomline. The group can forge strategic relationship with global players to provide the electric powertrain solution to end users in India.

Yearly EV Market in India 2018 to 2030



## F. YOUR COMPANY'S PERFORMANCE IN FY18

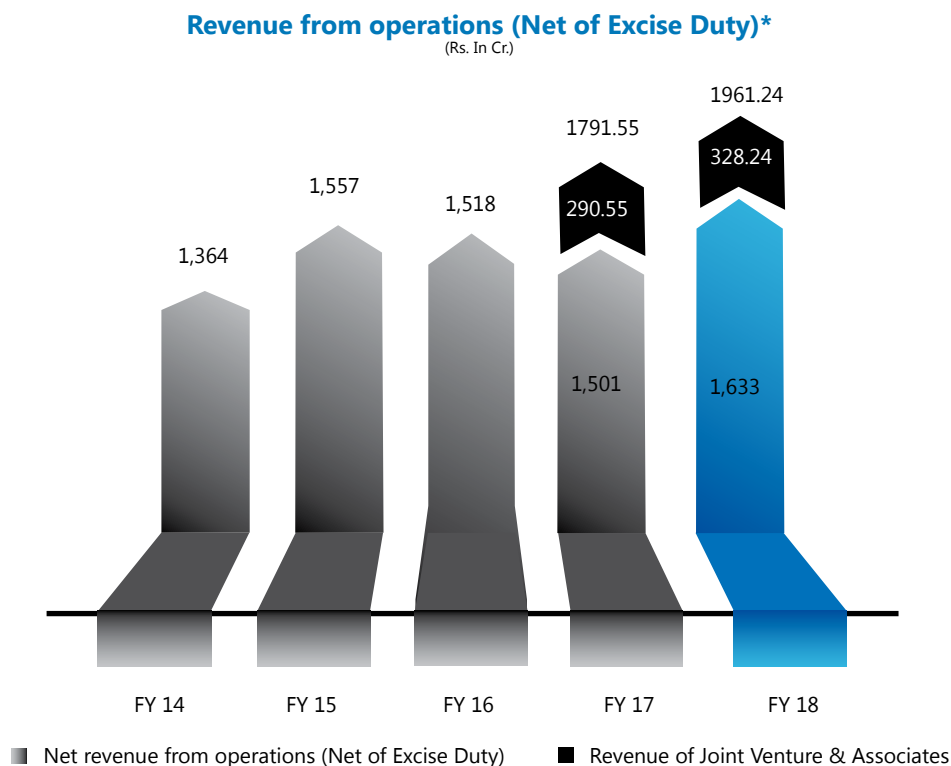
Your Company adopted Indian Accounting Standards ("Ind AS") from April 1, 2017 for the first time with a transition date of April 1, 2016. Accordingly these financial have been prepared in accordance with Indian Accounting Standards ("Ind AS").

During the year, the company has shown record performance in all aspects. Key Financial Highlights of your company during FY 18 are hereunder :

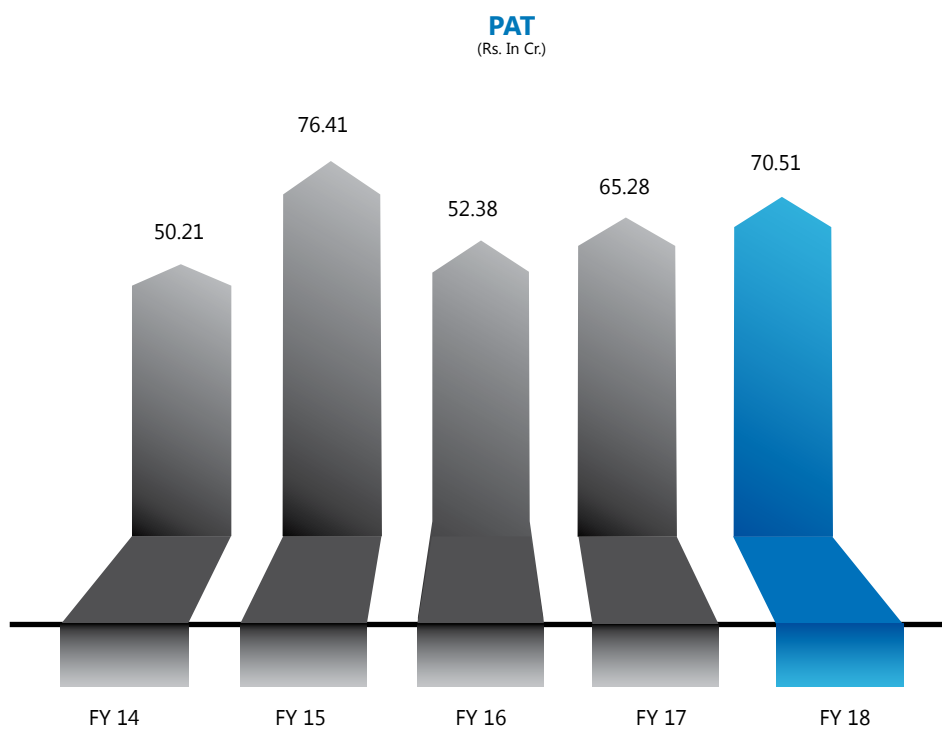
### Highlights of consolidated results :

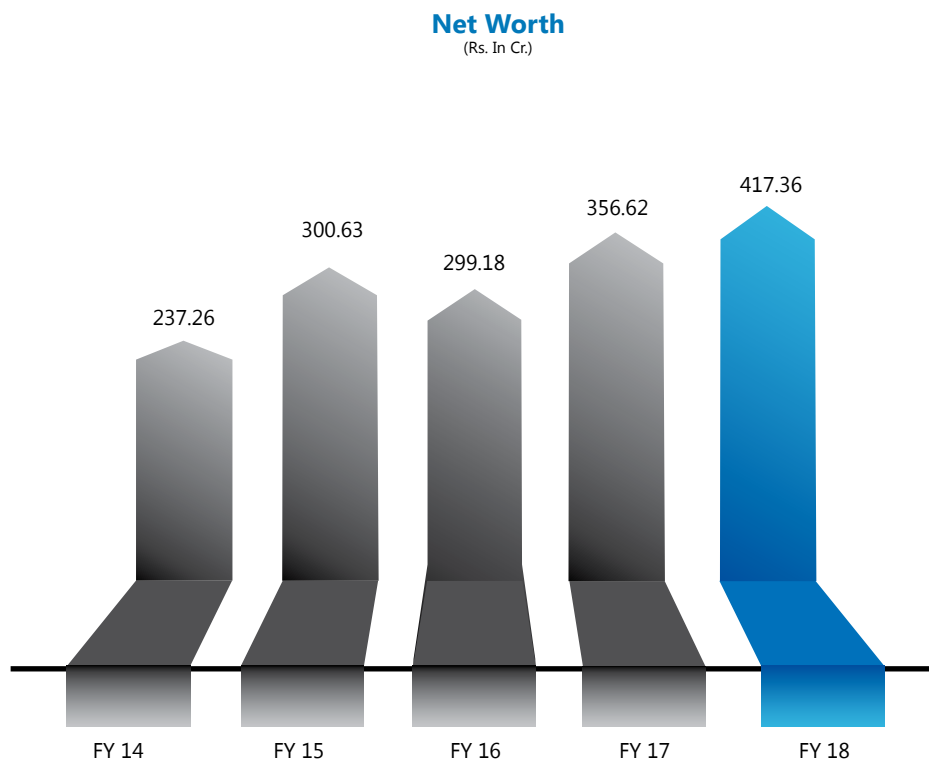
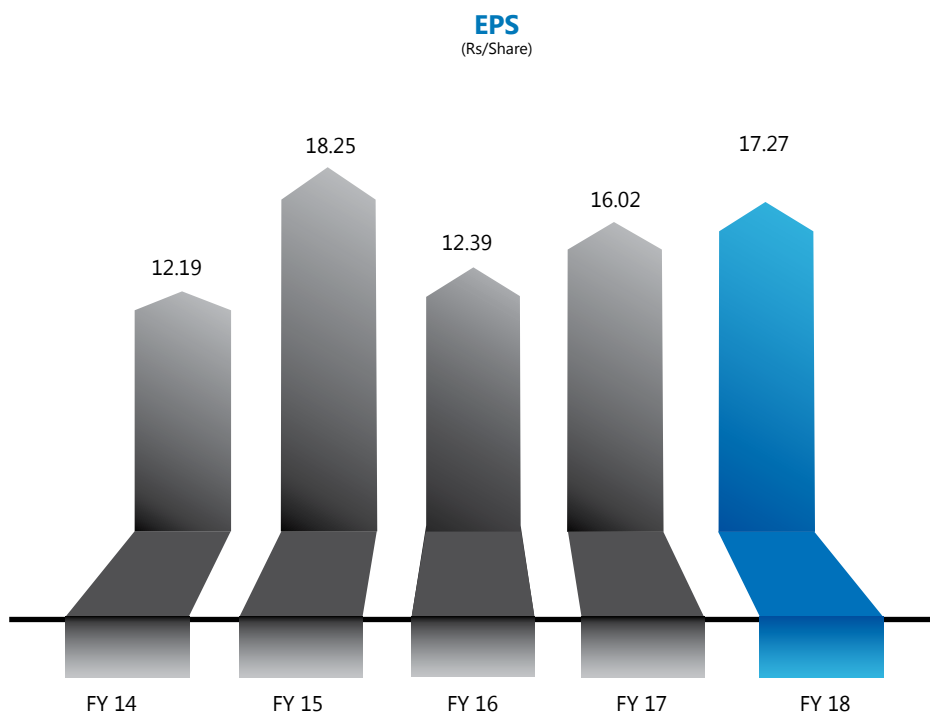
- Revenue from operations (net of excise duty) increased to Rs. 1,632.88 crore in FY 18 from Rs.1,500.92 crore in FY 17 registering a growth of 8.79 % due to higher sales by the Company to Ford India Pvt. Ltd., Mahindra & Mahindra, Tata Motors Ltd. and Volvo Eicher Commercial Vehicles.
- Total Comprehensive Income attributable to owners of the Company increased to Rs. 70.51 crore in FY 18 from Rs. 65.28 crore in FY 17, registering a growth of 8.01 %. The previous year profit includes exceptional income of Rs. 7.64 crore (before tax of Rs. 7.64 crore).
  - **Component Division** : Profitability improved due to higher sales, better capacity utilization and improved operational efficiency.
  - **Tool Room Division** : Profitability reduced due to deferral of some orders by the customers to the next financial year.
  - **OEM Division** : Efforts have been made during the financial year to develop new products/variants (both conventional and electric vehicle category), the benefits of which will be reflected from next financial year onwards.
- Net worth of the Company as on 31st March, 2018 stood at Rs 417.36 crore as compared to Rs. 356.62 crore in the previous year, registering an increase of 17.03 %.
- Book value per share has increased to Rs. 102.30 as compared to Rs. 87.42 per share in the previous year, registering an increase of 17.02 %.
- Earnings per share has increased to Rs. 17.27 per share as compared to Rs 16.02 per share in the previous year, registering an increase of 7.80 %.
- Long term Debt Equity ratio of the Company remains stable.

**Consolidated Performance of your company for past 5 year.**



\*The figures for FY 17 & FY 18 are as per Ind AS and it does not include the revenue (net of excise duty) of Joint Venture & Associates. However comparable consolidated revenue considering Joint Venture & Associates are also depicted above.



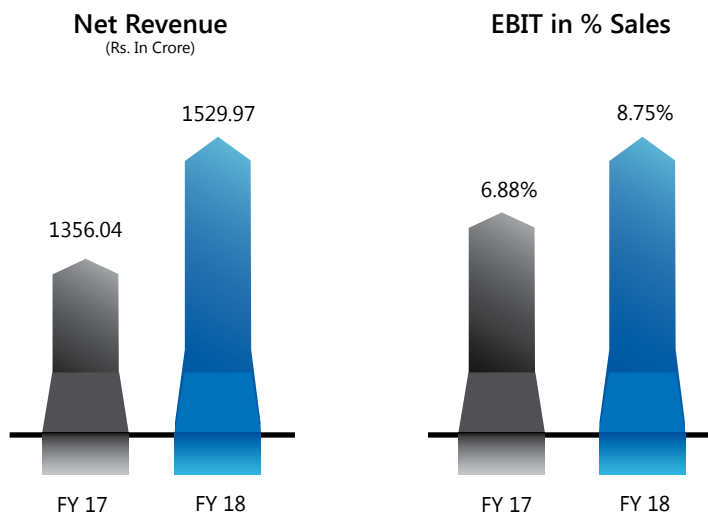


Note : The net worth upto FY 15 is as per Indian GAAP and net worth from FY 16 onwards is as per Ind AS which does not includes Preference share capital amounting to Rs. 60 crore (including security premium).

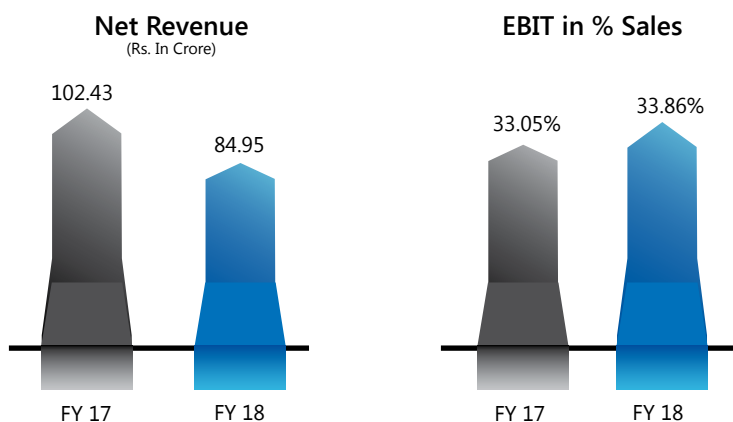
## SEGMENT WISE PERFORMANCE

The segment wise performance of the Company during FY 18 is as follows:

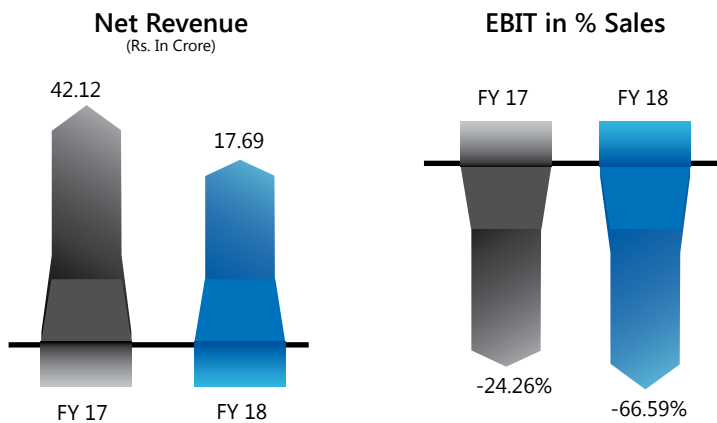
### COMPONENT DIVISION



### TOOL ROOM DIVISION



### OEM DIVISION





## G. BUSINESS OUTLOOK

### 1. COMPONENTS DIVISION

The Indian auto component industry has been witnessing a significant growth in the recent past and the trend seems to be continuing. Riding on the back of sustained growth, several new vistas are opening up in the wake of upcoming safety and emission norms. The market is upbeat and a buoyant end-user market with improved sentiments. A stable government, increased purchasing power, large domestic market, and an ever increasing development in infrastructure have made India a favorable destination for investment

Your Company focuses on the design, development and production of metal components and structure systems for the automotive industry and is a leading supplier of products which includes skin panels and closure parts, structural and body components, bumpers and dashboard crossbeams, chassis, suspension, exhaust systems, air tanks, fuel tanks, oil pan, bumpers, cowl assemblies etc.

The company has adopted various indigenous technologies delivering low cost products along with prototyping techniques that will eventually lead to reduction in product development cycle which will in turn lead to increasing business from Indian & Global OEMs. Your company has in-house surface treatment facilities for supplying the above components in painted condition as per Indian and Global OEM requirements. Over the years, JBM Auto Ltd has maintained a healthy share of business for supplying these parts across various models of leading OEMs.

Your Company has been enhancing its product range to cover the entire range of OEMs in the passenger & commercial vehicle, two & three wheeler, agricultural & construction segments. Company focus has been to move up the value chain from stampings to welded sub-assemblies, Skin Panels, intricate parts and other critical aggregates.

It has further progressed to Complete Cabin Building for several commercial vehicles OEMs. The integration level encompasses the cubing line installation to process maturation at customer and your company is now poised to undertake a major indigenization plan of Cabin & Chassis parts for a global commercial vehicle manufacturer which will replace the current parts imported from Europe & will eventually export these parts to other APAC plants of the OEM.

JBM Auto Ltd has technical collaboration agreements with leading global players for various product categories, which supplements its in-house product development capabilities and aids in adapting to OEM's changing technological requirements. The state of the art manufacturing plants provide an end to end solution to the customer by virtue of which your company has developed the capability of producing parts out of high tensile material to compensate for the overall vehicle weight reduction and to meet enhanced safety norms & aims to be a leading player in sheet metal industry.

For Passenger Vehicle segment, your company has been catering to the widest range of parts and assemblies. The portfolio in this segment is expanded by the addition of Pedal Box assembly. It has bagged the prestigious Pedal Box assembly business from a global major. On the export front, it has secured new business to serve the OEMs in France, Sweden and Japan.

Your company is evaluating an another segment of agricultural implements that includes Rotavator & its various variants, Potato Planter, Rice Planter and a host of other implements.

Your Component Division's Engineering team comprising of design, CAE & test team, working on chassis, suspension & pedal box development for different customers deploying the latest design software such as NX & Catia, CAE softwares such as Nastran & Hyperworks. Test facilities included range of actuators (5KN, 15 KN, 25 KN, 50 KN & 100 KN) in our test facility catering the test requirement for Chassis & pedal testing. To enhance the test lab capacity, test lab is recently expanded & added more facilities such as, Test beds, Climatic chamber (for conducting environment test), Abrasion tester, Salt Spray Chamber & Data Acquisition facility.

### 2. TOOL ROOM DIVISION

Your Company has started capturing new avenues by actively engaging in tooling localization for customers. New capabilities with respect to Engineering, Design and Manufacturing have been added that have resulted in improving the total cost of ownership for our customers eventually enhancing the market size for the company. Investing in capability and technology has reaped greater dividends for the company in terms of harnessing new products and customers across the industry spectrum. Successful consistent delivery of projects has enhanced the credibility immensely.

#### Moving up the value chain

- Becoming first choice for Import substitution of tooling for critical and high tensile parts.
- Major focus towards enhancing Die life by means of improved simulation, Robustness in design and manufacturing.
- Significant improvement in Quality by reducing Quality loops using CAE tools and skill upgradation initiatives.
- Successfully delivered turnkey Cabin development project thereby moving up the value chain.
- Graduating to technology sensitive domain of skin panel tooling thereby expanding the reach to OEM in-house tooling.
- Associated with leading OEMs as feasibility partners as part of early involvement in product design thus creating greater potential for becoming strategic tooling partner.

### 3. OEM DIVISION

Your Company has taken a few giant strides in the areas of New Product Development, acquiring new Customers and establishing City Bus operations in Noida city. A stellar representation was made in Auto Expo 2018 where your company unveiled 3 new Products and launched India's first 100% Electric Low Floor Bus on 12 meter platform - 'ECO-LIFE'. It also unveiled the 'SKOOLIFE' CNG variant which is targeted at the Premium Schools and 'CITYLIFE' CNG Non-AC variant for upcoming City Bus operations. All these new products showcased state-of-the-art technology comprising unique features such as monocoque structure, Independent Front suspension (IFS), Inverted Portal Axles (IPA), ITS/PIS, and Disc Brakes with ABS on all wheels, which provides superior ride and handling with enhanced safety. This year your company focused on acquiring new customers like Premium Schools and Bus Operator for staff movement. For this purpose, New variants were developed on CNG and Diesel Platforms. "SKOOLIFE" is currently operating in Premium Schools in NCR region and "BIZLIFE" is operating for staff movement at Chennai.

Our first-of-its-kind, truly low floor CNG 'CITYLIFE' Bus Operation is now the lifeline of citizens and visitors of Noida and Greater Noida, which is being operated by Noida Metro Rail Corporation (NMRC). The bus operations in Noida-Greater Noida was very successful with the fleet availability of over 99.50%. Ministry of Housing and Urban affairs, Govt. of India has conferred a special award to Noida-Greater Noida Bus operations under NMRC during their 10th Urban Mobility Conference cum Expo.

Your R&D department has launched many initiatives for development of its People & Products such as:

- Benchmarking activity- For finding better features in terms of design, Process, Initiatives for review mechanism of new product launch,
- Proto Facility- For validation & verification of design concepts.

Such initiatives will continue to bolster people development, deployment of technologies etc. Your R& D has a slew of new products under development for the launch in the next two years.

Joint venture formed between JBM Auto Ltd. and Solaris Bus & Coach, S.A. Poland is growing from strength to strength. JV has successfully developed India's First 100% Electric Bus on truly Low Floor Bus on 12-meter Platform. A slew of new products, 100% electric buses are planned on multiple platforms in the near future.

Your company has recognized E-mobility as one of the sunrise sector and evaluating on key component development. Apart from Electric Bus and Charging Infrastructure as a one-stop shop solution, company is now focusing at this priority area and detail plan is under development. This strategy, of developing in-house capabilities, is perfectly aligned with the future direction of growth and development of E-mobility which is being strongly supported by the Government of India.

### H. KEY RECOGNITION & ACHIEVEMENT

- During FY18, your Company has been awarded with the Special Award from **Noida Metro Rail Corporation** for the '**Best City Bus Project**' for the 'Citylife Buses' of the Company.
- During the FY18, your Company's Skill Development Centre has been awarded with the '**Saksham Sathi Award**' from Shri Manohar Lal, Hon'ble Chief Minister of Haryana for the commendable contribution under the Apprentice Act, 1961



- Your Company has secured 2nd Rank (35th Last Year) as one of the Wealth Creators by Fortune India among Next 500 Companies.



- During the year under review, your Company's efforts have been recognized in project localization, cost competitiveness, consistent level of quality, and exemplary delivery performance:

#### Best Kaizen Award from Tata Motors Ltd. (TML)



Considering the safe framework of Import Export standards and compliance, JBM Auto Ltd have been awarded with AEO T-1 (Authorised Economic Operator) by Central Board of Indirect Taxes and Customs (CBIC), Ministry of Finance, Government of India on July 20, 2018.

The Certificate will benefit the organization in the following manner for import and export by the Company:

- Direct Port Delivery import/export container.
- ID cards to authorized personnel for hassle free entry to Custom Houses, CFSs and ICDs.
- Separate space earmarked in Custodian's premises.
- 50% Reduction on Bank Guarantee.
- 24/7 clearances on request at all sea ports and airports.
- Seal verification/scrutiny of documents by Custom officers would be waived.
- Shorter cargo release time.
- Client Relationship Manager" (CRM at the level of Deputy/ Assistant Commissioner available at port who will act voice of AEO holder.

### Awards received by our Associates / Subsidiary Companies

- i. Our Associate Company, JBM MA Automotive Private Limited awarded with '**SUPPLIER EXCELLENCE AWARD**' by **Mahindra & Mahindra** in recognition of outstanding support rendered for FY18, at Vendor Conference in Croatia, Europe.



- ii. The subsidiary of the Company JBM Auto System Private Limited was awarded with the 'Q1 Certificate' in Jun-18 by Ford for meeting their Global quality and delivery standards.





## I. WORKING CAPITAL MANAGEMENT

Effective working capital management and fund planning help your Company attain operational efficiency. Our focus is on timely realization of receivables and on optimizing inventory levels based on JIT supply to customers. This enables us to reduce our working capital requirements. Your Company borrows funds from the banks with which it has credit, factoring/ invoice, and discounting facilities to avoid fixed interest liability.

## J. ENTERPRISE RISK MANAGEMENT

Your Company recognizes that risk is inherent in every business activities. Effectively managing these risks is key to achieve our strategic objectives and the long term sustainable growth of the business. Identification, treatment and mitigation of risk is done by the Company through an institutionalized approach that often calls for extensive cross-functional involvement.

The key risk areas are periodically and systematically reviewed by Senior Management. The Risk Management Committee also reviews and provides inputs for the significant risk. Some of the significant risk and their mitigation have been entailed below:

### i. Safety Risk

Safety is an ever-evolving journey. Your company strives to be at the forefront of this evolution. It follows a multi-pronged strategy, with additional emphasis on establishing a culture that promotes sound safety practices. The Company implements '5S' practice at its manufacturing facilities. Facilities that have already implemented 5S are, at present, focusing on enhancing the maturity stage of safety culture. Manufacturing facilities have adopted Safety Management practices based on the leading safety standards. Regular audits are conducted to assess the on-ground implementation of various processes. Critical safety incidents are studied by the senior leadership. The manufacturing locations work to reduce Man Machine Interface (MMI), identified as the key causes for some of the safety incidents.

### ii. Statutory Compliance Risk

The Company adheres to a diverse set of laws and regulations laid down by governments and regulatory bodies at the local, state and national levels. Failure to fulfil regulatory obligations might results in fines, penalties, damages and/or criminal actions. The Company is committed to complying with all laws and regulations as applicable. It monitors and adapts to significant changes in the legal systems, regulatory controls, customs and practices. Given the rapid pace of regulatory changes, the Company proactively analyses the impact of imminent changes well in advance. Cross-functional teams are set up, where necessary, to ensure seamless transition, as was evidenced in the implementation of Goods and Service Tax (GST) & Ind AS implementation.

### iii. Information Security And Disaster Recovery Risk

New and emerging technologies bring unprecedented threats to internet connected devices, while the rise in global hacking incidents indicate an increase in the motivation to launch cyber-attacks. The Company follows a five-element framework based on the life-cycle of data, which includes 'Where is the data stored', 'How does it move', 'Who accesses it', 'How is it accessed' and 'How is it processed'. A large number of initiatives have been undertaken to address the risk identified under each element.

Substantial investments have been made in advanced IT tools to enhance the Information Security capabilities. The Company also has a clear roadmap for the areas to be worked upon in all the elements. Disaster Recovery (DR) deserves significant attention considering the growing dependence on IT systems within the Company. Currently, backups are taken across the enterprise-wide applications. Depending on the critical nature of the IT system, replications are regularly put in place in one or both of the DR setups. Drills are conducted across all locations IT systems to test their efficacy.

### iv. High interest rates:

The automotive industry of India continues to face high interest rates, which could affect your Company. This could lead to possible risks that could arise due to stoppage of production of uncertain results of settlement negotiations leading to unpredictable cost structure.

### v. Higher competition:

Your Company operates in a highly competitive market. Moreover, customers have started adopting de-risking strategies to maintain more than one source for a product.



**vi. Human Capital risk :**

The Company finds it imperative to attract, retain and engage a talented pool of individuals at its plants and offices. The Company actively monitors its staff movements and works continuously to reduce shortages and inefficiencies.

**vii. Manufacturing Inputs Cost :**

Your Company depends on external factors such as power, fuel, consumables, packing and forwarding. These impact the company's manufacturing cost significantly which are beyond the company's control. Therefore, any significant rise in input cost may affect your company's overall profitability.

Your Company actively works on improving the operational efficiency of its plants and to mitigate the impact in case the input cost rises. Any increase or decrease in input costs is duly passed on to our customers.

**K. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company implemented suitable controls to ensure achievement of its operational, compliance and reporting objectives. In order to meet the robust internal control system in the organization, your Company has appointed M/s Mehra Goel & Co., Chartered Accountant as the Internal Auditors of the Company.

- The Company has adequate policies and procedures in place for its current size as well as for the growing future needs.
- These policies and procedures play a pivotal role in the deployment of the internal controls. They are regularly reviewed to ensure relevance and comprehensiveness both, and compliance is ingrained into the management review process.
- Deviations are addressed through various data analytics reports, run as a part of routine monitoring activities by exceptions. Corrective actions, if any, are taken promptly by the respective functions.
- As far as possible, automation of controls is emphasized within the process to minimise deviations and exceptions. Investment in advanced IT tools on an ongoing basis is one of the key means to achieve the automation.
- Adequacy of controls of the key processes is also being reviewed by the Internal Audit team. Suggestions to further strengthen the process are shared with the process owners and response and status of action plans, are also periodically shared and reviewed by the Audit Committee.
- The Company believes that every employee has a role to play in fostering an environment in which emphasis on compliance with regulations and ethical behaviour is accorded due importance. Towards this, sessions are periodically held to increase employee awareness on the Company's code of conduct.

**L. HUMAN RESOURCE AND INDUSTRIAL RELATIONS**

The HR Process of the Company are being strengthened by thorough re-look for all its sub processes. The focus has now shifted from transactional to transformational HR. HR has started functioning like business partner now and complete restructuring from Corporate to unit level has taken place. Automation is a focus area for building efficiency and uniform employee experience.

The units are also encouraged to develop themselves to become benchmarks in Management and Technical areas called 'Center of Excellence' and share their learning with other units for Operational Excellence.

Performance Management System is key driver for growth therefore building Competencies and Systems is a focus area for Driving and building culture of Performance orientation.

Employee engagement is one of the strength of your company and regular Employee engagement surveys are conducted and actions are taken on the findings. Activities like sports, annual days, Environment day, Special weeks on Safety, Energy Conservation and Quality, Women's day, Yoga Day are regular happening activities.

**M. LEADERSHIP DEVELOPMENT PROGRAMS**

The major focus of the Company is on making the company ready not only for meeting present needs but also becoming future ready. For this a complete revamp of the Learning and Development process is underway. Leadership development for capability building is of top most priority. All the units of your company are developing the internal trainers and subject matter experts for imparting five kinds of training internally. These topics are segregated into Essentials, Organizational Thrust Area, Behavioral, Process improvement and Functional. 50 standard Training modules are being developed for uniform learning experience across all the plants.

Apart from this, company has nominated its first batch for the **VLFM** Program (Visionary Leaders for Manufacturing Program) for its next line of Leadership. VLFM was launched in 2006 by **CII (Confederation of Indian Industry)** in partnership with **JICA (Japan International Cooperation Agency)**, **Government of Japan & NMCC (National Manufacturing Competitiveness Council)**. VLFM Program is now being coordinated by **DIPP (Department of Industrial Policy & Promotion)** and recognized as one of the “**Make in India**” initiatives towards supporting growth of Indian Manufacturing.

The company has 838 Permanent employees as on March 31, 2018. The Industrial Relations remained peaceful and cordial throughout the year.

## N. SKILL DEVELOPMENT

Your Company has a modern Skill Development Centre at Faridabad to develop employable manpower in the manufacturing sector to meet the Company's present and future personnel requirements, especially for tool and die making, CNC machining, fitting and assembly, and structure fabrication. Dual system of training provides the trainees with an opportunity for classrooms and on-the-job training at plants. Our Skill Development Center is registered as a Vocational Training Provider (VTP) under the Skill Development Initiative Scheme (SDIS) of the government of India.

### Skill Development Centre achievement

- Participated in Haryana State Skill Competition and Secured First Position in Zonal Skill and Second Position at State Skill Competition- Welding Trade.
- Awarded as winner for Sakasham Sathi Award by Chief minister of Haryana State.
- Trained more than 5000 candidates in Last five years out of which 1500 in year 2017-18.
- MoUs with Skill Development Missions of different States viz. Jharkhand, Madhya Pradesh, Chhattisgarh, Haryana, Uttarakhand and North eastern states.
- National Brand Ambassador declared by Ministry of Skill Development.



## O. RESEARCH & DEVELOPMENT

Your Company focuses on developing in-house R&D capabilities in three major areas – OEM Division, Components Division, and Tooling Division. Our customer requirements and business targets drive the strategic approach for developing R&D capability.

Kosi plant of the company has an inhouse R&D center recognised by DSIR, Government of India since 2015-16.

## • OEM Division

State-of-the-art R&D center at OEM Division constantly works on the design and development of new models of Buses. R&D Center is fully equipped with world class R&D facilities like a CAD design center, Bus prototype development facilities, vehicle testing & validation facilities and a dedicated test track.

R&D team comprises of professional experts from various domain and global design experts. This R&D Centre is a recognized in-house R&D Unit by the Ministry of Science and Technology, Department of Scientific and Industrial Research, Technology Bhavan, New Mehrauli Road, New Delhi. Its main objective is to develop new technology based models to cater emerging market needs. It has already designed, developed, and homologated true low floor CNG, Diesel and 100% Electric Bus platforms successfully based on advanced global technologies.

Your Company's R&D team has worked on some new products this year also. First one is on 12-meter 100% Electric Vehicle Development. Other development includes UBS II compliant, 300 HP Diesel Engine Based CITYLIFE. This involved completely Indigenous NVH Package development to achieve saloon noise level of 72 dB "A".

This year, Your company participated in AUTOEXPO 2018 at Noida. This event witnessed a stellar launch of locally developed 100% Electric 12m Low Floor Bus "ECO-LIFE". Other variants of 12-meter 230 HP CNG School Bus "SKOOLIFE" for Premium Schools and Non-AC bus CITYLIFE for City Bus operation were also unveiled in AUTOEXPO 2018.

Currently your Company's R&D has undertaken development of various new platforms in 100% Electric Buses and cost competitive 12m CNG/Diesel Buses for the mass market.

Going forward, R&D center will continue to focus on product development as per forthcoming regulations while delivering value by enhancing product performance, especially NVH (noise and vibration) reduction and fuel efficiency enhancement. It will continue to focus on producing environment friendly vehicles that will enhance cost efficiency and overall ownership cost in the entire product portfolio.

**Capability Enhancement:** Your Company has created an organization structure and process of TNI (Training Need Identification) that helps to strengthen the core design, electrical and electronics and validation/testing functions.

## • Component and Tooling Division

Your company has been progressing rapidly in the arena of being a full service supplier in the field of Chassis and suspension. Recently the entire range of Pedal Box assembly has been taken into the Design & Development fold to provide complete array of services that encompass design, development, prototyping, testing and validation. Your company is actively expanding the portfolio to light weighting and alternate materials to meet the emerging needs of safety, emission norms and the EV segment. We will be foraying into Carbon Fibre, Composite materials, Plastic, Aluminium, High Strength low Alloy (HSLA) etc. Our engineers have been trained in Japan are well versed in the design, development and testing aspects. It has also commenced full circle testing facilities to various OEMS from the world class test lab established, up and running. Company is actively engaged with the prestigious OEMs in the early stages of development providing complete solutions enveloping bench marking and VA/VE.

## P. ENVIRONMENT, HEALTH, AND SAFETY (EHS)

Environment, Health and Safety (EHS) is one of the primary focus areas for your Company. The Company considers compliance to statutory EHS requirements as the minimum performance standard and is committed to go beyond and adopt stricter standards wherever appropriate. All the Company's manufacturing facilities are certified to the ISO environment certification. Therefore, the Company is committed to:

- a) Establish measure, monitor, assess and continuously improve health, safety and environmental performance through compliance management and control of hazardous waste.
- b) Comply with all environmental, occupational health & safety (OH&S) and other statutory/regulatory requirements.
- c) Regularly upgrade knowledge and skills of employees through training and development.
- d) Effective management of operational activities to minimize the adverse impact of operations on the environment, health and safety.
- e) Implement effective policies for environment conservation.
- f) Establish an environmental health and safety management team continually monitors, sets, and reviews the environment, health and safety objectives and targets.
- g) Reduce waste and implement effective recycling of waste at manufacturing operations.

The Company will continue to align its business development to support inclusive growth, social equity, and concern for the environment, creating value for all its stakeholders.

## Q. THE ROAD AHEAD

According to the Society of Indian Automotive Manufacturers (SIAM), Indian automotive sector today is a \$74 billion industry and by 2026, the industry is expected to achieve a turnover of \$300 billion- clocking a CAGR of ~ 15 %. The Automotive Mission Plan 2016-26 (AMP 2026) is the collective vision of Government of India (Government) and the Indian Automotive Industry on where the Vehicles, Auto components, and Tractor industries should reach over the next ten years in terms of size, contribution to India's development, global footprint, technological maturity, competitiveness, and institutional structure and capabilities.

The Indian Auto Component industry is among a few sectors that have a distinct global competitive advantage in terms of cost and quality. JBM AUTO LIMITED focuses on end-to-end product solutions, from product development to manufacturing with the promise of reliability and technological contemporaneity. JBM AUTO LIMITED is clearly positioned as a technology leader across product lines, backed by strong R&D and strategic JV partner having the latest technology across segments. Innovation and constant up gradation of products with enhanced features has been a key business strategy.

While on the one hand, the Indian Automotive market is witnessing the increased participation of global players, the shortened product life cycles, on the other hand, are opening up bigger opportunities for Indian OEMs to become global players in the true sense. It is also an opportunity for India to become a global hub for automotive components.

The Indian Auto Component market is likely to see regulatory changes in the near future with an emphasis on mandatory vehicular safety features such as air bags and reverse parking sensor systems. Many products, considered premium features today, will become part of the standard kit in the coming years. At JBM AUTO LIMITED, we continuously evaluate our product portfolio and its technological readiness for the future, in the face of challenges posed by both emerging and disruptive technologies.

## DISCLAIMER

***The information and opinion expressed in this section of the Annual Report consists of 'outlook' which the management believes are true to the best of its information at the time of preparation. The Company shall not be liable for any loss, which may arise as a result of any action taken on the basis of the information contained herein.***

## REPORT ON CORPORATE GOVERNANCE

In accordance with Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI LODR") read with the disclosure requirements relating to the Corporate Governance Report contained in Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the details of compliance by the JBM Auto Ltd. (JBMA) with the norms on Corporate Governance are as under:

### 1. PHILOSOPHY OF THE COMPANY ON CORPORATE GOVERNANCE

Corporate Governance represents the value, ethical and moral framework based on which business decisions are taken. The investors want to be sure that not only their capital is handled effectively and added to the creation of wealth, but the business decisions are also taken in a manner which is not illegal or involve moral hazard.

Your Company's philosophy of corporate governance is based on integrity, respect for the laws & compliance thereof and transparency & accountability in all facets of its operations. Corporate Governance is about transparency, accountability, fairness, professionalism, social responsiveness, complete disclosure of material facts and independence of the Board

Your Company perceives good corporate governance practices as key to sustainable corporate growth and long term stakeholder value creation. The primary objective is to develop and adhere to a corporate culture of harmonious and transparent functioning, increasing employee and client satisfaction and enhancing stakeholders wealth by developing capabilities and identifying opportunities that best serve the global value creation.

Your Company endeavors its best to constantly comply with these aspects in the letter and spirit, in addition to the statutory compliances as required under Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### 2. GOVERNANCE STRUCTURE

Your Company's Governance structure broadly comprises the Board of Directors and the Committees of the Board at the apex level and the Management structure at the operational level. This layered structure brings about a harmonious blend in governance as the Board sets the overall corporate objectives and gives direction and freedom to the Management to achieve these corporate objectives within a given framework, thereby bringing about an enabling environment for value creation through sustainable profitable growth.

#### Board of Directors

Your Company's Board has an appropriate mix of Executive and Non-Executive Directors. The Non-Executive Directors including Woman and Independent Directors impart balance to the Board and bring independent judgment in its deliberations and decisions. The Board plays a pivotal role in ensuring that the Company runs on sound and ethical business practices and that its resources are utilized for creating sustainable growth and societal wealth. The Board operates within the framework of a well-defined responsibility matrix which enables it to discharge its fiduciary duties of safeguarding the interest of the Company, ensuring fairness in the decision making process, integrity and transparency in the Company's dealing with its members and other stakeholders.

The Company has a three-tier governance structure:

#### (i) Strategic supervision

The Board of Directors occupies the top most tier in the governance structure. It plays a role of strategic supervision that is devoid of involvement in the task of strategic management of the Company. The Board lays down strategic goals and exercises control to ensure that the Company is progressing to fulfill stakeholders' aspirations.

#### (ii) Strategic management

The Strategic Management is composed of the senior management of the Company and operates upon the directions of the Board.

#### (iii) Executive management

The function of Executive Management is to execute and realize the goals that are laid down by the Board and the Senior Management.



## Committee of Directors

As on 31st March, 2018 the Company has Six committees of the Board. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Risk Management Committee, Corporate Social Responsibility Committee and Finance Committee. Each of these Committees has been mandated to operate within a given framework.

## 3. BOARD OF DIRECTORS

### Composition of Board

The Board of Directors of the Company ("the Board") comprises one Whole-time Director and five Non-Executive Directors including one Woman Director. Mr. Surendra Kumar Arya is a Non-Executive Chairman of the Board.

All the Independent Directors have confirmed that they meet the independence criteria as mentioned under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 ('the Act'). All Directors have made necessary disclosures regarding Committee positions and Directorships held by them in other companies. None of the Directors is a Member of more than ten Committees and Chairman of more than five Committees (Audit Committee and Stakeholders' Relationship Committee) across all companies in which he / she is a Director. None of the Company's Independent Directors served as Independent Director in more than seven listed companies. The appointment of the Whole-time Director, including their tenure and remuneration are also approved by the members. Mr. Sandip Sanyal, Whole-time Director of the Company is not appointed as Independent Director of any other Listed Company.

The Company meets the requirements, as stipulated under Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, relating to the composition of Independent and Non-Independent Directors including the Woman Director on the Board of the Company.

### Information provided to the Board

Information is provided to the Board members on a regular basis for their review, inputs and approvals. The quarterly Board Meeting presentations provide adequate information to Directors on strategy, future roadmap, technology, functional updates, financial results and their analysis, governance matters and legal updates. The Statutory Agenda for the Board and Committee meetings is sent well in advance as per the statutory timelines. All material information is incorporated in the agenda for facilitating meaningful and focused discussions at the meeting. Further, the Chief Financial Officer (CFO) have interactions with all the Directors at the Board Meeting members of senior management also attend the Board Meetings at times to provide detailed insight to the Board Members.

### Induction and Familiarisation of Board Members

Each newly appointed Independent Director is taken through a formal induction program with the Company's manufacturing, marketing, finance and other important functions. The Company Secretary briefs the Directors about their legal and regulatory responsibilities as Directors. The induction program for Independent Directors includes interactive sessions with Executive Committee Members, Business and Functional Heads. On matters of specialised nature, the Company engages outside experts/consultants for presentation and discussion with the Board members. The familiarisation programme of directors forms part of Company's Nomination and Remuneration Policy and can be viewed on the Company's website [www.jbmgroup.com](http://www.jbmgroup.com)

### Other Relevant Details of Directors:

| Sl. No. | Name of Directors         | Category                     | Inter-se relationship          | Shareholding in the Company * | No. of other Directorship(s)** | No. of Committee(s)*** |          |
|---------|---------------------------|------------------------------|--------------------------------|-------------------------------|--------------------------------|------------------------|----------|
|         |                           |                              |                                |                               |                                | Member                 | Chairman |
| 1       | Mr. Surendra Kumar Arya   | Non-Executive Chairman       | Father of Mr. Nishant Arya     | 118140                        | 10                             | 3                      | 1        |
| 2       | Mr. Sandip Sanyal         | Executive                    | NA                             | Nil                           | 2                              | -                      | -        |
| 3       | Mr. Nishant Arya          | Non-Executive                | Son of Mr. Surendra Kumar Arya | 339400                        | 9                              | 1                      | 1        |
| 4       | Mr. Ashok Kumar Agarwal   | Independent                  | NA                             | Nil                           | 3                              | 3                      | -        |
| 5       | Mr. Mahesh Kumar Aggarwal | Independent                  | NA                             | Nil                           | 2                              | 1                      | 1        |
| 6       | Mrs. Vimal Vasisht****    | Independent & Woman Director | NA                             | Nil                           | -                              | 2                      | -        |
| 7       | Mrs. Pravin Tripathi****  | Independent & Woman Director | NA                             | Nil                           | -                              | 4                      | 1        |

**Note:**

- \* Shareholding of Surendra Kumar Arya (HUF) holding 2,88,856 shares of the company has not been added in the shareholding of Surendra Kumar Arya as Director.
- \*\* Excludes Directorship of Private Companies and Foreign Companies.
- \*\*\* Committee means Audit Committee and Stakeholders' Relationship Committee including membership held in said committees of the Company.
- \*\*\*\* Mrs. Pravin Tripathi was appointed as Independent Director on 4th September 2017 in place of Mrs. Vimal Vasisht resigned on 30th May, 2017, due to health issues.

**Board Meetings held during the Year**

The Board met five times during the financial year 2017-18 i.e. on 30th May, 2017, 4th September, 2017, 14th December, 2017, 14th February, 2018, and 1st March, 2018.  
The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013.  
The attendance record of the Directors at the Board Meeting as well as the last Annual General Meeting (AGM) is as under:

| S. No | Name of Directors         | No. of Board Meetings attended |            |            |            |            | Attendance at last AGM held on 18.08.2017 |
|-------|---------------------------|--------------------------------|------------|------------|------------|------------|---|
|       |                           | 30.05.2017                     | 04.09.2017 | 14.12.2017 | 14.02.2018 | 01.03.2018 |   |
| 1.    | Mr. Surendra Kumar Arya   | √                              | x          | √          | √          | √          | Yes                                       |
| 2.    | Mr. Nishant Arya          | √                              | √          | √          | √          | √          | Yes                                       |
| 3.    | Mr. Ashok Kumar Agarwal   | √                              | √          | √          | √          | √          | Yes                                       |
| 4.    | Mr. Mahesh Kumar Aggarwal | x                              | √          | √          | √          | √          | Yes                                       |
| 5.    | Mrs. Pravin Tripathi*     | x                              | √          | √          | √          | √          | NA  |
| 6.    | Mr. Sandip Sanyal         | √                              | √          | √          | √          | √          | Yes                                       |
| 7.    | Mrs. Vimal Vasisht*       | √                              | x          | x          | x          | x          | NA  |

\* Mrs. Pravin Tripathi was appointed as Independent Director on 4th September 2017 in place of Mrs. Vimal Vasisht resigned on 30th May, 2017, due to health issues.

**Selection of new Directors**

The Board is responsible for the selection of new Directors. The Board delegates the screening and selection process to the nomination and remuneration committee, which consists majority of independent directors. The committee, based on defined criteria, makes recommendations to the Board on the induction of new Directors.

**Succession planning**

The Nomination and Remuneration Committee works with the Board on the leadership succession plan to ensure orderly succession in appointments to the Board and in the senior management. The Company strives to maintain an appropriate balance of skills and experience within the organization and the Board in an endeavor to introduce new perspectives while maintaining experience and continuity. By integrating workforce planning with strategic business planning, the Company puts the necessary financial and human resources in place so that its objectives can be met. Our Board includes Six Directors with broad and diverse skills and viewpoints to aid the Company in advancing its strategy. In addition, promoting senior management within the organization fuels the ambitions of the talent force to earn future leadership roles.

**4. COMMITTEES OF THE BOARD**

The Board has constituted a set of Committees' viz. Audit Committee, Nomination and Remuneration Committee, Stakeholder's Relationship Committee, Corporate Social Responsibility (CSR) Committee, Risk Management Committee and Finance Committee with specific terms of reference/scope to focus on the issue and ensure expedient resolution of diverse matters. The Committees operate as empowered agents of Board as per their charter/terms of reference.

The terms of reference of these Committees are determined by the Board and their relevance reviewed from time to time. Meetings of each of these Committees are convened by the respective Chairman of the Committee, who also informs the Board about the

summary of discussions held in the Committee Meetings. The Minutes of the Committee Meetings are placed before the Board for discussion/noting.

The resolutions passed by all Committees are placed before the Board and noted by the Directors at the Board meetings. The role composition and terms of reference of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee including the number of meetings held during the year ended 31st March, 2018 and the related attendance are as follows:

#### **A. Audit Committee**

The Audit Committee of the Board is governed by a Charter drawn in accordance with the requirements of the Act and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The primary objective of the Audit Committee of the Board is to discharge responsibilities relating to accounting and reporting of financial practices adopted by the Company and its subsidiaries, surveillance of internal financial control systems as well as accounting and audit activities.

**The terms of reference of the Audit Committee include:**

1. Reviewing the Company's financial reporting process and the disclosure of its financial information to ensure the financial statement is correct, sufficient and credible.
2. Reviewing the adequacy of internal audit function, the structure of the internal audit department, reporting structure coverage and frequency of internal audit.
3. Reviewing the Statutory and Internal Auditor's independence and performance and scrutinizing the effectiveness of the entire Audit process.
4. Reviewing the adequacy of Internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage.
5. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
6. Reviewing, with the management, the quarterly and annual financial statements and the Auditors' report before submission to the Board for approval, focusing primarily on:
  - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report.
  - b. Compliance with accounting standards and changes in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on exercise of judgment by Management.
  - d. Audit qualifications and significant adjustments arising out of audit.
  - e. Significant adjustments made in the financial statements arising out of Audit findings.
  - f. Compliance with listing and other legal requirements relating to financial statements.
  - g. Disclosure of any related party transactions.
7. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue rights issue, preferential issue, etc.), the statement of funds utilised for purposes if any, other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
8. Reviewing with management, the periodical financial statements.
9. Reviewing with the management, external and internal auditors, the adequacy of internal financial control systems, frequency of internal audit, significant findings by internal auditors and follow up there on.
10. Discussing with external auditors, nature and scope of audit as well as having post-audit discussions.
11. Reviewing the Company's financial and risk management policies.
12. Reviewing Whistle Blower Mechanism (Vigil mechanism as per of the Companies Act, 2013).
13. Reviewing Management Discussion and Analysis Report, Management letters / letters of internal control weaknesses issued by the statutory auditors, if any, Internal audit reports relating to internal control weaknesses.
14. Approving any transactions or subsequent modifications of transactions with related parties.

## Audit Committee attendance

The Audit Committee held five meetings during the financial year 2017-18. These were held on 30th May, 2017, 4th September, 2017, 14th December, 2017, 14th February, 2018 and 1st March, 2018:

| S. No | Name of Members           | Designation | Category        | No. of Meetings attended |            |            |            |            |
|-------|---------------------------|-------------|-----------------|--------------------------|------------|------------|------------|------------|
|       |                           |             |                 | 30.05.2017               | 04.09.2017 | 14.12.2017 | 14.02.2018 | 01.03.2018 |
| 1.    | Mr. Mahesh Kumar Aggarwal | Chairman    | Independent     | x                        | √          | √          | √          | √          |
| 2.    | Mr. Surendra Kumar Arya   | Member      | Non-Independent | √                        | x          | √          | √          | √          |
| 3.    | Mr. Ashok Kumar Agarwal   | Member      | Independent     | √                        | √          | √          | √          | √          |
| 4.    | Mrs. Vimal Vasisht*       | Member      | Independent     | √                        | -          | -          | -          | -          |
| 5.    | Mrs. Pravin Tripathi*     | Member      | Independent     | -                        | √          | √          | √          | √          |

Note: \* Mrs. Pravin Tripathi was appointed as Woman Director on 4th September 2017 in place of Mrs. Vimal Vasisht resigned on 30th May, 2017, due to health issues.

All the Members of the Committee have requisite financial and management expertise/knowledge and have rich experience of the industry.

The Chairman of the Committee was present at the last Annual General Meeting of the Company held on 18th August, 2017.

The Committee's terms of reference are in consistent with the provisions of SEBI Corporate Governance Code and of the Companies Act, 2013.

## B. Nomination and Remuneration Committee

The powers, role and terms of reference of the Nomination and Remuneration Committee covers the areas as provided under Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Act, besides other terms as referred by the Board. The terms of reference of the Nomination and Remuneration Committee include:

1. Formulation of the criteria for determining qualifications, positive attributes and Independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
5. Reviewing and recommending the remuneration, if any, of Whole-time Director of the Company.

## Composition and Meetings

Our Nomination and Remuneration Committee comprised three members as on 31st March, 2018:

- i) Mr. Mahesh Kumar Aggarwal, Chairman - Independent Director
- ii) Mr. Ashok Kumar Agarwal, Member - Independent Director
- iii) Mr. Surendra Kumar Arya, Member - Non-Executive Director

Remuneration payable to the Key Managerial Personnel of the Company is being considered/ discussed/ finalized after considering various factors such as financial position of the Company, trend in industry, appointee's qualification and past remuneration etc., which is onward submitted to Board for respective approval(s).

Non-Executive Independent Directors of the company do not have any pecuniary relationship or transaction with the Company. They do not draw any remuneration, except sitting fees for attending meetings of Board/ Committee.

No meeting of Nomination and Remuneration Committee was held during the year.

## Remuneration to Executive / Whole-time Director

Mr. Sandip Sanyal, Whole-Time Director of the Company has also been appointed as the Whole-time Director of JBM Auto System Private Limited, a subsidiary of the Company and draws whole salary from this subsidiary Company only. No remuneration was paid to the Whole-Time Director by the Company during the financial year ended 31st March, 2018.

## Sitting fees to Directors

₹ In Lakhs

| Name of Directors         | Board Meeting | Audit Committee Meeting | Total       |
|---------------------------|---------------|-------------------------|-------------|
| Mr. Surendra Kumar Arya   | 0.20          | 0.20                    | 0.40        |
| Mr. Ashok Kumar Agarwal   | 0.25          | 0.25                    | 0.50        |
| Mr. Mahesh Kumar Aggarwal | 0.20          | 0.20                    | 0.40        |
| Mr. Nishant Arya          | 0.25          | -                       | 0.25        |
| Mrs. Vimal Vasisht        | 0.05          | 0.05                    | 0.10        |
| Mr. Sandip Sanyal         | -             | -                       | -           |
| Mrs. Pravin Tripathi      | 0.20          | 0.15                    | 0.35        |
| <b>Total</b>              | <b>1.15</b>   | <b>0.85</b>             | <b>2.00</b> |

## C. Stakeholders' Relationship Committee

The composition of the Stakeholders' Relationship Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Stakeholders' Relationship Committee has the mandate to review and redress the stakeholders' grievances.

Our Stakeholders' Relationship Committee comprised of four Non-Executive Directors as on 31st March, 2018. The Committee consists of the following Members:

- i) Mr. Surendra Kumar Arya, Chairman - Non-Executive Director
- ii) Mr. Ashok Kumar Agarwal, Member - Independent Director
- iii) Mr. Nishant Arya, Member - Non-Executive Director
- iv) Mrs. Pravin Tripathi, Member - Independent Director

Mr. Vivek Gupta is the Compliance Officer as per the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The terms of reference of the Committee includes enquiring into and redressing the complaints of the shareholders and the investors and to resolve the grievance of the security holders of your Company.

The Committee deals with transfer, transmission, issue of duplicate Share Certificates, re-materialization of shares, shareholders grievance and other related matters. The Committee meets on need basis for above issues. The details of correspondence of Shareholders/ SEBI/ Stock Exchange or any other authority is provided to the Committee.



The Company has obtained the following Certificates from the Practicing Company Secretary:

- Certificate regarding Transfer/Transmission of Shares under Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Compliance Certificate under Regulation 7(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Reconciliation of Share Capital Report for reconciliation of shares of the Company pursuant to SEBI Circular No. D&CC/FITTC/CIR-16/2002 dated 31st December, 2002 read with Regulation 55A of the SEBI (Depositories and Participants) Regulations, 1996.

All the complaints were responded and resolved by the Company/ Registrar and Share Transfer Agent - MCS Share Transfer Agent Limited, appropriately and there were no complaints pending at the end of the financial year 2017-18.

The Number of Shareholders' grievances / complaints received and resolved during the financial year 2017-18 are as follows

| <b>Investor Grievance Details</b>                |     |
|--|-----|
| No. of complaints received during the year       | 34  |
| No. of complaints resolved during the year       | 34  |
| No. of complaints pending at the end of the year | NIL |

#### **D. Corporate Social Responsibility (CSR) Committee**

The Committee's primary role is to assist the Company in discharging its social responsibilities. It monitors the implementation of the Corporate Social Responsibility Policy and oversees Company's sustainability initiatives. The Committee's constitution and terms of reference meet with the requirements of the Act and Rules made thereunder. Its terms of reference include:

1. To formulate and recommend to the Board, a Corporate Social Responsibility Policy (CSR Policy) or its modification which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of Companies Act, 2013.
2. To recommend the amount of expenditure to be incurred on the activities as prescribed under CSR Policy.
3. To monitor the CSR Policy of the Company from time to time.
4. To approve the Corporate Sustainability Report and oversee the implementation of sustainability activities.
5. To formulate and recommend to the Board - policies, principles and practices to foster the sustainable growth of the Company and to respond to evolving public sentiment and government regulations.
6. To aid management in setting strategy, establishing goals and integrating sustainability into daily business activities across the Company.
7. To review and advise the Board on Company's sustainability reporting and sustainability targets.
8. To review management's risk assessment and risk management policies and procedures with respect to sustainability impact and consideration.

The Committee met once during FY 2017-18 on February 14, 2018. Its Composition and attendance is as follows:

| <b>S. No.</b> | <b>Name of the Directors</b> | <b>Designation</b> | <b>Category</b>        |
|---------------|------------------------------|--------------------|------------------------|
| 1             | Mr. Surendra Kumar Arya      | Chairman           | Non-Executive Director |
| 2             | Mr. Nishant Arya             | Member             | Non-Executive Director |
| 3             | Mr. Mahesh Kumar Aggarwal    | Member             | Independent Director   |

The CSR Committee has adopted a Corporate Social Responsibility Policy, which is available on the website of the Company. The same may be assessed at the web link [http://www.jbm-group.com/pdfs/JBMA\\_Auto\\_CSR\\_Policy.pdf](http://www.jbm-group.com/pdfs/JBMA_Auto_CSR_Policy.pdf)

## E. Risk Management Committee

The composition of the Risk Management Committee as at 31st March, 2018 is as under:

- i) Mr. Nishant Arya, Chairman
- ii) Mr. Ashok Kumar Agarwal, Member
- iii) Mr. Vivek Gupta, CFO & Company Secretary

## F. Finance Committee

The composition of the Finance Committee as at 31st March, 2018 is as under:

- i) Mr. Surendra Kumar Arya, Chairman
- ii) Mr. Ashok Kumar Agarwal, Member
- iii) Mr. Nishant Arya, Member
- iv) Mrs. Pravin Tripathi

## G. Independent Directors

The Company has three Independent Directors having expertise in their respective field/profession. None of the Independent Directors are Promoter of the Company or its subsidiaries or associate Company. They do not have any pecuniary relationship with the Company, its subsidiaries or associate Companies or their Promoters, Directors, or Senior Management Personnel and do not hold two percent or more of the total voting power in the Company. All Independent Directors, at the first meeting of the Board in every financial year, gives a declaration that they meet the criteria of independence as required under Section 149(7) of the Companies Act, 2013. All Independent Directors maintain their limits of Directorships as required under Regulation 25 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. The terms and conditions of their appointment have been disclosed on the website of the Company.

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on 14th February, 2018 to review the performance of Non-Independent Directors (including the Chairman) and the Board as a whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties. The Independent Directors found the performance of Non-Independent Directors (including Chairman) and the Board as well as flow of information between the Management and the Board to be satisfactory. All Independent Directors were present in the meeting.

## 5. BOARD EVALUATION

The Board of Directors of the Company is committed to assessing its own performance as a Board in order to identify its strengths and areas in which it may improve its functioning. To that end, the Nomination and Remuneration Committee has established processes for performance evaluation of Independent Directors, the Board and Committees of the Board. Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual evaluation of its own performance, performance of its Committees as well as the Directors individually. A structured evaluation was carried out based on various parameters such as skills and experience to perform the role, level of participation, contribution to strategy, degree of oversight, professional conduct and independence.

## 6. POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

### a. Appointment Criteria and Qualification

The Nomination and Remuneration Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director of the Board and recommend to the Board his / her appointment. For the appointment of KMP (other than Managing / Whole-time Director or Manager) or Senior Management, a person should possess adequate qualification, expertise and experience for the position for which he / she is considered for the appointment.

## **b. Term**

The Term of the Directors including Whole time Director / Independent Director shall be governed as per the provisions of the Companies Act, 2013 and Rules made thereunder and Listing Regulations, as amended from time to time. Whereas the term of the KMP (other than the Managing / Whole-time Director / Manager) and Senior Management shall be governed by the prevailing HR policies of the Company.

## **c. Removal**

Due to reasons for any disqualification mentioned in the Companies Act, 2013 or under any other applicable Act, Rules and Regulations there under and/or for any disciplinary reasons and subject to such applicable Acts, Rules and Regulations and the Company's prevailing HR policies, the Nomination and Remuneration Committee may recommend, to the Board, with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel.

## **d. Remuneration of Whole-time Director, KMP and Senior Management**

The remuneration / compensation, etc., as the case may be, to the Whole time Director will be determined by the Nomination and Remuneration Committee and recommended to the Board for approval. The remuneration, etc., as the case may be, shall be subject to the prior / post approval of the shareholders of the Company, wherever required and shall be in accordance with the provisions of the Companies Act, 2013 and Rules made thereunder.

## **e. Remuneration to Non-Executive / Independent Director**

The remuneration / commission / sitting fees, as the case may be, to the Non-Executive / Independent Director, shall be in accordance with the provisions of the Companies Act, 2013, and the Rules made thereunder for the time being in force or as may be decided by the Committee / Board / shareholders.

An Independent Director shall not be entitled to any stock option of the Company unless otherwise permitted in terms of the Companies Act, 2013 and Listing Regulations, as amended from time to time.

## **f. Details of Remuneration Paid to the Directors (Executive Director)**

Mr. Sandip Sanyal is the Executive Director of the Company was also appointed as Whole-time Director of the Company for a period of 5 years with effect from May 18, 2015.

|        |                        |                             |  |                             | ₹ In Lakhs |
|--------|------------------------|-----------------------------|--|-----------------------------|------------|
| S. No. | Names of the Directors | Salary & Allowances (Fixed) | Other benefits and perquisites (Fixed) | Stock options, Pension etc. | Total      |
| 1.     | Sandip Sanyal          | Nil                         | Nil                                    | Nil                         | Nil        |

## **7. CEO / CFO CERTIFICATION**

The Executive Director and the Chief Financial Officer have issued certificate pursuant to the provisions of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, certifying that the financial statements do not contain any untrue statement and the statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

## **8. GENERAL SHAREHOLDER INFORMATION**

### **(a) Forthcoming Annual General Meeting (AGM): Day, Date, Time and Venue**

The 22nd Annual General Meeting of the Company is scheduled on 4th September, 2018 at Air Force Auditorium, Dhaula Kuan, New Delhi at 12:30 p.m.

### **(b) Listing on Stock Exchanges**

The Company's equity shares are actively traded on the following stock exchanges:

| Stock Exchanges                                | Address   |
|--|---|
| BSE Limited                                    | 5th Floor, P.J. Towers, Dalal Street, Mumbai-400001             |
| National Stock Exchange of India Limited (NSE) | Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai-400051 |

**(c) Stock Codes**

The Stock Codes of the Company's securities are as follows:

| Stock Exchanges                                | Security Code | Type of Security |
|--|---------------|------------------|
| BSE Limited                                    | 532605        | Equity Shares    |
| National Stock Exchange of India Limited (NSE) | JBMA          | Equity Shares    |

Listing Fees for the financial year 2018 -2019 has been paid to both, BSE Limited and National Stock Exchange of India Limited. Annual custodian charges of Depository have also been paid to NSDL and CDSL for the same period.

**(d) Book Closure Date**

The register of members and share transfer books of the company will remain closed from 25th August, 2018 to 4th September, 2018 (both days inclusive), for the purpose of Annual General Meeting and payment of dividend.

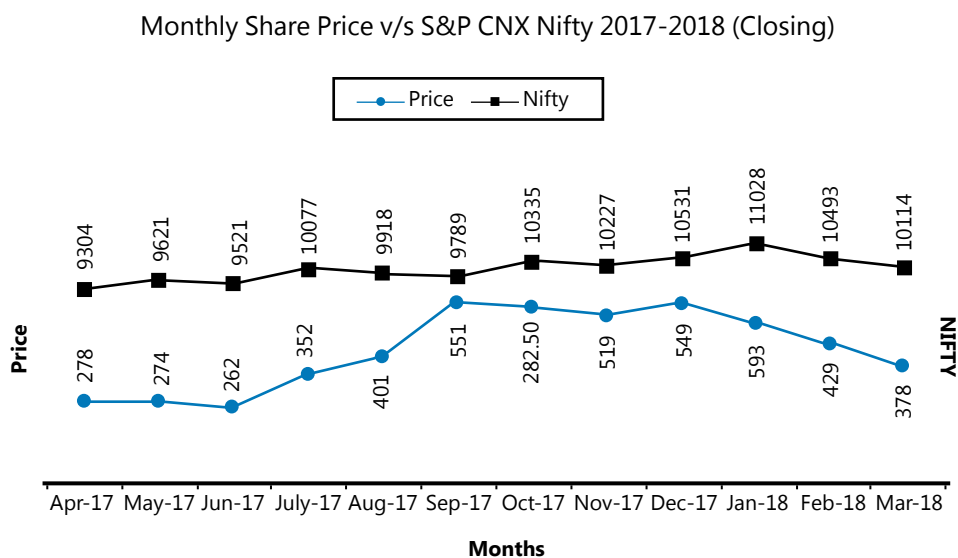
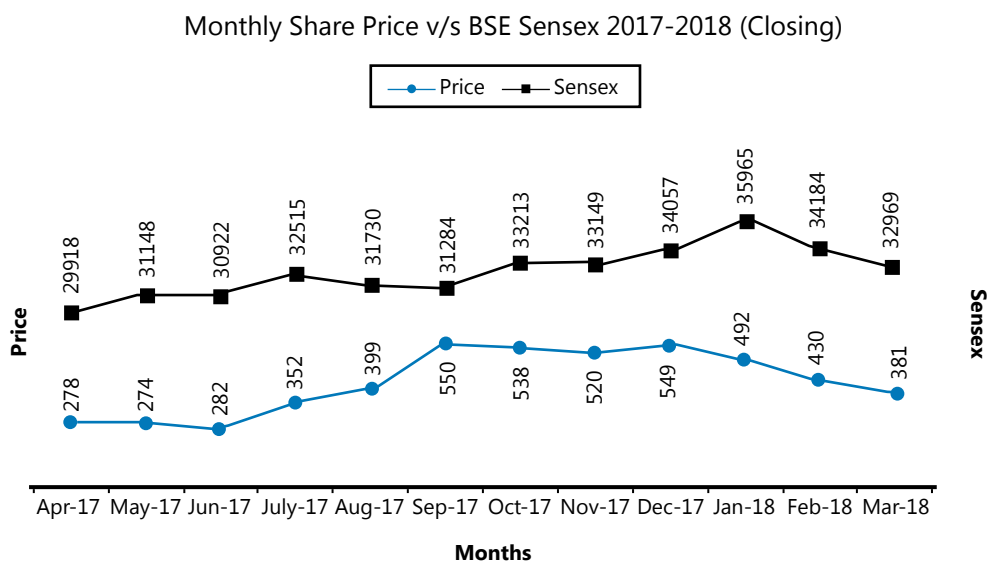
**(e) Dividend Payment Date**

The Board has recommended dividend of Rs. 2 i.e (40%) per equity share having face value of Rs. 5 each for the financial year ended 31st March, 2018 subject to approval of the members in the forthcoming Annual General Meeting. The said dividend, if approved, by the shareholders shall be paid to all the members as on the date of Annual General Meeting within the statutory limit of 30 days from the date of declaration.

**(f) Market Price Data: High, Low during each month in Last Financial Year:**

| MONTH(S) 2017-18 | NSE           |              | BSE           |              |
|------------------|---------------|--------------|---------------|--------------|
|                  | High (In Rs.) | Low (In Rs.) | High (In Rs.) | Low (In Rs.) |
| April, 2017      | 298.00        | 261.35       | 298.65        | 261.90       |
| May, 2017        | 290.70        | 262.55       | 290.00        | 262.00       |
| June, 2017       | 299.85        | 259.50       | 300.00        | 260.10       |
| July, 2017       | 388.80        | 262.65       | 368.90        | 260.10       |
| August, 2017     | 414.50        | 301.60       | 413.00        | 301.75       |
| September, 2017  | 629.00        | 393.25       | 628.50        | 393.40       |
| October, 2017    | 602.00        | 515.35       | 603.00        | 512.00       |
| November, 2017   | 576.00        | 472.50       | 574.90        | 472.95       |
| December, 2017   | 574.40        | 483.35       | 574.00        | 485.80       |
| January, 2018    | 563.00        | 488.00       | 670.00        | 489.00       |
| February, 2018   | 546.05        | 386.55       | 546.25        | 385.25       |
| March, 2018      | 446.95        | 366.60       | 447.00        | 375.00       |

**(g) Performance in comparison to broad-based indices such as BSE Sensex.**





**(h) Suspension from trading:**

No Securities of the Company has been suspended from trading on any of the stock exchanges where they are listed.

**(i) Share Transfer System**

The share transfer activities in respect of the shares in physical mode are carried out by MCS Share Transfer Agent Limited. The share Transfer requests which are received in physical form are processed and the share certificates are returned within a period of 15 days from the date of receipt, subject to the documents being in order and complete in all aspects.

Pursuant to latest amendment dated 11th June, 2018 in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 every listed entities (including their Registrar & Transfer Agents) shall be restricted from effecting transfer of shares in physical form w.e.f. December 5th, 2018 (i.e. 180 days from notification) making amendment in Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. However this shall not effect the transmission or transposition of shares in physical form.

Accordingly, with effect from December 5th, 2018 all off market trades in physical mode in respect of shares of listed entities shall be prohibited and shall be required to be done compulsorily in Demat mode.

**(j) Registrar and Share Transfer Agent :** MCS Share Transfer Agent Limited  
 F – 65, 1st Floor, Okhla Industrial Area,  
 Phase-I, New Delhi - 110020  
 Tel No. 011-41406149,  
 Fax No. 011-41709881,  
 E-mail: admin@mcsregistrars.com

**(k) Transfer of Unclaimed Dividend amounts to Investor Education and Protection Fund**

The Company is required to transfer dividends which have remained unpaid/unclaimed for a period of seven years to the Investor Education and Protection Fund (IEPF) established by the Central Government.

Members who have not so far encashed their dividend warrant(s) are requested to seek revalidation of dividend warrants by writing to the Company's Registrar and Transfer Agents, MCS Share Transfer Agent Limited or Company, immediately without any further delay. No claim shall lie against the IEPF or the Company for the amounts so transferred prior to 31st March, 2018, nor shall any payment to be made in respect of such claims.

**Information w.r.t unclaimed dividends due for transfer to the Investor Education and Protection Fund (IEPF) is as follows:**

| S. No. | Financial Year | Date of AGM in which Dividend declared | Proposed date of transfer to IEPF |
|--------|----------------|--|-----------------------------------|
| 1.     | 2010-11        | 15th September, 2011                   | 20th October, 2018                |
| 2.     | 2011-12        | 26th September, 2012                   | 31st October, 2019                |
| 3.     | 2012-13        | 9th September, 2013                    | 14th October, 2020                |
| 4.     | 2013-14        | 24th September, 2014                   | 29th October, 2021                |
| 5.     | 2014-15        | 22nd September, 2015                   | 27th October, 2022                |
| 6.     | 2015-16        | 3rd September, 2016                    | 8th October, 2023                 |
| 7.     | 2016-17        | 18th August, 2017                      | 23rd September, 2024              |

**(I) Distribution of Shareholding as on 31st March, 2018 (On the basis of Ownership)**

| Category Code | Category of Shareholders  | Number of Shareholders | No. of shares held | Percentage (%) |
|---------------|---|------------------------|--------------------|----------------|
| <b>A</b>      | <b>Shareholding of Promoter and Promoting Group</b>                       |                        |                    |                |
| 1             | Indian  | 15                     | 25275199           | 61.96          |
| 2             | Foreign   | -                      | -                  | -              |
|               | <b>Sub Total(A)</b>   | <b>15</b>              | <b>25275199</b>    | <b>61.96</b>   |
| <b>B</b>      | <b>Public Shareholding</b>  |                        |                    |                |
| <b>1</b>      | <b>Institutions</b>   |                        |                    |                |
| a             | Mutual Funds/ UTI   | 2                      | 104473             | 0.26           |
| b             | Financial Institutions / Banks  | 3                      | 5371               | 0.01           |
| c             | Central Government/ State Government(s) (IEPF)                            | 1                      | 63100              | 0.15           |
| d             | Insurance Companies   | 1                      | 4320               | 0.01           |
| e             | Foreign Institutional Investors   | -                      | -                  | -              |
| f             | Foreign Portfolio Investors   | 7                      | 193089             | 0.47           |
|               | <b>Sub-Total (B)(1)</b>   | <b>14</b>              | <b>370353</b>      | <b>0.91</b>    |
| <b>2</b>      | <b>Non-Institutions</b>   |                        |                    |                |
| a             | Bodies Corporate  | 320                    | 8857720            | 21.71          |
| b             | Individual shareholders holding nominal share capital up to ` 2 Lacs      | 17200                  | 4248210            | 10.41          |
| c             | Individual shareholders holding nominal share capital in excess of 2 Lacs | 14                     | 1753750            | 4.30           |
| d             | Trust   | 1                      | 400                | 0.00           |
| e             | NRI   | 352                    | 288352             | 0.71           |
| f             | NBFC  | 1                      | 1380               | 0.00           |
|               | <b>Sub-Total (B)(2)</b>   | <b>17888</b>           | <b>15149812</b>    | <b>37.14</b>   |
|               | <b>Total Public Shareholding (B) (1)+(B)(2)</b>                           | <b>17902</b>           | <b>15520165</b>    | <b>38.04</b>   |
|               | <b>Grand Total (A+B)</b>  | <b>*17917</b>          | <b>40795364</b>    | <b>100.00</b>  |

**Note: \***

Pursuant to amendment in Regulation 31 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 a public shareholder and a non-public non-promoter shareholder has to provide the details of their shareholding along with their PAN number. Earlier the details of the shareholding had to be given by the promoters and promoter groups only. In addition to the above, the shareholding of the public shareholder and non-public non-promoter shareholder has to be consolidated on the basis of PAN and folio number in order to avoid multiple disclosures of shareholding of the same person.

In Compliance with the above amendment, shareholding shown on the basis of PAN and folio number in order to avoid multiple disclosures of shareholding of the same person. As on 31st March, 2018, the total number of folios as per register of members are 19614.

**(m) Shareholding Pattern by Size as on 31st March, 2018 (On the basis of Shares held)**

| S.No.         | Category       | No. of Shareholders | % to Total Shareholders | No of shares    | % of Total Shares |
|---------------|----------------|---------------------|-------------------------|-----------------|-------------------|
| 1             | 1- 500         | 17923               | 91.38                   | 1414233         | 3.47              |
| 2             | 501 - 1000     | 789                 | 4.02                    | 612396          | 1.50              |
| 3             | 1001 - 2000    | 473                 | 2.41                    | 702876          | 1.72              |
| 4             | 2001 - 3000    | 144                 | 0.73                    | 362270          | 0.89              |
| 5             | 3001 - 4000    | 68                  | 0.35                    | 241004          | 0.59              |
| 6             | 4001 - 5000    | 45                  | 0.23                    | 208705          | 0.51              |
| 7             | 5001 - 10000   | 74                  | 0.38                    | 513035          | 1.26              |
| 8             | 10001 -50000   | 67                  | 0.34                    | 1287720         | 3.16              |
| 9             | 500001- 100000 | 12                  | 0.06                    | 953223          | 2.34              |
| 10            | 100001 & above | 19                  | 0.10                    | 34499902        | 84.57             |
| <b>Total:</b> |                | <b>19614</b>        | <b>100.00</b>           | <b>40795364</b> | <b>100.00</b>     |

**(n) Dematerialization of Shares and Liquidity**

As on 31<sup>st</sup> March, 2018, Shareholding is held in dematerialized form as per details mentioned below: - Trading in Equity Shares of the Company is permitted only in dematerialized form.

| S. No.        | Mode of holding | No of Holders | Shares          | % To Total Issued Equity |
|---------------|-----------------|---------------|-----------------|--------------------------|
| 1             | PHYSICAL        | 1176          | 168629          | 0.41                     |
| 2             | NSDL            | 10754         | 8941836         | 21.92                    |
| 3             | CDSL            | 7684          | 31684899        | 77.67                    |
| <b>Total:</b> |                 | <b>19614</b>  | <b>40795364</b> | <b>100.00</b>            |

**(o) International Securities Identification Number (ISIN) for equity shares of the Company**

The DEMAT ISIN of the Company's equity shares is INE927D01028.

**(p) Commodity price risk or foreign exchange risk and hedging activities:**

Company is not having much exposure to foreign exchange and there is a natural hedging partly available in terms of exports made by the Company.

In respect of price risk of raw materials used for manufacturing purpose the same is taken care of as per industry requirement.

**(q) Outstanding ADR or GDR or warrants or any convertible instruments**

There are no Outstanding Global Depository Receipts or American Depository Receipts or Warrants or any convertible instruments as on 31st March, 2018.

**(r) Plants Locations (JBM Auto Ltd.):**

|                   |   |   |
|-------------------|---|---|
| <b>Plant I</b>    | - | Plot No. 133, Sector-24, Faridabad-121005, Haryana<br>Ph: +91-129-4090200 Fax: +91-129-2234230.   |
| <b>Plant II</b>   | - | Plot No. 5, Sector-31, Kasna Industrial Area, Greater Noida-201306, Uttar Pradesh,<br>Ph.: +91-120-4522500, 2341417, 2341429 , Fax:- +91-120-2341423. |
| <b>Plant III</b>  | - | 71-72, MIDC, Satpur, Nashik – 422007, Maharashtra<br>Ph: +91-253-2360548, Fax: +91-253-2360558.   |
| <b>Plant IV</b>   | - | Plot No. B-2, Survey No.1, Tata Motors Vendor Park, Sanand - 382170, Ahmedabad, Gujarat<br>Ph: +91-2717-645180  |
| <b>Plant V</b>    | - | Plot No. 118, Sector – 59, HSIDC, Industrial Estate, Ballabhgarh, 121004, Faridabad Haryana   |
| <b>Plant VI</b>   | - | A-4, Industrial Estate, Kosi Kotwan, Dist. Mathura, Uttar Pradesh.  |
| <b>Plant VII</b>  | - | Plot No. 157-E, Sector-3, Pithampur Industrial Area - 454775, Dist. Dhar, Indore (M.P)  |
| <b>Plant VIII</b> | - | Plot No. SP-891, Pathredi Industrial Area, Bhiwadi - 301707, Dist. Alwar, Rajasthan.  |

**Skill Development Centre (SDC)**

Plot No. 16, Sector-20B, Faridabad-121007, Haryana

**(s) Address for Correspondence:**

**Registered Office:**

601, Hemkunt Chamber 89, Nehru Place,  
Tel.: 011-26427101-06, 41709881  
Fax: 011-26511512, E-mail: vivek.gupta@jbmgroupp.com

**Corporate Office:**

Plot no. 9, Institutional Area, Sector-44 Delhi - 110 019,  
Gurgaon- 122003, Haryana  
Fax: 91-124-4674599 Tel: 91-124-4674500

**Investor Correspondence:**

Investors/ Shareholders correspondence may be addressed either to the Company at its registered office or to its share transfer agent at the following respective address(s):

**Mr. Vivek Gupta**

Chief Financial Officer & Company Secretary  
JBM Auto Limited  
601, Hemkunt Chamber 89, Nehru Place,  
New Delhi - 110 019,  
Tel.: 011-26427101-06,  
Fax: 011-26511512,  
E-mail: vivek.gupta@jbmgroupp.com

**MCS Share Transfer Agent Limited**

**(Unit: JBM Auto Ltd.)**

F – 65, 1<sup>st</sup> Floor,  
Okhla Industrial Area, Phase-I,  
New Delhi - 110020,  
Tel No. 011-41406149,  
Fax No. 011-41709881  
E-mail: admin@mcsregistrars.com

**(t) For Shares held in Physical form**

Members who hold shares in physical form should address their queries to the RTA/Company. Members are requested to ensure that correspondence for change of address, change in bank details, processing of unclaimed dividend, subdivision of shares, renewals / split / consolidation of share certificates, issue of duplicate share certificates should be signed by the first named Member as per the specimen signature registered with the Company. The Company may also, with a view to safeguard the interest of its Members and that of the Company, request for additional supporting documents such as certified copies of PAN Cards and other proof of identity and/or address.

#### (u) For Shares held in Demat form

Members who hold shares in dematerialized form should correspond with the Depository Participant with whom they maintain Demat Account/s, for their queries relating to shareholding, change of address, credit of dividend through NECS. However, queries relating to non-receipt of dividend, non-receipt of annual reports, or on matters relating to the working of the Company should be sent to the Company.

#### (v) For all matters relating to investor relations please contact:

Pursuant to SEBI Circular, the Company has created an email ID exclusively for redressal of investor's grievances. The investors can post their grievance to the specific email ID i.e. [jbmainvestor@jbmgroupp.com](mailto:jbmainvestor@jbmgroupp.com)

### 9. OTHER DISCLOSURES

#### a) Materially significant related party transactions (i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc.) that may have potential conflict with the interests of the Company at large:

None of the transactions with any of the related parties were in conflict with the interests of the Company. However, the related party disclosures about list of related parties and transactions given under Notes to the Standalone Financial Statements for the year ended 31st March, 2018 may be referred. All related party transactions are in the ordinary course of business and are at arm's length.

#### b) Details of non-compliance by the company, penalties, strictures imposed on the company by Stock Exchange(s) or SEBI or any statutory authority, on any matter related to the capital markets, during the last three years:

Refer MGT-9 given in the Board Report for details.

#### c) Details of establishment of vigil mechanism, whistle blower policy and affirmation that no personnel has been denied access to the Audit Committee:

The Company's Code of Conduct encourages all employees who have concerns about their work or the business of the Company, to discuss these issues with their departmental managers. The employees also have free access to Human Resource and the Vigilance Department for resolving their concerns. No employee has been denied access to the Audit Committee.

As per the requirement of the Companies Act, 2013 and the SEBI Listing Regulations, the Company has framed its Whistle Blower Policy to enable all employees and the directors to report in good faith any violation of the Code of Conduct as enumerated in the Policy.

The Policy has been placed on the website of your Company and can be accessed through the following link:

[http://www.jbm-group.com/pdfs/JBMA\\_Whistle-Blower-Policy.pdf](http://www.jbm-group.com/pdfs/JBMA_Whistle-Blower-Policy.pdf)

If anyone suspects any inappropriate activity such as loss to the Company's property, corruption, fraud or violation of the Company's Code of Conduct, they can inform their suspicions or concerns by promptly informing us at the following address:

E-mail : [wbp.jbma@jbmgroupp.com](mailto:wbp.jbma@jbmgroupp.com); or  
 Letter : The Vigilance Officer,  
 JBM Auto Limited,  
 601, Hemkunt Chambers, 89,  
 Nehru Place, New Delhi – 110 019

#### d) Prevention of Insider Trading

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company's shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the trading window is closed. The Company Secretary is responsible for the implementation of the Code.

The Board of Directors and all the designated employees have confirmed the compliance with the Code.

**e) Compliance with the Accounting Standards**

In the preparation of the financial statements, the Company has followed the Accounting Standards notified pursuant Companies (Accounting Standards) Rules, 2015 (as amended) and the relevant provision of the Companies Act, 2013.

**f) Internal Controls**

The Company has a formal system of internal control testing which examines both the design effectiveness and operational effectiveness to ensure reliability of financial and operational information and all statutory /regulatory compliances. The Company's business processes are on SAP platforms and have a strong monitoring and reporting process resulting in financial discipline and accountability.

The Company has complied with the requirements as prescribed under Regulation 17 to 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

All the legal compliances under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard had been completed.

**g) Code of Conduct**

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and Senior Management Personnel. The Code of Conduct has been displayed on the Company's website-

<http://www.jbm-group.com/pdfs/CoC-for-BM-SMP.pdf>

The Code of Conduct lays down the standard of conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. The Code gives guidance through examples on the expected behavior from an employee in a given situation and the reporting structure.

All the Board Members and the Senior Management personnel have confirmed compliance with the Code of Conduct

## 10. GENERAL BODY MEETINGS

**(a) The location and time of last three Annual General Meetings (AGM) are as follows:**

| For the Year | 2014-15  | 2015-16   | 2016-17   |
|--------------|--|---|---|
|              | <b>19th AGM</b>  | <b>20th AGM</b>                                       | <b>21st AGM</b>                                       |
| Date & Time  | 22nd September, 2015 at 11:00 A.M  | 3rd September, 2016 at 10.30 A.M                      | 18th August, 2017 at 12.30 P.M.                       |
| Location     | Dr. Sarvepalli Radhakrishnan Auditorium, Kendriya Vidyalaya No. 2, A. P. S. Colony, Delhi Cantt., New Delhi - 110010 | Air force Auditorium, Subroto Park, New Delhi -110010 | Air force Auditorium, Subroto Park, New Delhi -110010 |

**(b) Special Resolutions passed in the previous three Annual General Meetings:-**

| Year             | Special Resolution passed  |
|------------------|--|
| <b>2014-2015</b> | (i) Appointment of Mr. Sandip Sanyal (DIN: 07186909), as a Whole Time Director (to be designated as an "Executive Director") for a period of 5 (Five) years.<br>(ii) Roll over the redemption of Preference Shares issued to M/s Neel Metal Products Limited for a further period of 6 (Six) years from the date of roll over. |
| <b>2015-2016</b> | No Special Resolution passed in the 20th AGM   |
| <b>2016-2017</b> | No Special Resolution passed in the 21st AGM   |



- (c) **Special Resolution (s) passed last year through Postal Ballot-detail of voting pattern and the procedure thereof:**  
None of the businesses proposed in last year required passing a resolution through Postal Ballot.
- (d) **Person who conducted the postal ballot exercise**  
Not applicable
- (e) **Special resolution(s) proposed to be conducted through postal ballot**  
None of the businesses at the ensuing AGM requires to be conducted through postal ballot.

## 11. MEANS OF COMMUNICATION

### (a) Publication of financial results:

Quarterly, half-yearly and annual financial results of the Company were published in leading newspapers Financial Express, Business Standard (English) English Editions; and in Jansatta, Business Standard, New Delhi (Hindi Language) Hindi Edition.

### (b) Website:

In compliance with the Regulation 46 of the Listing Regulations, a separate dedicated section under 'Investors' on the Company's website gives information on various announcements made by the Company, status of unclaimed dividend, Annual Report, Quarterly/Half yearly/ Nine-months and Annual financial results along with the applicable policies of the Company etc.

The following updates and information can be accessed through the company's website i.e. [www.jbmgroup.com](http://www.jbmgroup.com).

- Details of Business
- Details of establishment of Vigil Mechanism/ Whistle Blower Policy
- Criteria of making payments to Non-Executive Directors;
- Contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances;
- Quarterly/Half Yearly/ Annual Financial Results;
- Shareholding Pattern;
- Corporate disclosures made to Stock exchanges;
- Terms and Conditions of appointment of Independent Directors;
- Composition of various committees of Board of Directors;
- Code of Conduct of Board of Directors and Senior Management Personnel;
- Details of familiarization programmes imparted to Independent Directors.
- Unpaid Dividends
- Various Policies, etc.

Pursuant to SEBI Circular, the Company has created an email ID exclusively for redressal of investor's grievances. The investors may post their grievances to the specific email ID i.e. [jbmainvestor@jbmgroup.com](mailto:jbmainvestor@jbmgroup.com)

### (c) Stock Exchange

Your Company makes timely disclosures of necessary information to the BSE Limited and the National Stock Exchange of India Limited in terms of the Listing Regulations and other rules and regulations issued by the SEBI.

**(d) NEAPS (NSE Electronic Application Processing System), BSE Corporate Compliance & the Listing Centre:**

NEAPS is a web-based application designed by NSE for corporates. BSE Listing is a web-based application designed by BSE for corporates.

All periodical compliance filing viz. Shareholding Pattern, Corporate Governance Report, Corporate Announcements, Financial Results, etc. are made electronically through using NEAPs and Corp-filing portal of NSE & BSE respectively.

**(e) SCORES (SEBI Complaints Redressal System)**

SEBI commenced processing of investor complaints in a centralized web based complaints redressal system i.e. SCORES. The Company supported SCORES by using it as a platform for communication between SEBI and the Company.

**12. GREEN INITIATIVE IN CORPORATE GOVERNANCE**

Rule 11 of the Companies (Accounts) Rules, 2014 permits circulation of annual report through electronic means to those shareholders whose e-mail IDs are registered with NSDL or CDSL or the shareholders who have registered their e-mail IDs with the Company to receive the documents in electronic form and physical copies to those shareholders whose e-mail IDs have not been registered either with the Company or with the depositories. To support this green initiative of the Government, shareholders are requested to register their e-mail ID with the DPs, in case shares are held in dematerialized form and with the RTA, in case the shares are held in physical form and also intimate changes, if any, in their registered e-mail IDs to DPs / RTA/ Company from time to time.

**13. CORPORATE GOVERNANCE CERTIFICATE**

The Secretarial Auditor's certificate on corporate governance is attached.

## COMPLIANCE WITH CODE OF CONDUCT AND ETHICS

As provided under Regulation 17 and 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel of the Company have confirmed the compliance with the Code of Conduct and Ethics for the year ended 31st March 2018.

This is to certify that the Company has laid down Code of Conduct for all Board Members and Senior Management of the Company and a copy of the same have been disclosed on the website of the Company [www.jbmgroup.com](http://www.jbmgroup.com).

**Place: Gurugram (Haryana)**

**Date: 15.05.2018**

**For JBM Auto Limited**

**Sd/-**

**Sandip Sanyal**

**(Executive Director)**

## **CEO / CFO CERTIFICATION**

We the undersigned, in our respective capacities as Executive Director and Chief Financial Officer of JBM Auto Limited ("the Company") to the best of our knowledge and belief certify that:

- a. We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2018 and that to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading
  - ii. these statements together present a true and fair view of the Company's affair and are in compliance with existing accounting standards, applicable laws and regulations
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct
- c. We accept responsibility of establishing and maintaining internal control for financial reporting and that we have evaluated the effectiveness of internal control system of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiency in the design or operations of such internal control, if any, of which we are aware and the steps we have taken to rectify these deficiencies
- d. We have indicated to the Auditors and the Audit Committee:
  - i. significant changes in such internal control during the year, if any;
  - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements, if any;
  - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system for financial reporting.

Yours faithfully  
Sd/-  
(Sandip Sanyal)  
Executive Director

Sd/-  
(Vivek Gupta)  
Chief Financial Officer  
& Company Secretary

Place: Gurugram (Haryana)  
Date: 15.05.2018

## CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members  
JBM Auto Limited  
601, Hemkunt Chamber,  
89, Nehru Place,  
New Delhi - 110019

We, have examined the compliance of conditions of Corporate Governance by JBM Auto Limited (hereinafter referred to as "the Company"), for the year ended 31st March, 2018 as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in regulation 15(2) of the Listing Regulations for the period 1st April, 2017 to 31st March, 2018.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

We further state that such compliance is neither an assurance as to the future viability of the Company, nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place: New Delhi  
Date: 06.08.2018

Sd/-  
(Sunita Mathur)  
Practicing Company Secretary  
C.P. No. 741

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF JBM AUTO LIMITED

### Report on the Standalone Ind AS Financial Statements

We have audited the accompanying Standalone Ind AS Financial Statements of **JBM AUTO LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement, the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone Ind AS Financial Statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Standalone Ind AS Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the Standalone Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone Ind AS Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS Financial Statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2018, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.



## Other Matter

The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these Standalone Ind AS Financial Statements are based on the previously issued statutory financial statements for the years ended March 31, 2017 and March 31, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by the predecessor auditor who expressed an unmodified opinion vide reports dated May 30, 2017 and May 30, 2016 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

Our opinion is not qualified in respect of this matter.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Companies Act, 2013 and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in "Annexure-A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure-B**".
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS Financial Statements. Refer Note No. 36 of the Standalone Ind AS Financial Statements.
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
    - iv. The reporting on disclosure relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

For Sahni Natarajan and Bahl  
Chartered Accountants  
Firm Registration No. : 002816N

Sudhir Chhabra  
Partner  
Membership No. 083762

Place: Gurugram  
Date: May 15, 2018

## ANNEXURE-A

### TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON STANDALONE IND AS FINANCIAL STATEMENTS OF JBM AUTO LIMITED

(This is the annexure referred to in Para 1 of 'Report on Other Legal and Regulatory Requirements' of our Report of even date)

(i) In respect of the Fixed Assets:

- (a) The Company has maintained proper records showing the full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets covering significant value were physically verified during the year by the management at such intervals which in our opinion, provides for the physical verification of all the fixed assets at reasonable interval having regard to the size of the Company and nature of its business. In our opinion and according to the information and explanations given to us by the management, no material discrepancies have been noticed on such verification.
- (c) The title deeds of immovable properties are held in the name of the Company except as given below:-

| S. No. | Total No. of Cases | Nature         | Gross Block<br>(Rs. in Lakhs) | Net Block<br>(Rs. in Lakhs) | Remarks   |
|--------|--------------------|----------------|-------------------------------|-----------------------------|---|
| 1      | Two Cases          | Leasehold land | 156.11                        | 156.11                      | Land situated at Singur, West Bengal(Refer Note No. 42) |
| 2      |                    | Leasehold land | 10.18                         | 8.78                        | Land situated at Sector 24 Faridabad, Haryana           |

- (ii) Inventories, except goods-in-transit and stock lying with the third parties, have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. There were no material discrepancies noticed on physical verification of inventories as compared to the book records.
- (iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act , 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit as defined under the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder. Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company.
- (vi) To the best of our knowledge and according to information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013.
- (vii) In respect of the statutory and other dues:
  - (a) In our opinion and according to the information and explanations given to us, the Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess, Goods and Services Tax and any other material statutory dues as applicable with the appropriate authorities. In our opinion and according to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were in arrears, as at March 31, 2018 for a period of more than six months from the date they became payable.
  - (b) In our opinion and according to the information and explanations given to us, disputed demand for Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Goods and Services Tax which have not been deposited with relevant authorities as on March 31, 2018 are given as under:

| S.No. | Name of Statue                          | Nature of Dues                  | Amount due (Rs. in Lakhs) | Year to which amount relates | Forum where dispute is pending                                  |
|-------|---|---------------------------------|---------------------------|------------------------------|---|
| 1     | Uttar Pradesh Value Added Tax Act, 2008 | Sales Tax Interest              | 6.70                      | 2009-10                      | High Court, West Bengal   |
| 2     | Finance Act, 1994 (Service Tax)         | Service Tax, Penalty/ Interest  | 5.06                      | 1999-20                      | CESTAT, Chandigarh  |
|       |   | Service Tax, Penalty/ Interest  | 10.34                     | 2001-02                      | CCE (A), Faridabad  |
|       |   | Service Tax, Penalty/ Interest  | 8.30                      | 2001-02                      | CCE- Delhi-IV, Faridabad  |
|       |   | Service tax                     | 79.32                     | 2013-14                      | Commissioner (A), Noida   |
|       |   | Service tax                     | 1.43                      | 2015-17                      | Superintendent. C.E,D 111, Ahmedabad                            |
|       |   | Service tax                     | 0.32                      | 2017-18                      | Superintendent. C.E,D 111, Ahmedabad                            |
| 3     | The Central Excise Act, 1944            | Excise Demand                   | 7.72                      | 2000-01                      | CESTAT, Chandigarh  |
|       |   | Excise Duty & Penalty           | 226.56                    | 2007-08                      | CCE- Delhi-IV, Faridabad  |
|       |   | Excise Duty & Penalty           | 86.26                     | 2008-09                      | CCE- Delhi-IV, Faridabad  |
|       |   | Excise Duty & Penalty           | 22.82                     | 2011-12                      | CESTAT, Allahabad   |
|       |   | Excise Duty & Penalty           | 66.08                     | 2011-12                      | Add. Comm. C.E, Ahmedabad                                       |
|       |   | Excise Duty                     | 74.50                     | 2014-15                      | Commissioner Appeals, Jaipur                                    |
|       |   | Excise Duty & Penalty           | 110.40                    | 2010-11                      | CESTAT, West Zonal Bench, Ahmedabad                             |
|       |   | Interest on Excise Duty         | 10.01                     | 2010-12                      | CESTAT, Ahmedabad   |
|       |   | Interest on Excise Duty         | 4.99                      | 2012-13                      | AC , CE, Faridabad – II   |
|       |   | Interest on Excise Duty         | 3.10                      | 2012-13                      | CESTAT, Ahmedabad   |
|       |   | Excise Duty                     | 28.60                     | 2015-16                      | A.C ,CE,D-111, Bhiwadi  |
| 4     | Custom Act, 1962                        | Custom Duty, Penalty & Interest | 316.74                    | 2011-14                      | Principal Commissioner of Customs, (Import) ICD, TKD, New Delhi |
| 5     | Income Tax Act, 1961                    | Income Tax                      | 403.36                    | AY 2008-09 to AY 2012-13     | ITAT  |
|       |   | Income Tax                      | 379.15                    | AY 2013-14 to AY 2014-15     | CIT (Appeals)   |
|       |   | Penalty                         | 18.57                     | AY 2011-12 to AY 2012-13     | CIT (Appeals)   |

**\*Total amount deposited in respect of disputed Income Tax demands is Rs. 57.42 Lakhs.**

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions and banks. The Company has not borrowed from Government or by way of debentures.
- (ix) According to the information and explanations given to us and to the best of our knowledge and belief, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. The term loans have been applied for the purpose for which those are raised.
- (x) According to the information and explanations given to us and to the best of our knowledge and belief, no fraud by the Company or any fraud on the Company by its officers and employees has been noticed or reported by the Company during the year.

- (xi) According to the information and explanations given to us and to the best of our knowledge and belief, the Company has not paid/provided managerial remuneration during the year. Accordingly, the provisions of clause 3(xi) of the Order are not applicable to the Company.
- (xii) According to the information and explanations given to us and to the best of our knowledge and belief, the Company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into with the Related Parties are in compliance with section 177 and 188 of the Companies Act, 2013 wherever applicable and details have been disclosed in the Standalone Ind AS Financial Statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and to the best of our knowledge and belief, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company.
- (xv) According to the information and explanations given to us and to the best of our knowledge and belief, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company.
- (xvi) According to the information and explanations given to us and to the best of our knowledge and belief, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3(xvi) of the Order are not applicable to the Company.

For Sahni Natarajan and Bahl  
Chartered Accountants  
Firm Registration No.: 002816N

Sudhir Chhabra  
Partner  
Membership No. 083762

Place: Gurugram  
Date: May 15, 2018

## ANNEXURE-B

### TO THE INDEPENDENT AUDITOR'S REPORT

(This is the annexure referred to in Para 2(f) of 'Report on Other Legal and Regulatory Requirements' of our Report of even date)

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

We have audited the internal financial controls over financial reporting of **JBM AUTO LIMITED** ("the Company") as of March 31, 2018 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

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

#### Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- a. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b. provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

- c. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Ind AS Financial Statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Sahni Natarajan and Bahl  
Chartered Accountants  
Firm Registration No. : 002816N

Sudhir Chhabra  
Partner  
Membership No. 083762

Place: Gurugram  
Date: May 15, 2018



CIN L74899DL1996PLC083073

## Standalone Balance Sheet as at March 31, 2018

₹ In Lakhs

|  | Note No. | As at<br>31st March, 2018 | As at<br>31st March, 2017 | As at<br>1st April, 2016 |
|--|----------|---------------------------|---------------------------|--------------------------|
| <b>I. ASSETS</b>                             |          |                           |                           |                          |
| <b>Non-current assets</b>                    |          |                           |                           |                          |
| (a) Property, plant and equipment            | 3(a)     | 21,420.34                 | 22,565.73                 | 22,947.67                |
| (b) Capital work in progress                 |          | 2,147.10                  | 387.48                    | 690.50                   |
| (c) Intangible assets                        | 3(b)     | 5,079.19                  | 5,303.65                  | 5,095.22                 |
| (d) Intangible assets under development      |          | 4,114.34                  | 3,062.17                  | 1,727.82                 |
| (e) Financial assets                         |          |                           |                           |                          |
| (i) Investments                              | 5        | 7,613.58                  | 7,133.58                  | 7,132.78                 |
| (ii) Loans                                   | 6        | 200.89                    | 188.20                    | 171.15                   |
| (iii) Other non-current financial Assets     | 7        | 240.00                    | -                         | -                        |
| (f) Other non-current assets                 | 8        | 1,258.57                  | 669.45                    | 895.25                   |
|  |          | <b>42,074.00</b>          | <b>39,310.26</b>          | <b>38,660.39</b>         |
| <b>Current assets</b>                        |          |                           |                           |                          |
| (a) Inventories                              | 9        | 14,311.09                 | 12,152.17                 | 15,773.64                |
| (b) Financial Assets                         |          |                           |                           |                          |
| (i) Trade receivables                        | 10       | 18,988.00                 | 15,763.13                 | 12,152.63                |
| (ii) Cash and cash equivalents               | 11       | 51.30                     | 19.24                     | 243.96                   |
| (iii) Other bank balances                    | 12       | 46.73                     | 39.56                     | 54.29                    |
| (iv) Other current Financial Assets          | 13       | 1,294.28                  | 1,267.33                  | 256.69                   |
| (c) Other current assets                     | 14       | 2,121.97                  | 3,157.38                  | 3,789.22                 |
|  |          | <b>36,813.37</b>          | <b>32,398.80</b>          | <b>32,270.43</b>         |
| <b>Total Assets</b>                          |          | <b>78,887.37</b>          | <b>71,709.06</b>          | <b>70,930.82</b>         |
| <b>II. EQUITY AND LIABILITIES</b>            |          |                           |                           |                          |
| <b>Equity</b>                                |          |                           |                           |                          |
| (a) Equity Share capital                     | 15       | 2,039.77                  | 2,039.77                  | 2,039.77                 |
| (b) Other equity                             | 16       | 19,114.62                 | 16,885.72                 | 13,696.76                |
|  |          | <b>21,154.38</b>          | <b>18,925.48</b>          | <b>15,736.53</b>         |
| <b>Liabilities</b>                           |          |                           |                           |                          |
| <b>Non-current liabilities</b>               |          |                           |                           |                          |
| <b>(a) Financial liabilities</b>             |          |                           |                           |                          |
| (i) Borrowings                               | 17       | 15,258.96                 | 12,243.19                 | 11,811.48                |
| (ii) Other non-current financial liabilities | 18       | -                         | 48.59                     | 43.63                    |
| (b) Provisions                               | 19       | 279.59                    | 203.31                    | 125.04                   |
| (c) Deferred tax liability (net)             | 20       | 1,422.76                  | 933.80                    | 1,069.53                 |
| (d) Other non-current liabilities            | 21       | 709.83                    | 1,103.28                  | 1,496.73                 |
|  |          | <b>17,671.14</b>          | <b>14,532.16</b>          | <b>14,546.41</b>         |

₹ In Lakhs

|   | <b>Note No.</b> | <b>As at<br/>31st March, 2018</b> | <b>As at<br/>31st March, 2017</b> | <b>As at<br/>1st April, 2016</b> |
|---|-----------------|-----------------------------------|-----------------------------------|----------------------------------|
| <b>Current liabilities</b>                |                 |                                   |                                   |                                  |
| <b>(a) Financial liabilities</b>          |                 |                                   |                                   |                                  |
| (i) Borrowings                            | 22              | 15,453.51                         | 13,215.60                         | 12,960.66                        |
| (ii) Trade payables                       | 23              | 15,282.37                         | 17,585.54                         | 20,962.02                        |
| (iii) Other current financial liabilities | 24              | 5,597.31                          | 5,270.74                          | 4,385.59                         |
| (b) Other current liabilities             | 25              | 3,520.39                          | 2,008.53                          | 2,250.20                         |
| (c) Provisions                            | 26              | 104.03                            | 135.42                            | 89.40                            |
| (d) Current Tax liabilities (Net)         |                 | 104.24                            | 35.57                             | -                                |
|   |                 | <b>40,061.85</b>                  | <b>38,251.42</b>                  | <b>40,647.87</b>                 |
|   |                 |                                   |                                   |                                  |
| <b>Total Equity and Liabilities</b>       |                 | <b>78,887.37</b>                  | <b>71,709.06</b>                  | <b>70,930.82</b>                 |

## Significant Accounting Policies

2

The accompanying notes are forming part of these financial statements

As per our report of even date attached

For Sahni Natarajan and Bahl  
Chartered Accountants  
Firm Registration No. : 002816N

Sudhir Chhabra  
Partner  
M.No. 083762

Surendra Kumar Arya  
Director  
DIN 00004626

Sandip Sanyal  
Executive Director  
DIN 07186909

Place : Gurugram (Haryana)  
Dated : 15th May, 2018

Vivek Gupta  
Chief Financial Officer  
& Company Secretary

CIN L74899DL1996PLC083073

## Standalone Statement of Profit and Loss for the year ended 31st March, 2018

₹ In Lakhs

|              |  | Note No. | For the year ended<br>31st March 2018 | For the year ended<br>31st March 2017 |
|--------------|--|----------|---------------------------------------|---------------------------------------|
| <b>I.</b>    | <b>Revenue from Operations</b>   | 27       | 78,895.72                             | 78,665.13                             |
| <b>II.</b>   | <b>Other Income</b>  | 28       | 1,080.87                              | 1,481.56                              |
| <b>III.</b>  | <b>Total Income (I+II)</b>   |          | <b>79,976.59</b>                      | <b>80,146.69</b>                      |
| <b>IV.</b>   | <b>Expenses</b>  |          |                                       |                                       |
|              | Cost of materials consumed   |          | 52,443.26                             | 45,721.18                             |
|              | Changes in inventories of finished goods & work in progress                    | 29       | (417.17)                              | 1,913.75                              |
|              | Excise duty  | 52       | 2,317.60                              | 8,858.86                              |
|              | Employee benefits expense  | 30       | 8,496.24                              | 7,862.82                              |
|              | Finance costs  | 31       | 2,700.04                              | 3,022.44                              |
|              | Depreciation and amortization expense  | 4        | 2,503.55                              | 2,307.55                              |
|              | Other expenses   | 32       | 7,195.41                              | 6,669.85                              |
|              | <b>Total Expenses</b>  |          | <b>75,238.93</b>                      | <b>76,356.45</b>                      |
| <b>V.</b>    | <b>Profit before exceptional items and tax (III-IV)</b>                        |          | <b>4,737.66</b>                       | <b>3,790.24</b>                       |
| <b>VI.</b>   | <b>Exceptional items</b>   | 47       | -                                     | <b>1,105.00</b>                       |
| <b>VII.</b>  | <b>Profit before tax (V+VI)</b>  |          | <b>4,737.66</b>                       | <b>4,895.24</b>                       |
| <b>VIII.</b> | <b>Tax Expense</b>   | 33       |                                       |                                       |
|              | (1) Current tax  |          | 1,033.30                              | 1,055.43                              |
|              | (2) Deferred tax(credit)/ charge   |          | 488.97                                | (135.73)                              |
|              | (3) Earlier years  |          | 5.07                                  | -                                     |
|              |  |          | <b>1,527.33</b>                       | <b>919.69</b>                         |
| <b>IX.</b>   | <b>Profit after tax for the year (VII-VIII)</b>                                |          | <b>3,210.33</b>                       | <b>3,975.55</b>                       |
| <b>X.</b>    | <b>Other Comprehensive Income</b>  | 34       |                                       |                                       |
|              | <b>Items that will not be reclassified to Statement of Profit &amp; loss :</b> |          |                                       |                                       |
|              | (i) gain/(loss) of defined benefit plan  |          | 0.87                                  | (4.60)                                |
|              | (ii) Income tax expenses on gain/(loss) on defined benefit plan                |          | (0.29)                                | 1.55                                  |
|              | <b>Total Other Comprehensive Income</b>  |          | <b>0.57</b>                           | <b>(3.06)</b>                         |
| <b>XI.</b>   | <b>Total Comprehensive Income (IX+X)</b>                                       |          | <b>3,210.91</b>                       | <b>3,972.49</b>                       |
| <b>XII.</b>  | <b>Earnings per equity share: (Face Value of ₹5/-each)</b>                     | 35       |                                       |                                       |
|              | (1) Basic  |          | 7.87                                  | 9.75                                  |
|              | (2) Diluted  |          | 7.87                                  | 9.75                                  |

## Significant Accounting Policies

2

The accompanying notes are forming part of these financial statements  
As per our report of even date attached

For Sahni Natarajan and Bahl  
Chartered Accountants  
Firm Registration No. : 002816N

Sudhir Chhabra  
Partner  
M.No. 083762

Surendra Kumar Arya  
Director  
DIN 00004626

Sandip Sanyal  
Executive Director  
DIN 07186909

Place : Gurugram (Haryana)  
Dated : 15th May, 2018

Vivek Gupta  
Chief Financial Officer  
& Company Secretary

**CIN L74899DL1996PLC083073**

**Standalone Statement of Changes in Equity for the year ended 31st March, 2018**

**A Equity Share capital**

₹ In Lakhs

|                      | Balance as at<br>01st April 2016 | Changes in equity<br>share capital<br>during the year | Balance at the<br>end of 31st<br>March 2017 | Changes in equity<br>share capital<br>during the year | Balance at the<br>end of 31st<br>March 2018 |
|----------------------|----------------------------------|---|---|---|---|
| Equity Share capital | 2,039.77                         | -   | 2,039.77                                    | -   | 2,039.77                                    |

**B Other Equity**

|   | General Reserve | Retained Earnings | Total            |
|---|-----------------|-------------------|------------------|
| <b>Balance as at 01.04.2016</b>                                   | <b>812.45</b>   | <b>12,868.91</b>  | <b>13,681.35</b> |
| Changes in accounting policy                                      | -               | 15.41             | 15.41            |
| <b>Restated balances at the beginning of the reporting period</b> | <b>812.45</b>   | <b>12,884.32</b>  | <b>13,696.76</b> |
| Profit for the year   | -               | 3,975.55          | 3,975.55         |
| Other comprehensive income/(loss) for the year                    | -               | (3.06)            | (3.06)           |
| Transfer from retained earning to general reserve                 | 50.00           | (50.00)           | -                |
| Dividends distributed during the year (including CDT)             | -               | (783.54)          | (783.54)         |
| <b>Balance as at 31.03.2017</b>                                   | <b>862.45</b>   | <b>16,023.27</b>  | <b>16,885.72</b> |
| Changes in accounting policy                                      | -               | -                 | -                |
| <b>Restated balances at the beginning of the reporting period</b> | <b>862.45</b>   | <b>16,023.27</b>  | <b>16,885.72</b> |
| Profit for the year   | -               | 3,210.33          | 3,210.33         |
| Other comprehensive income/(loss) for the year                    | -               | 0.57              | 0.57             |
| Dividends distributed during the year (including CDT)             | -               | (982.01)          | (982.01)         |
| <b>Balance as at 31.03.2018</b>                                   | <b>862.45</b>   | <b>18,252.17</b>  | <b>19,114.62</b> |

The accompanying notes are forming part of these financial statements

As per our report of even date attached

For Sahni Natarajan and Bahl  
Chartered Accountants  
Firm Registration No. : 002816N

Sudhir Chhabra  
Partner  
M.No. 083762

Surendra Kumar Arya  
Director  
DIN 00004626

Sandip Sanyal  
Executive Director  
DIN 07186909

Place : Gurugram (Haryana)  
Dated : 15th May, 2018

Vivek Gupta  
Chief Financial Officer  
& Company Secretary

CIN L74899DL1996PLC083073

## Standalone Cash Flow Statement for the year ended 31st March 2018

₹ In Lakhs

|  |            | For the year ended<br>31st March 2018 | For the year ended<br>31st March 2017 |
|--|------------|---------------------------------------|---------------------------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>  |            |                                       |                                       |
| <b>Profit before tax</b>   |            | <b>4,737.66</b>                       | <b>4,895.24</b>                       |
| <b>Adjustments for :</b>   |            |                                       |                                       |
| Depreciation and amortisation expense  | 2,503.55   |                                       | 2,307.55                              |
| Finance costs  | 2,700.04   |                                       | 2,993.60                              |
| Unrealised exchange loss/(gain) (net)  | (15.02)    |                                       | 8.60                                  |
| Remeasurement gain/(loss) of defined benefit plan  | 0.87       |                                       | (4.60)                                |
| Deferred income on deferred component of financial instrument  | (393.45)   |                                       | (393.45)                              |
| Interest income  | (11.00)    |                                       | (13.42)                               |
| Loss/(Profit) on sale of Property, Plant and Equipment (net)   | (18.30)    |                                       | 2.76                                  |
|  |            | <b>4,766.69</b>                       | <b>4,901.04</b>                       |
| <b>Operating profit before working capital changes</b>   |            | <b>9,504.35</b>                       | <b>9,796.28</b>                       |
| <b>Adjustments for :</b>   |            |                                       |                                       |
| Trade and other receivables  | (2,214.46) |                                       | (3,952.23)                            |
| Inventories  | (2,162.63) |                                       | 3,622.36                              |
| Trade and other liabilities  | (885.41)   | (5,262.50)                            | (3,171.39)                            |
|  |            |                                       | (3,501.25)                            |
| <b>Cash generated from operations</b>  |            | <b>4,241.85</b>                       | <b>6,295.03</b>                       |
| Direct taxes paid (Net)  | (1,105.52) | (1,105.52)                            | (891.62)                              |
|  |            |                                       | (891.62)                              |
| <b>Net Cash from operating activities</b>  |            | <b>3,136.33</b>                       | <b>5,403.41</b>                       |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>  |            |                                       |                                       |
| Purchase of property, plant and equipment and intangible assets (including CWIP and intangible assets under development) | (4,487.02) |                                       | (3,363.66)                            |
| Proceeds from sale of property, plant and equipment  | 59.96      |                                       | 39.88                                 |
| Interest received  | 11.00      |                                       | 13.42                                 |
| Purchase of investments (including share application money)  | (720.00)   |                                       | (0.80)                                |
| <b>Net Cash used in Investing Activities</b>   |            | <b>(5,136.06)</b>                     | <b>(3,311.15)</b>                     |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>  |            |                                       |                                       |
| Repayment of non current borrowings  | (4,709.24) |                                       | (3,644.73)                            |
| Proceeds from non current borrowings   | 7,777.78   |                                       | 4,490.00                              |
| Increase/(Decrease) in current borrowings (net)  | 2,252.93   |                                       | 245.95                                |
| Finance cost paid  | (2,307.67) |                                       | (2,624.66)                            |
| Dividend/dividend tax paid   | (982.01)   |                                       | (783.54)                              |
| <b>Net Cash flow /(used in) Financing Activities</b>   |            | <b>2,031.79</b>                       | <b>(2,316.98)</b>                     |
| <b>Net Increase in Cash and cash equivalents</b>   |            | <b>32.07</b>                          | <b>(224.72)</b>                       |
| <b>Cash and cash equivalents at the beginning of the year (Refer Note No. 11)</b>  |            | <b>19.24</b>                          | <b>243.96</b>                         |
| <b>Cash and cash equivalents at the end of the year (Refer Note No. 11)</b>  |            | <b>51.30</b>                          | <b>19.24</b>                          |

## Standalone Cash Flow Statement for the year ended 31st March 2018

Notes:

- 1 The above Cash Flow Statement has been prepared under the indirect method as set out in the Indian Accounting Standard - 7 on "Cash Flow Statement".
- 2 Trade and other receivables includes loans and advances.
- 3 The amendments to the IND AS 7 Cash Flow Statements requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

This amendment has become effective from 1st April, 2017 and the required disclosure is made below. There is no other impact on the financial statements due to this amendment.

|                         | As at<br>01st April 2017 | Cash flows      | Acquisition/<br>Foreign<br>exchange<br>movement/ Fair<br>value changes | As at<br>31st March 2018 |
|-------------------------|--------------------------|-----------------|--|--------------------------|
| Borrowings- Non Current | 16,485.47                | 3,068.54        | 377.37   | 19,931.38                |
| Borrowings- Current     | 13,215.60                | 2,252.93        | (15.02)  | 15,453.51                |
| Lease liabilities       | 92.17                    | (6.76)          | 9.68   | 95.09                    |
|                         | <b>29,793.25</b>         | <b>5,314.71</b> | <b>372.03</b>  | <b>35,479.99</b>         |

4 Figures in bracket represents cash outflow

The accompanying notes are forming part of these financial statements

As per our report of even date attached

For Sahni Natarajan and Bahl  
Chartered Accountants  
Firm Registration No. : 002816N

Sudhir Chhabra  
Partner  
M.No. 083762

Surendra Kumar Arya  
Director  
DIN 00004626

Sandip Sanyal  
Executive Director  
DIN 07186909

Place : Gurugram (Haryana)  
Dated : 15th May, 2018

Vivek Gupta  
Chief Financial Officer  
& Company Secretary



## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 1. General Information

JBM Auto Limited (the "Company") is a public limited company incorporated under the Companies Act 1956 having its registered office at 601, Hemkunt chambers, 89, Nehru place, New Delhi. The Company is engaged in the automotive business that manufactures and sell sheet metal components, tools dies & moulds and buses including sale of spare parts, accessories & maintenance contract of Buses. The Company is listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

The financial statements for the year ended March 31, 2018 were approved by the Board of Directors and authorize for issue on May 15, 2018.

### 2. Significant Accounting Policies

#### 2.1 Statement of Compliance

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

Upto the year ended March 31, 2017, the Company prepared the financial statements in accordance with the requirements of previous GAAP, which includes standards notified under the Companies (Accounting Standards) Rules, 2006 and other relevant provisions of the Act.

These are the Company's first Ind AS financial statements. The date of transition to the Ind AS is April 01, 2016. Refer to Note No. 58 for the details of first-time adoption exemptions availed by the Company.

#### 2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies mentioned below. Historical cost is generally based on the fair value of the consideration given in exchange of goods or services.

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

The principal accounting policies are set out below.

#### 2.3 Use of Estimates and Judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates.

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

#### 2.4 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, cash discount, trade allowances, sales incentives, value added taxes, goods and services tax and amount collected on behalf of third parties. The Company recognizes revenue when the amount of revenue and its related cost can be reliably measured and it is probable that future economic benefits will flow to the Company and specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transactions and the specifics of each arrangement.

## **NOTES FORMING PART OF FINANCIAL STATEMENTS**

### **Sale of goods**

Revenue from sales of goods is recognized when the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, cash discount, trade allowances, sales incentives, value added taxes, goods and services tax and amount collected on behalf of third parties.

### **Income from services**

Income from services is recognized by reference to the stage of completion of the transaction at the end of the reporting period.

### **Dividend and interest income**

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

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. For all Financial instruments measured either at amortized or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). Interest income is included in other income in the Statement of Profit and Loss. Interest income in respect of financial instruments measured at fair value through profit or loss is included in other income.

### **Royalty Income**

Revenue from royalty is recognised on an accrual basis in accordance with the substance of the relevant arrangement.

## **2.5 Leases**

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

### **The Company as lessee**

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's policy on borrowing costs.

Rental expense on operating leases is recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the period in which such benefits accrue.

### **The Company as a lessor**

Leases in which the company does not transfer substantially all the risks and the rewards of ownership of an asset are classified as operating lease. Rental income from operating lease is recognised on a straight line basis over the term of the relevant lease.

## **2.6 Foreign Currencies**

### **Functional and presentation currency**

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

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rate at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in Statement of Profit and Loss.

Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to the translation difference (translation differences on items whose gain or loss is recognised in Other Comprehensive Income or the Statement of Profit and Loss is also recognised in Other Comprehensive Income or the Statement of Profit and Loss respectively).

### 2.7 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Where the funds used to finance a qualifying asset form part of general borrowings, the amount capitalised is calculated using a weighted average of rates applicable to relevant general borrowings of the Company during the year.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

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

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

### 2.8 Employee Benefits

#### Short-term obligations

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

#### Other long-term employee benefit obligations

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

#### Post-employment obligations

##### Defined benefit plans

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

## **NOTES FORMING PART OF FINANCIAL STATEMENTS**

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

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

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

### **Defined contribution plans**

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

### **Termination Benefits**

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

## **2.9 Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

### **Current tax**

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

### **Deferred tax**

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

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

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

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

### **Current and deferred tax for the year**

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

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 2.10 Property, Plant and Equipment (PPE)

Property, Plant and Equipment (PPE) are stated at cost of acquisition, net of accumulated depreciation and accumulated impairment losses, if any. The cost of tangible asset includes purchase cost (net of rebates and discounts) including any import duties and non-refundable taxes, and any directly attributable costs on making the asset ready for its intended use. Freehold land is measured at cost and is not depreciated.

Interest cost incurred on qualifying asset is capitalized up to the date the asset is ready for its intended use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings if no specific borrowings have been incurred for the asset.

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

#### Transition to IND AS

On transition to Ind AS, the Company has elected to continue with the carrying value of its property, plant and equipment recognised as at April 01, 2016, measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment

#### Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method on a pro-rata basis from the month in which each asset is ready to use to allocate their cost, net of their residual values, over their estimated useful lives of the assets as prescribed in Schedule II of the companies Act, 2013 except in respect of the following assets where estimated useful life is determined as per management's estimate based on technical advice which considered the nature of assets, the usage of asset, expected physical wear & tear:

| Property, plant and equipment               | Useful lives based on technical evaluation                                     |
|---|--|
| Plant & machinery and Electric Installation | 20 years   |
| Pallets, Tools & Dies                       | 8 years  |
| Finance Leasehold land                      | Over the remaining period of leasehold from the date of commissioning of plant |

The assets' residual values, estimated useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis

Gains and losses on disposal are determined by comparing proceeds with carrying amount and are credited / debited to profit or loss.

### 2.11 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost of acquisition and are stated net of accumulated amortization and accumulated impairment losses, if any.

The cost of an intangible asset includes purchase cost (net of rebates and discounts), including any import duties and non-refundable taxes, and any directly attributable costs on making the asset ready for its intended use.

#### Internally generated intangible assets

Research costs are charged to the Statement of Profit and Loss in the year in which they are incurred. Product development costs incurred on new vehicle platform and new products are recognized as intangible assets, when feasibility has been established, the Company has committed technical, financial and other resources to complete the development and it is probable that asset will generate probable future economic benefits.

The costs capitalized include the cost of materials, direct labour and directly attributable overhead expenditure incurred up to the date the asset is available for use.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

Interest cost incurred on qualifying asset is capitalized up to the date the asset is ready for its intended use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings if no specific borrowings have been incurred for the asset.

Capitalized development expenditure is measured at cost less accumulated amortization and accumulated impairment, if any.

### Transition to IND AS

On transition to Ind AS, the Company has elected to continue with the carrying value of its intangible asset recognised as at April 01, 2016, measured as per the previous GAAP and use that carrying value as the deemed cost of the intangible assets.

### Amortisation methods and useful lives

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

Residual Value is considered as Nil in the below cases:

| Nature of Assets   | Life     |
|--|----------|
| Technical knowhow  | 5 years  |
| License fees, Design, Technical know-how & Prototype related to bus division | 10 years |
| Computer software  | 3 years  |

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

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

### Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

## 2.12 Inventories

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

**Raw Material** is recorded at cost on a weighted average cost formula;  
Stores & spares are recorded at cost on a weighted average cost formula.

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

**By products and scrap** are valued at net realizable value.



## NOTES FORMING PART OF FINANCIAL STATEMENTS

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

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

### 2.13 Provisions and contingencies

#### Provisions

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

Provisions are determined based on best management estimate required to settle the obligation at balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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

#### Contingent Liabilities

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

#### Contingent Assets

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

### 2.14 Business Combinations

A common control business combination, involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and where the control is not transitory, is accounted for using the pooling of interests method.

Other business combinations, involving entities or businesses are accounted for using acquisition method.

The Company has elected not to apply Ind AS – 103 'Business Combinations' retrospectively to past business combinations that occurred before the transition date of April 01, 2016.

### 2.15 Financial instruments

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

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

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### (i) Financial assets

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

### (ii) Classification of financial assets

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

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

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

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

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

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

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

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

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

### (iii) Investments in equity instrument at fair value through other comprehensive income (FVTOCI)

On initial recognition, the Company can make an irrevocable election (on an instrument by instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instrument. This election is not permitted if the equity instrument is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains / losses arising from changes in fair value recognised in other comprehensive income. This cumulative gain or loss is not reclassified to the Statement of Profit and Loss on disposal of the investments.

### (iv) Equity investment in Subsidiaries, Associates and Joint Ventures

Investments representing equity interest in subsidiaries, associates and joint ventures are carried at cost less any provision for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

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

Investment in equity instrument are classified at fair value through profit or loss, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

Financial assets that do not meet the amortised cost criteria or fair value through other comprehensive income criteria are measured at fair value through profit or loss. A financial asset that meets the amortised cost criteria or fair value through other comprehensive income criteria may be designated as at fair value through profit or loss upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets and liabilities or recognising the gains or losses on them on different bases.

Financial assets which are fair valued through profit or loss are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss.

### (vi) Trade receivables

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

### (vii) Cash and cash equivalents

In the cash flow statement, cash and cash equivalents includes cash in hand, cheques and balances with bank and short term highly liquid investments with original maturities of three months or less that are readily convertible to known amount of cash. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet and forms part of financing activities in the cash flow statement. Book overdraft is shown within other financial liabilities in the balance sheet and forms part of operating activities in the cash flow statement.

### (viii) Impairment of financial assets:

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

- financial assets measured at amortised cost
- financial assets measured at fair value through other comprehensive income

Expected credit loss are measured through a loss allowance at an amount equal to :

- the twelve month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within twelve months after the reporting date); or
- full life time expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

### (ix) Derecognition of financial assets

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients
- The right to receive cash flows from the asset has expired.

### (x) Foreign Exchange gains and losses

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

## **NOTES FORMING PART OF FINANCIAL STATEMENTS**

### **Financial liabilities and equity instruments**

#### **(xi) Classification of debt or equity**

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

#### **(xii) Equity instruments**

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

#### **(xiii) Financial liabilities**

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

#### **(xiv) Trade and other payables**

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

#### **(xv) Borrowings**

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

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

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

#### **(xvi) Foreign exchange gains or losses**

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in profit or loss.

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

#### **(xvii) Derecognition of financial liabilities**

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

#### **(xviii) Derivative Financial Instruments**

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate and cross currency swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in Statement of Profit and Loss depends on nature of the hedging relationship and the nature of the hedged item.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### (xix) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability 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.

### 2.16 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

### 2.17 Earnings Per Share

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

### 2.18 Government Grants & Subsidies

Government Grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

## **NOTES FORMING PART OF FINANCIAL STATEMENTS**

### **2.19 Dividends**

Final dividends on shares are recorded on the date of approval by the shareholders of the Company.

### **2.20 Royalty**

The Company pays/accrues for royalty in accordance with the relevant license agreements.

The lump-sum royalty incurred towards obtaining technical assistance/technical know-how and engineering support to manufacture a new model is recognized as an intangible asset. Royalty payable on sale of products i.e. running royalty is charged to Statement of Profit and loss as and when incurred.

### **2.21 Rounding of amounts**

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



## NOTES FORMING PART OF FINANCIAL STATEMENTS

### NOTE 3(a): PROPERTY, PLANT AND EQUIPMENT

₹ In Lakhs

| Particulars                     | Freehold Land | Buildings       | Plant and Equipment | Furniture and Fixtures | Vehicles      | Office Equipment (including computer system) | Total (A)        | Leasehold land (Finance Lease) | Total (B)       | TOTAL (A+B)      |
|---------------------------------|---------------|-----------------|---------------------|------------------------|---------------|--|------------------|--------------------------------|-----------------|------------------|
| <b>Gross Block(Deemed Cost)</b> |               |                 |                     |                        |               |  |                  |                                |                 |                  |
| <b>As at April 01, 2016</b>     | <b>254.93</b> | <b>5,610.88</b> | <b>14,520.93</b>    | <b>106.43</b>          | <b>150.03</b> | <b>266.69</b>                                | <b>20,909.89</b> | <b>2,037.78</b>                | <b>2,037.78</b> | <b>22,947.67</b> |
| Additions                       | -             | 8.25            | 1,077.63            | 10.68                  | 85.22         | 89.25  | 1,271.03         | -                              | -               | 1,271.03         |
| Disposals                       | -             | -               | (32.99)             | -                      | (15.91)       | (0.93)                                       | (49.83)          | -                              | -               | (49.83)          |
| Other adjustments               | -             | -               | -                   | -                      | -             | -  | -                | -                              | -               | -                |
| - Exchange difference           | -             | -               | (0.66)              | -                      | -             | -  | (0.66)           | -                              | -               | (0.66)           |
| - Other (Refer Note -1 below)   | -             | -               | -                   | -                      | -             | -  | -                | (38.82)                        | (38.82)         | (38.82)          |
| <b>As at March 31, 2017</b>     | <b>254.93</b> | <b>5,619.13</b> | <b>15,564.91</b>    | <b>117.11</b>          | <b>219.34</b> | <b>355.01</b>                                | <b>22,130.43</b> | <b>1,998.95</b>                | <b>1,998.95</b> | <b>24,129.38</b> |
| Additions                       | -             | 29.40           | 333.31              | 1.70                   | 137.45        | 49.14  | 550.98           | -                              | -               | 550.98           |
| Disposals                       | -             | -               | (33.47)             | -                      | (18.59)       | (3.24)                                       | (55.30)          | -                              | -               | (55.30)          |
| <b>As at March 31, 2018</b>     | <b>254.93</b> | <b>5,648.53</b> | <b>15,864.75</b>    | <b>118.81</b>          | <b>338.20</b> | <b>400.90</b>                                | <b>22,626.12</b> | <b>1,998.95</b>                | <b>1,998.95</b> | <b>24,625.07</b> |
| <b>Accumulated Depreciation</b> |               |                 |                     |                        |               |  |                  |                                |                 |                  |
| <b>As at April 01, 2016</b>     | -             | -               | -                   | -                      | -             | -  | -                | -                              | -               | -                |
| Charge for the year             | -             | 203.89          | 1,192.68            | 15.30                  | 31.85         | 103.91                                       | 1,547.63         | 23.21                          | 23.21           | 1,570.84         |
| Adjustment on disposals         | -             | -               | (4.32)              | -                      | (2.63)        | (0.23)                                       | (7.19)           | -                              | -               | (7.19)           |
| <b>As at March 31, 2017</b>     | -             | <b>203.89</b>   | <b>1,188.36</b>     | <b>15.30</b>           | <b>29.22</b>  | <b>103.68</b>                                | <b>1,540.44</b>  | <b>23.21</b>                   | <b>23.21</b>    | <b>1,563.65</b>  |
| Charge for the year             | -             | 207.10          | 1,272.09            | 13.39                  | 33.24         | 105.42                                       | 1,631.24         | 23.34                          | 23.34           | 1,654.58         |
| Adjustment on disposals         | -             | -               | (5.97)              | -                      | (6.52)        | (1.01)                                       | (13.51)          | -                              | -               | (13.51)          |
| <b>As at March 31, 2018</b>     | -             | <b>410.99</b>   | <b>2,454.48</b>     | <b>28.69</b>           | <b>55.94</b>  | <b>208.09</b>                                | <b>3,158.17</b>  | <b>46.56</b>                   | <b>46.56</b>    | <b>3,204.73</b>  |
| <b>Net Block</b>                |               |                 |                     |                        |               |  |                  |                                |                 |                  |
| <b>As at April 01, 2016</b>     | <b>254.93</b> | <b>5,610.88</b> | <b>14,520.93</b>    | <b>106.43</b>          | <b>150.03</b> | <b>266.69</b>                                | <b>20,909.89</b> | <b>2,037.78</b>                | <b>2,037.78</b> | <b>22,947.67</b> |
| <b>As at March 31, 2017</b>     | <b>254.93</b> | <b>5,415.24</b> | <b>14,376.55</b>    | <b>101.81</b>          | <b>190.12</b> | <b>251.33</b>                                | <b>20,589.99</b> | <b>1,975.74</b>                | <b>1,975.74</b> | <b>22,565.73</b> |
| <b>As at March 31, 2018</b>     | <b>254.93</b> | <b>5,237.54</b> | <b>13,410.27</b>    | <b>90.12</b>           | <b>282.26</b> | <b>192.81</b>                                | <b>19,467.95</b> | <b>1,952.40</b>                | <b>1,952.40</b> | <b>21,420.34</b> |

#### Notes

- During the FY 2016-17 adjustment in lease hold land amounting to Rs 38.82 lacs by transferring it to security deposit account as the same is refundable after the expiry of lease period as per the lease agreement.
- The lease hold land at Faridabad amounting to Rs 36.37 lacs is yet to be registered in the name of the Company. The Company has obtained "no objection certificate" from lessor to get registration of same in the name of the Company.
- Lease Hold land includes land at Singur amounting to Rs 156.11 lacs is yet to be registered in the name of the Company and the same is not amortised (Refer Note No. 42).
- Certain borrowings of the Company have been secured against Property Plant and Equipment (Refer Note No. 17 & 22).

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### NOTE 3(b) : INTANGIBLE ASSETS

₹ In Lakhs

| Particulars                     | Technical Knowhow | Computer Software | Prototype       | Licence Fees    | Total           |
|---------------------------------|-------------------|-------------------|-----------------|-----------------|-----------------|
| <b>Gross Block(Deemed Cost)</b> |                   |                   |                 |                 |                 |
| <b>As at April 01, 2016</b>     | <b>629.77</b>     | <b>44.88</b>      | <b>3,160.85</b> | <b>1,259.73</b> | <b>5,095.22</b> |
| Additions                       | 166.36            | 156.24            | 627.25          | -               | 949.84          |
| Other adjustments               |                   |                   |                 |                 |                 |
| - Exchange difference           | (4.71)            | -                 | -               | -               | (4.71)          |
| <b>As at March 31, 2017</b>     | <b>791.42</b>     | <b>201.11</b>     | <b>3,788.10</b> | <b>1,259.73</b> | <b>6,040.36</b> |
| Additions                       | -                 | 12.36             | 612.16          | -               | 624.51          |
| <b>As at March 31, 2018</b>     | <b>791.42</b>     | <b>213.47</b>     | <b>4,400.26</b> | <b>1,259.73</b> | <b>6,664.87</b> |
|                                 |                   |                   |                 |                 |                 |
| <b>Accumulated Amortisation</b> |                   |                   |                 |                 |                 |
| <b>As at April 01, 2016</b>     | -                 | -                 | -               | -               | -               |
| Charge for the year             | 211.02            | 25.93             | 359.36          | 140.39          | 736.71          |
| <b>As at March 31, 2017</b>     | <b>211.02</b>     | <b>25.93</b>      | <b>359.36</b>   | <b>140.39</b>   | <b>736.71</b>   |
|                                 |                   |                   |                 |                 |                 |
| Charge for the year             | 221.20            | 80.05             | 407.32          | 140.39          | 848.97          |
| <b>As at March 31, 2018</b>     | <b>432.23</b>     | <b>105.99</b>     | <b>766.68</b>   | <b>280.78</b>   | <b>1,585.68</b> |
|                                 |                   |                   |                 |                 |                 |
| <b>Net Block</b>                |                   |                   |                 |                 |                 |
| <b>As at April 01, 2016</b>     | <b>629.77</b>     | <b>44.88</b>      | <b>3,160.85</b> | <b>1,259.73</b> | <b>5,095.22</b> |
| <b>As at March 31, 2017</b>     | <b>580.39</b>     | <b>175.18</b>     | <b>3,428.74</b> | <b>1,119.34</b> | <b>5,303.65</b> |
| <b>As at March 31, 2018</b>     | <b>359.19</b>     | <b>107.48</b>     | <b>3,633.58</b> | <b>978.95</b>   | <b>5,079.19</b> |

### NOTE 4 : DEPRECIATION AND AMORTISATION EXPENSES

| Particulars  | For the year ended<br>31st March 2018 | For the year ended<br>31st March 2017 |
|--|---------------------------------------|---------------------------------------|
|  |                                       |                                       |
| Depreciation/Amortisation on Property, Plant & equipment | 1,654.58                              | 1,570.84                              |
| Amortisation on Intangible Assets                        | 848.97                                | 736.71                                |
|  | <b>2,503.55</b>                       | <b>2,307.55</b>                       |

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### NON CURRENT FINANCIAL ASSETS

(Carried at amortised cost, unless stated otherwise)

₹ In Lakhs

|  | As at 31st<br>March, 2018 | As at 31st<br>March, 2017 | As at 1st<br>April, 2016 |
|--|---------------------------|---------------------------|--------------------------|
|--|---------------------------|---------------------------|--------------------------|

### NOTE 5 : NON CURRENT INVESTMENTS

#### Investment in Equity Instruments

|  |                 |                 |                 |
|--|-----------------|-----------------|-----------------|
| <b>Subsidiary (At cost)</b>  |                 |                 |                 |
| 1,83,90,000 (YE 31.03.2017 : 1,83,90,000, As on 01.04.2016 : 1,83,90,000) Equity Shares of Rs.10/- each fully paid up of JBM Auto System Private Limited   | 2,945.82        | 2,945.82        | 2,945.82        |
| <b>Joint Ventures (At cost)</b>  |                 |                 |                 |
| 48,08,000 (YE 31.03.2017 : 8,000, As on 01.04.2016 : Nil) Equity Shares of Rs.10/- each fully paid up of JBM Solaris Electric Vehicles Private Limited     | 480.80          | 0.80            | -               |
| 2,00,000 (YE 31.03.2017 : 2,00,000, As on 01.04.2016 : 2,00,000) Equity Shares of Rs. 10/- each fully paid up of INDO Tooling Private Limited.             | 20.00           | 20.00           | 20.00           |
| 11,219,994 (YE 31.03.2017 : 11,219,994, As on 01.04.2016 : 11,219,994) Equity Share of Rs. 10/- each fully paid up of JBM Ogihara Automotive India Limited | 1,122.00        | 1,122.00        | 1,122.00        |
| Nil (YE 31.03.2017 : 3,04,49,600, As on 01.04.2016 3,04,49,600) Equity Shares of Rs. 10/- each fully paid up of JBM MA Automotive Private Limited          | -               | 3,044.96        | 3,044.96        |
| <b>Associate (At cost)</b>   |                 |                 |                 |
| 3,04,49,600 Equity Shares of Rs. 10/- each fully paid up of JBM MA Automotive Private Limited  | 3,044.96        | -               | -               |
|  | <b>7,613.58</b> | <b>7,133.58</b> | <b>7,132.78</b> |
| Aggregate amount of unquoted investments   | <b>7,613.58</b> | <b>7,133.58</b> | <b>7,132.78</b> |
| Aggregate amount of impairment in value of investments   | -               | -               | -               |

### NOTE 6 : LOANS

(Unsecured, Considered good)

|                   |               |               |               |
|-------------------|---------------|---------------|---------------|
| Security deposits | 200.89        | 188.20        | 171.15        |
|                   | <b>200.89</b> | <b>188.20</b> | <b>171.15</b> |

### NOTE 7 : OTHER NON CURRENT FINANCIAL ASSETS

(Unsecured, considered good)

|                               |               |   |   |
|-------------------------------|---------------|---|---|
| Share application money given | 240.00        | - | - |
|                               | <b>240.00</b> | - | - |

Refer Note No 38

### NOTE 8 : OTHER NON CURRENT ASSETS

(Unsecured, considered good)

|                                       |                 |               |               |
|---------------------------------------|-----------------|---------------|---------------|
| Capital advances                      | 543.01          | 67.61         | 142.56        |
| Prepaid rent                          | 580.03          | 601.84        | 626.00        |
| Advance income tax (Net of provision) | 135.53          | -             | 126.69        |
|                                       | <b>1,258.57</b> | <b>669.45</b> | <b>895.25</b> |

## NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ In Lakhs

|  | As at 31st<br>March, 2018 | As at 31st<br>March, 2017 | As at 1st<br>April, 2016 |
|--|---------------------------|---------------------------|--------------------------|
|--|---------------------------|---------------------------|--------------------------|

### NOTE 9 : INVENTORIES

(Carried at lower of cost and net realisable value)\*

|                              |                  |                  |                  |
|------------------------------|------------------|------------------|------------------|
| Raw materials                | 6,569.68         | 4,975.72         | 6,629.90         |
| Raw materials in transit     | 35.77            | -                | -                |
| Work in progress             | 6,699.13         | 6,616.06         | 8,535.25         |
| Work in progress in transit  | 309.16           | -                | -                |
| Finished Goods               | 97.59            | 72.66            | 67.21            |
| Stores, spares & consumables | 522.28           | 436.42           | 507.96           |
| Scrap                        | 77.48            | 51.33            | 33.32            |
|                              | <b>14,311.09</b> | <b>12,152.17</b> | <b>15,773.64</b> |

- \*The mode of valuation of inventory has been stated in Note No. 2.12
- Certain borrowings of the Company have been secured against inventories (Refer Note No. 17 & 22).
- The cost of inventories recognised as an expense during the year is ₹ 53,711.12 lakhs (P.Y ₹ 49,371.27 lakhs).

### CURRENT FINANCIAL ASSETS

(Carried at amortised cost, unless stated otherwise)

### NOTE 10 : TRADE RECEIVABLE (Unsecured)

|                                    |                  |                  |                  |
|------------------------------------|------------------|------------------|------------------|
| - Considered good                  | 18,988.00        | 15,763.13        | 12,152.63        |
| - Considered doubtful              | 19.63            | 19.63            | 45.98            |
|                                    | <b>19,007.63</b> | <b>15,782.76</b> | <b>12,198.61</b> |
| Less: Provision for doubtful debts | 19.63            | 19.63            | 45.98            |
|                                    | <b>18,988.00</b> | <b>15,763.13</b> | <b>12,152.63</b> |

- Certain borrowings of the Company have been secured against receivables (Refer Note No. 17 & 22).
- Debts amounting to ₹ 1,001.76 lakhs (Y.E. 31.03.2017 ₹ 562.30 lakhs, As at 01.04.2016: ₹ 584.08 lakhs) is due by private companies in which director is a director or a member.
- Above figures includes amount receivables from related parties (Refer Note No. 54).

### NOTE 11 : CASH AND CASH EQUIVALENTS

|                      |              |              |               |
|----------------------|--------------|--------------|---------------|
| Cash in hand         | 7.64         | 7.38         | 14.25         |
| Balances with banks  |              |              |               |
| - In Current account | 43.67        | 11.86        | 229.71        |
|                      | <b>51.30</b> | <b>19.24</b> | <b>243.96</b> |

### NOTE 12 : OTHER BANK BALANCES

|   |              |              |              |
|---|--------------|--------------|--------------|
| In Fixed Deposit account more than 3 months original Maturity but less than 12 month maturity | 27.97        | 26.27        | 43.93        |
| Balances with banks   |              |              |              |
| - In Unpaid Dividend account  | 18.76        | 13.29        | 10.36        |
|   | <b>46.73</b> | <b>39.56</b> | <b>54.29</b> |

## NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ In Lakhs

|  | As at 31st<br>March, 2018 | As at 31st<br>March, 2017 | As at 1st<br>April, 2016 |
|--|---------------------------|---------------------------|--------------------------|
|--|---------------------------|---------------------------|--------------------------|

### NOTE 13 : OTHER CURRENT FINANCIAL ASSETS

(Unsecured, considered good)

|   |                 |                 |               |
|---|-----------------|-----------------|---------------|
| Royalty receivable  | 119.25          | 99.45           | 117.48        |
| Claim receivable (Refer Note No. 47)                                      | 1,105.00        | 1,105.00        | -             |
| Hedging gain recoverable<br>(carried at fair value through Profit & loss) | -               | -               | 60.33         |
| Other financial assets  | 70.03           | 62.88           | 78.88         |
|   | <b>1,294.28</b> | <b>1,267.33</b> | <b>256.69</b> |

### NOTE 14 : OTHER CURRENT ASSETS

(Unsecured, considered good)

|   |                 |                 |                 |
|---|-----------------|-----------------|-----------------|
| Subsidy receivable                            | 1,012.33        | 800.04          | 432.07          |
| Balance with statutory/government authorities | 575.59          | 1,607.26        | 2,220.33        |
| Sales tax/VAT recoverable                     | 4.62            | 48.92           | 328.52          |
| Advance to suppliers                          | 422.28          | 541.25          | 685.13          |
| Other assets                                  | 107.15          | 159.92          | 123.17          |
|   | <b>2,121.97</b> | <b>3,157.38</b> | <b>3,789.22</b> |

### NOTE 15 : EQUITY SHARE CAPITAL

#### A. Authorised

|   |                 |                 |                 |
|---|-----------------|-----------------|-----------------|
| 8,00,00,000 (Y.E. 31.03.2017 8,00,00,000, As on 01.04.2016 8,00,00,000 )<br>Equity Shares of ₹ 5/- each | 4,000.00        | 4,000.00        | 4,000.00        |
| 100,00,000 (Y.E. 100,00,000, As on 01.04.2016 1,00,00,000)<br>Preference Shares of ₹ 10/- each          | 1,000.00        | 1,000.00        | 1,000.00        |
|   | <b>5,000.00</b> | <b>5,000.00</b> | <b>5,000.00</b> |

#### B. Issued, Subscribed and Fully Paid Up

|   |                 |                 |                 |
|---|-----------------|-----------------|-----------------|
| 4,07,95,364 (Y.E. 31.03.2017 4,07,95,364, As on 01.04.2016. 4,07,95,364)<br>Equity Shares of ₹ 5/- each fully paid up | 2,039.77        | 2,039.77        | 2,039.77        |
|   | <b>2,039.77</b> | <b>2,039.77</b> | <b>2,039.77</b> |

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

|  |            |            |            |
|--|------------|------------|------------|
| Number of equity shares outstanding at the beginning of the year | 40,795,364 | 40,795,364 | 40,795,364 |
| Add: issued/cancelled during the year                            | -          | -          | -          |
| Number of equity shares outstanding at the end of the year       | 40,795,364 | 40,795,364 | 40,795,364 |

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### ii) Terms/rights attached to equity shares

The Company has one class of equity shares having par value of ₹ 5/- per share. Each shareholder is entitled for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in the case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

### iii) Details of shareholders holding more than 5% equity shares in the Company (Refer Note No .50).

### iv) Aggregate number of shares issued as bonus share during 5 year immediately preceding 31st March ,2018

The company has allotted 2,03,97,682 fully paid up equity shares of face value ₹ 5 each during the year ended 31.03.2015 pursuant to a bonus issue approved by the shareholders through a postal ballot.

₹ In Lakhs

### NOTE 16 : OTHER EQUITY

|  | Retained Earnings | General Reserve | Total            |
|--|-------------------|-----------------|------------------|
| <b>As at 01.04.2017</b>                                | <b>16,023.27</b>  | <b>862.45</b>   | <b>16,885.72</b> |
| Profit for the year                                    | 3,210.33          | -               | 3,210.33         |
| Other comprehensive income/(loss) for the year         | 0.57              | -               | 0.57             |
| Dividends distributed during the year (including CDT)* | (982.01)          | -               | (982.01)         |
| <b>As at 31.03.2018</b>                                | <b>18,252.17</b>  | <b>862.45</b>   | <b>19,114.62</b> |
|  |                   |                 |                  |
| <b>As at 01.04.2016</b>                                | <b>12,884.32</b>  | <b>812.45</b>   | <b>13,696.76</b> |
| Profit for the year                                    | 3,975.55          | -               | 3,975.55         |
| Other comprehensive income/(loss) for the year         | (3.06)            | -               | (3.06)           |
| Transfer from retained earning to general reserve      | (50.00)           | 50.00           | -                |
| Dividends distributed during the year (including CDT)* | (783.54)          | -               | (783.54)         |
| <b>As at 31.03.2017</b>                                | <b>16,023.27</b>  | <b>862.45</b>   | <b>16,885.72</b> |

\* During the year 2017-18, the Company has paid dividend of ₹ 2/- per share (PY ₹ 1.75 per share) (on fully paid-up equity share of ₹ 5 each) amounting to ₹ 982.01 lakhs (PY ₹ 783.54 lakhs) (including corporate dividend tax thereon of ₹ 166.10 lakhs (PY ₹ 69.62 lakhs)

The Board at its meeting held on May 15th, 2018 has recommended a dividend @ 40% i.e. ₹ 2/- per share (on fully paid up equity share of ₹ 5/-each) for the year ended 31st March 2018. This equity dividend is subject to approval by shareholders at the Annual General Meeting. The total estimated equity dividend to be paid is ₹ 983.62 Lakhs (including corporate dividend tax thereon of ₹ 167.71 Lakhs).



## NOTES FORMING PART OF FINANCIAL STATEMENTS

### NON CURRENT FINANCIAL LIABILITIES

(Carried at amortised cost, unless stated otherwise)

₹ In Lakhs

|  | As at 31st<br>March, 2018 | As at 31st<br>March, 2017 | As at 1st<br>April, 2016 |
|--|---------------------------|---------------------------|--------------------------|
|--|---------------------------|---------------------------|--------------------------|

#### NOTE 17 : NON CURRENT BORROWINGS

|  |                  |                  |                  |  |
|--|------------------|------------------|------------------|--|
| <b>A. Term Loan from banks (Secured)</b>                           |                  |                  |                  |  |
| In Foreign Currency  | -                | -                | 185.94           |  |
| In Rupee*  | 5,635.37         | 5,607.83         | 8,635.81         |  |
| Vehicle Loans  | -                | -                | 1.14             |  |
| <b>B. Term loan From Others (Secured)</b>                          |                  |                  |                  |  |
| In Rupee**   | 6,875.00         | 2,500.00         | 2,500.00         |  |
|  | <b>12,510.37</b> | <b>8,107.83</b>  | <b>11,322.89</b> |  |
| Less: Current Maturities of term loans                             | 3,375.24         | 2,936.00         | 3,535.61         |  |
|  | <b>9,135.13</b>  | <b>5,171.83</b>  | <b>7,787.29</b>  |  |
| <b>C. Inter corporate loan (unsecured)</b>                         |                  |                  |                  |  |
| From others  | 2,666.00         | 4000.00          | -                |  |
| <b>D. Finance lease obligations</b>                                | 95.09            | 92.17            | 89.53            |  |
| <b>E. Liability component of financial instruments</b>             | 4,755.01         | 4,377.64         | 4,006.63         |  |
|  | <b>7,516.11</b>  | <b>8,469.81</b>  | <b>4,096.16</b>  |  |
| <b>Less:</b>   |                  |                  |                  |  |
| Current maturities of Inter Corporate loan                         | 1,333.33         | 1,333.33         | -                |  |
| Current maturities of finance lease obligations                    | 5.01             | 5.53             | 6.12             |  |
| Current maturities of liability component of financial instruments | 53.93            | 59.59            | 65.85            |  |
|  | <b>6,123.84</b>  | <b>7,071.36</b>  | <b>4,024.20</b>  |  |
|  | <b>15,258.96</b> | <b>12,243.19</b> | <b>11,811.48</b> |  |

\*Term loan of ₹ 625.83 lakhs is secured by First Pari-Passu charge on the movable and immovable fixed assets of Indore, Greater Noida & Faridabad and Second Pari-Passu charge of the on all the current assets of the company both present and future situated at Faridabad, Indore & Greater Noida.

Term loan of ₹ 2500.00 lakhs has exclusive charge on plant & machinery to the tune of 1.5X coverage of the term loan value.

Term loan of ₹ 781.25 lakhs is secured by First Pari Passu charge on the entire movable and immovable assets of Indore unit located at plot no 157 E sec-3, pitampura Industrial area, Dhar - 454775, Indore, Madhya Pradesh, both present and future and also the entire movable and immovable assets situated at Greater Noida and Faridabad, both present and future. Second Pari Passu charge on the entire current assets of the Company both present and future situated at Faridabad, Indore and Greater Noida Units.

Term loan of ₹ 1728.29 lakhs is secured by First Pari Passu charge on both movable and immovable fixed assets of the Company at Indore, Greater Noida and Faridabad plant (both present & future).

Second Pari Passu charge on the current assets of Indore, Greater Noida and Faridabad Plants (both present & future)

\*\*Term loan of ₹ 1875.00 lakhs has exclusive charge on plant & machinery of the Company with a minimum asset cover of 1.50X (as per WDV).

Second Pari Passu charge on all current assets of Sanand unit, both present and future.

Term loan of ₹ 5000.00 lakhs is secured by Pari Passu charge over the movable fixed assets of the Company with a minimum asset cover of 1.30X.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### Maturity Profile

| Term of Repayment of loan                    | Balance as at 31.03.2018<br>₹ in lakhs | No of Yearly / Quarterly/ Monthly Installment | Balance Installment as at 31.03.2018 | Rate of Interest      |
|--|--|---|--------------------------------------|-----------------------|
| Term Loan from Bank                          | 625.83                                 | 16 Quartely                                   | 4                                    | MCLR linked rate      |
| Term Loan from Bank                          | 781.25                                 | 16 Quartely                                   | 5                                    | MCLR linked rate      |
| Term Loan from Bank                          | 894.94                                 | 16 Quartely                                   | 6                                    | MCLR linked rate      |
| Term Loan from Bank                          | 833.35                                 | 48 Monthly                                    | 16                                   | Base Rate Linked Rate |
| Term Loan from Bank                          | 2,500.00                               | 18 Quartely                                   | 18                                   | MCLR linked rate      |
| Term loan From Others                        | 1,875.00                               | 16 Quartely                                   | 12                                   | MCLR linked rate      |
| Term loan From Others                        | 5,000.00                               | 16 Quartely                                   | 16                                   | MCLR linked rate      |
| Inter Corporate loan                         | 2,666.00                               | 3 Yearly                                      | 2                                    | MCLR linked rate      |
| Liability component of financial instruments | 4,755.01                               | Bullet  |                                      | 10.50%                |

There have been no breach of covenants mentioned in the loan agreements during the reporting periods.

₹ In Lakhs

|  | As at 31st March, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|--|------------------------|------------------------|-----------------------|
|  |                        |                        |                       |

### NOTE 18 : OTHER NON CURRENT FINANCIAL LIABILITIES

|                           |   |              |              |
|---------------------------|---|--------------|--------------|
| Payable for Capital Goods |   | 48.59        | 43.63        |
|                           | - | <b>48.59</b> | <b>43.63</b> |

### NOTE 19 : PROVISIONS

|                                 |               |               |               |
|---------------------------------|---------------|---------------|---------------|
| Provision for employee benefits | 279.59        | 203.31        | 125.04        |
|                                 | <b>279.59</b> | <b>203.31</b> | <b>125.04</b> |

### NOTE 20 : DEFERRED TAX LIABILITY (NET)

#### Deferred tax liability

|  |                 |               |                 |
|--|-----------------|---------------|-----------------|
| Difference between book depreciation & depreciation under Income Tax Act 1961. | 4,280.73        | 3,142.67      | 2,572.53        |
| <b>Deferred tax assets</b>   |                 |               |                 |
| Provision for Doubtful debts   | (6.79)          | (6.06)        | (14.21)         |
| Claim under Sec 43B of Income tax Act  | (175.58)        | (141.46)      | (94.83)         |
| Unabsorbed depreciation & carried forward losses                               | -               | -             | (276.60)        |
| MAT Credit available   | (2,675.59)      | (2,061.35)    | (1,117.36)      |
| <b>Deferred tax liability / (asset) (net)</b>                                  | <b>1,422.76</b> | <b>933.80</b> | <b>1,069.53</b> |

Deferred tax liability & deferred tax asset has been offset as they relate to the same government taxation laws.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

Major components of deferred tax liability/(assets) arising on account of temporary difference are as follows:

₹ In Lakhs

|  | As at<br>31.03.2017 | Movement<br>during the year | As at<br>31.03.2018 |
|--|---------------------|-----------------------------|---------------------|
| Difference between book depreciation & depreciation under Income Tax Act 1961. | 3,142.67            | 1,138.06                    | 4,280.73            |
| Provision for doubtful debts   | (6.06)              | (0.73)                      | (6.79)              |
| Claim under Sec 43B of Income tax Act, 1961                                    | (141.46)            | (34.12)                     | (175.58)            |
| MAT Credit available   | (2,061.35)          | (614.24)                    | (2,675.59)          |
| <b>Deferred tax Expense</b>  |                     | <b>488.97</b>               |                     |
| <b>Net Deferred tax Liability</b>  | <b>933.80</b>       |                             | <b>1,422.76</b>     |
|  |                     |                             |                     |
|  | As at<br>01.04.2016 | Movement<br>during the year | As at<br>31.03.2017 |
| Difference between book depreciation & depreciation under Income Tax Act 1961. | 2,572.53            | 570.14                      | 3,142.67            |
| Provision for doubtful debts   | (14.21)             | 8.14                        | (6.06)              |
| Claim under Sec 43B of Income tax Act, 1961                                    | (94.83)             | (46.62)                     | (141.46)            |
| Unabsorbed depreciation & Carried forward losses                               | (276.60)            | 276.60                      | -                   |
| MAT Credit available   | (1,117.36)          | (943.99)                    | (2,061.35)          |
| <b>Deferred tax Expenses</b>   |                     | <b>(135.73)</b>             |                     |
| <b>Net Deferred tax Liability</b>  | <b>1,069.53</b>     |                             | <b>933.80</b>       |

₹ In Lakhs

|  | As at 31st<br>March, 2018 | As at 31st<br>March, 2017 | As at 1st<br>April, 2016 |
|--|---------------------------|---------------------------|--------------------------|
|  |                           |                           |                          |

### NOTE 21 : OTHER NON CURRENT LIABILITIES

|   |               |                 |                 |
|---|---------------|-----------------|-----------------|
| Deferred component of financial instruments | 709.83        | 1,103.28        | 1,496.73        |
|   | <b>709.83</b> | <b>1,103.28</b> | <b>1,496.73</b> |

### CURRENT FINANCIAL LIABILITIES

(Carried at amortised cost)

### NOTE 22 : CURRENT BORROWINGS

#### A. Loan Repayable on Demand from Banks (Secured)\*

|             |          |          |          |
|-------------|----------|----------|----------|
| Cash Credit | 1,623.20 | 3,308.71 | 1,799.42 |
|-------------|----------|----------|----------|

#### B. Others Loans From Banks (Secured)\*

|                              |                  |                  |                  |
|------------------------------|------------------|------------------|------------------|
| Working capital demand loans | 9,100.00         | 7,050.00         | 8,100.00         |
| Buyers credit                | 606.24           | 123.11           | 280.28           |
|                              | <b>11,329.44</b> | <b>10,481.82</b> | <b>10,179.71</b> |

#### C. Loans Repayable on Demand from Banks (Unsecured)

|                               |                  |                  |                  |
|-------------------------------|------------------|------------------|------------------|
| Bill discounting/PO financing | 4,124.07         | 2,733.79         | 2,780.95         |
|                               | <b>4,124.07</b>  | <b>2,733.79</b>  | <b>2,780.95</b>  |
|                               | <b>15,453.51</b> | <b>13,215.60</b> | <b>12,960.66</b> |

## NOTES FORMING PART OF FINANCIAL STATEMENTS

\*Secured by hypothecation on pari passu interse between banks by way of first charge on current assets of the company (excluding current assets of Sanand unit, Gujarat) and by way of second charge on entire moveable assets of the Company (excluding moveable assets of Sanand unit, Gujarat) both present and future. Facility utilised of ₹ 525.21 Lakhs is secured by exclusive first charge on the entire current assets of Sanand unit, Gujarat of the Company and second charge on movable fixed assets including plant and machinery at Sanand unit, Gujarat of the Company, both present and future.

There have been no breach of covenants mentioned in the loan agreements during the reporting periods.

₹ In Lakhs

|  | As at 31st<br>March, 2018 | As at 31st<br>March, 2017 | As at 1st<br>April, 2016 |
|--|---------------------------|---------------------------|--------------------------|
|--|---------------------------|---------------------------|--------------------------|

### NOTE 23 : TRADE PAYABLES

|                                       |                  |                  |                  |
|---------------------------------------|------------------|------------------|------------------|
| Others than MSMED (Refer Note No. 48) | 15,282.37        | 17,585.54        | 20,962.02        |
|                                       | <b>15,282.37</b> | <b>17,585.54</b> | <b>20,962.02</b> |

### NOTE 24 : OTHER CURRENT FINANCIAL LIABILITIES

|  |                 |                 |                 |
|--|-----------------|-----------------|-----------------|
| Current maturities of liability component of financial instruments | 53.93           | 59.59           | 65.85           |
| Current maturities of finance lease obligations                    | 5.01            | 5.53            | 6.12            |
| Current maturities of term loans & inter corporate loan            | 4,708.57        | 4,269.33        | 3,535.61        |
| Interest accrued but not due on borrowings                         | 118.12          | 106.32          | 100.55          |
| Interest accrued and due on borrowings                             | 0.87            | 0.59            | 11.06           |
| Unpaid/unclaimed dividend  | 18.76           | 13.29           | 10.36           |
| Payable for capital goods  | 232.67          | 208.55          | 368.95          |
| Employee related liabilities                                       | 370.81          | 560.51          | 229.03          |
| Security deposits  | 88.57           | 47.03           | 58.08           |
|  | <b>5,597.31</b> | <b>5,270.74</b> | <b>4,385.59</b> |

### NOTE 25 : OTHER CURRENT LIABILITIES

|  |                 |                 |                 |
|--|-----------------|-----------------|-----------------|
| Deferred component of financial instruments            | 393.45          | 393.45          | 393.45          |
| Statutory dues payable                                 | 772.93          | 139.90          | 135.70          |
| Advance from customers                                 | 2,183.80        | 1,331.00        | 1,587.51        |
| Others (including advance from employees for vehicles) | 170.21          | 144.19          | 133.54          |
|  | <b>3,520.39</b> | <b>2,008.53</b> | <b>2,250.20</b> |

### NOTE 26 : PROVISIONS

|                                 |               |               |              |
|---------------------------------|---------------|---------------|--------------|
| Provision for employee benefits | 104.03        | 135.42        | 89.40        |
|                                 | <b>104.03</b> | <b>135.42</b> | <b>89.40</b> |

## NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ In Lakhs

|  | For the year<br>ended 31st<br>March, 2018 | For the year<br>ended 31st<br>March, 2017 |
|--|---|---|
|--|---|---|

### NOTE 27 : REVENUE FROM OPERATIONS\*

|                         |                  |                  |
|-------------------------|------------------|------------------|
| Sale of products        | 70,204.17        | 73,452.69        |
| Sale of services        | 3,310.86         | 1,276.53         |
| Other operating revenue | 5,380.69         | 3,935.91         |
|                         | <b>78,895.72</b> | <b>78,665.13</b> |

\* Refer Note No. 52

### NOTE 28 : OTHER INCOME

|  |                 |                 |
|--|-----------------|-----------------|
| Interest on security & other deposits*                         | 11.00           | 13.70           |
| Profit on sale of property plant & equipment (Net)             | 18.30           | -               |
| Royalty  | 119.25          | 99.45           |
| Subsidy  | 414.36          | 822.88          |
| Deferred Income on deferred component of financial instruments | 393.45          | 393.45          |
| Miscellaneous income   | 124.51          | 152.09          |
|  | <b>1,080.87</b> | <b>1,481.56</b> |

|   |       |       |
|---|-------|-------|
| *In relation to financial assets classified at amortised cost | 11.00 | 13.70 |
|---|-------|-------|

### NOTE 29 : CHANGES IN INVENTORIES OF FINISHED GOODS & WORK IN PROGRESS

|  |                 |                 |
|--|-----------------|-----------------|
| <b>Opening inventories :</b>   |                 |                 |
| Work in progress   | 6,616.06        | 8,535.25        |
| Finished goods   | 72.66           | 67.21           |
|  | <b>6,688.71</b> | <b>8,602.46</b> |
| <b>Less : Closing inventories :</b>                                  |                 |                 |
| Work in progress(including in transit material)                      | 7,008.29        | 6,616.06        |
| Finished goods   | 97.59           | 72.66           |
|  | <b>7,105.88</b> | <b>6,688.71</b> |
| <b>(Increase)/ Decrease in Finished Goods &amp; Work in Progress</b> | <b>(417.17)</b> | <b>1,913.75</b> |

### NOTE 30 : EMPLOYEE BENEFITS EXPENSE

|   |                 |                 |
|---|-----------------|-----------------|
| Salaries & wages  | 8,755.00        | 7,802.38        |
| Contribution to provident and other funds                     | 422.33          | 323.00          |
| Staff welfare expenses  | 392.60          | 361.80          |
|   | <b>9,569.92</b> | <b>8,487.18</b> |
| Less: Transferred to Project Commissioned/under Commissioning | 1,073.68        | 624.36          |
|   | <b>8,496.24</b> | <b>7,862.82</b> |

## NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ In Lakhs

|  | For the year<br>ended 31st<br>March, 2018 | For the year<br>ended 31st<br>March, 2017 |
|--|---|---|
|--|---|---|

### NOTE 31 : FINANCE COSTS

|   |                 |                 |
|---|-----------------|-----------------|
| Interest on borrowings  | 2,555.81        | 2,529.57        |
| Interest on liability component of financial instruments          | 457.37          | 421.50          |
| Interest- others  | 74.15           | 42.53           |
| Other borrowing costs   | 37.91           | 26.96           |
| Exchange difference regarded as an adjustment to borrowings costs | -               | 1.87            |
|   | <b>3,125.24</b> | <b>3,022.44</b> |
| Less: Transferred to Project Commissioned/under Commissioning     | 425.20          | -               |
|   | <b>2,700.04</b> | <b>3,022.44</b> |

|   |                 |                 |
|---|-----------------|-----------------|
| In relation to financial liabilities classified at amortised cost | <b>3,013.19</b> | <b>2,951.07</b> |
|---|-----------------|-----------------|

The weighted average rate for capitalisation of interest relating to general borrowings is approximately 9.65 % for the year ended March 31, 2018

### NOTE 32 : OTHER EXPENSES

|   |                 |                 |
|---|-----------------|-----------------|
| Stores consumed   | 838.51          | 815.05          |
| Manufacturing expenses  | 1,196.84        | 1,065.25        |
| Power & fuel  | 1,375.41        | 1,246.70        |
| Packing materials consumed                                    | 397.16          | 323.02          |
| Rent (including land lease rent)                              | 142.68          | 147.57          |
| Rates & taxes   | 98.50           | 94.42           |
| Insurance   | 35.98           | 50.95           |
| Repair & Maintenance  |                 |                 |
| - Building  | 43.37           | 41.97           |
| - Machinery repairs and maintenance                           | 449.37          | 598.26          |
| - Others  | 175.92          | 100.00          |
| Bad debts written off   | -               | 26.35           |
| Loss on sale of PPE/PPE written off (Net)                     | -               | 2.76            |
| Provision for bad & doubtful debts                            | -               | (26.35)         |
| Freight & forwarding charges                                  | 1,200.55        | 930.93          |
| Exchange fluctuation(Net)                                     | 0.68            | 27.31           |
| Royalty   | 245.00          | 253.58          |
| Other administrative expenses                                 | 1,066.21        | 980.12          |
|   | <b>7,266.18</b> | <b>6,677.89</b> |
| Less: Transferred to Project Commissioned/under Commissioning | 70.78           | 8.05            |
|   | <b>7,195.41</b> | <b>6,669.85</b> |



## NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ In Lakhs

|  | For the year ended<br>31st March, 2018 | For the year ended<br>31st March, 2017 |
|--|--|--|
| <b>NOTE 33 : INCOME TAX EXPENSE</b>                                      |  |  |
| <b>(a) Income tax expense recognised in Statement of Profit and Loss</b> |  |  |
| Current tax In respect of the current year                               | 1,033.30                               | 1,055.43                               |
| Minimum Alternate Tax credit entitlement                                 | (614.24)                               | (943.99)                               |
| Deferred tax In respect of the current year                              | 1,103.21                               | 808.26                                 |
| Earlier Years  | 5.07                                   | -                                      |
|  | <b>1,527.33</b>                        | <b>919.69</b>                          |
| <b>(b) Income Tax on Other Comprehensive Income</b>                      |  |  |
| Arising on income and expenses recognised in other comprehensive income: |  |  |
| Remeasurement of Defined Benefit Obligations                             | 0.29                                   | (1.55)                                 |
| <b>Total income tax expense recognised in other comprehensive income</b> | <b>0.29</b>                            | <b>(1.55)</b>                          |
|  | <b>1,527.62</b>                        | <b>918.15</b>                          |

The major components of income tax expense and the reconciliation of expense based on the domestic effective tax rate and the reported tax expense in profit or loss are as follows:

|  |                 |                 |
|--|-----------------|-----------------|
| Profit before income tax   | 4,737.66        | 4,895.24        |
| Rate of tax  |                 |                 |
| At country's statutory income tax rate(MAT)  | 21.34%          | 21.34%          |
| <b>Computed Tax expense</b>  | <b>1,011.09</b> | <b>1,044.72</b> |
| <b>Tax Effect of :</b>   |                 |                 |
| Effect of Disallowance and reversals   | 22.21           | 10.71           |
| <b>Current Tax Provision (A)</b>   | <b>1,033.30</b> | <b>1,055.43</b> |
| <b>Minimum alternate tax credit entitlement (B)</b>  | <b>(614.24)</b> | <b>(943.99)</b> |
| <b>Deferred Tax Expense</b>  |                 |                 |
| Incremental Deferred Tax Liability on account of PPE and Intangible Assets                                   | 1,138.06        | 570.14          |
| Incremental Deferred Tax Liability on account of Unabsorbed losses/Depreciation                              | -               | 276.60          |
| Incremental Deferred Tax Assets on account of Temporary Allowances/Dis-allowances under Income Tax Act, 1961 | (34.85)         | (38.48)         |
| <b>Deferred tax Expense (C)</b>  | <b>1,103.21</b> | <b>808.26</b>   |
| <b>Adjustments in respect of taxes earlier years (D)</b>   | <b>5.07</b>     | <b>-</b>        |
| <b>Tax expenses recognised in Statement of Profit and Loss (A+B+C+D)</b>                                     | <b>1,527.33</b> | <b>919.69</b>   |

|  |             |               |
|--|-------------|---------------|
| <b>NOTE 34 : OTHER COMPREHNSIVE INCOME</b>                         |             |               |
| <b>(A) Items that will not be reclassified to profit or loss</b>   |             |               |
| - Re-measurement gains (losses) on defined benefit liability/asset | 0.87        | (4.60)        |
| Income tax effect  | (0.29)      | 1.55          |
|  | <b>0.57</b> | <b>(3.06)</b> |

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### NOTE 35: EARNING PER SHARE

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

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

The following reflects the income and share data used in the basic and diluted EPS computations:

₹ In Lakhs

|   | Year Ended<br>31 Mar 2018 | Year Ended<br>31 Mar 2017 |
|---|---------------------------|---------------------------|
| Profit after tax (₹ in Lakhs)   | 3,210.33                  | 3,975.55                  |
| -Weighted Average Number of Equity Shares (Outstanding During the Year) | 40,795,364                | 40,795,364                |
| -Face Value of share (₹)  | 5.00                      | 5.00                      |
| Basic Earning per share (Amount in ₹)                                   | 7.87                      | 9.75                      |
| Diluted Earning per share (Amount in ₹)                                 | 7.87                      | 9.75                      |

### NOTE 36 : CONTINGENT LIABILITIES AND COMMITMENTS

#### A Contingent liabilities

(Claims against the Company not acknowledged as debts)

₹ In Lakhs

| Particulars                              | 31-Mar-18 | 31-Mar-17 | 1-Apr-16 |
|--|-----------|-----------|----------|
| a Income Tax Matters                     | 801.07    | 804.40    | 625.76   |
| b Excise, Custom and Service Tax Matters | 1,062.56  | 934.78    | 995.84   |
| c Sales Tax and VAT Matters              | 6.70      | 50.23     | 1,536.55 |

Against above demands, an amount of Rs. 57.42 lakhs has been paid under dispute.

It is not practicable for the Company to estimate the timings and amount of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

#### B Commitments

₹ In Lakhs

| Estimated amount of contracts remaining to be executed on capital account and not provided for ( Net of advances) | 31-Mar-18 | 31-Mar-17 | 1-Apr-16 |
|---|-----------|-----------|----------|
| Property, Plant and Equipment   | 718.65    | 101.26    | 353.65   |

#### C Other Commitments

₹ In Lakhs

| Particulars  | 31-Mar-18 | 31-Mar-17 | 1-Apr-16 |
|--|-----------|-----------|----------|
| Letter of Credit issued by bankers and outstanding | 790.84    | 978.71    | 1,662.28 |

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### NOTE 37 : Auditor's Remuneration (Excluding Service Tax/GST)

₹ In Lakhs

| Statutory Auditors           | 31-Mar-18 | 31-Mar-17 |
|------------------------------|-----------|-----------|
| A) Statutory Audit Fees      | 14.00     | 14.00     |
| B) Tax Audit Fees            | 7.00      | 7.00      |
| C) Taxation Matters          | -         | 8.34      |
| D) Other Services            | 9.00      | 9.00      |
| E) Reimbursement of expenses | 1.66      | -         |

### NOTE 38 : Disclosure required under Section 186(4) of Companies Act, 2013

| S No | Name of Investee Company                      | Class of Share | No. of Shares | (₹ in Lakhs) | Stake (%) in Investee Company after considering investment made during the year |
|------|---|----------------|---------------|--------------|---|
| 1    | JBM Solaris Electric Vehicles Private Limited | Equity         | 48,00,000     | 480.00       | 80% of Equity Shares  |

During the F. Y. 2017-18 the Company has paid amounting to ₹ 240.00 lakhs for purchasing the equity shares of JBM Solaris Electric Vehicles Private Limited, but upto 31st March 2018 equity shares has not been issued by the Investee Company (JBM Solaris Electric Vehicles Private Limited). This amount is appearing as share application money given under "Other Non Current Financial Assets" in the balance sheet. Further share in respect of such application money has been allotted as on April 12, 2018.

### NOTE 39 : SEGMENT INFORMATION

As per Indian Accounting Standard (Ind AS) 108 on "Operating Segment" segment information has been provided under notes to consolidated financial statements.

### NOTE 40 : The expenditure incurred by in house R&D Centre approved by DSIR on scientific research during the year is as under:

₹ In Lakhs

| Particular          | Year Ended 31st March 2018 | Year Ended 31st March 2017 | Year Ended 31st March 2016 |
|---------------------|----------------------------|----------------------------|----------------------------|
| Revenue Expenditure | 1383.96                    | 1411.88                    | 1,992.60                   |
| Capital Expenditure | 21.03                      | 25.65                      | 88.55                      |
| <b>Total</b>        | <b>1404.99</b>             | <b>1437.53</b>             | <b>2081.15</b>             |

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### NOTE 41 : DISCLOSURE RELATING TO CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

₹ In Lakhs

| Particulars  |         | 31-Mar-18              | 31-Mar-17 |
|--|---------|------------------------|-----------|
| (i) Gross amount required to be spent by the Company during the year |         | 70.37                  | 57.85     |
| (ii) Amount spent during the year ending on March 31, 2018:          | In cash | Yet to be paid in cash | Total     |
| 1. Construction / acquisition of any asset                           | -       | -                      | -         |
| 2. On purposes other than (i) above                                  |         |                        |           |
| – Others (Skill Development Centre)*                                 | 72.37   | -                      | 72.37     |
| (ii) Amount spent during the year ending on March 31, 2017:          |         |                        |           |
| 1. Construction / acquisition of any asset                           | -       | -                      | -         |
| 2. On purposes other than (i) above                                  |         |                        |           |
| – Others (Skill Development Centre)*                                 | 58.22   | -                      | 58.22     |

\* The Company has set up Skill - Development Centre to enhance employability in society thereby increasing availability of skilled personnel for the Company and society at large.

**NOTE 42 :** The Company had filed a writ petition with the Hon'ble High Court of Kolkata, West Bengal for the injunction restraining the Govt. of West Bengal for acting in terms of Singur Land Rehabilitation and Development Act, 2011(The Act). The Division Bench of the Kolkata High Court had held that the Singur Act was unconstitutional and had therefore struck down the Act. The State Government challenged the said judgment of the Kolkata High Court before the Hon'ble Supreme Court and the same has been disposed off by the Hon'ble Supreme Court. Now, the Company is exploring further legal options on this matter. The State Government is still retaining the possession of the Singur Land.

### NOTE 43 : DURING THE YEAR, THE FOLLOWING EXPENDITURE HAS BEEN CAPITALIZED IN BUS DIVISION:

₹ In Lakhs

| Nature of expenses | Capitalized from opening CWIP | Capitalized from C Y Expenses | Total Capitalized          |
|--------------------|-------------------------------|-------------------------------|----------------------------|
| Manpower Cost      | 156.40<br>(190.11)            | 162.66<br>(25.64)             | 319.06<br>(215.75)         |
| Finance Cost       | -<br>-                        | 41.25<br>-                    | 41.25<br>-                 |
| Other Expenses     | 2.49<br>-                     | 0.80<br>(49.18)               | 3.29<br>(49.18)            |
| <b>Total</b>       | <b>158.89<br/>(190.11)</b>    | <b>204.71<br/>(74.81)</b>     | <b>363.60<br/>(264.92)</b> |

Note: Figures in brackets represents previous year's amounts

**NOTE 44 :** During the F. Y. 2016-17, the Company had entered into a joint venture agreement on 14th July 2016 with Solaris Bus & Coach S.A., Poland to establish a company for the manufacturing of Electric and Hybrid Buses. The Company is holding 80% paid up equity share capital into the joint venture company (JBM Solaris Electric Vehicles Private Limited).

## NOTES FORMING PART OF FINANCIAL STATEMENTS

**NOTE 45 :** During the F.Y. 2017-18 the joint venture partner MA SRL Italy has exited from JV Agreement on 31.01.2018 by sale of its entire holding in the JV company, JBM MA Automotive Private Limited. However, the JV company is continuing its existing business.

**NOTE 46 :** In their meeting held on 01.03.2018, the Board of Directors of the company has approved the Scheme of Amalgamation of JBM Auto System Private Limited ("Subsidiary Company") and JBM MA Automotive Private Limited ("Associate Company") with JBM Auto Limited from appointed date 01.04.2017 subject to obtaining of necessary Regulatory Approvals. Pending such Regulatory Approvals no adjustment has been made in the above financial statements.

**NOTE 47 :** During the F Y 2016-17, Exceptional income represents ₹ 1,105.00 lakhs receivable from one of the customer against the claim made for the compensation, on account of loss for the underutilization of resources due to less volume purchased by the customer.

**NOTE 48 : DISCLOSURE UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 ("MSMED ACT, 2006") IS AS UNDER:**

₹ In Lakhs

|       | Particulars  | 31-Mar-18 | 31-Mar-17 |
|-------|--|-----------|-----------|
| (i)   | the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year   | Nil       | Nil       |
| (ii)  | the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year   | Nil       | Nil       |
| (iii) | the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006   | Nil       | Nil       |
| (iv)  | the amount of interest accrued and remaining unpaid at the end of each accounting year   | Nil       | Nil       |
| (v)   | the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 | Nil       | Nil       |

The above disclosure has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

**NOTE 49 :** Cost of material consumed has been computed by adding purchase to the opening stock and deducting closing stock verified physically by the management.

**NOTE 50 : DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% EQUITY SHARE CAPITAL**

| Name of Shareholder                            | 31-Mar-18     |           | 31-Mar-17     |           |
|--|---------------|-----------|---------------|-----------|
|  | No. of shares | % holding | No. of shares | % holding |
| <b>Equity shares of ₹ 5 each fully paid up</b> |               |           |               |           |
| SMC Credit Limited                             | 7,570,260     | 18.56     | 7,570,260     | 18.56     |
| A to Z Securities Limited                      | 4,190,160     | 10.27     | 4,190,160     | 10.27     |
| Zeal Impex & Traders Private Limited           | 4,018,968     | 9.85      | 4,018,968     | 9.85      |
| Amity Infotech Private Limited                 | 4,000,000     | 9.81      | 4,000,000     | 9.81      |
| JBM Builders Private Limited                   | 3,030,832     | 7.43      | 3,030,832     | 7.43      |
| Shuklamber Exports Limited                     | 3,424,824     | 8.39      | 3,424,824     | 8.39      |
| NAP Investment & Leasing Private Limited       | 2,274,616     | 5.58      | 2,274,616     | 5.58      |
| ANS Holding Private Limited                    | 2,058,996     | 5.05      | 2,058,996     | 5.05      |

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### NOTE 51 : LEASES

#### OPERATING LEASE : COMPANY AS LESSEE

The Company leases mainly office facilities under cancellable operating lease agreements. Minimum lease payments under operating lease are recognized on a straight line basis over the term of the lease. Rent expense for operating leases for the year ended March 31, 2018 and March 31, 2017 was ₹ 142.68 Lakhs and ₹ 147.57 Lakhs respectively. There are no restrictions imposed by the lease agreements and there is a sub leases during the F. Y. 2017-18 and rental income from this sub lease is ₹ 9.12 Lakhs. There are no contingent rents. The operating lease agreements are renewable on a periodic basis. Some of these lease agreements have price escalation clause.

#### FINANCE LEASE: COMPANY AS LESSEE

The Company has taken land under finance leases. The following is the summary of future minimum lease rental payments under finance leases entered into by the company:

₹ In Lakhs

| Particulars                                       | As at 31 March 2018   |  | As at 31 March 2017   |  | As at 1st April 2016  |  |
|---|-----------------------|--|-----------------------|--|-----------------------|--|
|   | Minimum Lease payment | Present Value of Minimum Lease payment | Minimum Lease payment | Present Value of Minimum Lease payment | Minimum Lease payment | Present Value of Minimum Lease payment |
| Not Later than 1 Year                             | 6.76                  | 6.12                                   | 6.76                  | 6.12                                   | 6.76                  | 6.12                                   |
| Later than one year but not later than five years | 27.03                 | 19.18                                  | 27.03                 | 19.18                                  | 27.03                 | 19.18                                  |
| Later than five years                             | 2,242.27              | 69.79                                  | 2,249.03              | 66.87                                  | 2,255.79              | 64.24                                  |
| <b>Total minimum lease commitments</b>            | <b>2,276.06</b>       | <b>95.09</b>                           | <b>2,282.82</b>       | <b>92.17</b>                           | <b>2,289.58</b>       | <b>89.53</b>                           |
| Less : Future finance charges                     | 2,180.97              |  | 2,190.65              |  | 2,200.05              |  |
|   | <b>95.09</b>          |  | <b>92.17</b>          |  | <b>89.53</b>          |  |

There are no sub leases and no contingent rents. Certain finance lease agreements are renewable at the end of the lease period. There is price escalation clause in certain lease agreements.

### NOTE 52 : EXCISE DUTY

Consequent to the introduction of Goods & Service Tax (GST) with effect from 1st July, 2017 Central Excise, Value Added Tax (VAT) etc have been subsumed into GST. In accordance with Indian Accounting Standard -18 on Revenue and Schedule III of the Companies Act 2013, unlike Excise Duties, levies like GST, VAT etc are not part of revenue. Accordingly the figures for the periods upto 30th June 2017 are not strictly relatable to those thereafter. The following additional information is being provided to facilitate such understanding.

| Particulars   | Year Ended 31.03.2018 | Year Ended 31.03.2017 |
|---|-----------------------|-----------------------|
| A Gross Sales/Income from Operations                            | 78,895.72             | 78,665.13             |
| B Excise Duty   | 2,317.60              | 8,858.86              |
| C Gross Sales/Income from Operation excluding Excise Duty (A-B) | 76,578.12             | 69,806.27             |

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### NOTE 53 : EMPLOYMENT BENEFITS

#### A. Defined Benefit Plans as per Ind AS 19 Employee Benefits:

**Gratuity** : The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. These benefits are funded. The following tables summaries the components of net benefit expense recognized in the Statement of Profit and Loss and the funded status and amounts recognized in the Balance Sheet.

These Plans typically expose the Company to actuarial risks such as : Investment risk, Interest rate risk, Longevity risk and Salary risk.

**Investment Risk** : The Probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

**Interest Risk** : The Plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

**Longevity risk** : The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants during employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Salary Risk** : The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

#### Disclosure of gratuity

##### (i) Amount recognised in the Statement of Profit and Loss is as under:

₹ In Lakhs

| Description  | Year Ended 31/03/18 | Year Ended 31/03/17 |
|--|---------------------|---------------------|
| Current service cost   | 66.40               | 59.26               |
| Net interest cost  | 7.54                | 4.55                |
| Past service cost  | 18.34               | -                   |
| Actuarial loss/(gain) recognised during the year             | -                   | -                   |
| Expected return on planned assets                            | -                   | -                   |
| <b>Amount recognised in the Statement of Profit and Loss</b> | <b>92.28</b>        | <b>63.81</b>        |

##### (ii) Amount recognised in Other Comprehensive Income is as under:

₹ In Lakhs

| Description   | Year Ended 31/03/2018 | Year Ended 31/03/2017 |
|---|-----------------------|-----------------------|
| Actuarial loss/(gain) recognised during the year                            |                       |                       |
| - Change in financial assumptions   | (9.28)                | 14.10                 |
| - Experience variance (i.e. actual experience vs assumptions)               | (11.22)               | (8.69)                |
| Return on plan assets, excluding amount recognised in net interest expenses | 19.64                 | (0.81)                |
| <b>Amount recognised in the Other Comprehensive Income</b>                  | <b>(0.87)</b>         | <b>4.60</b>           |



## NOTES FORMING PART OF FINANCIAL STATEMENTS

### (iii) Movement in the Present value of Defined Benefit Obligation recognised in the Balance Sheet is as under:

₹ In Lakhs

| Description  | As at 31/03/2018 | As at 31/03/2017 | As at 01/04/2016 |
|--|------------------|------------------|------------------|
| <b>Present value of defined benefit obligation as at the start of the year</b> | 386.44           | 325.02           | 280.14           |
| Current service cost   | 66.40            | 59.26            | 52.68            |
| Interest cost  | 28.38            | 25.33            | 22.18            |
| Actuarial loss/(gain) arising from :   |                  |                  |                  |
| - change in financial assumptions  | (9.28)           | 14.10            | 2.61             |
| - experience variance (i.e. actual experience vs assumptions)                  | (11.22)          | (8.69)           | (18.21)          |
| Benefits paid  | (22.32)          | (28.58)          | (14.38)          |
| Past service cost  | 18.34            | -                | -                |
| <b>Present value of defined benefit obligation as at the end of the year</b>   | <b>456.74</b>    | <b>386.44</b>    | <b>325.02</b>    |

### (iv) Movement in the plan assets recognised in the Balance Sheet is as under:

₹ In Lakhs

| Description  | As at 31/03/2018 | As at 31/03/2017 | As at 01/04/2016 |
|--|------------------|------------------|------------------|
| <b>Fair Value of plan assets at beginning of year</b>                      | 283.72           | 266.60           | 243.28           |
| Interest income plan assets  | 20.84            | 20.78            | 19.26            |
| Actual company contributions   | 25.22            | 5.12             | 13.54            |
| Return on plan assets, excluding amount recognised in net interest expense | (19.64)          | 0.81             | 0.84             |
| Benefits paid  | (14.94)          | (9.58)           | (10.33)          |
| <b>Fair Value of plan Assets at the end of the year</b>                    | <b>295.20</b>    | <b>283.72</b>    | <b>266.60</b>    |

### (v) Major categories of plan assets:

| Asset Category        | As at 31/03/2018 | As at 31/03/2017 | As at 01/04/2016 |
|-----------------------|------------------|------------------|------------------|
| Insurer Managed Funds | 100%             | 100%             | 100%             |

### (vi) Analysis of Amounts Recognised on Other Comprehensive (Income)/Loss at year end

₹ In Lakhs

| Description  | Year Ended 31/03/2018 | Year Ended 31/03/2017 |
|--|-----------------------|-----------------------|
| Amount recognized in OCI, beginning of period                          | (11.83)               | (16.44)               |
| Actuarial (gain)/loss on arising from change in demographic assumption |                       |                       |
| Actuarial (gain)/loss on arising from change in financial assumption   | (9.28)                | 14.10                 |
| Experience variance (i.e. actual experience vs assumptions)            | (11.22)               | (8.69)                |
| Return on plan assets (excluding interest)                             | 19.64                 | (0.81)                |
| <b>Total remeasurements recognized in OCI</b>                          | <b>(0.87)</b>         | <b>4.60</b>           |
| <b>Amount recognized in OCI, End of Period</b>                         | <b>(12.70)</b>        | <b>(11.83)</b>        |

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### (vii) Reconciliation of Balance Sheet Amount

₹ In Lakhs

| Particulars                      | As at 31/03/2018 | As at 31/03/2017 | As at 01/04/2016 |
|----------------------------------|------------------|------------------|------------------|
| Present value of obligation      | 456.74           | 386.44           | 325.02           |
| Fair value of plan assets        | 295.20           | 283.72           | 266.60           |
| Surplus/(deficit)                | (161.54)         | (102.72)         | (58.42)          |
| Effect of assets ceiling, if any | -                | -                | -                |
| <b>Net Assets/(Liability)</b>    | <b>(161.54)</b>  | <b>(102.72)</b>  | <b>(58.42)</b>   |

### (viii) Current / Non-Current Bifurcation

₹ In Lakhs

| Particulars  | As at 31/03/2018 | As at 31/03/2017 | As at 01/04/2016 |
|--|------------------|------------------|------------------|
| Current benefit obligation                               | 58.72            | 43.95            | 49.12            |
| Non - current benefit obligation                         | 398.02           | 342.49           | 275.90           |
| <b>(Asset)/liability recognised in the Balance Sheet</b> | <b>456.74</b>    | <b>386.44</b>    | <b>325.01</b>    |

### (ix) Actuarial assumptions

| Description                             | As at 31/03/2018 | As at 31/03/2017 | As at 01/04/2016 |
|---|------------------|------------------|------------------|
| Discount rate                           | 7.60%            | 7.35%            | 7.80%            |
| Future basic salary increase            | 5.00%            | 5.00%            | 5.00%            |
| Expected rate of return on plant assets | 7.60%            | 7.35%            | 7.80%            |
| Mortality (% of IALM 06-08)             | 100.00%          | 100.00%          | 100.00%          |
| Normal retirement age                   | 58 Years         | 58 Years         | 58 Years         |
| Attrition/withdrawal rate (per annum)   | 5.00%            | 5.00%            | 5.00%            |

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

### (x) Maturity Profile of Defined Benefit Obligation

|   |         |
|---|---------|
| Weighted average duration (based on discounted cashflows) | 8 Years |
|---|---------|

₹ In Lakhs

| Expected Cash Flow over the next<br>(Valued on undiscounted basis) | As at 31/03/2018 | As at 31/03/2017 | As at 01/04/2016 |
|--|------------------|------------------|------------------|
| 1 year   | 58.72            | 43.95            | 49.12            |
| 2 to 5 years   | 155.40           | 123.47           | 105.59           |
| 6 to 10 years  | 242.59           | 206.35           | 167.12           |
| More than 10 years   | 519.28           | 456.99           | 404.34           |

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### (xi) Sensitivity analysis for gratuity liability

₹ In Lakhs

| Description   | As at<br>31/03/2018         | As at<br>31/03/2017         | As at<br>01/04/2016         |
|---|-----------------------------|-----------------------------|-----------------------------|
| Defined Benefit Obligation (Base)                           | 456.74                      | 386.44                      | 325.02                      |
| <b>Description</b>  | <b>As at<br/>31/03/2018</b> | <b>As at<br/>31/03/2017</b> | <b>As at<br/>01/04/2016</b> |
| <b>Defined Benefit Obligation - change in discount rate</b> |                             |                             |                             |
| - Discount rate increase by 1.00 %                          | 422.60                      | 356.26                      | 300.44                      |
| - Discount rate decrease by 1.00 %                          | 495.81                      | 421.14                      | 353.23                      |
| <b>Defined Benefit Obligation - change in salary rate</b>   |                             |                             |                             |
| - Salary rate increase by 1.00 %                            | 495.66                      | 419.74                      | 352.11                      |
| - Salary rate decrease by 1.00 %                            | 422.15                      | 356.63                      | 300.68                      |

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation liability recognised in the Balance Sheet.

**The Company is expected to contribute Rs 236.37 lakhs to Defined Benefit Plan Obligation Funds in next year**

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to prior period.

### B Other Long Term Benefits as per Ind AS 19 Employee Benefits:

#### Leave Encashment and Compensated absences (Unfunded)

The leave obligations cover the Company's liability for sick and earned leaves.

#### (i) Amount recognised in the Statement of Profit and Loss is as under:

₹ In Lakhs

| Description  | As at 31/03/2018 | As at 31/03/2017 |
|--|------------------|------------------|
| Current service cost   | 50.81            | 40.05            |
| Interest cost  | 12.14            | 10.43            |
| Actuarial loss/(gain) recognised during the year:            |                  |                  |
| -Change in financial assumptions                             | (4.32)           | 6.16             |
| -Experience variance (i.e. actual experience vs assumptions) | 41.40            | 5.21             |
| <b>Amount recognised in the Statement of Profit and Loss</b> | <b>100.03</b>    | <b>61.86</b>     |

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### (ii) Movement in the liability recognised in the Balance Sheet is as under:

₹ In Lakhs

| Description  | As at 31/03/2018 | As at 31/03/2017 | As at 01/04/2016 |
|--|------------------|------------------|------------------|
| Present value of defined benefit obligation as at the start of the year      | 165.28           | 133.86           | 126.68           |
| Current service cost   | 50.81            | 40.05            | 34.46            |
| Interest cost  | 12.14            | 10.43            | 10.03            |
| Actuarial loss/(gain) recognised during the year                             | -                | -                | -                |
| -change in financial assumptions   | (4.32)           | 6.16             | 1.12             |
| -experience variance (i.e. actual experience vs assumptions)                 | 41.40            | 5.21             | 11.83            |
| Benefits paid  | (63.89)          | (30.43)          | (50.26)          |
| <b>Present value of defined benefit obligation as at the end of the year</b> | <b>201.43</b>    | <b>165.28</b>    | <b>133.86</b>    |

### (iii) Current / Non-Current Bifurcation

₹ In Lakhs

| Particulares   | As at 31/03/2018 | As at 31/03/2017 | As at 01/04/2016 |
|--|------------------|------------------|------------------|
| Current benefit obligation                               | 24.65            | 20.74            | 18.12            |
| Non - current benefit obligation                         | 176.77           | 144.54           | 115.74           |
| <b>(Asset)/Liability Recognised in the Balance Sheet</b> | <b>201.43</b>    | <b>165.28</b>    | <b>133.86</b>    |

### (iv) Sensitivity Analysis

₹ In Lakhs

| Description  | As at 31/03/2018 | As at 31/03/2017 | As at 01/04/2016 |
|--|------------------|------------------|------------------|
| Present Value of Obligation (Base)                           | 201.43           | 165.28           | 133.86           |
|  |                  |                  |                  |
| Description  | As at 31/03/2018 | As at 31/03/2017 | As at 01/04/2016 |
| <b>Present Value of Obligation - change in discount rate</b> |                  |                  |                  |
| - Discount rate increase by 1.00 %                           | 185.61           | 152.11           | 123.36           |
| - Discount rate decrease by 1.00 %                           | 219.67           | 180.51           | 146.00           |
| <b>Present Value of Obligation - change in salary rate</b>   |                  |                  |                  |
| - Salary rate increase by 1.00 %                             | 219.97           | 180.72           | 146.22           |
| - Salary rate decrease by 1.00 %                             | 185.11           | 151.72           | 123.00           |

### (v) Actuarial assumptions

| Description                  | As at 31/03/2018 | As at 31/03/2017 | As at 01/04/2016 |
|------------------------------|------------------|------------------|------------------|
| Discount rate                | 7.60%            | 7.35%            | 7.80%            |
| Future basic salary increase | 5.00%            | 5.00%            | 5.00%            |
| Normal retirement Age        | 58 years         | 58 years         | 58 years         |
| Mortality (% of IALM 06-08)  | 100.00%          | 100.00%          | 100.00%          |
| Attrition/withdrawal rate    | 5.00%            | 5.00%            | 5.00%            |

## NOTES FORMING PART OF FINANCIAL STATEMENTS

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

### C. Defined Contribution and Other Plans

Contributions are made to the Provident and Other funds. The contributions are normally based upon a proportion of the employee's salary.

The Company has recognized the following amounts in the Statement of Profit and Loss :

₹ In Lakhs

| Particulars  | Year Ended 31/03/2018 | Year Ended 31/03/2017 |
|--|-----------------------|-----------------------|
| Employer's contribution to Provident and Pension fund* | 251.07                | 237.95                |
| Employer's contribution to Employee State insurance *  | 30.82                 | 16.83                 |
| Employer's contribution to Labour Welfare fund*        | 0.86                  | 0.85                  |

\* Included in contribution to provident and Other funds under employee benefit expenses (Refer Note No. 30).

### NOTE 54 : RELATED PARTY DISCLOSURES :

The list of related parties as identified by the management is as under:

|  |  |
|--|--|
| Subsidiaries                               | - JBM Auto System Private Limited  |
| Associates                                 | - JBM MA Automotive Private Limited (w.e.f 01.02.2018)   |
| Joint Ventures                             | - JBM MA Automotive Private Limited (upto 31.01.2018)<br>- JBM Ogihara Automotive India Limited<br>- JBM Solaris Electric Vehicle Private Limited<br>- INDO Toolings Private Limited |
| Key Management personnel:                  | - Mr. Vivek Gupta, CFO & Company Secretary<br>- Mr. Sandip Sanyal, Executive Director  |
| Post employment benefit plan of the Comany | -JBM Auto Group Gratuity Scheme Trust  |

## NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ In Lakhs

| Particulars                                     | 2017-18         | 2016-17         | 2017-18                   | 2016-17         | 2017-18                  | 2016-17 | 2017-18        | 2016-17 | 2017-18         | 2016-17         | Total         |
|---|-----------------|-----------------|---------------------------|-----------------|--------------------------|---------|----------------|---------|-----------------|-----------------|---------------|
|   | Subsidiary      |                 | Joint Venture /Associates |                 | Key Management personnel |         | Gratuity Trust |         | Total           |                 |               |
| <b>Purchase of Capital Goods</b>                |                 |                 |                           |                 |                          |         |                |         |                 |                 |               |
| INDO Toolings Private Limited                   | -               | -               | -                         | 213.31          | -                        | -       | -              | -       | -               | -               | 213.31        |
| <b>Total</b>                                    | -               | -               | -                         | <b>213.31</b>   | -                        | -       | -              | -       | -               | -               | <b>213.31</b> |
| <b>Sale of Goods (including Excise)</b>         |                 |                 |                           |                 |                          |         |                |         |                 |                 |               |
| JBM Auto System Private Limited                 | 406.37          | 2,859.89        | -                         | -               | -                        | -       | -              | -       | 406.37          | 2,859.89        |               |
| JBM MA Automotive Private Limited               | -               | -               | 1,402.91                  | 1,691.74        | -                        | -       | -              | -       | 1,402.91        | 1,691.74        |               |
| JBM Ogihara Automotive India Limited            | -               | -               | 1103.35                   | -               | -                        | -       | -              | -       | 1103.35         | -               | -             |
| JBM Solaris Electric Vehicle Private Limited    | -               | -               | 6.10                      | 140.02          | -                        | -       | -              | -       | 6.10            | 140.02          |               |
| INDO Toolings Private Limited                   | -               | -               | -                         | 0.70            | -                        | -       | -              | -       | -               | 0.70            |               |
| <b>Total</b>                                    | <b>406.37</b>   | <b>2,859.89</b> | <b>2,512.36</b>           | <b>1,832.46</b> | -                        | -       | -              | -       | <b>2,918.73</b> | <b>4,692.35</b> |               |
| <b>Sale of Capital goods (including Excise)</b> |                 |                 |                           |                 |                          |         |                |         |                 |                 |               |
| JBM Ogihara Automotive India Limited            | -               | -               | 1.34                      | -               | -                        | -       | -              | -       | 1.34            | -               | -             |
| <b>Total</b>                                    | -               | -               | <b>1.34</b>               | -               | -                        | -       | -              | -       | <b>1.34</b>     | -               | -             |
| <b>Other Income</b>                             |                 |                 |                           |                 |                          |         |                |         |                 |                 |               |
| JBM MA Automotive Private Limited               | -               | -               | -                         | 8.40            | -                        | -       | -              | -       | -               | 8.40            |               |
| JBM Ogihara Automotive India Limited            | -               | -               | 119.25                    | 99.40           | -                        | -       | -              | -       | 119.25          | 99.40           |               |
| JBM Solaris Electric Vehicle Private Limited    | -               | -               | 742.43                    | -               | -                        | -       | -              | -       | 742.43          | -               | -             |
| <b>Total</b>                                    | -               | -               | <b>861.68</b>             | <b>107.80</b>   | -                        | -       | -              | -       | <b>861.68</b>   | <b>107.80</b>   |               |
| <b>Purchase of Goods</b>                        |                 |                 |                           |                 |                          |         |                |         |                 |                 |               |
| JBM Auto System Private Limited                 | 2,076.33        | 1,574.16        | -                         | -               | -                        | -       | -              | -       | 2,076.33        | 1,574.16        |               |
| JBM MA Automotive Private Limited               | -               | -               | 249.38                    | 206.05          | -                        | -       | -              | -       | 249.38          | 206.05          |               |
| INDO Toolings Private Limited                   | -               | -               | 759.15                    | 362.86          | -                        | -       | -              | -       | 759.15          | 362.86          |               |
| <b>Total</b>                                    | <b>2,076.33</b> | <b>1,574.16</b> | <b>1,008.53</b>           | <b>568.91</b>   | -                        | -       | -              | -       | <b>3,084.86</b> | <b>2,143.07</b> |               |
| <b>Others Expenses</b>                          |                 |                 |                           |                 |                          |         |                |         |                 |                 |               |
| JBM Auto System Private Limited                 | 1.30            | 0.19            | -                         | -               | -                        | -       | -              | -       | 1.30            | 0.19            |               |
| JBM MA Automotive Private Limited               | -               | -               | 11.64                     | 3.17            | -                        | -       | -              | -       | 11.64           | 3.17            |               |
| INDO Toolings Private Limited                   | -               | -               | -                         | 0.89            | -                        | -       | -              | -       | -               | 0.89            |               |
| <b>Total</b>                                    | <b>1.30</b>     | <b>0.19</b>     | <b>11.64</b>              | <b>4.06</b>     | -                        | -       | -              | -       | <b>12.94</b>    | <b>4.25</b>     |               |

## NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ In Lakhs

| Particulars   | 2017-18       | 2016-17       | 2017-18                   | 2016-17       | 2017-18                  | 2016-17      | 2017-18        | 2016-17     | 2017-18         | 2016-17         | Total  |
|---|---------------|---------------|---------------------------|---------------|--------------------------|--------------|----------------|-------------|-----------------|-----------------|--------|
|   | Subsidiary    |               | Joint Venture /Associates |               | Key Management personnel |              | Gratuity Trust |             | Total           |                 |        |
| <b>Others Expenses Reimbursed</b>                     |               |               |                           |               |                          |              |                |             |                 |                 |        |
| JBM Auto System Private Limited                       | -             | 55.36         | -                         | -             | -                        | -            | -              | -           | -               | -               | 55.36  |
| JBM MA Automotive Private Limited                     | -             | -             | -                         | 0.06          | -                        | -            | -              | -           | -               | -               | 0.06   |
| JBM Solaris Electric Vehicle Private Limited          | -             | -             | 138.72                    | 10.56         | -                        | -            | -              | -           | 138.72          | 10.56           |        |
| <b>Total</b>  | -             | <b>55.36</b>  | <b>138.72</b>             | <b>10.62</b>  | -                        | -            | -              | -           | <b>138.72</b>   | <b>65.98</b>    |        |
| <b>Contribution to Gratuity Trust</b>                 |               |               |                           |               |                          |              |                |             |                 |                 |        |
| JBM Auto Group Gratuity Scheme Trust                  | -             | -             | -                         | -             | -                        | -            | 25.22          | 5.12        | 25.22           | 5.12            |        |
| <b>Total</b>  | -             | -             | -                         | -             | -                        | -            | <b>25.22</b>   | <b>5.12</b> | <b>25.22</b>    | <b>5.12</b>     |        |
| <b>Lease Rent</b>                                     |               |               |                           |               |                          |              |                |             |                 |                 |        |
| JBM Solaris Electric Vehicle Private Limited          | -             | -             | 9.12                      | -             | -                        | -            | -              | -           | 9.12            | -               |        |
| <b>Total</b>  | -             | -             | <b>9.12</b>               | -             | -                        | -            | -              | -           | <b>9.12</b>     | -               |        |
| <b>Investment/Share application money given</b>       |               |               |                           |               |                          |              |                |             |                 |                 |        |
| JBM Solaris Electric Vehicle Private Limited          | -             | -             | 720.00                    | 0.80          | -                        | -            | -              | -           | 720.00          | 0.80            |        |
| <b>Total</b>  | -             | -             | <b>720.00</b>             | <b>0.80</b>   | -                        | -            | -              | -           | <b>720.00</b>   | <b>0.80</b>     |        |
| <b>Remuneration paid to KMP's and their relatives</b> |               |               |                           |               |                          |              |                |             |                 |                 |        |
| Mr. Vivek Gupta                                       | -             | -             | -                         | -             | 34.95                    | 28.42        | -              | -           | 34.95           | 28.42           |        |
| <b>Total</b>  | -             | -             | -                         | -             | <b>34.95</b>             | <b>28.42</b> | -              | -           | <b>34.95</b>    | <b>28.42</b>    |        |
| <b>Trade Receivables</b>                              |               |               |                           |               |                          |              |                |             |                 |                 |        |
| JBM Auto System Private Limited                       | -             | 444.95        | -                         | -             | -                        | -            | -              | -           | -               | -               | 444.95 |
| JBM MA Automotive Private Limited                     | -             | -             | 1,001.76                  | 562.30        | -                        | -            | -              | -           | 1,001.76        | 562.30          |        |
| JBM Ogihara Automotive India Limited                  | -             | -             | 229.00                    | -             | -                        | -            | -              | -           | 229.00          | -               |        |
| JBM Solaris Electric Vehicle Private Limited          | -             | -             | 625.33                    | 174.26        | -                        | -            | -              | -           | 625.33          | 174.26          |        |
| INDO Toolings Private Limited                         | -             | -             | 214.18                    | 156.62        | -                        | -            | -              | -           | 214.18          | 156.62          |        |
| <b>Total</b>  | -             | <b>444.95</b> | <b>2,070.28</b>           | <b>893.18</b> | -                        | -            | -              | -           | <b>2,070.28</b> | <b>1,338.13</b> |        |
| <b>Trade Payable</b>                                  |               |               |                           |               |                          |              |                |             |                 |                 |        |
| JBM Auto System Private Limited                       | 946.94        | -             | -                         | -             | -                        | -            | -              | -           | 946.94          | -               |        |
| JBM Ogihara Automotive India Limited                  | -             | -             | -                         | 271.22        | -                        | -            | -              | -           | -               | 271.22          |        |
| <b>Total</b>  | <b>946.94</b> | -             | -                         | <b>271.22</b> | -                        | -            | -              | -           | <b>946.94</b>   | <b>271.22</b>   |        |



## NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ In Lakhs

| Particulars                          | 2017-18    | 2016-17 | 2017-18                   | 2016-17 | 2017-18                  | 2016-17     | 2017-18        | 2016-17      | Total        |
|--------------------------------------|------------|---------|---------------------------|---------|--------------------------|-------------|----------------|--------------|--------------|
|                                      | Subsidiary |         | Joint Venture /Associates |         | Key Management personnel |             | Gratuity Trust |              |              |
| <b>Amount Recoverable</b>            |            |         |                           |         |                          |             |                |              |              |
| JBM Auto Group Gratuity Scheme Trust | -          | -       | -                         | -       | -                        | -           | 44.26          | 35.76        | 35.76        |
| <b>Total</b>                         | -          | -       | -                         | -       | -                        | -           | <b>44.26</b>   | <b>35.76</b> | <b>35.76</b> |
| <b>Dividend Paid</b>                 |            |         |                           |         |                          |             |                |              |              |
| Mr. Vivek Gupta                      | -          | -       | -                         | -       | 0.03                     | 0.02        | -              | -            | 0.02         |
| <b>Total</b>                         | -          | -       | -                         | -       | <b>0.03</b>              | <b>0.02</b> | -              | -            | <b>0.02</b>  |

| Remuneration paid to KMP's and their relatives* | Mr. Vivek Gupta |              |
|---|-----------------|--------------|
|   | 2017-18         | 2016-17      |
| (a) short-term employee benefits;               | 34.95           | 28.42        |
| (b) other long-term benefits;                   | -               | -            |
| <b>Total</b>                                    | <b>34.95</b>    | <b>28.42</b> |

\* Remuneration paid to KMP's does not include the provision made for gratuity and leave benefits, as they are determined on an actuarial basis for all the employees together.

### Terms and conditions of transactions with related parties

The sales to and purchase from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year - end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2018, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2017: INR Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

# Consequent to the introduction of Goods & Service Tax (GST) with effect from 1st July 2017 Central Excise, Value Added Tax (VAT) etc. have been subsumed into GST. In accordance with Indian Accounting Standard -18 on Revenue and Schedule III of the Companies Act 2013, unlike Excise Duties, levies like GST, VAT etc. are not part of revenue. Accordingly the figures for the periods upto 30th June 2017 are not strictly relatable to those thereafter.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### NOTE 55 : SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. These include recognition and measurement of financial instruments, estimates of useful lives and residual value of property, plant and equipment and intangible Assets, valuation of inventories, measurement of recoverable amounts of cash-generating units, measurement of employee benefits, actuarial assumptions, provisions etc.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The Company continually evaluates these estimates and assumptions based on the most recently available information. Revisions to accounting estimates are recognized prospectively in the Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.

#### Judgments

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

##### (i) Land on finance lease – Company as lessee

The Company has obtained various lands from the Government for purpose of plants and manufacturing facilities. These lands are having various tenures, generally 90 years and at the end of lease term, the lease could be extended for another term or the land could be returned to the Government Authority. The Company has determined, based on an evaluation of the terms and conditions of the arrangements e.g. lease term, annual rental, transfer / retention of significant risks and rewards of ownership of land determined the lease as finance leases and accordingly accounted the same in the financial statements.

##### (ii) Operating lease commitments – Company as lessor

The Company has entered into leasing arrangements wherein the Company is receiving lease rental income. The Company has determined, based on an evaluation of the terms and conditions of the arrangements e.g. lease term, lease rental income, fair value of the land, transfer / retention of significant risks and rewards of ownership of land determined the lease as operating leases.

##### (iii) Operating lease commitments – Company as lessee

The Company has entered into leasing arrangements wherein the Company is required to pay monthly lease rentals. The Company has determined, based on an evaluation of the terms and conditions of the arrangements e.g. lease term, lease rental income, fair value of the land, transfer / retention of significant risks and rewards of ownership of land determined the lease as operating leases.

#### Estimates and assumptions

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

##### (i) Gratuity benefits

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates.

Due to the complexity of the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of government bonds, and extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables. Future salary increases and pension increases are based on expected future inflation rates. Further details about the assumptions used, including a sensitivity analysis, are given in Note no 53.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### (ii) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model based on level-2 and level-3 inputs. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as price estimates, volume estimates, rate estimates etc. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

### (iii) Impairment of financial assets

The impairment provisions for trade receivables are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on the Company's past history and other factors at the end of each reporting period.

### (iv) Estimates related to useful life of Property Plant and Equipments and Intangible Assets :

Depreciation on property plant and equipment is calculated on a straight-line basis over the useful lives estimated by the management. These rates are in line with the lives prescribed under Schedule II of the Companies Act, 2013.

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

### (v) Impairment of Assets

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

### (vi) Contingent liabilities

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

### (vii) Taxes

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

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### NOTE 56: FINANCIAL INSTRUMENTS

#### A. Capital management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through efficient allocation of capital towards expansion of business, optimisation of working capital requirements and deployment of surplus funds into various investment options.

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

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

₹ In Lakhs

| Particulars                     | As at<br>31-Mar-18 | As at<br>31-Mar-17 | As at<br>01-Apr-16 |
|---------------------------------|--------------------|--------------------|--------------------|
| Net debt                        | 35,428.69          | 29,774.01          | 28,135.75          |
| Total equity                    | 21,154.38          | 18,925.48          | 15,736.53          |
| <b>Net debt to equity ratio</b> | <b>1.67</b>        | <b>1.57</b>        | <b>1.79</b>        |

#### B. Fair value measurements

The Company uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques:

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

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

**Level 2:** This level includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

**Level 3:** This level includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The fair value of the financial assets are determined at the amount that would be received to sell an asset in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:

#### Fair value of the Company's financial assets that are measured at fair value on a recurring basis:

There are certain Company's financial assets which are measured at fair value at the end of each reporting period. There have been no transfer between among levels during the period. Following table gives information about how the fair values of these financial assets are determined:

₹ In Lakhs

| Financial assets at fair value through Profit and Loss | Fair value as at March 31, 2018 |         |         |
|--|---------------------------------|---------|---------|
|  | Level 1                         | Level 2 | Level 3 |
| Hedging gain recoverable                               | -                               | -       | -       |

## NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ In Lakhs

| Financial assets at fair value through Profit and Loss | Fair value as at March 31, 2017 |         |         |
|--|---------------------------------|---------|---------|
|  | Level 1                         | Level 2 | Level 3 |
| Hedging gain recoverable                               | -                               | -       | -       |

| Financial assets at fair value through Profit and Loss | Fair value as at April 01, 2016 |         |         |
|--|---------------------------------|---------|---------|
|  | Level 1                         | Level 2 | Level 3 |
| Hedging gain recoverable                               | -                               | 60.33   | -       |

The Company entered into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Cross currency interest rate swaps are valued using valuation techniques which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying commodity. All derivative contracts are fully cash collateralised, thereby eliminating both counterparty and the Company's own non-performance risk. As at 01 April 2016, the marked-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk.

### C. Categories of financial instruments

₹ In Lakhs

| Particulars  | As at 31 March 2018 |                  | As at 31 March 2017 |                  | As at 01 April 2016 |                  |
|--|---------------------|------------------|---------------------|------------------|---------------------|------------------|
|  | Carrying Value      | Fair Value       | Carrying Value      | Fair Value       | Carrying Value      | Fair Value       |
| <b>Financial assets measured at amortised cost*</b>            |                     |                  |                     |                  |                     |                  |
| Loans  | 200.89              | 200.89           | 188.20              | 188.20           | 171.15              | 171.15           |
| Other Non current financial Assets                             | 240.00              | 240.00           | -                   | -                | -                   | -                |
| Trade Receivables  | 18,988.00           | 18,988.00        | 15,763.13           | 15,763.13        | 12,152.63           | 12,152.63        |
| Cash and cash equivalents                                      | 51.30               | 51.30            | 19.24               | 19.24            | 243.96              | 243.96           |
| Other Bank Balances  | 46.73               | 46.73            | 39.56               | 39.56            | 54.29               | 54.29            |
| Other current financial assets                                 | 1,294.28            | 1,294.28         | 1,267.33            | 1,267.33         | 196.36              | 196.36           |
| <b>Total financial assets measured at amortized cost - (i)</b> | <b>20,821.20</b>    | <b>20,821.20</b> | <b>17,277.45</b>    | <b>17,277.45</b> | <b>12,818.40</b>    | <b>12,818.40</b> |
| <b>Financial assets measured at FVTPL</b>                      |                     |                  |                     |                  |                     |                  |
| Hedging gain recoverable                                       | -                   | -                | -                   | -                | 60.33               | 60.33            |
| <b>Total financial assets measured at FVTPL - (ii)</b>         | <b>-</b>            | <b>-</b>         | <b>-</b>            | <b>-</b>         | <b>60.33</b>        | <b>60.33</b>     |
| <b>Total financial assets (i) + (ii)</b>                       | <b>20,821.20</b>    | <b>20,821.20</b> | <b>17,277.45</b>    | <b>17,277.45</b> | <b>12,878.73</b>    | <b>12,878.73</b> |

\*Does not include investments in subsidiary, Joint ventures and Associate which are carried at cost in accordance with Ind AS 27 "Separate Financial Statements"

## NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ In Lakhs

|   | As at 31 March 2018 |                  | As at 31 March 2017 |                  | As at 01 April 2016 |                  |
|---|---------------------|------------------|---------------------|------------------|---------------------|------------------|
| <b>Financial liabilities measured at amortised cost</b>       |                     |                  |                     |                  |                     |                  |
| Non current borrowings*                                       | 20,026.47           | 20,026.47        | 16,577.64           | 16,577.64        | 15,419.05           | 15,419.05        |
| Other non-current financial liabilities                       | -                   | -                | 48.59               | 48.59            | 43.63               | 43.63            |
| Current borrowings  | 15,453.51           | 15,453.51        | 13,215.60           | 13,215.60        | 12,960.66           | 12,960.66        |
| Trade payables  | 15,282.37           | 15,282.37        | 17,585.54           | 17,585.54        | 20,962.02           | 20,962.02        |
| Other current financial liabilities                           | 829.80              | 829.80           | 936.29              | 936.29           | 778.02              | 778.02           |
| <b>Total financial liabilities measured at amortised cost</b> | <b>51,592.15</b>    | <b>51,592.15</b> | <b>48,363.66</b>    | <b>48,363.66</b> | <b>50,163.39</b>    | <b>50,163.39</b> |

\*including current maturities of non current borrowings

Carring value of loans, other financial assets, trade receivables, cash and cash equivalents, other bank balances, Borrowings ,other financial liabilities , trade payables are considered to be same as their fair value

### D. Financial risk management

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

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

- Market risk
- Credit risk; and
- Liquidity risk

#### D.1 Market risk

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

##### a) Foreign currency risk management

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

## NOTES FORMING PART OF FINANCIAL STATEMENTS

Foreign Currency Exposure that have been hedged by derivative Instrument are given below.

| Liabilities/Assets | Foreign Currency (In Lakhs) |                     |                     | INR Equivalent (In Lakhs) |                     |                     |
|--------------------|-----------------------------|---------------------|---------------------|---------------------------|---------------------|---------------------|
|                    | As at<br>31-03-2018         | As at<br>31-03-2017 | As at<br>01-04-2016 | As at<br>31-03-2018       | As at<br>31-03-2017 | As at<br>01-04-2016 |
| <b>Liabilities</b> |                             |                     |                     |                           |                     |                     |
| USD                | -                           | -                   | 2.79                | -                         | -                   | 185.94              |

The Company has taken derivative contract to hedge its foreign currency exposures in relation to foreign currency term loan availed by the Company. Further, the Company has not entered into any derivative or hedging instruments in relation to its foreign currency exposures other than foreign currency term loan.

Foreign currency exposure that have not been hedged by derivative instrument are given below.

| Liabilities/Assets | Foreign Currency (In Lakhs) |                     |                     | INR Equivalent (In Lakhs) |                     |                     |
|--------------------|-----------------------------|---------------------|---------------------|---------------------------|---------------------|---------------------|
|                    | As at<br>31-03-2018         | As at<br>31-03-2017 | As at<br>01-04-2016 | As at<br>31-03-2018       | As at<br>31-03-2017 | As at<br>01-04-2016 |
| <b>Liabilities</b> |                             |                     |                     |                           |                     |                     |
| USD                | 8.21                        | 2.34                | 4.66                | 535.96                    | 152.19              | 310.00              |
| JPY                | 249.52                      | 83.33               | 583.33              | 154.22                    | 48.59               | 346.32              |
| SEK                | 2.45                        | 1.56                | 1.50                | 18.45                     | 11.42               | 12.26               |
| EURO               | 0.18                        | 0.08                | 2.40                | 14.51                     | 5.19                | 181.04              |
| <b>Assets</b>      |                             |                     |                     |                           |                     |                     |
| USD                | 4.17                        | 4.40                | 1.40                | 271.43                    | 285.12              | 92.23               |
| Euro               | 4.23                        | 3.34                | 2.97                | 340.92                    | 230.16              | 221.27              |
| JPY                | 22.98                       | -                   | -                   | 13.07                     | -                   | -                   |

### Foreign currency sensitivity analysis

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

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

| Particulars     | Depreciation in INR |           | Appreciation in INR |           |
|-----------------|---------------------|-----------|---------------------|-----------|
|                 | 31-Mar-18           | 31-Mar-17 | 31-Mar-18           | 31-Mar-17 |
| <b>Payables</b> |                     |           |                     |           |
| USD /INR        | (26.80)             | (7.61)    | 26.80               | 7.61      |
| JPY/INR         | (7.71)              | (2.43)    | 7.71                | 2.43      |
| SEK/INR         | (0.92)              | (0.57)    | 0.92                | 0.57      |
| EURO/INR        | (0.73)              | (0.26)    | 0.73                | 0.26      |

| Particulars        | Depreciation in INR |           | Appreciation in INR |           |
|--------------------|---------------------|-----------|---------------------|-----------|
|                    | 31-Mar-18           | 31-Mar-17 | 31-Mar-18           | 31-Mar-17 |
| <b>Receivables</b> |                     |           |                     |           |
| USD /INR           | 13.57               | 14.26     | (13.57)             | (14.26)   |
| EURO/INR           | 17.05               | 11.51     | (17.05)             | (11.51)   |
| JPY/INR            | 0.65                | -         | (0.65)              | -         |



## NOTES FORMING PART OF FINANCIAL STATEMENTS

### b) Interest rate risk management

The Company is exposed to interest rate risk because Company borrow funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings. The Company's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. In respect of non-current Foreign Currency Borrowings denominated in US Dollars (USD), the Company is having Libor linked rate. To mitigate the risk of any adverse interest rate movement, the Company had entered into Cross Currency Interest Rate Swaps (CCIRS) i.e. pay fixed receive variable rate of interest. In the event of any adverse movement of interest rates, the Company was required only to pay the fixed interest eventually thereby offsetting the interest loss from the CCIRS. Accordingly, no sensitivity analysis in respect of such loans is given.

### Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates .

### Impact on Profit / (loss) for the year for a 50 basis point change:

₹ In Lakhs

|                  | <b>Increase/decrease in basis points</b> | <b>Effect on profit before tax</b> |
|------------------|--|------------------------------------|
| <b>31-Mar-18</b> |  |                                    |
| Borrowings       | +50                                      | (139.82)                           |
| Borrowings       | -50                                      | 139.82                             |
|                  |  |                                    |
| <b>31-Mar-17</b> |  |                                    |
| Borrowings       | +50                                      | (106.62)                           |
| Borrowings       | -50                                      | 106.62                             |

### D.2 Credit risk management

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

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

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

### D.3 Liquidity risk management

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

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of non-current borrowings, current borrowings and trade payables etc. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

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

₹ In Lakhs

|                                       | Less than 1 year | 1 to 5 years     | more than 5 years | Total            |
|---------------------------------------|------------------|------------------|-------------------|------------------|
| <b>Year ended 31-Mar-18</b>           |                  |                  |                   |                  |
| Non current borrowings*               | 4,795.33         | 16,654.82        | 2,242.27          | 23,692.43        |
| Current borrowings                    | 15,453.51        | -                | -                 | 15,453.51        |
| Trade payables                        | 15,282.37        | -                | -                 | 15,282.37        |
| Other financial liabilities           | 829.80           | -                | -                 | 829.80           |
|                                       | <b>36,361.01</b> | <b>16,654.82</b> | <b>2,242.27</b>   | <b>55,258.11</b> |
| <b>Year ended 31-Mar-17</b>           |                  |                  |                   |                  |
| Non current borrowings*               | 4,356.09         | 14,105.53        | 2,249.03          | 20,710.65        |
| Other non current financial liability | -                | 48.59            | -                 | 48.59            |
| Current borrowings                    | 13,215.60        | -                | -                 | 13,215.60        |
| Trade payables                        | 17,585.54        | -                | -                 | 17,585.54        |
| Other financial liabilities           | 936.29           | -                | -                 | 936.29           |
|                                       | <b>36,093.52</b> | <b>14,154.11</b> | <b>2,249.03</b>   | <b>52,496.67</b> |
| <b>As at 01-Apr-16</b>                |                  |                  |                   |                  |
| Non current borrowings*               | 3,622.36         | 11,054.32        | 5,295.79          | 19,972.47        |
| Other non current financial liability | -                | 43.63            | -                 | 43.63            |
| Current borrowings                    | 12,960.66        | -                | -                 | 12,960.66        |
| Trade payables                        | 20,962.02        | -                | -                 | 20,962.02        |
| Other financial liabilities           | 778.02           | -                | -                 | 778.02           |
|                                       | <b>38,323.07</b> | <b>11,097.95</b> | <b>5,295.79</b>   | <b>54,716.80</b> |

\* including current maturities of non-current borrowings

### NOTE 57 : EVENTS AFTER THE REPORTING PERIOD

There are no reportable events that occurred after the end of the reporting period.

### NOTE 58 : FIRST-TIME ADOPTION OF IND AS

These financial statements, for the year ending 31 March 2018 are the first annual financial statements prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with accounting standards notified under Section 133 of Companies Act 2013 read with paragraph 7 of the Companies (Accounts) rules, 2014 (IGAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2018, together with the comparative period data as at 31 March 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2016, the Company's transition date to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the opening Balance Sheet as at 1 April 2016 and the financial statements for the year ended 31 March, 2017.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### Exemptions applied:

Ind AS 101 allows first-time adopters certain exemptions from the retrospective applications of certain requirements under Ind AS. The Company has applied the following exemptions:

#### A. Mandatory exemptions:

##### a) Estimates:

The estimates at 1 April 2016 and at 31 March 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies).

##### b) Derecognition of financial assets:

The company has applied the de-recognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

##### c) Classification and measurement of financial assets:

Financial assets like security deposits paid has been classified and measured at amortised cost on the basis of the facts and circumstances that exist at the date of transition to Ind ASs.

##### d) Impairment of financial assets: (Trade receivables and other financial assets)

At the date of transition to Ind ASs, the Company has recognised a loss allowance at an amount equal to lifetime expected credit losses at each reporting date until that financial instrument is derecognised (unless that financial instrument is low credit risk at a reporting date).

#### B. Optional exemptions:

##### a) Deemed cost-Previous GAAP carrying amount (PPE and Intangible Assets):

Since there is no change in the functional currency, the Company has elected to continue with the carrying value for all of Property, Plant and Equipment and Intangible Assets, as recognised in its Indian GAAP financial as deemed cost at the transition date.

##### b) Foreign Currency Monetary Items:

Under previous GAAP, paragraph 46A of Accounting Standard for 'The Effects of Changes in Foreign Exchange Rates' (AS 11) provided an alternative accounting treatment whereby exchange differences arising on long term foreign currency monetary items relating to depreciable asset are adjusted in fixed assets and depreciated over the remaining life of such assets and in other cases are accumulated in Foreign Currency Monetary item Translation Difference Account (FCMITDA) to be amortised over balance period of long term asset/liability. Ind AS 101 includes an optional exemption that allows a first-time adopter to continue the above accounting treatment in respect of the long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period. The Company has elected this exemption and opted to continue with the Previous GAAP carrying value.

##### c) Arrangements containing a lease:

Appendix C to IndAS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Company has used Ind AS 101 exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.

##### d) Investment in subsidiaries and Joint Ventures & Associates:

There is an option to measure investments in subsidiaries, joint ventures and associates at cost in accordance with IND AS 27 either at fair value on date of transition or previous gap carrying values. The Company has elected this exemption and opted to continue with the "Previous GAAP" carrying value of investment in subsidiaries and joint ventures, as recognised in its Indian GAAP financials, as deemed cost at the date of transition.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### e) Business combinations:

IND AS 103 Business Combinations has not been applied to acquisitions of subsidiaries, which are considered businesses for IND AS or of interests in joint ventures that occurred before April 01, 2016. Use of this exemption means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognized under IND AS, is their deemed cost at the date of acquisition. After the date of acquisition measurement is in accordance with IND AS. Assets and liabilities that do not qualify for recognition under are excluded from opening IND AS balance sheet. The Company did not recognise or exclude any previously recognised amounts as a result of IND AS recognition requirements.

### First Time Adoption of Ind AS

#### (i) Reconciliation of Equity

₹ In Lakhs

| Particulars   | Notes | As at<br>31 March 2017 | As at<br>1st April 2016 |
|---|-------|------------------------|-------------------------|
| <b>Equity as reported under previous GAAP</b>   |       | <b>24,806.91</b>       | <b>20,786.90</b>        |
| <b>Ind AS: Adjustments increase (decrease):</b>   |       |                        |                         |
| Adjustment reflect final dividend (including corporate dividend tax) declared and approved post reporting period) | 1     | -                      | 834.03                  |
| Effect of reclassifying preference share capital as financial liability   | 2     | (5,874.37)             | (5,896.80)              |
| Impact on measurement of financial assets at amortised cost using effective interest method                       | 3     | (3.95)                 | (3.00)                  |
| Impact of re-measurement of finance lease hold land   | 4     | (3.90)                 | -                       |
| Impact of change in accounting Policy for valuation of inventory  |       | 0.79                   | 15.41                   |
| <b>Equity as reported under IND AS</b>  |       | <b>18,925.48</b>       | <b>15,736.53</b>        |

#### (ii) Reconciliation of Profit

₹ In Lakhs

| Particulars   | Notes | As at<br>31 March 2017 |
|---|-------|------------------------|
| <b>Profit after tax (PAT) as per Previous GAAP</b>  |       | <b>4,020.01</b>        |
| <b>Ind AS: Adjustments increase (decrease):</b>   |       |                        |
| Effect of reclassifying preference share capital as financial liability                     | 2     | (28.05)                |
| Impact on measurement of financial assets at amortised cost using effective interest method | 3     | (0.95)                 |
| Impact of re-measurement of finance lease hold land   | 4     | (3.90)                 |
| Remeasurement of net defined benefit reclassified to other comprehensive income(OCI)        | 6     | 4.60                   |
| Impact of change in accounting Policy for valuation of inventory                            |       | (14.61)                |
| Tax effect  |       | (1.55)                 |
| <b>Profit after tax (PAT) as per IND AS</b>   |       | <b>3,975.55</b>        |
| Other comprehensive income  | 6     | (3.06)                 |
| <b>Total comprehensive income under Ind AS</b>  |       | <b>3,972.49</b>        |

**Note:** No statement of comprehensive income was produced under previous GAAP. Therefore the above reconciliation starts with profit under previous GAAP.

#### (iii) Reconciliation of Cash Flow

There were no significant item between Cash Flows prepared under Indian GAAP and those prepared under Ind AS.

**(iv) Reconciliation of the assets and liabilities presented in the balance sheet prepared as per Indian GAAP and as per Ind AS as at 31st March 2017 are as follows:**

## NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ In Lakhs

|  | As per<br>Indian GAAP | Ind AS<br>Adjustments | As per<br>Ind AS |
|--|-----------------------|-----------------------|------------------|
| <b>Assets</b>                                |                       |                       |                  |
| <b>Non-current assets</b>                    |                       |                       |                  |
| (a) Property, plant and equipment            | 23,070.30             | (504.58)              | 22,565.73        |
| (b) Capital work-in-progress                 | 387.48                | -                     | 387.48           |
| (c) Intangible assets                        | 5,303.65              | -                     | 5,303.65         |
| (d) Intangible assets under development      | 3,062.17              | -                     | 3,062.17         |
| (e) Financial assets                         |                       |                       |                  |
| (i) Investments                              | 7,133.58              | -                     | 7,133.58         |
| (ii) Loans                                   | 224.08                | (35.88)               | 188.20           |
| (f) Other non-current assets                 | 67.61                 | 601.84                | 669.45           |
|  | <b>39,248.88</b>      | <b>61.38</b>          | <b>39,310.26</b> |
| <b>Current assets</b>                        |                       |                       |                  |
| (a) Inventories                              | 12,151.37             | 0.79                  | 12,152.17        |
| (b) Financial Assets                         |                       |                       |                  |
| (i) Trade receivables                        | 15,763.13             | -                     | 15,763.13        |
| (ii) Cash and cash equivalents               | 19.24                 | -                     | 19.24            |
| (iii) Other bank balances                    | 39.56                 | -                     | 39.56            |
| (iv) Other current Financial Assets          | 1,267.33              | -                     | 1,267.33         |
| (c) Other current assets                     | 3,134.44              | 22.94                 | 3,157.38         |
|  | <b>32,375.06</b>      | <b>23.73</b>          | <b>32,398.80</b> |
| <b>Total assets</b>                          | <b>71,623.94</b>      | <b>85.11</b>          | <b>71,709.06</b> |
| <b>Equity and liabilities</b>                |                       |                       |                  |
| <b>Equity</b>                                |                       |                       |                  |
| (a) Equity Share capital                     | 3,039.77              | (1,000.00)            | 2,039.77         |
| (b) Other equity                             | 21,767.14             | (4,881.43)            | 16,885.72        |
|  | <b>24,806.91</b>      | <b>(5,881.43)</b>     | <b>18,925.48</b> |
| <b>Liabilities</b>                           |                       |                       |                  |
| <b>Non-current liabilities</b>               |                       |                       |                  |
| (a) Financial liability                      |                       |                       |                  |
| (i) Borrowings                               | 7,838.50              | 4,404.69              | 12,243.19        |
| (ii) Other non-current financial liabilities | 48.59                 | -                     | 48.59            |
| (b) Provisions                               | 203.31                | -                     | 203.31           |
| (c) Deferred tax liability (net)             | 933.80                | -                     | 933.80           |
| (d) Other non-current liabilities            | -                     | 1,103.28              | 1,103.28         |
|  | <b>9,024.19</b>       | <b>5,507.97</b>       | <b>14,532.16</b> |
| <b>Current liabilities</b>                   |                       |                       |                  |
| (a) Financial liabilities                    |                       |                       |                  |
| (i) Borrowings                               | 13,215.60             | -                     | 13,215.60        |
| (ii) Trade payables                          | 17,585.54             | -                     | 17,585.54        |
| (iii) Other financial liabilities            | 5,205.62              | 65.12                 | 5,270.74         |
| (b) Other current liabilities                | 1,615.08              | 393.45                | 2,008.53         |
| (c) Provisions                               | 135.42                | -                     | 135.42           |
| (d) Current Tax Liabilities (Net)            | 35.57                 | -                     | 35.57            |
|  | <b>37,792.84</b>      | <b>458.57</b>         | <b>38,251.42</b> |
| <b>Total Equity and Liability</b>            | <b>71,623.94</b>      | <b>85.11</b>          | <b>71,709.06</b> |

## NOTES FORMING PART OF FINANCIAL STATEMENTS

(v) Reconciliation of Statement of Profit and Loss account prepared as per Indian GAAP and as per Ind AS for the year ended 31st March 2017 are as follows:

₹ In Lakhs

|  | As per<br>Indian GAAP | Ind AS<br>Adjustments | As per<br>Ind AS |
|--|-----------------------|-----------------------|------------------|
| <b>Revenue</b>   |                       |                       |                  |
| Revenue from operations  | 69,798.11             | 8,867.01              | 78,665.13        |
| Other income   | 1,087.83              | 393.73                | 1,481.56         |
| <b>Total revenue</b>   | <b>70,885.95</b>      | <b>9,260.74</b>       | <b>80,146.69</b> |
| <b>Expenses</b>  |                       |                       |                  |
| Cost of raw material consumed  | 45,706.57             | 14.61                 | 45,721.18        |
| Changes in inventories of finished goods & work in progress                    | 1,913.75              | -                     | 1,913.75         |
| Excise duty  | -                     | 8,858.86              | 8,858.86         |
| Employee benefits expense  | 7,867.42              | (4.60)                | 7,862.82         |
| Finance costs  | 2,591.54              | 430.90                | 3,022.44         |
| Depreciation and amortization expense  | 2,329.23              | (21.68)               | 2,307.55         |
| Other expenses   | 6,644.29              | 25.56                 | 6,669.85         |
| <b>Total expenses</b>  | <b>67,052.79</b>      | <b>9,303.66</b>       | <b>76,356.45</b> |
| <b>Profit before exceptional and items and tax</b>                             | <b>3,833.15</b>       | <b>(42.91)</b>        | <b>3,790.24</b>  |
| Exceptional Income   | 1,105.00              | -                     | 1,105.00         |
| <b>Profit before tax</b>   | <b>4,938.15</b>       | <b>(42.91)</b>        | <b>4,895.24</b>  |
| Tax Expenses   |                       |                       |                  |
| (1) Current year   | 1,053.88              | 1.55                  | 1,055.43         |
| (2) Deferred tax   | (135.73)              |                       | (135.73)         |
|  | <b>918.14</b>         | <b>1.55</b>           | <b>919.69</b>    |
| <b>Profit after tax for the year</b>   | <b>4,020.01</b>       | <b>(44.46)</b>        | <b>3,975.55</b>  |
| <b>Other comprehensive Income</b>  |                       |                       |                  |
| <b>Items that will not be reclassified to Statement of Profit &amp; loss :</b> |                       |                       |                  |
| (i) gain/(loss) of defined benefit plan  | -                     | (4.60)                | (4.60)           |
| (ii) Income tax expenses on gain/(loss) on defined benefit plan                | -                     | 1.55                  | 1.55             |
| <b>Total other comprehensive income</b>  | <b>-</b>              | <b>(3.06)</b>         | <b>(3.06)</b>    |
| <b>Total comprehensive Income</b>  | <b>4,020.01</b>       | <b>(47.52)</b>        | <b>3,972.49</b>  |

(vi) Reconciliation of the assets and liabilities presented in the balance sheet prepared as per Indian GAAP and as per Ind AS as at 1st April 2016 are as follows :

## NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ In Lakhs

|  | As per<br>India GAAP | Ind AS<br>Adjustments | As per Ind<br>AS |
|--|----------------------|-----------------------|------------------|
| <b>Assets</b>                                |                      |                       |                  |
| <b>Non-current assets</b>                    |                      |                       |                  |
| (a) Property, plant and equipment            | 23,473.92            | (526.25)              | 22,947.67        |
| (b) Capital work in progress                 | 690.50               | -                     | 690.50           |
| (c) Intangible assets                        | 5,095.22             | -                     | 5,095.22         |
| (d) Intangible assets under development      | 1,727.82             | -                     | 1,727.82         |
| (e) Financial assets                         |                      |                       |                  |
| (i) Investments                              | 7,132.78             | -                     | 7,132.78         |
| (ii) Loans                                   | 207.31               | (36.16)               | 171.15           |
| (f) Other non-current assets                 | 269.25               | 626.00                | 895.25           |
|  | <b>38,596.80</b>     | <b>63.59</b>          | <b>38,660.39</b> |
| <b>Current assets</b>                        |                      |                       |                  |
| (a) Inventories                              | 15,758.23            | 15.41                 | 15,773.64        |
| (b) Financial Assets                         |                      |                       |                  |
| (i) Trade receivables                        | 12,152.63            | -                     | 12,152.63        |
| (ii) Cash and cash equivalents               | 243.96               | -                     | 243.96           |
| (iii) Other bank balances                    | 54.29                | -                     | 54.29            |
| (iv) Other current financial assets          | 256.69               | -                     | 256.69           |
| (c) Other current assets                     | 3,766.28             | 22.94                 | 3,789.22         |
|  | <b>32,232.08</b>     | <b>38.35</b>          | <b>32,270.43</b> |
| <b>Total Assets</b>                          | <b>70,828.88</b>     | <b>101.94</b>         | <b>70,930.82</b> |
| <b>Equity and liabilities</b>                |                      |                       |                  |
| <b>Equity</b>                                |                      |                       |                  |
| (a) Equity share capital                     | 3,039.77             | (1,000.00)            | 2,039.77         |
| (b) Other equity                             | 17,747.13            | (4,050.37)            | 13,696.76        |
| <b>Total equity</b>                          | <b>20,786.90</b>     | <b>(5,050.37)</b>     | <b>15,736.53</b> |
| <b>Liabilities</b>                           |                      |                       |                  |
| <b>Non-current liabilities</b>               |                      |                       |                  |
| (a) Financial liability                      |                      |                       |                  |
| (i) Borrowings                               | 7,787.29             | 4,024.20              | 11,811.48        |
| (ii) Other non-current financial liabilities | 43.63                | -                     | 43.63            |
| (b) Provisions                               | 125.04               | -                     | 125.04           |
| (c) Deferred tax liability (net)             | 1,069.53             | -                     | 1,069.53         |
| (d) Other non-current liabilities            | -                    | 1,496.73              | 1,496.73         |
|  | <b>9,025.49</b>      | <b>5,520.93</b>       | <b>14,546.41</b> |
| <b>Current liabilities</b>                   |                      |                       |                  |
| (a) Financial liabilities                    |                      |                       |                  |
| (i) Borrowings                               | 12,960.66            | -                     | 12,960.66        |
| (ii) Trade payables                          | 20,962.02            | -                     | 20,962.02        |
| (iii) Other financial liabilities            | 4,313.63             | 71.96                 | 4,385.59         |
| (b) Other current liabilities                | 1,856.75             | 393.45                | 2,250.20         |
| (c) Provisions                               | 923.43               | (834.03)              | 89.40            |
|  | <b>41,016.49</b>     | <b>(368.62)</b>       | <b>40,647.87</b> |
| <b>Total Equity and Liabilities</b>          | <b>70,828.88</b>     | <b>101.94</b>         | <b>70,930.82</b> |



## NOTES FORMING PART OF FINANCIAL STATEMENTS

### Notes to the reconciliation of Balance sheet as at 01st April 2016 and 31st March 2017 and the Total Comprehensive Income for the year ended 31st March 2017

1. In the financial statements prepared under Previous GAAP, dividend on equity shares recommended by the Board of Directors after the end of reporting period but before the financial statements were approved for issue, was recognised as a liability in the financial statements in the reporting period relating to which dividend was proposed.  
  
Under Ind AS, such dividend is recognised in the reporting period in which the same is approved by the members in a general meeting.
2. Under Indian GAAP, redeemable preference share capital was part of share capital where as under IND AS the same has been classified as borrowing and deferred income. Interest charge at EIR on borrowings has been recognised as finance cost. Deferred income is booked on deferred component of preference share capital in Statement of Profit and Loss over the remaining period of preference share capital.
3. Under Indian GAAP, non current security deposits given for the purpose of obtaining asset on lease are recorded at transaction value. Under Ind AS, these security deposits are recorded at fair value at the date of transition. The difference in transaction value and the fair value is recorded as prepaid rent expense and recorded as rent expense over the term of the deposit. Security deposit recorded at discounted value is accreted to its full value by recording.
4. Leasehold land was scoped out from AS 19 "Leases" but the same is covered under Ind AS 17 "Leases". Certain land taken on lease is in the nature of finance lease consequently present value of all future rentals have been capitalised to leasehold land and recorded as finance lease obligation. Subsequently, this amount is amortised over the remaining lease period, interest expense is booked on finance lease obligation and rent paid is reduced from finance.
5. Leasehold land was scoped out from AS 19 "Leases" but the same is covered under Ind AS 17 "Leases". Certain land taken on lease is in the nature of operating lease consequently amount recognised as leasehold land under IGAAP has been transferred from leasehold land to prepaid expenses. Prepaid expense in such respect of leasehold land is amortised as rent expense over the period of lease obligation.
6. Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability are recognised in OCI.
7. Under the previous GAAP, revenue from sale to goods was presented exclusive of excise duty. Under Ind AS revenue from sales of goods is presented inclusive of excise duty. Excise duty paid is presented on face of Statement of Profit and Loss as a part of expense. There is no impact on total equity and profit.
8. Under the previous GAAP, cash discount, packing expense recovered and freight expenses recovered was presented under other expenses. Under Ind AS revenue from sales of goods is recognised at fair value of consideration expected to be received. Accordingly revenue for the year ended March 31, 2017 is presented net of cash discount, freight and packing charges recovered.
9. Previous year GAAP figures have been reclassified to confirm to the Ind AS presentation requirements for the purpose of the note.
10. Under previous GAAP, there was no concept of other comprehensive income. Under Ind AS, specified items of income expense, gains or losses are required to be presented in other comprehensive income.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### NOTE 59 : AMENDMENTS TO STANDARDS THAT ARE NOT YET EFFECTIVE AND HAVE NOT BEEN ADOPTED BY THE COMPANY

#### Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

#### Ind AS 115- Revenue from Contract with Customers:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

#### The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company is evaluating the requirements of the amendment and its effect on the financial statements.

The accompanying notes are forming part of these financial statements

As per our report of even date attached

For Sahni Natarajan and Bahl  
Chartered Accountants  
Firm Registration No. : 002816N

Sudhir Chhabra  
Partner  
M.No. 083762

Surendra Kumar Arya  
Director  
DIN 00004626

Sandip Sanyal  
Executive Director  
DIN 07186909

Place : Gurugram (Haryana)  
Dated : 15th May, 2018

Vivek Gupta  
Chief Financial Officer  
& Company Secretary

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF JBM AUTO LIMITED

#### Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated Ind AS Financial Statements of **JBM AUTO LIMITED** (hereinafter referred to as "the Holding Company"), and its Subsidiary (the Holding Company and its Subsidiary together referred to as "the Group"), Associate and its Joint Ventures, comprising the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

#### Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Ind AS Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated statement of changes in equity of the Group including its Associate and Joint Ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group, its Associate and of its Joint Ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its Associate and its Joint Ventures and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS Financial Statements by the Directors of the Holding Company, as aforesaid.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS Financial Statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Ind AS Financial Statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS Financial Statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on Separate Ind AS Financial Statements and on the other financial information of the its Associate and Joint Ventures referred to below in the Other Matters paragraph, the aforesaid Consolidated Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs (financial position) of the Group, its Associate and its Joint Ventures as at 31st March, 2018, and their consolidated profit (financial performance including other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

## Other Matters

- a) The Consolidated Ind AS Financial Statements includes the Group's share of profit/(loss) after tax of Rs. 811.24 lakhs for the year ended 31st March 2018 and total comprehensive income of Rs. 816.28 lakhs for the year ended 31st March 2018 as considered in the Consolidated Ind AS Financial Statements, in respect of two Joint Ventures and One Associate whose financial statements/ financial information have not been audited by us. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amount and disclosures included in respect of these Joint Ventures and Associate, and our report in terms of sub section (3) of Section 143 of the Act, in so far as it relates to the aforesaid Joint Ventures and Associate is based solely on the reports of the other auditors.
- b) The Consolidated Ind AS Financial Statements includes the Group's share of profit/(loss) after tax of Rs. (24.78) lakhs for the year ended 31st March 2018 and total comprehensive income of Rs. (24.78) lakhs for the year ended 31st March 2018 as considered in the Consolidated Ind AS Financial Statements, in respect of one Joint Venture whose financial statements/ financial information have not been audited by us. The financial statement / financial information in respect of this Joint Venture has not been audited by other auditors and has been furnished to us by the Management and our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amount and disclosures included in respect of this Joint Venture, and our report in terms of sub section (3) of Section 143 of the Act, in so far as it relates to the aforesaid Joint Venture is based solely on the such unaudited financial statement/ financial information. In our opinion and according to the information and explanations given to us by the Management, this financial statements / financial information are not material to the Group.
- c) The comparative financial information for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these Consolidated Ind AS Financial Statements are based on the previously issued statutory financial statements for the years ended March 31, 2017 and March 31, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by the predecessor auditor who expressed an unmodified opinion vide reports dated May 30, 2017 and May 30, 2016 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the group on transition to the Ind AS have been audited by us.

Our opinion above on the Consolidated Ind AS Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements and the other financial information of its Associate, Joint Venture companies incorporated in India, as noted in the Other Matters paragraph, we report, to the extent applicable that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS Financial Statements.
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept so far as it appears from our examination of those books and reports of the other auditors.
  - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements.

- d. In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its Associate and Joint Venture Companies incorporated in India, none of the directors of the Group companies, its Associate and Joint Venture Companies incorporated in India is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its Subsidiary Company, its Associate and Joint Venture companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the Associate and Joint Ventures, as noted in the 'Other matter' paragraph:
- i. The Consolidated Ind AS Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group, its Associate and Joint Ventures. Refer Note No. 37 to the Consolidated Ind AS Financial Statements.
  - ii. The Group, its Associate and Joint Ventures has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred by the Group, its Associate and its Joint Ventures to the Investor Education and Protection Fund for the year ended March 31, 2018.
  - iv. The reporting on disclosure relating to Specified Bank Notes is not applicable to the Group, its Associate and its Joint Ventures for the year ended March 31, 2018.

For Sahni Natarajan and Bahl  
Chartered Accountants  
Firm Registration No: 002816N

Sudhir Chhabra  
Partner  
Membership No. 083762

Place: Gurugram  
Date: May 15, 2018

## **ANNEXURE-A**

### **TO THE INDEPENDENT AUDITOR'S REPORT**

(This is the annexure referred to in Para 1(f) of 'Report on Other Legal and Regulatory Requirements' of our Report of even date)

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

In conjunction with our audit of the Consolidated Ind AS Financial Statements of the Company as of and for the year ended 31st March, 2018, we have audited the internal financial controls over financial reporting of **JBM AUTO LIMITED** (hereinafter referred to as "the Holding Company"), and its Subsidiary company, its Associate and Joint Venture companies, which are companies incorporated in India, as of that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Holding Company, its Subsidiary Company, its Associate and Joint Venture Companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to one Associate and two Joint Venture companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India and so far as it relates to the unaudited one Joint Venture company is based on representation received from the management. Our opinion is not qualified in respect of this matter.

For Sahni Natarajan and Bahl  
Chartered Accountants  
Firm Registration No: 002816N

Sudhir Chhabra  
Partner  
Membership No. 083762

Place: Gurugram  
Date: May 15, 2018



**CIN L74899DL1996PLC083073**

**Consolidated Balance Sheet as at 31st March, 2018**

₹ In Lakhs

|  | Note No. | As at 31st<br>March, 2018 | As at 31st<br>March, 2017 | As at 1st<br>April, 2016 |
|--|----------|---------------------------|---------------------------|--------------------------|
| <b>I ASSETS</b>                                      |          |                           |                           |                          |
| <b>Non-current assets</b>                            |          |                           |                           |                          |
| (a) Property, plant and equipment                    | 3(a)     | 50,674.79                 | 52,943.66                 | 53,738.47                |
| (b) Capital work in progress                         |          | 2,215.52                  | 413.83                    | 729.95                   |
| (c) Intangible assets                                | 3(b)     | 5,109.48                  | 5,330.00                  | 5,098.82                 |
| (d) Intangible assets under development              |          | 4,114.34                  | 3,062.17                  | 1,727.82                 |
| (e) Investments accounted for using equity method    | 5(a)     | 7,715.01                  | 6,285.83                  | 5,570.35                 |
| <b>(f) Financial assets</b>                          |          |                           |                           |                          |
| (i) Investments                                      | 5(b)     | 1,354.96                  | 1,319.49                  | 1,300.00                 |
| (ii) Loans   | 6        | 527.05                    | 437.86                    | 429.43                   |
| (iii) Other non current financial assets             | 7        | 240.00                    | -                         | -                        |
| (g) Other non-current assets                         | 8        | 1,532.33                  | 2,103.36                  | 1,558.27                 |
|  |          | <b>73,483.46</b>          | <b>71,896.20</b>          | <b>70,153.11</b>         |
| <b>Current assets</b>                                |          |                           |                           |                          |
| (a) Inventories                                      | 9        | 23,518.19                 | 21,635.53                 | 24,137.51                |
| <b>(b) Financial assets</b>                          |          |                           |                           |                          |
| (i) Trade receivables                                | 10       | 35,497.06                 | 30,797.72                 | 25,050.80                |
| (ii) Cash and cash equivalents                       | 11       | 192.43                    | 208.34                    | 583.60                   |
| (iii) Other bank balances                            | 12       | 55.85                     | 48.12                     | 61.94                    |
| (iv) Other current financial assets                  | 13       | 1,308.01                  | 1,273.85                  | 277.16                   |
| (c) Other current assets                             | 14       | 9,312.85                  | 9,005.21                  | 12,198.30                |
|  |          | <b>69,884.40</b>          | <b>62,968.76</b>          | <b>62,309.31</b>         |
| Assets held for sale                                 | 54       | 110.93                    | 110.93                    | -                        |
| <b>TOTAL ASSETS</b>                                  |          | <b>143,478.79</b>         | <b>134,975.89</b>         | <b>132,462.42</b>        |
| <b>II EQUITY AND LIABILITIES</b>                     |          |                           |                           |                          |
| <b>Equity</b>  |          |                           |                           |                          |
| (a) Equity share capital                             | 15       | 2,039.77                  | 2,039.77                  | 2,039.77                 |
| (b) Other equity                                     | 16(a)    | 39,695.83                 | 33,622.46                 | 27,878.06                |
| (i) Equity attributable to the owners of the company |          | 41,735.60                 | 35,662.23                 | 29,917.83                |
| (ii) Non-controlling interests                       | 16(b)    | 7,336.55                  | 6,270.43                  | 5,616.23                 |
|  |          | <b>49,072.15</b>          | <b>41,932.66</b>          | <b>35,534.05</b>         |

₹ In Lakhs

|  | Note No. | As at 31st<br>March, 2018 | As at 31st<br>March, 2017 | As at 1st<br>April, 2016 |
|--|----------|---------------------------|---------------------------|--------------------------|
| <b>Liabilities</b>                           |          |                           |                           |                          |
| <b>Non-Current Liabilities</b>               |          |                           |                           |                          |
| <b>(a) Financial liabilities</b>             |          |                           |                           |                          |
| (i) Borrowings                               | 17       | 22,529.40                 | 17,998.66                 | 17,575.23                |
| (ii) Other non current financial liabilities | 18       | -                         | 48.59                     | 43.63                    |
| (b) Provisions                               | 19       | 502.99                    | 376.13                    | 240.96                   |
| (c) Deferred tax liability (net)             | 20       | 3,573.39                  | 2,871.45                  | 2,461.10                 |
| (d) Other non-current liabilities            | 21       | 726.50                    | 1,113.19                  | 1,500.49                 |
|  |          | <b>27,332.28</b>          | <b>22,408.02</b>          | <b>21,821.42</b>         |
| <b>Current Liabilities</b>                   |          |                           |                           |                          |
| <b>(a) Financial liabilities</b>             |          |                           |                           |                          |
| (i) Borrowings                               | 22       | 27,564.26                 | 27,399.77                 | 27,925.73                |
| (ii) Trade payables                          | 23       | 25,688.86                 | 31,998.73                 | 35,905.52                |
| (iii) Other current financial liabilities    | 24       | 8,547.82                  | 8,439.84                  | 7,982.42                 |
| (b) Other current liabilities                | 25       | 4,712.67                  | 2,565.17                  | 2,807.11                 |
| (c) Provisions                               | 26       | 177.00                    | 196.14                    | 240.85                   |
| (d) Current tax Liability (net)              |          | 383.74                    | 35.57                     | 245.32                   |
|  |          | <b>67,074.36</b>          | <b>70,635.21</b>          | <b>75,106.95</b>         |
| <b>Total Equity and Liabilities</b>          |          | <b>143,478.79</b>         | <b>134,975.89</b>         | <b>132,462.42</b>        |

**Significant Accounting Policies**

2

The accompanying notes are forming part of these financial statements

As per our report of even date attached

For Sahni Natarajan and Bahl  
Chartered Accountants  
Firm Registration No. : 002816N

Sudhir Chhabra  
Partner  
M.No. 083762

Surendra Kumar Arya  
Director  
DIN 00004626

Sandip Sanyal  
Executive Director  
DIN 07186909

Place : Gurugram (Haryana)  
Dated : 15th May, 2018

Vivek Gupta  
Chief Financial Officer  
& Company Secretary

CIN L74899DL1996PLC083073

**Consolidated Statement of Profit and Loss for the year ended 31st March, 2018**

₹ In Lakhs

|              |   | Note No. | For the year ended 31st March 2018 | For the year ended 31st March 2017 |
|--------------|---|----------|------------------------------------|------------------------------------|
| <b>I.</b>    | Revenue from operations   | 27       | 168,701.32                         | 169,347.95                         |
| <b>II.</b>   | Other income  | 28       | 1,090.22                           | 1,485.59                           |
| <b>III.</b>  | <b>Total Income (I+II)</b>  |          | <b>169,791.54</b>                  | <b>170,833.53</b>                  |
| <b>IV</b>    | <b>Expenses</b>   |          |                                    |                                    |
|              | Cost of materials consumed  |          | 114,272.52                         | 103,177.92                         |
|              | Changes in inventories of finished goods and work in progress                               | 29       | 69.26                              | 2,060.62                           |
|              | Excise duty   | 51       | 5,413.49                           | 19,255.67                          |
|              | Employee benefits expense   | 30       | 16,549.70                          | 16,394.29                          |
|              | Finance costs   | 31       | 4,857.89                           | 5,274.83                           |
|              | Depreciation and amortization expense   | 4        | 5,556.89                           | 5,004.94                           |
|              | Other expenses  | 32       | 12,028.82                          | 11,983.00                          |
|              | <b>Total Expenses</b>   |          | <b>158,748.57</b>                  | <b>163,151.27</b>                  |
| <b>V.</b>    | <b>Profit before exceptional item, share of Joint Ventures/ Associates and tax (III-IV)</b> |          | <b>11,042.98</b>                   | <b>7,682.26</b>                    |
| <b>VI.</b>   | <b>Exceptional items</b>  | 46       | -                                  | <b>1,105.00</b>                    |
| <b>VII.</b>  | <b>Profit before share of profit of Joint Ventures/Associates and tax (V+VI)</b>            |          | <b>11,042.98</b>                   | <b>8,787.26</b>                    |
| <b>VIII.</b> | <b>Add : Share of Profit of Joint Ventures/Associates</b>                                   |          | <b>1,344.87</b>                    | <b>951.15</b>                      |
| <b>IX.</b>   | <b>Profit before tax (VII+VIII)</b>   |          | <b>12,387.85</b>                   | <b>9,738.41</b>                    |
| <b>X.</b>    | <b>Tax Expense</b>  | 33       |                                    |                                    |
|              | (1) Current year  |          | 3,698.46                           | 2,285.77                           |
|              | (2) Deferred tax  |          | 569.33                             | 237.20                             |
|              | (3) Earlier years   |          | 6.74                               | 22.98                              |
|              |   |          | <b>4,274.54</b>                    | <b>2,545.95</b>                    |
| <b>XI.</b>   | <b>Profit after tax for the year (IX -X)</b>  |          | <b>8,113.31</b>                    | <b>7,192.46</b>                    |
| <b>XII.</b>  | <b>Other comprehensive income</b>   | 34       |                                    |                                    |
|              | Items that will not to be reclassified to Statement of Profit or Loss :                     |          |                                    |                                    |
|              | (i) gains/(losses) on defined benefits plans  |          | 5.14                               | (15.66)                            |
|              | (ii) Income tax expense on gain/(loss) on defined benefit plans                             |          | (1.71)                             | 5.33                               |
|              | <b>Total Other Comprehensive Income</b>   |          | <b>3.43</b>                        | <b>(10.33)</b>                     |
| <b>XIII.</b> | <b>Total Comprehensive Income (XI +XII)</b>   |          | <b>8,116.75</b>                    | <b>7,182.13</b>                    |
| <b>XIV.</b>  | <b>Profit for the year attributable to:</b>   |          |                                    |                                    |
|              | Owners of the Company   |          | 7,046.61                           | 6,536.85                           |
|              | Non Controlling interest  |          | 1,066.70                           | 655.61                             |

₹ In Lakhs

|              |   | Note No. | For the year ended 31st March 2018 | For the year ended 31st March 2017 |
|--------------|---|----------|------------------------------------|------------------------------------|
| <b>XV.</b>   | <b>Other comprehensive income for the year attributable to:</b> |          |                                    |                                    |
|              | Owners of the Company   |          | 4.00                               | (8.92)                             |
|              | Non Controlling interest  |          | (0.57)                             | (1.41)                             |
| <b>XVI.</b>  | <b>Total Comprehensive Income for the year attributable to:</b> |          |                                    |                                    |
|              | Owners of the Company   |          | 7,050.62                           | 6,527.93                           |
|              | Non Controlling interest  |          | 1,066.13                           | 654.20                             |
| <b>XVII.</b> | <b>Earnings per equity share: (face value of ₹ 5/- each)</b>    | 35       |                                    |                                    |
|              | (1) Basic   |          | 17.27                              | 16.02                              |
|              | (2) Diluted   |          | 17.27                              | 16.02                              |

**Significant Accounting Policies**

2

The accompanying notes are forming part of these financial statements

As per our report of even date attached

For Sahni Natarajan and Bahl  
Chartered Accountants  
Firm Registration No. : 002816N

Sudhir Chhabra  
Partner  
M.No. 083762

Surendra Kumar Arya  
Director  
DIN 00004626

Sandip Sanyal  
Executive Director  
DIN 07186909

Place : Gurugram (Haryana)  
Dated : 15th May, 2018

Vivek Gupta  
Chief Financial Officer  
& Company Secretary

**CIN L74899DL1996PLC083073**

**Consolidated Statement of Changes in Equity for the year ended 31st March 2018**

**A Equity Share capital**

₹ In Lakhs

|                      | Balance as at 01st April 2016 | Changes in equity share capital during the year | Balance as at 31st March 2017 | Changes in equity share capital during the year | Balance as at 31st March 2018 |
|----------------------|-------------------------------|---|-------------------------------|---|-------------------------------|
| Equity share capital | 2,039.77                      | -   | 2,039.77                      | -   | 2,039.77                      |

**B Other Equity**

|  | General Reserve | Capital Reserve on consolidation | Retained Earnings | Total attributable to the owners of the Company | Non-controlling interests |
|--|-----------------|----------------------------------|-------------------|---|---------------------------|
| <b>Balance as at 01.04.2016</b>                                  | <b>2,183.27</b> | <b>1,161.06</b>                  | <b>24,518.32</b>  | <b>27,862.65</b>                                | <b>5,616.23</b>           |
| Changes in accounting policy                                     | -               | -                                | 15.41             | 15.41   | -                         |
| <b>Restated balance at the beginning of the reporting period</b> | <b>2,183.27</b> | <b>1,161.06</b>                  | <b>24,533.73</b>  | <b>27,878.06</b>                                | <b>5,616.23</b>           |
| Profit for the year  | -               | -                                | 6,536.85          | 6,536.85  | 655.61                    |
| Previous year adjustments  | 23.00           | -                                | (23.00)           | -   | -                         |
| Other comprehensive income/(loss) for the year                   | -               | -                                | (8.92)            | (8.92)  | (1.41)                    |
| Dividends distributed during the year (including CDT)            | -               | -                                | (783.54)          | (783.54)  | -                         |
| Transfer from retained earning to general reserve                | 301.00          | -                                | (301.00)          | -   | -                         |
| <b>Balance as at 31.03.2017</b>                                  | <b>2,507.27</b> | <b>1,161.06</b>                  | <b>29,954.13</b>  | <b>33,622.46</b>                                | <b>6,270.43</b>           |
| Changes in accounting policy                                     | -               | -                                | -                 | -   | -                         |
| <b>Restated balance at the beginning of the reporting period</b> | <b>2,507.27</b> | <b>1,161.06</b>                  | <b>29,954.13</b>  | <b>33,622.46</b>                                | <b>6,270.43</b>           |
| Profit for the year  | -               | -                                | 7,046.61          | 7,046.61  | 1,066.70                  |
| Previous year adjustments  | -               | -                                | 4.76              | 4.76  | -                         |
| Other comprehensive income/(loss) for the year                   | -               | -                                | 4.00              | 4.00  | (0.57)                    |
| Dividends distributed during the year (including CDT)            | -               | -                                | (982.01)          | (982.01)  | -                         |
| <b>Balance as at 31.03.2018</b>                                  | <b>2,507.27</b> | <b>1,161.06</b>                  | <b>36,027.50</b>  | <b>39,695.83</b>                                | <b>7,336.55</b>           |

The accompanying notes are forming part of these financial statements

As per our report of even date attached

For Sahni Natarajan and Bahl  
Chartered Accountants  
Firm Registration No. : 002816N

Sudhir Chhabra  
Partner  
M.No. 083762

Surendra Kumar Arya  
Director  
DIN 00004626

Sandip Sanyal  
Executive Director  
DIN 07186909

Place : Gurugram (Haryana)  
Dated : 15th May, 2018

Vivek Gupta  
Chief Financial Officer  
& Company Secretary

CIN L74899DL1996PLC083073

## Consolidated Cash Flow Statement for the year ended 31st March 2018

₹ In Lakhs

|           |  | For the year ended<br>31st March 2018 | For the year ended<br>31st March 2017 |
|-----------|--|---------------------------------------|---------------------------------------|
| <b>A.</b> | <b>CASH FLOW FROM OPERATING ACTIVITIES :</b>   |                                       |                                       |
|           | <b>Profit before tax</b>   | <b>12,387.85</b>                      | 9,738.41                              |
|           | <b>Adjustments for :</b>   |                                       |                                       |
|           | Depreciation and amortisation expense  | 5,556.89                              | 5,004.94                              |
|           | Unrealised Exchange loss/(Gain) (net)  | (2.69)                                | 0.36                                  |
|           | Finance costs  | 4,857.89                              | 5,274.83                              |
|           | Remeasurement gain/(loss) of defined benefit plan  | 5.14                                  | (15.66)                               |
|           | Interest income  | (20.32)                               | (14.55)                               |
|           | Share in Profit of Joint Ventures/Associate  | (1,344.87)                            | (951.15)                              |
|           | Previous year adjustment in profits of subsidiary and joint ventures   | 4.76                                  | -                                     |
|           | (Profit)/Loss on sale of property plant and equipment (net)  | (15.17)                               | (0.41)                                |
|           | Deferred Income on deferred component of financial instrument  | (393.45)                              | (393.45)                              |
|           |  | 8,648.16                              | 8,904.92                              |
|           | <b>Operating profit before working capital changes</b>   | <b>21,036.01</b>                      | 18,643.33                             |
|           | <b>Adjustments for :</b>   |                                       |                                       |
|           | Trade and other receivables  | (5,230.20)                            | (3,572.13)                            |
|           | Inventories  | (1,951.23)                            | 2,493.25                              |
|           | Trade and other liabilities  | (4,102.48)                            | (3,664.07)                            |
|           | <b>Cash generated from operations</b>  | 9,752.10                              | 13,900.38                             |
|           | Direct taxes paid (net)  | (2,828.10)                            | (2,009.94)                            |
|           | <b>Net Cash from Operating Activities</b>  | <b>6,924.00</b>                       | 11,890.44                             |
| <b>B.</b> | <b>CASH FLOW FROM INVESTING ACTIVITIES :</b>   |                                       |                                       |
|           | Purchase of property, plant and equipment and intangible assets (including CWIP and intangible assets under development) | (5,480.34)                            | (6,590.55)                            |
|           | Proceeds from sale of property, plant & equipment  | 67.45                                 | 71.28                                 |
|           | Interest received  | 20.32                                 | 14.55                                 |
|           | Purchase of investments (including share application money)  | (755.47)                              | (20.29)                               |
|           | <b>Net Cash used in Investing Activities</b>   | <b>(6,148.03)</b>                     | (6,525.02)                            |
| <b>C.</b> | <b>CASH FLOW FROM FINANCING ACTIVITIES</b>   |                                       |                                       |
|           | Repayment of non current borrowings  | (6,778.28)                            | (6,269.42)                            |
|           | Proceeds from non current borrowings   | 11,258.79                             | 6,821.69                              |
|           | Increase/(Decrease) in current borrowings (net)  | 179.52                                | (534.56)                              |
|           | Finance cost paid  | (4,469.90)                            | (4,873.49)                            |
|           | Dividend/dividend tax paid   | (982.01)                              | (884.89)                              |
|           | <b>Net cash used in Financing Activities</b>   | <b>(791.87)</b>                       | (5,740.68)                            |

₹ In Lakhs

|  |   | For the year ended<br>31st March 2018 | For the year ended<br>31st March 2017 |
|--|---|---------------------------------------|---------------------------------------|
|  | <b>Net Increase in Cash and cash equivalents</b>                                      | <b>(15.90)</b>                        | (375.26)                              |
|  | <b>Cash and cash equivalents at the beginning of the year<br/>(Refer Note No. 11)</b> | <b>208.34</b>                         | 583.60                                |
|  | <b>Cash and cash equivalents at the end of the year (Refer<br/>Note No. 11)</b>       | <b>192.43</b>                         | 208.34                                |

**Notes:**

- 1 The above Cash Flow Statement has been prepared under the indirect method as set out in the Indian Accounting Standard - 7 on "Cash Flow Statement"
- 2 Trade and other receivables includes loans and advances.
- 3 The amendments to the IND AS 7 Cash Flow Statements requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

This amendment has become effective from 1st April, 2017 and the required disclosure is made below. There is no other impact on the financial statements due to this amendment.

|                         | As at<br>01st April 2017 | Cash flows      | Acquisition/Foreign<br>exchange movement/ Fair<br>value changes | As at<br>31st March 2018 |
|-------------------------|--------------------------|-----------------|---|--------------------------|
| Borrowings- Non Current | 24,749.22                | 4,480.51        | 377.37  | 29,607.10                |
| Borrowings- Current     | 27,399.77                | 179.52          | (15.02)   | 27,564.26                |
| Lease liabilities       | 92.17                    | (6.76)          | 9.68  | 95.09                    |
|                         | <b>52,241.16</b>         | <b>4,653.27</b> | <b>372.03</b>   | <b>57,266.46</b>         |

4. Figures in bracket represents cash outflow

The accompanying notes are forming part of these financial statements

As per our report of even date attached

For Sahni Natarajan and Bahl  
Chartered Accountants  
Firm Registration No. : 002816N

Sudhir Chhabra  
Partner  
M.No. 083762

Surendra Kumar Arya  
Director  
DIN 00004626

Sandip Sanyal  
Executive Director  
DIN 07186909

Place : Gurugram (Haryana)  
Dated : 15th May, 2018

Vivek Gupta  
Chief Financial Officer  
& Company Secretary



## NOTES FORMING PART OF FINANCIAL STATEMENTS

### General Information

JBM Auto Limited (the "Company") is a public limited company incorporated under the Indian Companies Act 1956 having its registered office at 601, Hemkunt chambers, 89, Nehru place, New Delhi. The Company is engaged in the automotive business that manufactures and sells sheet metal components, tools dies & moulds and buses including sale of spare parts, accessories & maintenance contract of buses. The Company is listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

The financial statements for the year ended March 31, 2018 were approved by the Board of Directors and authorize for issue on May 15, 2017.

### 1. Basis of preparation and presentation

#### 1.1 Statement of Compliance

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

Upto the year ended 31st March, 2017, the Group prepared the financial statements in accordance with the requirements of previous GAAP, which includes standards notified under the Companies (Accounting Standards) Rules, 2006 and other relevant provisions of the Act.

These are the Group's first Consolidated Ind AS Financial Statements. The date of transition to the Ind AS is 01st April, 2016. Refer to Note No.59 for details of first-time adoption exemptions availed by the Company.

#### 1.2 Basis of preparation and presentation

The Consolidated Financial Statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies mentioned below. Historical cost is generally based on the fair value of the consideration given in exchange of goods or services. All assets and liabilities have been classified as current or non-current according to the group's operating cycle and other criteria set out in the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the group has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

#### 1.3 Basis of Consolidation and Equity Accounting

The Consolidated Financial Statements have been prepared in accordance with Ind AS 103-"Business Combinations", Ind AS 110 "Consolidated Financial Statements", Ind AS 111 "Joint Arrangements", Ind AS 112 "Disclosure of Interests in Other Entities", Ind AS 28 "Investments In Associates and Joint Ventures" and other accounting pronouncements of the Institute of Chartered Accountants of India.

The financial statements of the entities used for the purpose of consolidation are drawn up to the same reporting date as that of the JBM Auto Limited i.e. year ended March 31, 2018.

The Consolidated Ind AS Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible in the same manner as the Company's Standalone Ind AS Financial Statements. Accounting policies of consolidated companies have been changed where necessary to ensure consistency with the policies adopted by the group.

The amounts shown in respect of Other Equity comprise the amount of the relevant reserves as per the Balance Sheet of the Parent Company and its share in the post-acquisition increase/decrease in the reserves of the consolidated entities.

### Subsidiaries

Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has right to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date the control cease.

## **NOTES FORMING PART OF FINANCIAL STATEMENTS**

The Company combines the financial statements of its Subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealized gain/loss on transactions between group companies are eliminated.

Excess of purchase consideration and the acquisition date non-controlling interest over the acquisition date fair value of identifiable assets acquired and liabilities assumed is recognised as Goodwill. Goodwill arising on acquisitions is reviewed for impairment annually. Where the fair values of the identifiable assets and liabilities exceed the cost of acquisition, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in other comprehensive income and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognizes the gain directly in equity as capital reserve, without routing the same through other comprehensive income.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Change in Equity and Consolidated Balance Sheet respectively.

### **Joint Ventures**

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Interests in joint ventures are accounted for using the equity method of accounting, after initially being recognized at cost in the consolidated balance sheet.

### **Associates**

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Investments in associates are accounted for using the equity method of accounting, after initially being recognized at cost in the consolidated balance sheet.

### **Equity Method**

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Company's share of the post-acquisition profits or losses of the investee in profit and loss, and the Company's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable are recognized as a reduction in the carrying amount of the investments.

When the Company's share of losses in equity accounted investments equals or exceeds its interests in the entity, including any other unsecured long term receivables, the group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealized gain on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interests in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The carrying amount of equity accounted investments is tested for impairment.

### **Changes in Ownership Interests**

The group treats transactions with non-controlling interests which does not result in loss of control as transaction with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of adjustment to non-controlling interests and any consideration paid or received is recognized within equity.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

When the group ceases to consolidate or equity account for an investment because of loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognized in profit or loss. The fair value becomes the initial carrying amount for the purposes of subsequent accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income are reclassified to profit or loss where appropriate.

### Particulars of Subsidiary, Joint Ventures and Associate consolidated

| S. No.                | Name of the Company  | Relationship  | Country of Incorporation | % Holding as on 31 March 2018 |
|-----------------------|--|---------------|--------------------------|-------------------------------|
| <b>Subsidiary</b>     |  |               |                          |                               |
| 1.                    | JBM Auto System Private Limited                              | Subsidiary    | India                    | 73.89                         |
| <b>Joint Ventures</b> |  |               |                          |                               |
| 1.                    | JBM Ogihara Automotive India Limited                         | Joint Venture | India                    | 51.00                         |
| 2.                    | JBM MA Automotive Private Limited (upto January 31, 2018)    | Joint Venture | India                    | 50.00                         |
| 3.                    | JBM Solaris Electric Vehicles Private Limited                | Joint Venture | India                    | 80.00                         |
| 4.                    | Indo Tooling Private Limited                                 | Joint Venture | India                    | 50.00                         |
| <b>Associate</b>      |  |               |                          |                               |
| 1.                    | JBM MA Automotive Private Limited (w.e.f. February 01, 2018) | Associate     | India                    | 50.00                         |

## 2. Significant Accounting policies

### 2.1 Use of Estimates and Judgments

The preparation of consolidated financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates.

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

### 2.2 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, cash discount, trade allowances, sales incentives, value added taxes, goods and services tax and amount collected on behalf of third parties. The group recognizes revenue when the amount of revenue and its related cost can be reliably measured and it is probable that future economic benefits will flow to the group and specific criteria have been met for each of the group's activities as described below. The group bases its estimates on historical results, taking into consideration the type of customer, the type of transactions and the specifics of each arrangement.

#### Sale of goods

Revenue from sales of goods is recognized when the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, cash discount, trade allowances, sales incentives, value added taxes, goods and services tax and amount collected on behalf of third parties.

## **NOTES FORMING PART OF FINANCIAL STATEMENTS**

### **Income from services**

Income from services is recognized by reference to the stage of completion of the transaction at the end of the reporting period.

### **Dividend and interest income**

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

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the group and the amount of income can be measured reliably. For all Financial instruments measured either at amortized or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). Interest income is included in other income in the Statement of Profit and Loss. Interest income in respect of financial instruments measured at fair value through profit or loss is included in other income.

### **Royalty Income**

Revenue from royalty is recognised on an accrual basis in accordance with the substance of the relevant arrangement.

## **2.3 Leases**

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

### **The Group as lessee**

Assets held under finance leases are initially recognised as assets of the group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the group's policy on borrowing costs.

Rental expense on operating leases is recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the period in which such benefits accrue.

### **The Group as a lessor**

Leases in which the company does not transfer substantially all the risks and the rewards of ownership of an asset are classified as operating lease. Rental income from operating lease is recognised on a straight line basis over the term of the relevant lease.

## **2.4 Foreign Currencies**

### **Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the group's functional and presentation currency.

### **Transactions and balances**

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

## NOTES FORMING PART OF FINANCIAL STATEMENTS

Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to the translation difference (translation differences on items whose gain or loss is recognised in Other Comprehensive Income or the Statement of Profit and Loss is also recognised in Other Comprehensive Income or the Statement of Profit and Loss respectively).

### 2.5 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Where the funds used to finance a qualifying asset form part of general borrowings, the amount capitalised is calculated using a weighted average of rates applicable to relevant general borrowings of the group during the year.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

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

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

### 2.6 Employee Benefits

#### Short-term obligations

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

#### Other long-term employee benefit obligations

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

#### Post-employment obligations

##### Defined benefit plans

The group has defined benefit plans namely gratuity fund for employees. The gratuity fund is recognised by the income tax authorities and is administered through Trust set up by the Group. Any shortfall in the size of the fund maintained by the Trust is additionally provided for in profit or loss.

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

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

## **NOTES FORMING PART OF FINANCIAL STATEMENTS**

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

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

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

### **Defined contribution plans**

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

### **Termination Benefits**

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

## **2.7 Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

### **Current tax**

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

### **Deferred tax**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and incurred tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

### **Current and deferred tax for the year**

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

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 2.8 Property, Plant and Equipment (PPE)

Property, Plant and Equipment (PPE) are stated at cost of acquisition, net of accumulated depreciation and accumulated impairment losses, if any. The cost of tangible asset includes purchase cost (net of rebates and discounts) including any import duties and non-refundable taxes, and any directly attributable costs on making the asset ready for its intended use. Freehold land is measured at cost and is not depreciated.

Interest cost incurred on qualifying asset is capitalized up to the date the asset is ready for its intended use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings if no specific borrowings have been incurred for the asset.

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

#### Transition to IND AS

On transition to Ind AS, the group has elected to continue with the carrying value of its property, plant and equipment recognised as at 1st April 2016, measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment

#### Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method on a pro-rata basis from the month in which each asset is ready to use to allocate their cost, net of their residual values, over their estimated useful lives of the assets as prescribed in Schedule II of the companies Act, 2013 except in respect of the following assets where estimated useful life is determined as per management's estimate based on technical advice which considered the nature of assets, the usage of asset, expected physical wear & tear:

| Property, plant and equipment               | Useful lives based on technical evaluation                                     |
|---|--|
| Plant & equipment and Electric Installation | 20 years   |
| Pallets, Tools & Dies                       | 8 years  |
| Finance Leasehold land                      | Over the remaining period of leasehold from the date of commissioning of plant |

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

Gains and losses on disposal are determined by comparing proceeds with carrying amount and are credited / debited to profit or loss.

### 2.9 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost of acquisition and are stated net of accumulated amortization and accumulated impairment losses, if any.

The cost of an intangible asset includes purchase cost (net of rebates and discounts), including any import duties and non-refundable taxes, and any directly attributable costs on making the asset ready for its intended use.

#### Internally generated intangible assets

Research costs are charged to the Statement of Profit and Loss in the year in which they are incurred. Product development costs incurred on new vehicle platform and new products are recognized as intangible assets, when feasibility has been established, the group has committed technical, financial and other resources to complete the development and it is probable that asset will generate probable future economic benefits.



## NOTES FORMING PART OF FINANCIAL STATEMENTS

The costs capitalized include the cost of materials, direct labour and directly attributable overhead expenditure incurred up to the date the asset is available for use.

Interest cost incurred on qualifying asset is capitalized up to the date the asset is ready for its intended use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other term borrowings if no specific borrowings have been incurred for the asset.

Capitalized development expenditure is measured at cost less accumulated amortization and accumulated impairment, if any.

### Transition to IND AS

On transition to Ind AS, the group has elected to continue with the carrying value of its intangible assets recognised as at 1st April 2016, measured as per the previous GAAP and use that carrying value as the deemed cost of the intangible assets.

### Amortisation methods and useful lives

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

Residual Value is considered as Nil in the below cases:

| Nature of Assets   | Life     |
|--|----------|
| Technical knowhow  | 5 years  |
| License fees, design, technical know-how & prototype related to bus division | 10 years |
| Computer software  | 3 years  |

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

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

### Impairment of tangible and intangible Assets

At the end of each reporting period, the group reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

### 2.10 Inventories

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

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

**Stores & spares** are recorded at cost on a weighted average cost formula.

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

**By products and scrap** are valued at net realizable value.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

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

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

### 2.11 Provisions and contingencies

#### Provisions

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

Provisions are determined based on best management estimate required to settle the obligation at balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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

#### Contingent Liabilities

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

#### Contingent Assets

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

### 2.12 Business Combinations

A common control business combination, involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and where the control is not transitory, is accounted for using the pooling of interests method.

Other business combinations, involving entities or businesses are accounted for using acquisition method.

The group has elected not to apply Ind AS – 103 'Business Combinations' retrospectively to past business combinations that occurred before the transition date of April 1, 2016.

### 2.13 Financial instruments

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

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

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### (i) Financial assets

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

### (ii) Classification of financial assets

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

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

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

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

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

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

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

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

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

### (iii) Investments in equity instrument at fair value through other comprehensive income (FVTOCI)

On initial recognition, the group can make an irrevocable election (on an instrument by instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instrument. This election is not permitted if the equity instrument is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains / losses arising from changes in fair value recognised in other comprehensive income. This cumulative gain or loss is not reclassified to the Statement of Profit and Loss on disposal of the investments.

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

Investment in equity instrument are classified at fair value through profit or loss, unless the group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Financial assets that do not meet the amortised cost criteria or fair value through other comprehensive income criteria are measured at fair value through profit or loss. A financial asset that meets the amortised cost criteria or fair value through other comprehensive income criteria may be designated as at fair value through profit or loss upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets and liabilities or recognising the gains or losses on them on different bases.

Financial assets which are fair valued through profit or loss are measured at fair value at the end of each reporting period, with any gains or losses arising on Remeasurement recognised in profit or loss.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### (v) Trade receivables

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

### (vi) Cash and cash equivalents

In the cash flow statement, cash and cash equivalents includes cash in hand, cheques and balances with bank and short term highly liquid investments with original maturities of three months or less that are readily convertible to known amount of cash. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet and forms part of financing activities in the cash flow statement. Book overdraft is shown within other financial liabilities in the balance sheet and forms part of operating activities in the cash flow statement.

### (vii) Impairment of financial assets

The group assesses impairment based on expected credit losses (ECL) model to the following:

- financial assets measured at amortised cost
- financial assets measured at fair value through other comprehensive income

Expected credit loss is measured through a loss allowance at an amount equal to:

- the twelve month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within twelve months after the reporting date); or
- full life time expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the group always measures the loss allowance at an amount equal to lifetime expected credit losses.

### (viii) Derecognition of financial assets

A financial asset is derecognised only when

- The group has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients
- The right to receive cash flows from the asset has expired.

### (ix) Foreign exchange gains and losses

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

## Financial liabilities and equity instruments

### (x) Classification of debt or equity

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

### (xi) Equity instruments

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

## **NOTES FORMING PART OF FINANCIAL STATEMENTS**

### **(xii) Financial liabilities**

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

### **(xiii) Trade and other payables**

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

### **(xiv) Borrowings**

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

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

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

### **(xv) Foreign exchange gains or losses**

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in profit or loss.

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

### **(xvi) Derecognition of financial liabilities**

The group derecognises financial liabilities when, and only when, the group's obligations are discharged, cancelled or have expired.

### **(xvii) Derivative Financial Instruments**

The group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate and cross currency swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in Statement of Profit and Loss depends on nature of the hedging relationship and the nature of the hedged item.

### **(xviii) Offsetting Financial Instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability 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 group or the counterparty.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 2.14 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

**Level 1** - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

**Level 2** - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

**Level 3** - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the balance sheet on a recurring basis, the group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

### 2.15 Earnings Per Share

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

### 2.16 Government Grants & Subsidies

Government Grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions. Government grants are recognised in profit or loss on a systematic basis over the periods in which the group recognises as expenses the related costs for which the grants are intended to compensate.

### 2.17 Dividends

Final dividends on shares are recorded on the date of approval by the shareholders of the Company.

## **NOTES FORMING PART OF FINANCIAL STATEMENTS**

### **2.18 Royalty**

The group pays/accrues for royalty in accordance with the relevant license agreements.

The lump-sum royalty incurred towards obtaining technical assistance/technical know-how and engineering support to manufacture a new model is recognized as an intangible asset. Royalty payable on sale of products i.e. running royalty is charged to Statement of Profit and loss as and when incurred.

### **2.19 Assets held for sale**

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount 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, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

### **2.20 Rounding of amounts**

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



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 3(a): PROPERTY, PLANT AND EQUIPMENT

₹ In Lakhs

| Particulars                      | Freehold Land | Buildings        | Plant and Equipment | Furniture and Fixtures | Vehicles      | Office Equipment (including computer system) | Total (A)        | Leasehold land (Finance Lease) | Total (B)       | TOTAL (A+B)      |
|----------------------------------|---------------|------------------|---------------------|------------------------|---------------|--|------------------|--------------------------------|-----------------|------------------|
| <b>Gross Block (Deemed Cost)</b> |               |                  |                     |                        |               |  |                  |                                |                 |                  |
| <b>As at April 01, 2016</b>      | <b>254.93</b> | <b>13,575.79</b> | <b>33,920.74</b>    | <b>155.33</b>          | <b>150.03</b> | <b>476.36</b>                                | <b>48,533.17</b> | <b>5,205.30</b>                | <b>5,205.30</b> | <b>53,738.47</b> |
| Additions                        | -             | 469.14           | 2,931.45            | 15.36                  | 110.96        | 161.57                                       | 3,688.48         | -                              | -               | 3,688.48         |
| Disposals                        | -             | (27.81)          | (155.84)            | -                      | (15.91)       | (2.62)                                       | (201.17)         | -                              | -               | (202.17)         |
| Other Adjustments                | -             | -                | -                   | -                      | -             | -  | -                | -                              | -               | -                |
| - Exchange Difference            | -             | -                | (0.66)              | -                      | -             | -  | (0.66)           | -                              | -               | (0.66)           |
| - Other(Refer Note -1 below)     | -             | -                | -                   | -                      | -             | -  | -                | (38.82)                        | (38.82)         | (38.82)          |
| <b>As at March 31, 2017</b>      | <b>254.93</b> | <b>14,017.13</b> | <b>36,695.69</b>    | <b>170.69</b>          | <b>245.08</b> | <b>635.31</b>                                | <b>52,018.84</b> | <b>5,166.47</b>                | <b>5,166.47</b> | <b>57,185.31</b> |
| Additions                        | -             | 71.82            | 870.62              | 8.00                   | 161.83        | 114.11                                       | 1,226.38         | 1,253.27                       | 1,253.27        | 2,479.65         |
| Disposals                        | -             | -                | (44.49)             | -                      | (18.59)       | (3.96)                                       | (67.04)          | -                              | -               | (67.04)          |
| <b>As at March 31, 2018</b>      | <b>254.93</b> | <b>14,088.94</b> | <b>37,521.82</b>    | <b>178.69</b>          | <b>388.33</b> | <b>745.47</b>                                | <b>53,178.17</b> | <b>6,419.75</b>                | <b>6,419.75</b> | <b>59,597.92</b> |
| <b>Accumulated Depreciation</b>  |               |                  |                     |                        |               |  |                  |                                |                 |                  |
| <b>As at April 01, 2016</b>      | -             | -                | -                   | -                      | -             | -  | -                | -                              | -               | -                |
| Charge for the year              | -             | 498.14           | 3,414.53            | 39.78                  | 39.15         | 202.40                                       | 4,194.00         | 68.02                          | 68.02           | 4,262.01         |
| Adjustment on disposals          | -             | (0.91)           | (16.24)             | -                      | (2.63)        | (0.60)                                       | (20.38)          | -                              | -               | (20.38)          |
| <b>As at March 31, 2017</b>      | -             | <b>497.23</b>    | <b>3,398.29</b>     | <b>39.78</b>           | <b>36.52</b>  | <b>201.80</b>                                | <b>4,173.62</b>  | <b>68.02</b>                   | <b>68.02</b>    | <b>4,241.64</b>  |
| Charge for the year              | -             | 514.02           | 3,807.03            | 38.03                  | 41.85         | 217.97                                       | 4,618.90         | 77.96                          | 77.96           | 4,696.86         |
| Adjustment on disposals          | -             | -                | (7.70)              | -                      | (6.52)        | (1.16)                                       | (15.38)          | -                              | -               | (15.38)          |
| <b>As at March 31, 2018</b>      | -             | <b>1011.25</b>   | <b>7,197.62</b>     | <b>77.81</b>           | <b>71.84</b>  | <b>418.62</b>                                | <b>8,777.14</b>  | <b>145.98</b>                  | <b>145.98</b>   | <b>8,923.12</b>  |
| <b>Net Block</b>                 |               |                  |                     |                        |               |  |                  |                                |                 |                  |
| <b>As at April 01, 2016</b>      | <b>254.93</b> | <b>13,575.79</b> | <b>33,920.74</b>    | <b>155.33</b>          | <b>150.03</b> | <b>476.36</b>                                | <b>48,533.17</b> | <b>5,205.30</b>                | <b>5,205.30</b> | <b>53,738.47</b> |
| As at March 31, 2017             | 254.93        | 13,519.90        | 33,297.40           | 130.91                 | 208.56        | 433.51                                       | 47,845.21        | 5,098.46                       | 5,098.46        | 52,943.66        |
| As at March 31, 2018             | 254.93        | 13,077.69        | 30,324.20           | 100.87                 | 316.49        | 326.85                                       | 44,401.03        | 6,273.76                       | 6,273.76        | 50,674.79        |

#### Notes

- During the F.Y 2016-17 adjustment in lease hold land amounting to ₹ 38.82 lakhs by transferring it to security deposit account as the same is refundable after the expiry of lease period as per the lease agreement.
- The lease hold land at Faridabad amounting to ₹ 36.37 lakhs is yet to be registered in the name of the Company. The Company has obtained "no objection certificate" from lessor to get registration of same in the name of the group.
- Lease Hold land includes land at Singur amounting to ₹ 156.11 lakhs is yet to be registered in the name of the Company and the same is not amortised.
- Certain borrowings of the Company have been secured against Property Plant and Equipment (Refer Note No. 17 & 22).

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 3(b) : INTANGIBLE ASSETS

₹ In Lakhs

| Particulars                     | Technical Knowhow | Computer Software | Prototype       | Licence Fees    | Total           |
|---------------------------------|-------------------|-------------------|-----------------|-----------------|-----------------|
| <b>Gross Block(Deemed Cost)</b> |                   |                   |                 |                 |                 |
| <b>As at April 01, 2016</b>     | <b>629.77</b>     | <b>48.47</b>      | <b>3,160.85</b> | <b>1,259.73</b> | <b>5,098.82</b> |
| Additions                       | 166.36            | 185.20            | 627.25          | -               | 978.81          |
| Other adjustments               |                   |                   |                 |                 |                 |
| - Exchange difference           | (4.71)            | -                 | -               | -               | (4.71)          |
| <b>As at March 31, 2017</b>     | <b>791.42</b>     | <b>233.68</b>     | <b>3,788.10</b> | <b>1,259.73</b> | <b>6,072.92</b> |
| Additions                       | -                 | 27.36             | 612.16          | -               | 639.51          |
| <b>As at March 31, 2018</b>     | <b>791.42</b>     | <b>261.03</b>     | <b>4,400.26</b> | <b>1,259.73</b> | <b>6,712.43</b> |
|                                 |                   |                   |                 |                 |                 |
| <b>Accumulated Amortisation</b> |                   |                   |                 |                 |                 |
| <b>As at April 01, 2016</b>     | <b>-</b>          | <b>-</b>          | <b>-</b>        | <b>-</b>        | <b>-</b>        |
| Charge for the year             | 211.02            | 32.15             | 359.36          | 140.39          | 742.93          |
| <b>As at March 31, 2017</b>     | <b>211.02</b>     | <b>32.15</b>      | <b>359.36</b>   | <b>140.39</b>   | <b>742.93</b>   |
| Charge for the year             | 221.20            | 91.12             | 407.32          | 140.39          | 860.03          |
| <b>As at March 31, 2018</b>     | <b>432.23</b>     | <b>123.26</b>     | <b>766.68</b>   | <b>280.78</b>   | <b>1602.95</b>  |
|                                 |                   |                   |                 |                 |                 |
| <b>Net Block</b>                |                   |                   |                 |                 |                 |
| <b>As at April 01, 2016</b>     | <b>629.77</b>     | <b>48.47</b>      | <b>3,160.85</b> | <b>1,259.73</b> | <b>5,098.82</b> |
| <b>As at March 31, 2017</b>     | <b>580.39</b>     | <b>201.53</b>     | <b>3,428.74</b> | <b>1,119.34</b> | <b>5,330.00</b> |
| <b>As at March 31, 2018</b>     | <b>359.19</b>     | <b>137.77</b>     | <b>3,633.58</b> | <b>978.95</b>   | <b>5,109.48</b> |

### NOTE 4 : DEPRECIATION AND AMORTISATION EXPENSES

| Particulars   | For the year ended<br>31st March 2018 | For the year ended<br>31st March 2017 |
|---|---------------------------------------|---------------------------------------|
|   |                                       |                                       |
| Depreciation/ Amortisation on Property, Plant and equipment | 4,696.86                              | 4262.01                               |
| Amortisation on Intangible Assets                           | 860.03                                | 742.93                                |
|   | <b>5,556.89</b>                       | <b>5,004.94</b>                       |

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ In Lakhs

|  | As at 31st<br>March, 2018 | As at 31st<br>March, 2017 | As at 1st<br>April, 2016 |
|--|---------------------------|---------------------------|--------------------------|
|--|---------------------------|---------------------------|--------------------------|

### NOTE 5 (a): INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

|   |                 |                 |                 |
|---|-----------------|-----------------|-----------------|
| <b>Associate</b>  |                 |                 |                 |
| 3,04,49,600 (Y.E. 31.03.2017 : Nil As at 01.04.2016 : Nil) Equity Shares of Rs. 10/- each fully paid up of JBM MA Automotive Private Limited                  | 5,443.34        | -               | -               |
| <b>Joint Ventures</b>   |                 |                 |                 |
| Nil (Y.E. 31.03.2017 : 3,04,49,600 As at 01.04.2016 : 3,04,49,600) Equity Shares of Rs. 10/- each fully paid up of JBM MA Automotive Private Limited          | -               | 4,498.51        | 3,923.97        |
| 48,08,000 (Y.E : 31.03.2017 : 8,000 As at 01.04.2016 : Nil) Equity Shares of Rs.10/- each fully paid up of JBM Solaris Electric Vehicles Private Limited      | 452.06          | -               | -               |
| 1,12,19,994 (YE 31.03.2017 : 1,12,19,994, As on 01.04.2016 : 1,12,19,994) Equity Share of Rs. 10/- each fully paid up of JBM Ogihara Automotive India Limited | 1,819.61        | 1,787.32        | 1,646.38        |
|   | <b>7,715.01</b> | <b>6,285.83</b> | <b>5,570.35</b> |

### NON CURRENT FINANCIAL ASSETS

(Carried at amortised cost, unless stated otherwise)

### NOTE 5(b): NON-CURRENT INVESTMENTS

|  |                 |                 |                 |
|--|-----------------|-----------------|-----------------|
| <b>Investment in Equity Shares in others<br/>(at fair value through profit &amp; loss)</b>   |                 |                 |                 |
| 5,49,550 (Y.E : 31.03.2017: 1,94,900 As at 01.04.2016 : Nil) Equity Shares of Rs.10/- each fully paid of IRIS Ecopower Venture Private Limited   | 54.96           | 19.49           | -               |
| 1,00,00,000 (Y.E. 31.03.2017 : 1,00,00,000 As at 01.04.2016 : 1,00,00,000) Equity Shares of Rs.10/- each of Yorozu JBM Automotive Tamilnadu Private limited  | 1,000.00        | 1,000.00        | 1,000.00        |
| <b>Investment in Preference Shares in others<br/>(at fair value through profit &amp; loss)</b>   |                 |                 |                 |
| 2,40,000 (Y.E: 31.03.2017 : 2,40,000 As at 01.04.2016: 2,40,000) 1% Optionally Convertible Non-Cumulative Redeemable Preference shares of Rs 10 each at a premium of Rs 115 per share of Neel Industries Private Limited | 300.00          | 300.00          | 300.00          |
|  | <b>1,354.96</b> | <b>1,319.49</b> | <b>1,300.00</b> |
| <b>Aggregate value of unquoted investment</b>  | <b>1,354.96</b> | <b>1,319.49</b> | <b>1,300.00</b> |
| Aggregate amount of impairment in value of Investments   | -               | -               | -               |

### NOTE 6 : LOANS

(Unsecured, considered good)

|                   |               |               |               |
|-------------------|---------------|---------------|---------------|
| Security deposits | 527.05        | 437.86        | 429.43        |
|                   | <b>527.05</b> | <b>437.86</b> | <b>429.43</b> |

### NOTE 7 : OTHER NON FINANCIAL CURRENT ASSETS

(Unsecured, considered good)

|                               |               |   |   |
|-------------------------------|---------------|---|---|
| Share application money given | 240.00        | - | - |
|                               | <b>240.00</b> | - | - |

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ In Lakhs

|  | As at 31st<br>March, 2018 | As at 31st<br>March, 2017 | As at 1st<br>April, 2016 |
|--|---------------------------|---------------------------|--------------------------|
|--|---------------------------|---------------------------|--------------------------|

### NOTE 8 : OTHER NON CURRENT ASSETS

(Unsecured, considered good)

|                                |                 |                 |                 |
|--------------------------------|-----------------|-----------------|-----------------|
| Capital advances               | 754.27          | 1,415.10        | 743.08          |
| Prepaid rent                   | 580.03          | 601.84          | 626.00          |
| Advance tax (net of provision) | 135.53          | 23.92           | 126.69          |
| Stamp duty paid under protest  | 62.50           | 62.50           | 62.50           |
|                                | <b>1,532.33</b> | <b>2,103.36</b> | <b>1,558.27</b> |

### NOTE 9 : INVENTORIES

(Carried at lower of cost and net realisable value)\*

|                              |                  |                  |                  |
|------------------------------|------------------|------------------|------------------|
| Raw materials                | 12,965.30        | 10,915.59        | 11,689.79        |
| Raw materials in transit     | 35.77            | 34.85            | 28.90            |
| Work in progress             | 8,217.39         | 8,442.89         | 10,422.24        |
| Work in progress in transit  | 309.16           | -                | -                |
| Finished goods               | 503.43           | 656.35           | 737.62           |
| Stores, spares & consumables | 1,359.15         | 1,417.07         | 1,116.43         |
| Scrap                        | 127.99           | 168.78           | 142.54           |
|                              | <b>23,518.19</b> | <b>21,635.53</b> | <b>24,137.51</b> |

-\* The mode of valuation has been stated in Note No 2.10

-Certain borrowings of the Company has been secured against inventories (Refer Note No. 17 & 22 )

-The cost of inventories recognised as an expense during the year was ₹ 117,698.57 lakhs ( P.Y ₹ 108,600.83 Lakhs)

### CURRENT FINANCIAL ASSETS

(Carried at amortised cost, unless stated otherwise)

### NOTE 10 : TRADE RECEIVABLES

(Unsecured)

|                                    |                  |                  |                  |
|------------------------------------|------------------|------------------|------------------|
| - Considered good                  | 35,497.06        | 30,797.72        | 25,050.80        |
| - Considered doubtful              | 19.63            | 19.63            | 45.98            |
|                                    | 35,516.69        | 30,817.35        | 25,096.78        |
| Less: provision for doubtful debts | 19.63            | 19.63            | 45.98            |
|                                    | <b>35,497.06</b> | <b>30,797.72</b> | <b>25,050.80</b> |

-Certain borrowings of the Company have been secured against Receivables (Refer Note No. 17 & 22).

- Debts amounting to ₹ 1066.71 lakhs(Y.E: 31.03.2017: ₹ 646.87 lakhs, As at 01.04.2016: ₹ 654.89 lakhs) is due by private companies in which director is a director or a member.

- Above figures includes amount receivables from related parties (refer Note No. 53).

### NOTE 11 : CASH AND CASH EQUIVALENTS

|                      |               |               |               |
|----------------------|---------------|---------------|---------------|
| Cash in hand         | 11.83         | 8.21          | 15.71         |
| Balances with banks  |               |               |               |
| - In Current account | 180.61        | 200.13        | 567.89        |
|                      | <b>192.43</b> | <b>208.34</b> | <b>583.60</b> |

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ In Lakhs

|  | As at 31st<br>March, 2018 | As at 31st<br>March, 2017 | As at 1st<br>April, 2016 |
|--|---------------------------|---------------------------|--------------------------|
|--|---------------------------|---------------------------|--------------------------|

### NOTE 12 : OTHER BANK BALANCES

|  |              |              |              |
|--|--------------|--------------|--------------|
| In fixed deposit account more than 3 months original Maturity but less than 12 months maturity | 27.97        | 26.27        | 43.93        |
| Margin money with bank   | 9.12         | 8.56         | 7.65         |
| In unpaid dividend account   | 18.76        | 13.29        | 10.36        |
|  | <b>55.85</b> | <b>48.12</b> | <b>61.94</b> |

### NOTE 13 : OTHER CURRENT FINANCIAL ASSETS

(Unsecured, considered good)

|   |                 |                 |               |
|---|-----------------|-----------------|---------------|
| Claim receivable (Refer Note No. 46)  | 1,105.00        | 1,105.00        | -             |
| Hedging gain recoverable<br>(carried at fair value through Profit and loss) | -               | -               | 60.33         |
| Royalty receivable  | 119.25          | 99.45           | 117.48        |
| Other financial assets  | 83.76           | 69.40           | 99.35         |
|   | <b>1,308.01</b> | <b>1,273.85</b> | <b>277.16</b> |

### NOTE 14 : OTHER CURRENT ASSETS

(Unsecured, considered good)

|   |                 |                 |                  |
|---|-----------------|-----------------|------------------|
| Subsidy receivable                            | 1,012.33        | 800.04          | 432.07           |
| Balance with statutory/government authorities | 599.78          | 2,242.62        | 3,527.04         |
| Sales Tax/VAT recoverable                     | 4.62            | 48.92           | 328.52           |
| Advance to suppliers                          | 7,561.96        | 5,727.97        | 7,757.78         |
| Other assets                                  | 134.15          | 185.67          | 152.90           |
|   | <b>9,312.85</b> | <b>9,005.21</b> | <b>12,198.30</b> |

### NOTE 15 : EQUITY SHARE CAPITAL

#### a) Authorised

|   |                 |                 |                 |
|---|-----------------|-----------------|-----------------|
| 8,00,00,000 (Y.E. 31.03.2017: 8,00,00,000 As at 01.04.2016 : 8,00,00,000)<br>Equity Shares of ₹ 5 /- each   | 4,000.00        | 4,000.00        | 4,000.00        |
| 100,00,000 (Y.E. 31.03.2017: 100,00,000, As at 01.04.2016: 1,00,00,000)<br>Preference Shares of ₹ 10/- each | 1,000.00        | 1,000.00        | 1,000.00        |
|   | <b>5,000.00</b> | <b>5,000.00</b> | <b>5,000.00</b> |

#### b) Issued, subscribed and fully paid up

|  |                 |                 |                 |
|--|-----------------|-----------------|-----------------|
| 4,07,95,364 (Y.E. 31.03.2017: 4,07,95,364 As at 01.04.2016: 4,07,95,364)<br>Equity Shares of ₹ 5 /- each fully paid up | 2,039.77        | 2,039.77        | 2,039.77        |
|  | <b>2,039.77</b> | <b>2,039.77</b> | <b>2,039.77</b> |

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

|   |                   |                   |                   |
|---|-------------------|-------------------|-------------------|
| Number of shares outstanding at the beginning of the year | 40,795,364        | 40,795,364        | 40,795,364        |
| Add: issued/cancelled during the year                     | -                 | -                 | -                 |
| Number of shares outstanding at the end of the year       | <b>40,795,364</b> | <b>40,795,364</b> | <b>40,795,364</b> |

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### ii) Terms/rights attached to equity shares

The Company has one class of equity shares having par value of ₹ 5/- per share. Each shareholder is entitled for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in the case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

### iii) Details of shareholders holding more than 5% equity shares in the Company. (Refer Note No. 49)

### iv) Aggregate number of shares issued as bonus share during 5 year immediately preceding 31st March ,2018

The Company has allotted 2,03,97,682 fully paid up equity shares of face value ₹ 5 each during the year ended 31.03.2015 pursuant to a bonus issue approved by the shareholders through a postal ballot.

### NOTE 16(a) : OTHER EQUITY

|  | General Reserve | Retained Earnings | Capital Reserve on consolidation | Total            |
|--|-----------------|-------------------|----------------------------------|------------------|
| <b>As at 01.04.2017</b>                                | <b>2,507.27</b> | <b>29,954.13</b>  | <b>1,161.06</b>                  | <b>33,622.46</b> |
| Profit for the year                                    | -               | 7,046.61          | -                                | 7,046.61         |
| Previous year adjustments                              | -               | 4.76              | -                                | 4.76             |
| Other comprehensive income/(loss) for the year         | -               | 4.00              | -                                | 4.00             |
| Dividends distributed during the year (including CDT)* | -               | (982.01)          | -                                | (982.01)         |
| <b>As at 31.03.2018</b>                                | <b>2,507.27</b> | <b>36,027.50</b>  | <b>1,161.06</b>                  | <b>39,695.83</b> |
| <b>As at 01.04.2016</b>                                | <b>2,183.27</b> | <b>24,533.73</b>  | <b>1,161.06</b>                  | <b>27,878.06</b> |
| Profit for the year                                    | -               | 6,536.85          | -                                | 6,536.85         |
| Previous year adjustments                              | 23.00           | (23.00)           | -                                | -                |
| Other comprehensive income/(loss) for the year         | -               | (8.92)            | -                                | (8.92)           |
| Transfer from retained earning to general reserve      | 301.00          | (301.00)          | -                                | -                |
| Dividends distributed during the year (including CDT)* | -               | (783.54)          | -                                | (783.54)         |
| <b>Balance as at 31.03.2017</b>                        | <b>2,507.27</b> | <b>29,954.13</b>  | <b>1,161.06</b>                  | <b>33,622.46</b> |

\* During the year 2017-18, the Company has paid dividend of ₹ 2/- per share (PY ₹ 1.75 per share) (on fully paid-up equity share of ₹ 5 each) amounting to ₹ 982.01 lakhs (PY ₹ 783.54 lakhs) (including corporate dividend tax thereon of ₹ 166.10 lakhs (PY ₹ 69.62 lakhs)

The Board at its meeting held on May 15th, 2018 has recommended a dividend @ 40% i.e. ₹ 2/- per share (on fully paid up equity share of ₹ 5/-each) for the year ended 31st March 2018. This equity dividend is subject to the approval by shareholders at the Annual General Meeting. The total estimated equity dividend to be paid is ₹ 983.62 Lakhs (including corporate dividend tax thereon of ₹ 167.71 Lakhs).

₹ In Lakhs

|  | As at 31st March, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|--|------------------------|------------------------|-----------------------|
|--|------------------------|------------------------|-----------------------|

### NOTE 16(b) : NON-CONTROLLING INTERESTS

|                           |                 |                 |                 |
|---------------------------|-----------------|-----------------|-----------------|
| Non-controlling interests | 7,336.55        | 6,270.43        | 5,616.23        |
|                           | <b>7,336.55</b> | <b>6,270.43</b> | <b>5,616.23</b> |

Refer " Statement of Changes in Equity " for movement in Non-controlling interest.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ In Lakhs

|  | As at 31st<br>March, 2018 | As at 31st<br>March, 2017 | As at 1st<br>April, 2016 |
|--|---------------------------|---------------------------|--------------------------|
|--|---------------------------|---------------------------|--------------------------|

### NON CURRENT FINANCIAL LIABILITIES

(Carried at amortised cost, unless stated otherwise)

#### NOTE 17 : NON CURRENT BORROWINGS

|  |                  |                  |                  |  |
|--|------------------|------------------|------------------|--|
| <b>A. Term loan from banks (Secured)*</b>                          |                  |                  |                  |  |
| In Foreign Currency  | -                | -                | 748.44           |  |
| In Rupee   | 9,762.64         | 13,871.58        | 16,630.06        |  |
| Vehicle Loan   | -                | -                | 1.14             |  |
| <b>B. Term loan from others (Secured)**</b>                        |                  |                  |                  |  |
|  | 12,423.45        | 2,500.00         | 2,500.00         |  |
|  | <b>22,186.53</b> | <b>16,371.58</b> | <b>19,879.64</b> |  |
| Less: Current Maturities of term loans                             | 5780.53          | 5,444.28         | 6,328.61         |  |
|  | <b>16,405.56</b> | <b>10,927.30</b> | <b>13,551.03</b> |  |
| <b>C. Inter corporate loan (unsecured)</b>                         |                  |                  |                  |  |
| From others  | 2,666.00         | 4,000.00         | -                |  |
| <b>D. Finance lease obligations</b>                                |                  |                  |                  |  |
|  | 95.09            | 92.17            | 89.53            |  |
| <b>E. Liability component of financial instruments</b>             |                  |                  |                  |  |
|  | 4,755.01         | 4,377.64         | 4,006.63         |  |
|  | <b>7,516.11</b>  | <b>8,469.81</b>  | <b>4,096.16</b>  |  |
| <b>Less:</b>   |                  |                  |                  |  |
| Current maturities of inter corporate loan                         | 1,333.33         | 1,333.33         | -                |  |
| Current maturities of finance lease obligations                    | 5.01             | 5.53             | 6.12             |  |
| Current maturities of liability component of financial instruments | 53.93            | 59.59            | 65.85            |  |
|  | <b>6,123.84</b>  | <b>7,071.36</b>  | <b>4,024.20</b>  |  |
|  | <b>22,529.40</b> | <b>17,998.66</b> | <b>17,575.23</b> |  |

\* Term loan of ₹ 625.83 lakhs is secured by First Pari-Passu charge on the movable and immovable fixed assets of Indore, Greater Noida & Faridabad and Second Pari-Passu charge of the on all the current assets of the Company both present and future situated at Faridabad, Indore & Greater Noida. Term loan of ₹ 2500.00 lakhs has exclusive charge on plant & machinery to the tune of 1.5X coverage of the term loan value.

Term loan of ₹ 781.25 lakhs is secured by First Pari Passu charge on the entire movable and immovable assets of Indore unit located at plot no 157 E sec-3, Pitampura Industrial Area, Dhar - 454775, Indore, Madhya Pradesh, both present and future and also the entire movable and immovable assets situated at Greater Noida and Faridabad, both present and future.

Second Pari Passu charge on the entire current assets of the Company both present and future situated at Faridabad, Indore and Greater Noida Units.

Term loan of ₹ 1728.29 lakhs is secured by First Pari Passu charge on both movable and immovable fixed assets of the Company at Indore, Greater Noida and Faridabad plant (both present & future)

Second Pari Passu charge on the current assets of Indore, Greater Noida and Faridabad units (both present & future)

Term loan of subsidiary company amounting to ₹ 3,377.27 lakhs is secured by First Pari Passu charge on the movable and immovable fixed assets at Sanand Unit. Exclusive charge on machinery funded by bank. Asset cover of 1.5x to be maintained.

Term loan of subsidiary company amounting to ₹ 750.00 lakhs is secured by first pari passu charge on the movable assets (except those exclusively charged to Term Lenders and Ford India) of the company's MM Nagar Plant Located in Kanchipuram - 603204 (Tamilnadu). First Charge on the movable assets (except those exclusively charge to term lenders and ford India) of the company's Plant located at Oragadam, Tamil Nadu.



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

\*\* Term loan of ₹ 1875.00 lakhs has exclusive charge on plant & machinery of the Company with a minimum asset cover of 1.50X (as per WDV) as acceptable by lender. Second Pari Passu charge on all current assets of Sanand unit, both present and future.

Term loan of ₹ 5,000.00 lakhs is secured by Pari Passu charge over the movable fixed assets of the Company with a minimum asset cover of 1.30X.

Term loan of subsidiary company amounting to ₹ 2,500.00 lakhs is secured by First Pari Passu charge on the movable assets (except those exclusively charged to Term Lenders and Ford India) of the subsidiary company's MM Nagar Plant Located in Kanchipuram - 603204 (Tamilnadu). First Charge on the movable assets (except those exclusively charge to term lenders and ford India) of the subsidiary Company's Plant located at Oragadam, Tamil Nadu. First charge on pari passu basis along with DBS (for its ECB) on the immovable assets of the subsidiary company's plant located at Oragadam, Tamilnadu.

Term loan of subsidiary company amounting to ₹ 2,500 lakh is secured by first Pari Passu charge on the movable assets (except those exclusively charged to Term Lenders and Ford India) of the subsidiary company's MM Nagar Plant Located in Kanchipuram - 603204 (Tamilnadu).

First Charge on the movable assets (except those exclusively charge to term lenders and ford India) of the subsidiary company's Plant located at Oragadam, Tamil Nadu.

Term loan of subsidiary company amounting to ₹ 548.45 lakhs is secured by exclusive charge on Tata Steel Limited and Tata Steel Processing & Distribution Limited stocks of the borrower funded by lender, both present and future.

### Maturity Profile

| Term of Repayment of Loan                   | Balance as at 31.03.2018 ₹ in lakhs | No of Yearly/ Quarterly/ Monthly Instalments | Balance In-installment | Rate of Interest      |
|---|-------------------------------------|--|------------------------|-----------------------|
| Term loan from Bank                         | 625.83                              | 16 Quarterly                                 | 4                      | MCLR linked rate      |
| Term loan from Bank                         | 781.25                              | 16 Quarterly                                 | 5                      | MCLR linked rate      |
| Term loan from Bank                         | 894.94                              | 16 Quarterly                                 | 6                      | MCLR linked rate      |
| Term loan from Bank                         | 833.34                              | 48 Monthly                                   | 16                     | Base Rate Linked Rate |
| Term loan from Bank                         | 2,500.00                            | 18 Quarterly                                 | 18                     | MCLR linked rate      |
| Term loan from Bank                         | 2,222.22                            | 18 Quarterly                                 | 16                     | MCLR linked rate      |
| Term loan from Bank                         | 750.00                              | 16 Quarterly                                 | 8                      | MCLR linked rate      |
| Term loan from Bank                         | 1,155.05                            | 16 Quarterly                                 | 6                      | MCLR linked rate      |
| Term loan from others                       | 1,875.00                            | 16 Quarterly                                 | 12                     | MCLR linked rate      |
| Term loan from others                       | 5,000.00                            | 16 Quarterly                                 | 16                     | MCLR linked rate      |
| Term loan from others                       | 2,500.00                            | 16 Quarterly                                 | 16                     | MCLR linked rate      |
| Term loan from others                       | 2,500.00                            | 16 Quarterly                                 | 16                     | SBI Based linked rate |
| Term loan from others                       | 548.45                              | Bullet                                       | 1                      | STLR linked rate      |
| Inter corporate loan                        | 2,666.00                            | 3 Yearly                                     | 2                      | MCLR linked rate      |
| Liability component of financial Instrument | 4,755.01                            | Bullet                                       |                        | 10.50%                |

There have been no breach of covenants mentioned in the loan agreements during the reporting periods.

₹ In Lakhs

|  | As at 31st March, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|--|------------------------|------------------------|-----------------------|
|--|------------------------|------------------------|-----------------------|

### NOTE 18 : OTHER NON CURRENT FINANCIAL LIABILITIES

|                           |   |              |              |
|---------------------------|---|--------------|--------------|
| Payable for capital goods | - | 48.59        | 43.63        |
|                           | - | <b>48.59</b> | <b>43.63</b> |

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ In Lakhs

|  | As at 31st<br>March, 2018 | As at 31st<br>March, 2017 | As at 1st<br>April, 2016 |
|--|---------------------------|---------------------------|--------------------------|
|--|---------------------------|---------------------------|--------------------------|

### NOTE 19 : PROVISIONS

|                                 |               |               |               |
|---------------------------------|---------------|---------------|---------------|
| Provision for employee benefits | 502.99        | 376.13        | 240.96        |
|                                 | <b>502.99</b> | <b>376.13</b> | <b>240.96</b> |

### NOTE 20 : DEFERRED TAX LIABILITY (NET)

#### Deferred tax liability

|  |                 |                 |                 |
|--|-----------------|-----------------|-----------------|
| Difference between book depreciation & depreciation under Income Tax Act 1961. | 6,671.44        | 5,521.67        | 4,605.53        |
| <b>Deferred tax assets</b>   |                 |                 |                 |
| Deferred tax on unrealised gains   | (96.67)         | (113.55)        | (130.43)        |
| Provision for doubtful debts   | (6.79)          | (6.06)          | (14.21)         |
| Claim under Sec 43B of Income Tax Act,1961                                     | (319.00)        | (199.96)        | (165.83)        |
| Unabsorbed depreciation & carried forward losses                               | -               | -               | (276.60)        |
| Mat credit available   | (2,675.59)      | (2,330.64)      | (1,557.36)      |
| <b>Deferred tax liability / (asset)</b>  | <b>3,573.39</b> | <b>2,871.45</b> | <b>2,461.10</b> |

Deferred tax liability & deferred tax asset have been offset as they relate to the same government taxations laws.

Major components of deferred tax liability/(asset) arising on account of temporary difference are as follows:

₹ In Lakhs

|  | As at<br>31.03.2017 | Movement<br>during<br>the year | As at<br>31.03.2018 |
|--|---------------------|--------------------------------|---------------------|
| Difference between book depreciation & depreciation under Income Tax Act 1961. | 5,521.67            | 1,149.77                       | 6,671.44            |
| Deferred tax on unrealised gain  | (113.55)            | 16.88                          | (96.67)             |
| Provision for doubtful debts   | (6.06)              | (0.73)                         | (6.79)              |
| Claim under Sec 43B of Income Tax Act,1961                                     | (199.96)            | (119.04)                       | (319.00)            |
| MAT credit available   | (2,330.64)          | (344.95)                       | (2,675.59)          |
| <b>Net deferred tax liability</b>  | <b>2,871.45</b>     | <b>701.94</b>                  | <b>3,573.39</b>     |

|  | As at<br>01.04.2016 | Movement<br>during<br>the year | As at<br>31.03.2017 |
|--|---------------------|--------------------------------|---------------------|
| Difference between book depreciation & depreciation under Income Tax Act 1961. | 4,605.53            | 916.14                         | 5,521.67            |
| Deferred tax on unrealised gain  | (130.43)            | 16.88                          | (113.55)            |
| Provision for doubtful debts   | (14.21)             | 8.14                           | (6.06)              |
| Claim under Sec 43B of Income Tax Act,1961                                     | (165.83)            | (34.12)                        | (199.96)            |
| Unabsorbed depreciation & Carried forward losses                               | (276.60)            | 276.60                         | -                   |
| MAT credit available   | (1,557.36)          | (773.28)                       | (2,330.64)          |
| <b>Net deferred tax Liability</b>  | <b>2,461.10</b>     | <b>410.35</b>                  | <b>2,871.45</b>     |

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ In Lakhs

|  | As at 31st<br>March, 2018 | As at 31st<br>March, 2017 | As at 1st<br>April, 2016 |
|--|---------------------------|---------------------------|--------------------------|
|--|---------------------------|---------------------------|--------------------------|

### NOTE 21 : OTHER NON CURRENT LIABILITIES

|   |               |                 |                 |
|---|---------------|-----------------|-----------------|
| Deferred component of financial instruments           | 709.83        | 1,103.28        | 1,496.73        |
| Other (including advance from employees for vehicles) | 16.67         | 9.91            | 3.77            |
|   | <b>726.50</b> | <b>1,113.19</b> | <b>1,500.49</b> |

### CURRENT FINANCIAL LIABILITIES (Carried at amortised cost)

### NOTE 22 : CURRENT BORROWINGS\*

|   |                  |                  |                  |
|---|------------------|------------------|------------------|
| <b>A. Loan repayable on demand from banks (secured)</b>   |                  |                  |                  |
| Overdraft facility  | 507.44           | 1,937.14         | 45.73            |
| Cash credit   | 1,623.20         | 3,308.71         | 1,799.42         |
| <b>B. Other loans from banks (secured)</b>                |                  |                  |                  |
| Working capital demand loans                              | 19,300.00        | 13,345.00        | 19,904.30        |
| Buyers credit   | 606.24           | 2,935.66         | 3,395.32         |
| Bill Discounting  | 1,403.31         | 3,139.47         | -                |
|   | <b>23,440.19</b> | <b>24,665.98</b> | <b>25,144.78</b> |
| <b>C. Loan repayable on demand from banks (unsecured)</b> |                  |                  |                  |
| Bill Discounting /PO Financing                            | 4,124.07         | 2,733.79         | 2,780.95         |
|   | <b>4,124.07</b>  | <b>2,733.79</b>  | <b>2,780.95</b>  |
|   | <b>27,564.26</b> | <b>27,399.77</b> | <b>27,925.73</b> |

\* Secured by hypothecation on pari passu inter se between banks by way of first charge on current assets of the Company (excluding current assets of Sanand unit, Gujarat) and by way of second charge on entire moveable assets of the Company (excluding moveable assets of Sanand unit, Gujarat) both present and future. Facility utilised of ₹ 525.21 Lakhs is secured by exclusive first charge on the entire current assets of Sanand unit, Gujarat of the Company and second charge on movable fixed assets including plant and machinery at Sanand unit, Gujarat of the Company, both present and future.

Borrowings of subsidiary company is secured by first charge on current assets of the subsidiary company ranking pari passu inter se between the company's bankers.

There have been no breach of covenants mentioned in the loan agreements during the reporting periods.

### NOTE 23 : TRADE PAYABLES

|   |                  |                  |                  |
|---|------------------|------------------|------------------|
| Dues to Micro & Small Enterprises (Refer Note No. 47) | 196.68           | 159.66           | 273.10           |
| Others  | 25,492.18        | 31,839.07        | 35,632.42        |
|   | <b>25,688.86</b> | <b>31,998.73</b> | <b>35,905.52</b> |

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ In Lakhs

|  | As at 31st<br>March, 2018 | As at 31st<br>March, 2017 | As at 1st<br>April, 2016 |
|--|---------------------------|---------------------------|--------------------------|
|--|---------------------------|---------------------------|--------------------------|

### NOTE 24 : OTHER CURRENT FINANCIAL LIABILITIES

|  |                 |                 |                 |
|--|-----------------|-----------------|-----------------|
| Current maturities of liability component of financial instruments | 53.93           | 59.59           | 65.85           |
| Current maturities of finance lease obligations                    | 5.01            | 5.53            | 6.12            |
| Current maturities of term loans & inter corporate loan            | 7,113.87        | 6,777.61        | 6,328.61        |
| Interest accrued but not due on borrowings                         | 222.77          | 215.36          | 177.21          |
| Interest accrued and due on borrowings                             | 0.87            | 0.59            | 11.06           |
| Unpaid/unclaimed dividend  | 18.76           | 13.29           | 10.36           |
| Payable for capital goods  | 403.90          | 522.85          | 805.01          |
| Employee related Liabilities                                       | 625.14          | 782.99          | 505.13          |
| Security Deposits  | 103.57          | 62.03           | 73.08           |
|  | <b>8,547.82</b> | <b>8,439.84</b> | <b>7,982.42</b> |

### NOTE 25 : OTHER CURRENT LIABILITIES

|  |                 |                 |                 |
|--|-----------------|-----------------|-----------------|
| Deferred Income on financial instrument                | 393.45          | 393.45          | 393.45          |
| Statutory dues payable                                 | 1,903.47        | 655.48          | 648.51          |
| Advance from customers                                 | 2,245.54        | 1,372.05        | 1,631.61        |
| Others (including advance from employees for vehicles) | 170.21          | 144.19          | 133.54          |
|  | <b>4,712.67</b> | <b>2,565.17</b> | <b>2,807.11</b> |

### NOTE 26 : PROVISIONS

|                                 |               |               |               |
|---------------------------------|---------------|---------------|---------------|
| Provision for employee benefits | 177.00        | 196.14        | 139.50        |
| Dividend tax payable            | -             | -             | 101.35        |
|                                 | <b>177.00</b> | <b>196.14</b> | <b>240.85</b> |

₹ In Lakhs

|  | For the year<br>ended 31st<br>March, 2018 | For the year<br>ended 31st<br>March, 2017 |
|--|---|---|
|--|---|---|

### NOTE 27 : REVENUE FROM OPERATIONS\*

|                         |                   |                   |
|-------------------------|-------------------|-------------------|
| Sale of products        | 150,154.88        | 155,444.06        |
| Sale of services        | 4,231.44          | 2,030.91          |
| Other operating revenue | 14,315.00         | 11,872.97         |
|                         | <b>168,701.32</b> | <b>169,347.95</b> |

\* Refer Note No. 51

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ In Lakhs

|  | For the year ended<br>31st March, 2018 | For the year ended<br>31st March, 2017 |
|--|--|--|
| <b>NOTE: 28 OTHER INCOME</b>   |  |  |
| Interest on security & other deposits*   | 20.32                                  | 14.55                                  |
| Royalty  | 119.25                                 | 99.45                                  |
| Subsidy  | 414.36                                 | 822.88                                 |
| Profit on sale of property plant & equipment (net)                               | 18.32                                  | 3.18                                   |
| Deferred Income on deferred component of financial instruments                   | 393.45                                 | 393.45                                 |
| Miscellaneous income   | 124.51                                 | 152.09                                 |
|  | <b>1,090.22</b>                        | <b>1,485.59</b>                        |
| *In relation to financial assets classified at amortised cost                    | 20.32                                  | 14.55                                  |
| <b>NOTE 29 : CHANGES IN INVENTORIES OF FINISHED GOODS &amp; WORK IN PROGRESS</b> |  |  |
| <b>Opening inventories:</b>  |  |  |
| Work in progress   | 8,442.89                               | 10,422.24                              |
| Finished goods   | 656.35                                 | 737.62                                 |
|  | <b>9,099.24</b>                        | <b>11,159.86</b>                       |
| <b>Less : Closing inventories :</b>  |  |  |
| Work in progress (including in transit material)                                 | 8,526.55                               | 8,442.89                               |
| Finished goods   | 503.43                                 | 656.35                                 |
|  | <b>9,029.98</b>                        | <b>9,099.24</b>                        |
| <b>Increase/ (Decrease) in finished goods &amp; work in progress</b>             | <b>69.26</b>                           | <b>2,060.62</b>                        |
| <b>NOTE 30 : EMPLOYEE BENEFITS EXPENSE</b>                                       |  |  |
| Salaries & wages   | 15,646.34                              | 15,149.91                              |
| Contribution to provident and other funds  | 702.42                                 | 621.20                                 |
| Staff welfare expense  | 1,274.63                               | 1,247.54                               |
|  | <b>17,623.38</b>                       | <b>17,018.66</b>                       |
| Less: Transferred to Project Commissioned /Under Commissioning                   | 1,073.68                               | 624.36                                 |
|  | <b>16,549.70</b>                       | <b>16,394.29</b>                       |
| <b>NOTE 31 : FINANCE COSTS</b>   |  |  |
| Interest on borrowings   | 4,645.98                               | 4,747.42                               |
| Interest- others   | 122.28                                 | 77.07                                  |
| Interest on liability component of financial instruments                         | 457.37                                 | 421.50                                 |
| Other borrowing cost   | 57.45                                  | 26.96                                  |
| Exchange difference regarded as an adjustment to borrowings costs                | -                                      | 1.87                                   |
|  | <b>5,283.08</b>                        | <b>5,274.83</b>                        |
| Less: Transferred to Project Commissioned /Under Commissioning                   | 425.20                                 | -                                      |
|  | <b>4,857.89</b>                        | <b>5,274.83</b>                        |
| *In relation to financial liabilities classified at amortised cost               | 5,103.35                               | 5,168.93                               |

The weighted average rate for capitalisation of interest relating to general borrowings is approximately 9.65% for the year ended March, 31st 2018.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ In Lakhs

|  | For the year<br>ended 31st<br>March, 2018 | For the year<br>ended 31st<br>March, 2017 |
|--|---|---|
|--|---|---|

### NOTE 32 : OTHER EXPENSES

|  |                  |                  |
|--|------------------|------------------|
| Stores consumed  | 1,601.57         | 1,553.12         |
| Manufacturing expenses   | 1,196.84         | 1,065.25         |
| Power & fuel   | 2,914.57         | 2,821.36         |
| Packing materials consumed                                     | 539.05           | 736.97           |
| Rent (including land lease rent)                               | 161.96           | 229.00           |
| Rates & taxes  | 138.28           | 167.34           |
| Insurance  | 56.22            | 70.61            |
| Repair & maintenance:  |                  |                  |
| Machinery  | 1,216.17         | 1,072.20         |
| Buildings  | 97.64            | 108.49           |
| Others   | 689.40           | 708.88           |
| Bad debts written off  | -                | 26.35            |
| Loss on sale of assets/written off (net)                       | 3.15             | 2.76             |
| Provision for bad & doubtful debts                             | -                | (26.35)          |
| Freight & forwarding charges                                   | 1,430.15         | 1,174.67         |
| Exchange fluctuation(net)                                      | 1.86             | 35.35            |
| Royalty  | 245.00           | 253.58           |
| Other administrative expenses                                  | 1,807.73         | 1,991.45         |
|  | <b>12,099.60</b> | <b>11,991.05</b> |
| Less: Transferred to Project Commissioned /Under Commissioning | 70.78            | 8.05             |
|  | <b>12,028.82</b> | <b>11,983.00</b> |

### NOTE 33 : INCOME TAX EXPENSE

|  |                 |                 |
|--|-----------------|-----------------|
| <b>(a) Income tax expense recognised in Statement of Profit and Loss</b> |                 |                 |
| Current tax in respect of the current year                               | 3,698.46        | 2,285.77        |
| Minimum Alternate Tax credit entitlement                                 | (614.24)        | (1,124.30)      |
| Deferred tax In respect of the current year                              | 1,183.57        | 1,361.50        |
| Earlier Years  | 6.74            | 22.98           |
|  | <b>4,274.54</b> | <b>2,545.95</b> |
| <b>(b) Income Tax on Other Comprehensive Income</b>                      |                 |                 |
| Deferred Tax Benefit   |                 |                 |
| Arising on income and expenses recognised in other comprehensive income: |                 |                 |
|  |                 |                 |
| Income tax expense on gain/(loss) on defined benefit plan                | (1.71)          | 5.33            |
| Total income tax expense recognised in other comprehensive income        | (1.71)          | 5.33            |
|  | <b>4,272.83</b> | <b>2,551.28</b> |

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

The major components of income tax expense and the reconciliation of expense based on the domestic effective tax rate and the reported tax expense in profit or loss are as follows:

₹ In Lakhs

|  | For the year<br>ended 31st<br>March, 2018 | For the year<br>ended 31st<br>March, 2017 |
|--|---|---|
| <b>Profit before income tax</b>  | <b>12,387.85</b>                          | <b>9,738.41</b>                           |
| At country's statutory income tax rate of 34.608% (31 March 2017: 30.9%) | 34.61%                                    | 30.90%                                    |
|  | <b>4,287.19</b>                           | <b>3,009.17</b>                           |
| Weighted Deduction for research and development expenses                 | (243.12)                                  | (444.20)                                  |
| Taxes on exempted income   | -   | (13.72)                                   |
| Tax effect of change in rate of tax                                      | 359.42                                    | -   |
| MAT Credit entitlement   | (122.20)                                  | -   |
| Earlier year tax   | 6.74                                      | 22.98                                     |
| Others   | (13.49)                                   | (28.28)                                   |
| <b>Total tax expense recognised in Statement of Profit and Loss</b>      | <b>4,274.54</b>                           | <b>2,545.95</b>                           |

### NOTE 34 : OTHER COMPREHENSIVE INCOME

|  |             |                |
|--|-------------|----------------|
| <b>(A) Items that will not be reclassified to profit or loss</b> |             |                |
| (i) gains/(losses) on defined benefits plans                     | 5.14        | (15.66)        |
| (ii) Income tax expense on gain/(loss) on defined benefit plan   | (1.71)      | 5.33           |
|  | <b>3.43</b> | <b>(10.33)</b> |

### NOTE 35: EARNING PER SHARE

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

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

The following reflects the income and share data used in the basic and diluted EPS computations:

|   |            |            |
|---|------------|------------|
| <b>Profit after tax (₹ in Lakhs)</b>  | 7,046.61   | 6,536.85   |
| <b>Weighted Average Number of Equity Shares (Outstanding during the year)</b> | 40,795,364 | 40,795,364 |
| <b>Face Value of share (₹)</b>  | 5.00       | 5.00       |
|   |            |            |
| Basic Earning per share (Amount in ₹)   | 17.27      | 16.02      |
| Diluted Earning per share (Amount in ₹)                                       | 17.27      | 16.02      |



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 36 : a) DETAILS OF GROUP COMPANIES

| S.No | Name of the company                                  | Relationship  | Country of Incorporation | Percentage of ownership |                     |                     |
|------|--|---------------|--------------------------|-------------------------|---------------------|---------------------|
|      |  |               |                          | As at<br>31.03.2018     | As at<br>31.03.2017 | As at<br>01.04.2016 |
| 1    | JBM Auto System Private Limited                      | Subsidiary    | India                    | 73.89%                  | 73.89%              | 73.89%              |
| 2    | JBM Ogihara Automotive India Limited                 | Joint Venture | India                    | 51.00%                  | 51.00%              | 51.00%              |
| 3    | JBM Solaris Electric Vehicle Private Limited         | Joint Venture | India                    | 80.00%                  | 80.00%              | 80.00%              |
| 4    | Indo Tooling Private Limited                         | Joint Venture | India                    | 50.00%                  | 50.00%              | 50.00%              |
| 5    | JBM MA Automotive Private Limited (upto 31.01.2018)  | Joint Venture | India                    | -                       | 50.00%              | 50.00%              |
| 6    | JBM MA Automotive Private Limited (w.e.f 01.02.2018) | Associate     | India                    | 50.00%                  | -                   | -                   |

Note : Joint Ventures and Associate are consolidated as per the Equity Method.

#### b) Non Controlling Interests (NCI)

Set out below the summarised financial information for subsidiary that has non controlling interests that are material to the group.

#### JBM Auto System Private Limited

₹ In Lakhs

|  | As at 31st March,<br>2018 | As at 31st March,<br>2017 |
|--|---------------------------|---------------------------|
| <b>Summarised Balance Sheet</b>                              |                           |                           |
| Current Assets   | 34,205.02                 | 31,097.83                 |
| Asset Held for sale  | 110.93                    | 110.93                    |
| Current liabilities  | 27,959.44                 | 32,828.75                 |
| <b>Net Current Assets</b>                                    | <b>6,356.51</b>           | <b>(1,619.99)</b>         |
| Non-Current Assets   | 31,308.03                 | 33,433.69                 |
| Non-Current Liabilities                                      | 9,757.81                  | 7,989.41                  |
| <b>Net Non Current Assets</b>                                | <b>21,550.22</b>          | <b>25,444.28</b>          |
| <b>Net Assets</b>  | <b>27,906.73</b>          | <b>23,824.28</b>          |
| % Of Ownership Interest held by the Non-Controlling Interest | 26.11%                    | 26.11%                    |
| <b>Accumulated Non-Controlling Interest</b>                  | <b>7,336.55</b>           | <b>6,270.43</b>           |

|   | For the year ended<br>31st March, 2018 | For the yer ended<br>31st March, 2017 |
|---|--|---------------------------------------|
| <b>Summarised Statement of Profit and Loss</b>                      |  |                                       |
| Revenue   | 92,115.72                              | 95,021.79                             |
| Profit for the Year   | 4,084.63                               | 2,509.80                              |
| Other Comprehensive Income  | (2.18)                                 | (5.40)                                |
| <b>Total Comprehensive Income</b>                                   | <b>4,082.45</b>                        | <b>2,504.40</b>                       |
| <b>% Of Ownership Interest held by the Non-Controlling Interest</b> | <b>26.11%</b>                          | <b>26.11%</b>                         |
| Profit allocated to Non- Controlling Interest                       | 1,066.13                               | 654.02                                |
| Dividend paid to NCI  | -                                      | -                                     |

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ In Lakhs

|  | For the year<br>ended 31st<br>March, 2018 | For the year<br>ended 31st<br>March, 2017 |
|--|---|---|
|--|---|---|

|   |                |                 |
|---|----------------|-----------------|
| <b>Summarised cash flows</b>                                  |                |                 |
| Cash flow from Operating activity                             | 3,745.81       | 6,321.75        |
| Cash flow from Investing activity                             | (1,011.98)     | (3,178.36)      |
| Cash flow from Financing activity                             | (2,781.81)     | (3,293.92)      |
| <b>Net Increase/(Decrease) In cash &amp; cash equivalents</b> | <b>(47.98)</b> | <b>(150.53)</b> |

### c) Summarised financial information of Joint Ventures and Associates.

The table below provides summarised financial information (based on separate financial statement) for those Joint Venture and Associates:

₹ In Lakhs

|   | Joint Ventures                             |  |                                 | Associate                               |
|---|--|--|---------------------------------|---|
| Particulars   | JBM Ogihara<br>Automotive<br>India Limited | JBM Solaris<br>Electric Vehicle<br>Private Limited | Indo Tooling<br>Private Limited | JBM MA<br>Automotive<br>Private Limited |
| <b>As at 31st March 2018</b>  |  |  |                                 |   |
| <b>Current Assets</b>   |  |  |                                 |   |
| - Cash and Cash Equivalents   | 42.17                                      | 12.96  | 1.99                            | 24.49                                   |
| - Other Assets  | 4,587.06                                   | 220.15   | 1,320.36                        | 14,208.01                               |
| <b>Total Current Assets (A)</b>   | <b>4,629.23</b>                            | <b>233.10</b>                                      | <b>1,322.35</b>                 | <b>14,232.50</b>                        |
| <b>Total Non - Current Assets (B)</b>                                       | <b>4,574.72</b>                            | <b>1,480.71</b>                                    | <b>673.72</b>                   | <b>18,131.36</b>                        |
| <b>Current Liabilities</b>  |  |  |                                 |   |
| - Financial Liabilities (Excluding Trade and other payables and Provisions) | 2,306.29                                   | 885.63   | 315.46                          | 7,060.08                                |
| - Other Liabilities   | 3,066.09                                   | 23.10  | 885.65                          | 8,729.25                                |
| <b>Total Current Liabilities (C)</b>  | <b>5,372.38</b>                            | <b>908.73</b>                                      | <b>1,201.11</b>                 | <b>15,789.33</b>                        |
| <b>Non-Current Liabilities</b>  |  |  |                                 |   |
| - Financial Liabilities (Excluding Trade and other payables and Provisions) | 218.55                                     | -  | 819.56                          | 3,879.44                                |
| - Other Liabilities   | 216.20                                     | -  | 36.59                           | 1,249.76                                |
| <b>Total Non-Current Liabilities (D)</b>                                    | <b>434.75</b>                              | <b>-</b>   | <b>856.15</b>                   | <b>5,129.19</b>                         |
| <b>Net Assets (A+B-C-D)</b>   | <b>3,396.82</b>                            | <b>805.08</b>                                      | <b>(61.19)</b>                  | <b>11,445.34</b>                        |

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ In Lakhs

| Particulars   | Joint Ventures                       |  |                              |                                   |
|---|--------------------------------------|--|------------------------------|-----------------------------------|
|   | JBM Ogihara Automotive India Limited | JBM Solaris Electric Vehicle Private Limited | Indo Tooling Private Limited | JBM MA Automotive Private Limited |
| <b>As at 31st March 2017</b>  |                                      |  |                              |                                   |
| <b>Current Assets</b>   |                                      |  |                              |                                   |
| - Cash and Cash Equivalents   | 0.80                                 | 0.85   | 20.50                        | 18.88                             |
| - Other Assets  | 4,050.32                             | 22.72  | 1,774.85                     | 14,069.92                         |
| <b>Total Current Assets (A)</b>   | <b>4,051.12</b>                      | <b>23.57</b>                                 | <b>1,795.35</b>              | <b>14,088.80</b>                  |
| <b>Total Non - Current Assets (B)</b>                                       | <b>4,318.35</b>                      | <b>145.44</b>                                | <b>685.84</b>                | <b>18,744.15</b>                  |
| <b>Current Liabilities</b>  |                                      |  |                              |                                   |
| - Financial Liabilities (Excluding Trade and other payables and Provisions) | 863.81                               | -  | 307.72                       | 6,022.36                          |
| - Other Liabilities   | 3,650.10                             | 178.89                                       | 1,225.72                     | 10,262.71                         |
| <b>Total Current Liabilities (C)</b>  | <b>4,513.91</b>                      | <b>178.89</b>                                | <b>1,533.44</b>              | <b>16,285.07</b>                  |
| <b>Non-Current Liabilities</b>  |                                      |  |                              |                                   |
| - Financial Liabilities (Excluding Trade and other payables and Provisions) | 296.31                               | -  | 750.71                       | 2,544.97                          |
| - Other Liabilities   | 225.74                               | -  | 34.10                        | 4,349.68                          |
| <b>Total Non-Current Liabilities (D)</b>                                    | <b>522.05</b>                        | <b>-</b>                                     | <b>784.81</b>                | <b>6,894.65</b>                   |
| <b>Net Assets (A+B-C-D)</b>   | <b>3,333.51</b>                      | <b>(9.88)</b>                                | <b>162.94</b>                | <b>9,653.23</b>                   |

₹ In Lakhs

| Particular  | Joint Ventures                       |                              |                                   |
|---|--------------------------------------|------------------------------|-----------------------------------|
|   | JBM Ogihara Automotive India Limited | Indo Tooling Private Limited | JBM MA Automotive Private Limited |
| <b>As at 01 April 2016</b>  |                                      |                              |                                   |
| <b>Current Assets</b>   |                                      |                              |                                   |
| - Cash and Cash Equivalents   | 2.66                                 | 7.24                         | 186.41                            |
| - Other Assets  | 3,796.48                             | 1,119.55                     | 12,434.32                         |
| <b>Total Current Assets (A)</b>   | <b>3,799.14</b>                      | <b>1,126.79</b>              | <b>12,620.73</b>                  |
| <b>Total Non - Current Assets (B)</b>                                       | <b>4,733.68</b>                      | <b>682.93</b>                | <b>15,666.02</b>                  |
| <b>Current Liabilities</b>  |                                      |                              |                                   |
| - Financial Liabilities (Excluding Trade and other payables and Provisions) | 1,566.62                             | 334.75                       | 4,295.77                          |
| - Other Liabilities   | 3,086.56                             | 630.42                       | 6,792.64                          |
| <b>Total Current Liabilities (C)</b>  | <b>4,653.18</b>                      | <b>965.17</b>                | <b>11,088.41</b>                  |

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ In Lakhs

| Particular  | Joint Ventures                       |                              |                                   |
|---|--------------------------------------|------------------------------|-----------------------------------|
|   | JBM Ogihara Automotive India Limited | Indo Tooling Private Limited | JBM MA Automotive Private Limited |
| <b>Non-Current Liabilities</b>  |                                      |                              |                                   |
| - Financial Liabilities (Excluding Trade and other payables and Provisions) | 632.41                               | 686.55                       | 1,416.66                          |
| - Other Liabilities   | 190.11                               | 25.76                        | 7,179.98                          |
| <b>Total Non-Current Liabilities (D)</b>                                    | <b>822.52</b>                        | <b>712.31</b>                | <b>8,596.64</b>                   |
| <b>Net Assets (A+B-C-D)</b>   | <b>3,057.12</b>                      | <b>132.24</b>                | <b>8,601.70</b>                   |

### Reconciliation to carrying amounts:

₹ In Lakhs

| Particulars                                      | Joint Ventures/Associate             |  |                              |                                   |
|--|--------------------------------------|--|------------------------------|-----------------------------------|
|  | JBM Ogihara Automotive India Limited | JBM Solaris Electric Vehicle Private Limited | Indo Tooling Private Limited | JBM MA Automotive Private Limited |
| <b>As at 31st March 2018</b>                     |                                      |  |                              |                                   |
| <b>Opening Net Assets</b>                        | <b>3,333.51</b>                      | <b>(9.88)</b>                                | <b>162.94</b>                | <b>9,653.23</b>                   |
| Equity share capital issued during the year      | -                                    | 600.00                                       | -                            | -                                 |
| Profit / (Loss) for the year                     | 63.41                                | (30.98)                                      | (225.24)                     | 1,783.03                          |
| Previous year adjustment                         | -                                    | 5.95   | -                            | -                                 |
| Other Comprehensive Income                       | (0.11)                               | -  | 1.12                         | 9.08                              |
| <b>Closing Net Assets</b>                        | <b>3,396.81</b>                      | <b>565.08</b>                                | <b>(61.18)</b>               | <b>11,445.34</b>                  |
| Unrealised Profit on Property, Plant & Equipment | -                                    | -  | -                            | (558.66)                          |
| Equity Component of preference share capital     | -                                    | -  | (312.95)                     | -                                 |
| <b>Total</b>                                     | <b>3,396.81</b>                      | <b>565.08</b>                                | <b>(374.13)</b>              | <b>10,886.69</b>                  |
| Group's Share in %                               | 51.00%                               | 80.00%                                       | 50.00%                       | 50.00%                            |
| Group's Share in ₹                               | 1,732.37                             | 452.06                                       | (187.07)                     | 5,443.34                          |
| Loss adjusted with advance to supplier           | -                                    | -  | 187.07                       | -                                 |
| Add: Goodwill                                    | 87.24                                | -  | -                            | -                                 |
| <b>Carrying Amount of Investment</b>             | <b>1,819.61</b>                      | <b>452.06</b>                                | <b>-</b>                     | <b>5,443.34</b>                   |
| <b>As at 31st March 2017</b>                     |                                      |  |                              |                                   |
| <b>Opening Net Assets</b>                        | <b>3,057.12</b>                      | <b>-</b>                                     | <b>132.24</b>                | <b>8,601.70</b>                   |
| Equity share capital issued during the year      | -                                    | 1.00   | -                            | -                                 |
| Profit / (Loss) for the year                     | 274.68                               | (10.88)                                      | 31.45                        | 1,056.23                          |
| Other Comprehensive Income                       | 1.71                                 | -  | (0.75)                       | (4.70)                            |
| <b>Closing Net Assets</b>                        | <b>3,333.51</b>                      | <b>(9.88)</b>                                | <b>162.94</b>                | <b>9,653.23</b>                   |
| Unrealised Profit on Property, Plant & Equipment | -                                    | -  | -                            | (656.21)                          |
| Equity Component of preference share capital     | -                                    | -  | (312.95)                     | -                                 |
| <b>Total</b>                                     | <b>3,333.51</b>                      | <b>(9.88)</b>                                | <b>(150.01)</b>              | <b>8,997.02</b>                   |

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ In Lakhs

| Particulars  | Joint Ventures/Associate             |  |                              |                                   |
|--|--------------------------------------|--|------------------------------|-----------------------------------|
|  | JBM Ogihara Automotive India Limited | JBM Solaris Electric Vehicle Private Limited | Indo Tooling Private Limited | JBM MA Automotive Private Limited |
| Group's Share in %   | 51.00%                               | 80.00%                                       | 50.00%                       | 50.00%                            |
| Group's Share in ₹   | 1,700.08                             | (7.91)                                       | (75.00)                      | 4,498.51                          |
| Loss adjusted with advance to supplier                           | -                                    | 7.91   | 75.01                        | -                                 |
| Add: Goodwill  | 87.24                                | -  | -                            | -                                 |
| <b>Carrying Amount of Investment</b>                             | <b>1,787.32</b>                      | <b>-</b>                                     | <b>-</b>                     | <b>4,498.51</b>                   |
| <b>As at 01 April 2016</b>                                       |                                      |  |                              |                                   |
| <b>Net Assets</b>  | <b>3,057.12</b>                      | <b>-</b>                                     | <b>132.24</b>                | <b>8,601.70</b>                   |
| Unrealised Profit on Property, Plant & Equipment                 | -                                    | -  | -                            | (753.75)                          |
| Equity Component of preference share capital not held by Company | -                                    | -  | (312.95)                     | -                                 |
| <b>Total</b>   | <b>3,057.12</b>                      | <b>-</b>                                     | <b>(180.71)</b>              | <b>7,847.95</b>                   |
| Group's Share in %   | 51.00%                               | 0.00%  | 50.00%                       | 50.00%                            |
| Group's Share in ₹   | 1,559.14                             | -  | (90.35)                      | 3,923.97                          |
| Loss adjusted against other receivables                          | -                                    | -  | 90.35                        | -                                 |
| Add: Goodwill  | 87.24                                | -  | -                            | -                                 |
| <b>Carrying Amount of Investment</b>                             | <b>1,646.38</b>                      | <b>-</b>                                     | <b>-</b>                     | <b>3,923.97</b>                   |

### d) Summarised Statement of Profit and Loss

| Particulars                               | Joint Ventures/ Associate            |  |                              |                                   |
|---|--------------------------------------|--|------------------------------|-----------------------------------|
|   | JBM Ogihara Automotive India Limited | JBM Solaris Electric Vehicle Private Limited | Indo Tooling Private Limited | JBM MA Automotive Private Limited |
| <b>For the year ended 31st March 2018</b> |                                      |  |                              |                                   |
| Revenue (Gross)                           | 16,378.92                            | -  | 2,209.02                     | 44,049.15                         |
| Interest Income                           | -                                    | -  | 57.23                        | 9.86                              |
| Depreciation and Amortisation             | 411.22                               | -  | 15.80                        | 1,443.83                          |
| Interest expense                          | 105.80                               | -  | 98.09                        | 714.82                            |
| Profit or loss from continuing operations | 50.85                                | (30.98)                                      | (224.56)                     | 2,814.46                          |
| Income tax expenses                       | (12.56)                              | -  | 0.67                         | 1,031.43                          |
| <b>Other comprehensive income</b>         | <b>(0.11)</b>                        | <b>-</b>                                     | <b>1.12</b>                  | <b>9.08</b>                       |
| <b>Total Comprehensive income</b>         | <b>63.30</b>                         | <b>(30.98)</b>                               | <b>(224.12)</b>              | <b>1,792.11</b>                   |

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ In Lakhs

| Particulars                               | Joint Ventures                       |  |                              |                                   |
|---|--------------------------------------|--|------------------------------|-----------------------------------|
|   | JBM Ogihara Automotive India Limited | JBM Solaris Electric Vehicle Private Limited | Indo Tooling Private Limited | JBM MA Automotive Private Limited |
| <b>For the year ended 31st March 2017</b> |                                      |  |                              |                                   |
| Revenue (Gross)                           | 14,529.00                            | -  | 3,112.98                     | 35,488.66                         |
| Interest Income                           | 36.79                                | -  | 54.33                        | 4.75                              |
| Depreciation and Amortisation             | 382.82                               | -  | 19.27                        | 1,410.44                          |
| Interest expense                          | 182.87                               | -  | 89.89                        | 516.15                            |
| Profit or loss from Continuing operations | 385.39                               | (10.88)                                      | 30.58                        | 1,398.48                          |
| Income tax expenses                       | 110.70                               | -  | (0.86)                       | 342.25                            |
| <b>Other comprehensive income</b>         | <b>1.68</b>                          | <b>-</b>                                     | <b>(0.75)</b>                | <b>(4.70)</b>                     |
| <b>Total Comprehensive income</b>         | <b>276.36</b>                        | <b>(10.88)</b>                               | <b>30.70</b>                 | <b>1,051.53</b>                   |

e) The Group, based on Joint Venture Agreement and other relevant documents, has assessed that though the Group has voting power in excess of 50% in the companies listed below, it does not have unilateral control over their relevant activities (e.g. operating and financial decision making). Accordingly, these companies have been classified as Joint Ventures.

| S.No | Name of Company                              |
|------|--|
| 1    | JBM Ogihara Automotive India Limited         |
| 2    | JBM Solaris Electric Vehicle Private Limited |

### NOTE 37 : CONTINGENT LIABILITIES AND COMMITMENTS

#### A Contingent liabilities

(Claims against the Company not acknowledged as debts)

| Particulars                               | 31-Mar-18 | 31-Mar-17 | 1-Apr-16 |
|---|-----------|-----------|----------|
| a Income Tax matters                      | 842.87    | 846.20    | 666.34   |
| b Excise, Customs and Service Tax Matters | 1,062.56  | 934.78    | 995.84   |
| c Sales Tax and VAT Matters               | 6.70      | 50.23     | 1,536.55 |

It is not practicable for the group to estimate the timings and amount of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

Against above demands, an amount of ₹ 57.42 lakhs has been paid under dispute.

#### B. Commitments

| Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances) | 31-Mar-18 | 31-Mar-17 | 1-Apr-16 |
|--|-----------|-----------|----------|
| Property, Plant and Equipment  | 1,173.98  | 231.39    | 1,231.69 |

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ In Lakhs

### C. Other Commitments

| Particulars  | 31-Mar-18 | 31-Mar-17 | 1-Apr-16 |
|--|-----------|-----------|----------|
| Letter of credit issued by bankers and outstanding | 2,805.88  | 3,812.05  | 2,362.68 |
| Bank Guarantees                                    | 43.27     | 51.83     | 58.37    |

### CONTINGENT LIABILITIES AND COMMITMENTS OF ASSOCIATE/JOINT VENTURES

#### A Contingent liabilities

(Claims against the Company not acknowledged as debts)

₹ In Lakhs

| Particulars  | 31-Mar-18 | 31-Mar-17 | 1-Apr-16 |
|--|-----------|-----------|----------|
| a Income Tax matters                                       | 69.92     | 1.05      | 1.05     |
| b Excise, Customs and Service Tax Matters*                 | 584.13    | 584.13    | 584.13   |
| c Sales Tax and VAT Matters                                | 232.76    | -         | -        |
| d Other money for which the company is contingently liable | 7.65      | 4.97      | 4.97     |
| e MIDC Demand for Differential Land Premium                | 214.65    | 214.65    | -        |

\* Against this amount of Rs 20.76 lakhs has been deposited

### B. Commitments

| Estimated amount of contracts remaining to be executed on capital account and not provided for | 31-Mar-18 | 31-Mar-17 | 1-Apr-16 |
|--|-----------|-----------|----------|
| Property, Plant and Equipment  | 4,818.71  | 213.60    | 3,563.26 |

### C. Other Commitments

| Particulars     | 31-Mar-18 | 31-Mar-17 | 1-Apr-16 |
|-----------------|-----------|-----------|----------|
| Bank Guarantees | 225.05    | 257.03    | 273.89   |

### NOTE 38 : Auditor's Remuneration (Excluding Service Tax/GST)

| Statutory Auditors           | 31-Mar-18 | 31-Mar-17 |
|------------------------------|-----------|-----------|
| A) Statutory Audit Fees      | 32.00     | 32.68     |
| B) Tax Audit Fees            | 8.00      | 8.00      |
| C) Taxation Matters          | -         | 8.34      |
| D) Other Services            | 9.00      | 9.00      |
| E) Reimbursement of expenses | 2.42      | 1.15      |

### NOTE 39 : SEGMENT INFORMATION

The Group's operating segments are established on the basis of those components of the Group that are evaluated regularly by the Executive Committee (the 'Chief Operating Decision Maker' as defined in Ind AS 108 - 'Operating Segments'), in deciding how to allocate resources and in assessing performance. These have been identified taking into account nature of products and services, the differing risks and returns and the internal business reporting systems.



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 39 : SEGMENT INFORMATION

The Group has three principal operating and reporting segments; viz. is given below:

#### Primary Segment Reporting

A. Primary business segments of the group are as under :

- (a) **Sheet Metal Components, Assemblies & Sub-assemblies (Component Division)** : Engaged in the business of manufacturing of automobiles parts for commercial and passenger vehicles .
- (b) **Tool, Dies & Moulds (Tool Room Division)** : Segment manufactures dies for the sheet metal segment or sells dies.
- (c) **Bus Division** : Segment includes activities related to Development, Design, Manufacture, Assembly and Sale of Bus as well as parts, accessories and maintenance contracts of the same.

#### B. Inter Segment Transfer Pricing

Inter Segment Prices are normally negotiated amongst the segments with reference to the costs, markets prices and business risks, within an overall optimization objective for the companies.

#### Revenue from Operations

Interest income, rental income, dividend income, income recognised on sale of assets and investment are excluded from segment revenue. Transactions between segments are carried out at arm's length and are eliminated on consolidation. The segment revenue is measured in the same way as in the Statement of Profit and Loss.

₹ In Lakhs

| Particulars   | For the year ended<br>31st March 2018 | For the year ended<br>31st March 2017 |
|---|---------------------------------------|---------------------------------------|
| <b>Segment Revenue from Operation</b>                             |                                       |                                       |
| A) Component Division   | 158,264.77                            | 154,886.86                            |
| B) Tool Room Division   | 8,725.23                              | 11,048.49                             |
| C) Bus Division   | 1,768.75                              | 4,706.22                              |
| D) Other  | 27.39                                 | 31.38                                 |
| <b>Total</b>  | <b>168,786.14</b>                     | <b>170,672.95</b>                     |
| Less : Intersegment revenue                                       | 84.81                                 | 1,325.00                              |
| <b>Net Segment revenue from operations</b>                        | <b>168,701.32</b>                     | <b>169,347.95</b>                     |
| <b>Unallocated Income :</b>                                       |                                       |                                       |
| Interest Income   | 20.32                                 | 14.55                                 |
| Other Income  | 1,069.90                              | 1,471.04                              |
| <b>Total Revenue as per Statement of Profit and Loss</b>          | <b>169,791.54</b>                     | <b>170,833.53</b>                     |
| <b>Segment Results</b>  |                                       |                                       |
| <b>Profit before tax and finance cost from each segment</b>       |                                       |                                       |
| A) Component Division   | 13,387.00                             | 9,328.23                              |
| B) Tool Room Division   | 2,875.96                              | 3,385.21                              |
| C) Bus Division   | (1,178.02)                            | (1,022.34)                            |
| D) Others   | 815.92                                | 2,371.00                              |
| <b>Total</b>  | <b>15,900.86</b>                      | <b>14,062.09</b>                      |
| Less : Finance Cost   | 4,857.89                              | 5,274.83                              |
| <b>Profit before share of profit of Joint Ventures/Associates</b> | <b>11,042.98</b>                      | <b>8,787.26</b>                       |
| Add: Share of Profit of Joint Ventures/Associates                 | 1,344.87                              | 951.15                                |
| <b>Profit before tax</b>  | <b>12,387.85</b>                      | <b>9,738.41</b>                       |
| less: Tax Expenses  | 4,274.54                              | 2,545.95                              |
| <b>Profit after tax</b>   | <b>8,113.31</b>                       | <b>7,192.46</b>                       |

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### Segment Depreciation

₹ In Lakhs

| Particulars           | For the year ended<br>31st March 2018 | For the year ended<br>31st March 2017 |
|-----------------------|---------------------------------------|---------------------------------------|
| A) Component Division | 4,571.11                              | 4,131.23                              |
| B) Tool Room Division | 142.04                                | 124.23                                |
| C) Bus Division       | 832.82                                | 736.94                                |
| D) Other/Unallocable  | 10.91                                 | 12.54                                 |
| <b>Total</b>          | <b>5,556.89</b>                       | <b>5,004.94</b>                       |

### Segment Assets

Segment Assets are allocated based on the operations of the segment and the physical location of the asset. Assets not used directly in operations of the segment like investment, other common assets are reported as unallocated assets.

| Particulars           | As at 31.03.2018  | As at 31.03.2017  |
|-----------------------|-------------------|-------------------|
| A) Component Division | 99,616.75         | 95,200.91         |
| B) Tool Room Division | 16,952.65         | 15,131.01         |
| C) Bus Division       | 15,013.08         | 13,004.19         |
| D) Others             | 11,896.31         | 11,639.78         |
| <b>Total</b>          | <b>143,478.79</b> | <b>134,975.89</b> |

### Segment Liabilities

Segment Liabilities are allocated based on the operations of the segment. Liabilities not used directly in operations of the segment common liabilities like borrowings are reported as unallocated liabilities.

| Particulars                               | As at 31.03.2018 | As at 31.03.2017 |
|---|------------------|------------------|
| A) Component Division                     | 42,944.65        | 49,551.81        |
| B) Tool Room Division                     | 4,453.69         | 3,096.25         |
| C) Bus Division                           | 7,182.44         | 5,069.58         |
| D) Others                                 | 9,003.71         | 8,977.56         |
| <b>Total</b>                              | <b>63,584.49</b> | <b>66,695.20</b> |
| (e) Unallocable                           |                  |                  |
| Deferred component of financial liability | 1,103.28         | 1,496.73         |
| Non-current borrowings                    | 29,702.20        | 24,841.39        |
| Others                                    | 16.67            | 9.91             |
| <b>Total</b>                              | <b>94,406.64</b> | <b>93,043.23</b> |

As per Indian Accounting Standard 108 - Operating Segments, the Company has reported segment information on consolidated basis including businesses conducted through its subsidiaries.

The group is mainly engaged in the business in India and exports are not material. Hence in the context of Indian Accounting Standard - 108 "Operating Segments" it is considered the only reportable segment.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Revenue from transactions with a single external customer amounting to 10% or more of the group's revenues is as follows:

₹ In Lakhs

| Particulars  | For the year ended<br>31st March 2018 | For the year ended<br>31st March 2017 |
|--------------|---------------------------------------|---------------------------------------|
| Customer 1 # | 42,631.10                             | 39,248.94                             |

# The Figures for the Year Ended 31st March 2018 are strictly not relatable to P.Y 31st March 2017 as Consequent to introduction of Goods and Services Tax (GST) with effect from 1st July, 2017 Central Excise, Value Added Tax (VAT) etc. have been subsumed into GST. In Accordance with Indian Accounting Standard-18 on Revenue and Schedule III of the Companies Act 2013, unlike Excise Duties, GST, VAT etc. are not part of the revenue.

**NOTE 40 : The expenditure incurred by in house R&D Centre approved by DSIR on scientific research during the year is as under:**

| Particulars         | Year Ended<br>31st March 2018 | Year Ended<br>31st March 2017 | Year Ended<br>31st March 2016 |
|---------------------|-------------------------------|-------------------------------|-------------------------------|
| Revenue Expenditure | 1383.96                       | 1411.88                       | 1,992.60                      |
| Capital Expenditure | 21.03                         | 25.65                         | 88.55                         |
| <b>Total</b>        | <b>1404.99</b>                | <b>1437.53</b>                | <b>2081.15</b>                |

### NOTE 41 : DISCLOSURE RELATING TO CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

| Particulars  |         | 31-Mar-18              | 31-Mar-17 |
|--|---------|------------------------|-----------|
|  |         |                        |           |
| (i) Gross amount required to be spent by the group during the year |         | 179.50                 | 170.88    |
|  |         |                        |           |
| (ii) Amount spent during the year ending on March 31, 2018:        | In cash | Yet to be paid in cash | Total     |
| 1. Construction / acquisition of any asset                         | -       | -                      | -         |
| 2. On purposes other than (i) above                                |         |                        |           |
| – Others (Skill Development Centre)*                               | 181.57  | -                      | 181.57    |
| (iii) Amount spent during the year ending on March 31, 2017:       |         |                        |           |
| 1. Construction / acquisition of any asset                         | -       | -                      | -         |
| 2. On purposes other than (i) above                                |         |                        |           |
| – Others (Skill Development Centre)*                               | 113.22  | -                      | 113.22    |
| – Neel Foundation  | 50.00   | -                      | 50.00     |
| – Others   | 8.03    | -                      | 8.03      |

\* The group has set up Skill Development Centre to enhance employability in society thereby increasing availability of skilled personnel for the group and society at large.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 42 : DURING THE YEAR, THE FOLLOWING EXPENDITURE HAS BEEN CAPITALIZED IN BUS DIVISION:

₹ In Lakhs

| Nature of expenses | Capitalized from opening CWIP | Capitalized from C Y Expenses | Total Capitalized          |
|--------------------|-------------------------------|-------------------------------|----------------------------|
| Manpower Cost      | 156.40<br>(190.11)            | 162.66<br>(25.64)             | 319.06<br>(215.75)         |
| Finance Cost       | -<br>-                        | 41.25<br>-                    | 41.25<br>-                 |
| Other Expenses     | 2.49<br>-                     | 0.80<br>(49.18)               | 3.29<br>(49.18)            |
| <b>Total</b>       | <b>158.89<br/>(190.11)</b>    | <b>204.71<br/>(74.81)</b>     | <b>363.60<br/>(264.92)</b> |

Note: Figures in brackets represents previous year's amounts

**NOTE 43 :** During the F. Y. 2016-17, the Company had entered into a joint venture agreement on 14th July 2016 with Solaris Bus & Coach S.A., Poland to establish a company for the manufacturing of Electric and Hybrid Buses. The Company is holding 80% paid up equity share capital into the joint venture company (JBM Solaris Electric Vehicle Private Limited).

**NOTE 44 :** During the F.Y. 2017-18 the joint venture partner MA SRL Italy has exited from JV Agreement on 31.01.2018 by sale of its entire holding in the JV company, JBM MA Automotive Private Limited. However, the JV company is continuing its existing business.

**NOTE 45 :** In their meeting held on 01.03.2018, the Board of Directors of the Company has approved the Scheme of Amalgamation of JBM Auto System Private Limited ("Subsidiary Company") and JBM MA Automotive Private Limited ("Associate Company") with JBM Auto Limited from Appointed Date 01.04.2017 subject to obtaining of necessary Regulatory Approvals. Pending such Regulatory Approvals no adjustment has been made in the above financial statements.

**NOTE 46 :** During the F.Y. 2016-17, exceptional income represents ₹ 1,105.00 lakhs receivable from one of the customer against the claim made for the compensation, on account of loss for the underutilization of resources due to less volume purchased by the customer.

### NOTE 47 : DISCLOSURE UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 ("MSMED ACT, 2006") IS AS UNDER:

₹ In Lakhs

|       | Particulars  | 31-Mar-18 | 31-Mar-17 | 1-Apr-16 |
|-------|--|-----------|-----------|----------|
| (i)   | the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year   | 196.68    | 159.66    | 273.10   |
| (ii)  | the interest due thereon remaining unpaid to any supplier as at the end of each accounting year  | 3.90      | 4.73      | 3.44     |
| (iii) | the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year   | Nil       | Nil       | Nil      |
| (iv)  | the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006   | 16.06     | 11.17     | 3.52     |
| (v)   | the amount of interest accrued and remaining unpaid at the end of each accounting year   | 19.96     | 14.86     | 3.69     |
| (vi)  | the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 | 3.90      | 4.73      | 3.44     |

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

The above disclosure has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

**NOTE 48 :** Cost of materials consumed has been computed by adding purchase to the opening stock and deducting closing stock verified physically by the management.

### NOTE 49: DETAIL OF SHAREHOLDERS HOLDING MORE THAN 5% EQUITY SHARE CAPITAL

| Name of Shareholders                     | 31-Mar-18     |           | 31-Mar-17     |           |
|--|---------------|-----------|---------------|-----------|
|  | No. of shares | % holding | No. of shares | % holding |
| Equity shares of ₹ 5 each fully paid up  |               |           |               |           |
| SMC Credit Limited                       | 7,570,260     | 18.56     | 7,570,260     | 18.56     |
| A to Z Securities Limited                | 4,190,160     | 10.27     | 4,190,160     | 10.27     |
| Zeal Impex & Traders Private Limited     | 4,018,968     | 9.85      | 4,018,968     | 9.85      |
| Amity Infotech Private Limited           | 4,000,000     | 9.81      | 4,000,000     | 9.81      |
| JBM Builders Private Limited             | 3,030,832     | 7.43      | 3,030,832     | 7.43      |
| Shuklamber Exports Limited               | 3,424,824     | 8.39      | 3,424,824     | 8.39      |
| NAP Investment & Leasing Private Limited | 2,274,616     | 5.58      | 2,274,616     | 5.58      |
| ANS Holding Private Limited              | 2,058,996     | 5.05      | 2,058,996     | 5.05      |

### NOTE 50 : LEASES

#### OPERATING LEASE : GROUP AS LESSEE

The group leases mainly office facilities under cancellable operating lease agreements. Minimum lease payments under operating lease are recognized on a straight line basis over the term of the lease. Rent expense for operating leases for the year ended March 31, 2018 and March 31, 2017 was ₹ 161.96 Lakhs and ₹ 229.00 Lakhs respectively. There are no significant restrictions imposed by the lease agreements and there is a sub leases during the F. Y. 2017-18 and rental income from this sub lease is ₹ 9.12 Lakhs. There are no contingent rents. The operating lease agreements are renewable on a periodic basis. Some of these lease agreements have price escalation clause.

#### FINANCE LEASE: GROUP AS LESSEE

The group has taken land under finance leases. The following is the summary of future minimum lease rental payments under finance leases entered into by the company:

₹ In Lakhs

| Particulars                                       | As at 31 March 2018   |  | As at 31 March 2017   |  | As at 1st April 2016  |  |
|---|-----------------------|--|-----------------------|--|-----------------------|--|
|   | Minimum Lease Payment | Present Value of Minimum Lease Payment | Minimum Lease Payment | Present Value of Minimum Lease Payment | Minimum Lease Payment | Present Value of Minimum Lease Payment |
| Not Later than 1 Year                             | 6.76                  | 6.12                                   | 6.76                  | 6.12                                   | 6.76                  | 6.12                                   |
| Later than one year but not later than five years | 27.03                 | 19.18                                  | 27.03                 | 19.18                                  | 27.03                 | 19.18                                  |
| Later than five years                             | 2,242.27              | 69.79                                  | 2,249.03              | 66.87                                  | 2,255.79              | 64.24                                  |
| <b>Total minimum lease commitments</b>            | <b>2,276.06</b>       | <b>95.09</b>                           | <b>2,282.82</b>       | <b>92.17</b>                           | <b>2,289.58</b>       | <b>89.53</b>                           |
| Less: Future finance charges                      | 2,180.97              |  | 2,190.65              |  | 2,200.05              |  |
|   | <b>95.09</b>          |  | <b>92.17</b>          |  | <b>89.53</b>          |  |

There are no sub leases and no contingent rents. Certain finance lease agreements are renewable at the end of the lease period. There is price escalation clause in certain lease agreements.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 51 : EXCISE DUTY

Consequent to the introduction of Goods & Service Tax (GST) with effect from 1st July 2017 Central Excise, Value Added Tax (VAT) etc. have been subsumed into GST. In accordance with Indian Accounting Standard -18 on Revenue and Schedule III of the Companies Act 2013, unlike Excise Duties, levies like GST, VAT etc. are not part of revenue. Accordingly the figures for the periods upto 30th June 2017 are not strictly relatable to those thereafter. The following additional information is being provided to facilitate such understanding.

₹ In Lakhs

| Particulars  | For the year ended<br>31.03.2018 | For the year ended<br>31.03.2017 |
|--|----------------------------------|----------------------------------|
| A Gross Sales/Income from Operations                             | 168,701.32                       | 169,347.95                       |
| B Excise Duty  | 5,413.49                         | 19,255.67                        |
| C Gross Sales/Income from Operations excluding Excise Duty (A-B) | 163,287.83                       | 150,092.28                       |

### NOTE 52 : EMPLOYMENT BENEFITS

#### A. Defined Benefit Plans as per Ind AS 19 Employee Benefits:

##### Gratuity

The group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. These benefits are funded. The following tables summaries the components of net benefit expense recognized in the Statement of Profit and Loss and the funded status and amounts recognized in the Balance Sheet.

These Plans typically expose the group to actuarial risks such as : Investment risk, Interest rate risk, Longevity risk and Salary risk.

##### Investment Risk

The Probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

##### Interest Risk

The Plan exposes the group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

##### Longevity risk

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants during employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

##### Salary Risk

The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### Disclosure of gratuity

#### (i) Amount recognised in the Statement of Profit and Loss is as under:

₹ In Lakhs

| Description  | 31-Mar-18     | 31-Mar-17     |
|--|---------------|---------------|
| Current service cost   | 102.45        | 92.15         |
| Net interest cost  | 17.99         | 11.88         |
| Past service cost  | 18.34         | -             |
| Actuarial loss/(gain) recognised during the year             | -             | -             |
| Expected return on planned assets                            | -             | -             |
| <b>Amount recognised in the Statement of Profit and Loss</b> | <b>138.78</b> | <b>104.03</b> |

#### (ii) Amount recognised in Other Comprehensive Income is as under:

₹ In Lakhs

| Description   | 31-Mar-18   | 31-Mar-17    |
|---|-------------|--------------|
| Actuarial loss/(gain) recognised during the year                            |             |              |
| - Change in financial assumptions   | (15.63)     | 23.06        |
| - Experience variance (i.e. actual experience vs assumptions)               | (1.69)      | (10.30)      |
| Return on plan assets, excluding amount recognised in net interest expenses | 19.79       | 0.12         |
| <b>Amount recognised in the Other Comprehensive Income</b>                  | <b>2.47</b> | <b>12.88</b> |

#### (iii) Movement in the Present Value of Defined Benefit Obligation recognised in the Balance Sheet is as under:

₹ In Lakhs

| Description  | 31-Mar-18     | 31-Mar-17     |
|--|---------------|---------------|
| <b>Present value of defined benefit obligation as at the start of the year</b> | <b>579.84</b> | <b>487.61</b> |
| Current service cost   | 102.45        | 92.15         |
| Interest cost  | 42.69         | 38.18         |
| Actuarial loss/(gain) recognised during the year                               |               |               |
| change in financial assumptions  | (15.63)       | 23.06         |
| experience variance (i.e. actual experience vs assumptions)                    | (1.69)        | (10.30)       |
| Benefits paid  | (47.28)       | (50.87)       |
| Past service cost  | 18.34         | -             |
| <b>Present value of defined benefit obligation as at the end of the year</b>   | <b>678.72</b> | <b>579.84</b> |

#### (iv) Movement in the plan assets recognised in the Balance Sheet is as under:

₹ In Lakhs

| Description   | 31-Mar-18     | 31-Mar-17     |
|---|---------------|---------------|
| <b>Fair Value of plan assets at beginning of year</b>   | <b>335.90</b> | <b>336.47</b> |
| Interest income plan assets                             | 24.70         | 26.30         |
| Actual company contributions                            | 44.91         | 5.12          |
| Return on plan assets                                   | (19.79)       | (0.12)        |
| Benefits paid   | (39.90)       | (31.87)       |
| <b>Fair Value of plan Assets at the end of the year</b> | <b>345.82</b> | <b>335.90</b> |



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### (v) Major categories of plan assets:

| Asset Category        | 31-Mar-18 | 31-Mar-17 |
|-----------------------|-----------|-----------|
| Insurer Managed Funds | 100%      | 100%      |

### (vi) Analysis of amounts recognised on other comprehensive (income)/loss at period end:

₹ In Lakhs

| Description  | 31-Mar-18     | 31-Mar-17     |
|--|---------------|---------------|
| Amount recognized in OCI, beginning of period                          | (3.56)        | (16.44)       |
| Actuarial (gain)/loss on arising from change in demographic assumption | -             | -             |
| Actuarial (gain)/loss on arising from change in financial assumption   | (15.63)       | 23.06         |
| Experience variance (i.e. actual experience vs assumptions)            | (1.69)        | (10.30)       |
| Return on plan assets (excluding interest)                             | 19.79         | 0.12          |
| <b>Total remeasurement recognized in OCI</b>                           | <b>2.47</b>   | <b>12.88</b>  |
| <b>Amount recognized in OCI, end of Period</b>                         | <b>(1.09)</b> | <b>(3.56)</b> |

### (vii) Reconciliation of Balance Sheet Amount

₹ In Lakhs

| Description                      | 31-Mar-18       | 31-Mar-17       |
|----------------------------------|-----------------|-----------------|
| Present value of obligation      | 678.72          | 579.84          |
| Fair value of plan assets        | 345.82          | 335.90          |
| Surplus/(Deficit)                | (332.89)        | (243.94)        |
| Effect of assets ceiling, if any | -               | -               |
| <b>Net assets/(liability)</b>    | <b>(332.89)</b> | <b>(243.94)</b> |

### (viii) Current / Non-Current Bifurcation

₹ In Lakhs

| Description  | 31-Mar-18     | 31-Mar-17     |
|--|---------------|---------------|
| Current Benefit Obligation                               | 110.85        | 90.36         |
| Non - Current Benefit Obligation                         | 567.87        | 489.48        |
| <b>(Asset)/Liability Recognised in the Balance Sheet</b> | <b>678.72</b> | <b>579.83</b> |

### (ix) Actuarial assumptions

| Description                              | As at 31/03/2018 | As at 31/03/2017 |
|--|------------------|------------------|
| Discount rate                            | 7.60-7.70%       | 7.35-7.40%       |
| Future basic salary increase             | 4-5%             | 4-5%             |
| Expected rate of interest on plan assets | 7.60-7.70%       | 7.35-7.40%       |
| Mortality (% of IALM 06-08)              | 100.00%          | 100.00%          |
| Normal retirement age                    | 58 Years         | 58 Years         |
| Attrition/withdrawal rate (per annum)    | 5.00%            | 5.00%            |

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### (x) Maturity Profile of Defined Benefit Obligation

₹ In Lakhs

| Expected Cash Flow over the next (Valued on undiscounted basis) | As at 31/03/2018 | As at 31/03/2017 |
|---|------------------|------------------|
| 1 year  | 74.14            | 55.69            |
| 2 to 5 years  | 210.39           | 168.98           |
| 6 to 10 years   | 394.15           | 342.50           |

### (xi) Sensitivity analysis for gratuity liability

₹ In Lakhs

| Description                       | As at 31/03/2018 | As at 31/03/2017 |
|-----------------------------------|------------------|------------------|
| Defined Benefit Obligation (Base) | 678.72           | 579.84           |

| Description   | As at 31/03/2018 | As at 31/03/2017 |
|---|------------------|------------------|
| <b>Defined Benefit Obligation - change in discount rate</b> |                  |                  |
| - Discount rate increase by 1.00 %                          | 625.37           | 532.40           |
| - Discount rate decrease by 1.00 %                          | 740.15           | 634.71           |
| <b>Defined Benefit Obligation - change in salary rate</b>   |                  |                  |
| - Salary rate increase by 1.00 %                            | 740.63           | 633.81           |
| - Salary rate decrease by 1.00 %                            | 624.11           | 532.09           |

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation liability recognised in the Balance Sheet.

### The Company is expected to contribute Rs 288.50 lakhs to Defined Benefit Plan Obligation Funds in next year

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to prior period.

### B. Other Long Term Benefits as per Ind AS 19 Employee Benefits:

Leave Encashment and Compensated absences (Unfunded)

The leave obligations cover the group liability for sick and earned leaves.

### (i) Amount recognised in the Statement of Profit and Loss is as under:

₹ In Lakhs

| Description  | As at 31/03/2018 | As at 31/03/2017 |
|--|------------------|------------------|
| Current service cost   | 112.77           | 48.71            |
| Past service cost  | -                | 15.07            |
| Interest cost  | 18.97            | 16.22            |
| -Change in financial assumptions                             | (7.14)           | 28.41            |
| -Experience variance (i.e. actual experience vs assumptions) | 37.10            | (23.72)          |
| <b>Amount recognised in the Statement of Profit and Loss</b> | <b>161.71</b>    | <b>84.69</b>     |

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### (ii) Movement in the liability recognised in the Balance Sheet is as under:

₹ In Lakhs

| Description  | As at 31/03/2018 | As at 31/03/2017 |
|--|------------------|------------------|
| Present value of defined benefit obligation as at the start of the year      | 257.61           | 207.16           |
| Current service cost   | 112.77           | 48.71            |
| Past service cost  | -                | 15.07            |
| Interest cost  | 18.97            | 16.22            |
| Actuarial loss/(gain) recognised during the year                             | -                | -                |
| change in financial assumptions  | (7.14)           | 28.41            |
| experience variance (i.e. actual experience vs assumptions)                  | 37.10            | (23.72)          |
| Benefits paid  | (92.87)          | (34.25)          |
| <b>Present value of defined benefit obligation as at the end of the year</b> | <b>326.45</b>    | <b>257.60</b>    |

### (iii) Current / Non-Current Bifurcation

₹ In Lakhs

| Description  | As at 31/03/2018 | As at 31/03/2017 |
|--|------------------|------------------|
| Current benefit obligation                               | 45.50            | 35.05            |
| Non - current benefit obligation                         | 280.95           | 222.55           |
| <b>(Asset)/Liability Recognised in the Balance Sheet</b> | <b>326.45</b>    | <b>257.60</b>    |

### (iv) Sensitivity analysis

₹ In Lakhs

| Description                        | As at 31/03/2018 | As at 31/03/2017 |
|------------------------------------|------------------|------------------|
| Present Value of Obligation (Base) | 326.45           | 257.60           |

| Description  | As at 31/03/2018 | As at 31/03/2017 |
|--|------------------|------------------|
| <b>Present Value of Obligation - change in discount rate</b> |                  |                  |
| - Discount rate increase by 1.00 %                           | 302.05           | 237.95           |
| - Discount rate decrease by 1.00 %                           | 354.60           | 280.34           |
| <b>Present Value of Obligation - change in salary rate</b>   |                  |                  |
| - Salary rate increase by 1.00 %                             | 355.18           | 280.73           |
| - Salary rate decrease by 1.00 %                             | 301.18           | 237.30           |

### (v) Actuarial assumptions

| Description                        | As at 31/03/2018 | As at 31/03/2017 |
|------------------------------------|------------------|------------------|
| Discount rate                      | 7.60 -7.70%      | 7.35 -7.40%      |
| Future basic salary increase       | 4-5%             | 4-5%             |
| Normal retirement age              | 58 years         | 58 years         |
| Mortality (% of IALM 06-08)        | 100.00%          | 100.00%          |
| Attrition turnover/withdrawal rate | 5.00%            | 5.00%            |

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### C. Defined Contribution and Other Plans

Contributions are made to the Provident Fund, Super Annuation Fund and Other Plans . The contributions are normally based upon a proportion of the employee's salary.

The Company has recognized the following amounts in the Statement of Profit and Loss :

| ₹ In Lakhs   |                  |                  |
|--|------------------|------------------|
| Description  | As at 31/03/2018 | As at 31/03/2017 |
| Employer's contribution to Provident and Pension fund* | 437.00           | 436.72           |
| Employer's Contribution to Superannuation Fund*        | 0.51             | 1.89             |
| Employer's contribution to Employee State insurance*   | 74.98            | 64.52            |
| Employer's contribution to Labour Welfare fund*        | 1.05             | 1.08             |

\* included in contribution to provident & other funds under employee benefit expenses (Refer Note No 30).

### NOTE 53 : RELATED PARTY DISCLOSURES :

The list of related parties as identified by the management is as under:

#### Associates/Joint Ventures

- JBM Ogihara Automotive India Limited
- JBM Solaris Electric Vehicle Private Limited
- INDO Toolings Private Limited
- JBM MA Automotive Private Limited  
(JV upto 31.01.2018 & Associate w.e.f. 01.02.2018)

#### Key Management personnel

- Mr. Sandip Sanyal, Executive Director
- Mr. Vivek Gupta, CFO & Company Secretary

#### Post employment benefit plan of the group

- JBM Auto Group Gratuity Scheme Trust
- JBM Auto System Private Limited Group Gratuity Scheme Trust

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ In Lakhs

| Particulars                                     | 2017-18                   | 2016-17         | 2017-18                  | 2016-17 | 2017-18        | 2016-17 | 2017-18         | 2016-17         |
|---|---------------------------|-----------------|--------------------------|---------|----------------|---------|-----------------|-----------------|
|   | Associates/Joint Ventures |                 | Key Management personnel |         | Gratuity Trust |         | Total           |                 |
| <b>Purchase of Capital Goods</b>                |                           |                 |                          |         |                |         |                 |                 |
| INDO Toolings Private Limited                   | -                         | 213.31          | -                        | -       | -              | -       | -               | 213.31          |
| <b>Total</b>                                    | -                         | <b>213.31</b>   | -                        | -       | -              | -       | -               | <b>213.31</b>   |
| <b>Sale of Goods (including Excise)#</b>        |                           |                 |                          |         |                |         |                 |                 |
| JBM MA Automotive Private Limited               | 1,402.91                  | 1,691.74        | -                        | -       | -              | -       | 1,402.91        | 1,691.74        |
| JBM Ogihara Automotive India Limited            | 1,105.77                  | -               | -                        | -       | -              | -       | 1,105.77        | -               |
| JBM Solaris Electric Vehicles Private Limited   | 6.10                      | 140.02          | -                        | -       | -              | -       | 6.10            | 140.02          |
| INDO Toolings Private Limited                   | -                         | 0.70            | -                        | -       | -              | -       | -               | 0.70            |
| <b>Total</b>                                    | <b>2,514.78</b>           | <b>1,832.46</b> | -                        | -       | -              | -       | <b>2,514.78</b> | <b>1,832.46</b> |
| <b>Sale of Capital Goods (including Excise)</b> |                           |                 |                          |         |                |         |                 |                 |
| JBM Ogihara Automotive India Limited            | 1.34                      | -               | -                        | -       | -              | -       | 1.34            | -               |
| <b>Total</b>                                    | <b>1.34</b>               | -               | -                        | -       | -              | -       | <b>1.34</b>     | -               |
| <b>Other Income</b>                             |                           |                 |                          |         |                |         |                 |                 |
| JBM MA Automotive Private Limited               | -                         | 8.40            | -                        | -       | -              | -       | -               | 8.40            |
| JBM Ogihara Automotive India Limited            | 119.25                    | 99.40           | -                        | -       | -              | -       | 119.25          | 99.40           |
| JBM Solaris Electric Vehicles Private Limited   | 742.43                    | -               | -                        | -       | -              | -       | 742.43          | -               |
| <b>Total</b>                                    | <b>861.68</b>             | <b>107.80</b>   | -                        | -       | -              | -       | <b>861.68</b>   | <b>107.80</b>   |
| <b>Purchase of Goods</b>                        |                           |                 |                          |         |                |         |                 |                 |
| JBM MA Automotive Private Limited               | 249.38                    | 206.05          | -                        | -       | -              | -       | 249.38          | 206.05          |
| INDO Toolings Private Limited                   | 759.15                    | 362.86          | -                        | -       | -              | -       | 759.15          | 362.86          |
| <b>Total</b>                                    | <b>1,008.53</b>           | <b>568.91</b>   | -                        | -       | -              | -       | <b>1,008.53</b> | <b>568.91</b>   |
| <b>Others Expenses</b>                          |                           |                 |                          |         |                |         |                 |                 |
| JBM MA Automotive Private Limited               | 11.64                     | 3.17            | -                        | -       | -              | -       | 11.64           | 3.17            |
| INDO Toolings Private Limited                   | -                         | 0.89            | -                        | -       | -              | -       | -               | 0.89            |
| <b>Total</b>                                    | <b>11.64</b>              | <b>4.06</b>     | -                        | -       | -              | -       | <b>11.64</b>    | <b>4.06</b>     |

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ In Lakhs

| Particulars   | 2017-18                   | 2016-17       | 2017-18                  | 2016-17      | 2017-18        | 2016-17     | 2017-18         | 2016-17       |
|---|---------------------------|---------------|--------------------------|--------------|----------------|-------------|-----------------|---------------|
|   | Associates/Joint Ventures |               | Key Management personnel |              | Gratuity Trust |             | Total           |               |
| <b>Others Expenses Reimbursed</b>                           |                           |               |                          |              |                |             |                 |               |
| JBM MA Automotive Private Limited                           | -                         | 0.06          | -                        | -            | -              | -           | -               | 0.06          |
| JBM Solaris Electric Vehicles Private Limited               | 138.72                    | 10.56         | -                        | -            | -              | -           | 138.72          | 10.56         |
| <b>Total</b>  | <b>138.72</b>             | <b>10.62</b>  | -                        | -            | -              | -           | <b>138.72</b>   | <b>10.62</b>  |
| <b>Contribution to Gratuity Trust</b>                       |                           |               |                          |              |                |             |                 |               |
| JBM Auto Group Gratuity Scheme Trust                        | -                         | -             | -                        | -            | 25.22          | 5.12        | 25.22           | 5.12          |
| JBM Auto System Private Limited Group Gratuity Scheme Trust |                           |               |                          |              | 19.69          | -           | 19.69           | -             |
| <b>Total</b>  | -                         | -             | -                        | -            | <b>44.91</b>   | <b>5.12</b> | <b>44.91</b>    | <b>5.12</b>   |
| <b>Rent Income</b>  |                           |               |                          |              |                |             |                 |               |
| JBM Solaris Electric Vehicles Private Limited               | 9.12                      | -             | -                        | -            | -              | -           | 9.12            | -             |
| <b>Total</b>  | <b>9.12</b>               | -             | -                        | -            | -              | -           | <b>9.12</b>     | -             |
| <b>Investment/Share application money given</b>             |                           |               |                          |              |                |             |                 |               |
| JBM Solaris Electric Vehicles Private Limited               | 720.00                    | 0.80          |                          |              |                |             | 720.00          | 0.80          |
| <b>Total</b>  | <b>720.00</b>             | <b>0.80</b>   | -                        | -            | -              | -           | <b>720.00</b>   | <b>0.80</b>   |
| <b>Remuneration paid to KMP's and their relatives</b>       |                           |               |                          |              |                |             |                 |               |
| Mr. Sandip Sanyal   |                           |               | 46.67                    | 39.14        |                |             | 46.67           | 39.14         |
| Mr. Vivek Gupta   |                           |               | 34.95                    | 28.42        | -              | -           | 34.95           | 28.42         |
| <b>Total</b>  | -                         | -             | <b>81.62</b>             | <b>67.56</b> | -              | -           | <b>81.62</b>    | <b>67.56</b>  |
| <b>Trade Receivables</b>                                    |                           |               |                          |              |                |             |                 |               |
| JBM MA Automotive Private Limited                           | 1,001.76                  | 562.30        | -                        | -            | -              | -           | 1,001.76        | 562.30        |
| JBM Ogihara Automotive India Limited                        | 231.42                    | -             | -                        | -            | -              | -           | 231.42          | -             |
| JBM Solaris Electric Vehicles Private Limited               | 625.33                    | 174.26        | -                        | -            | -              | -           | 625.33          | 174.26        |
| INDO Toolings Private Limited                               | 214.18                    | 156.62        | -                        | -            | -              | -           | 214.18          | 156.62        |
| <b>Total</b>  | <b>2,072.69</b>           | <b>893.18</b> | -                        | -            | -              | -           | <b>2,072.69</b> | <b>893.18</b> |
| <b>Trade Payable</b>  |                           |               |                          |              |                |             |                 |               |
| JBM Ogihara Automotive India Limited                        | -                         | 271.22        | -                        | -            | -              | -           | -               | 271.22        |
| <b>Total</b>  | -                         | <b>271.22</b> | -                        | -            | -              | -           | -               | <b>271.22</b> |

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ In Lakhs

| Particulars                          | 2017-18                   | 2016-17 | 2017-18                  | 2016-17 | 2017-18        | 2016-17 | 2017-18 | 2016-17 |
|--------------------------------------|---------------------------|---------|--------------------------|---------|----------------|---------|---------|---------|
|                                      | Associates/Joint Ventures |         | Key Management personnel |         | Gratuity Trust |         | Total   |         |
| Amount Recoverable                   |                           |         |                          |         |                |         |         |         |
| JBM Auto Group Gratuity Scheme Trust | -                         | -       | -                        | -       | 44.26          | 35.76   | 44.26   | 35.76   |
| Total                                | -                         | -       | -                        | -       | 44.26          | 35.76   | 44.26   | 35.76   |
| Dividend Paid                        |                           |         |                          |         |                |         |         |         |
| Mr. Vivek Gupta                      | -                         | -       | 0.03                     | 0.02    | -              | -       | 0.03    | 0.02    |
| Total                                | -                         | -       | 0.03                     | 0.02    | -              | -       | 0.03    | 0.02    |

| Remuneration paid to KMP's and their relatives* | Mr. Sandeep Sanyal |              | Mr. Vivek Gupta |              |
|---|--------------------|--------------|-----------------|--------------|
|   | 2017-18            | 2016-17      | 2017-18         | 2016-17      |
| (a) short-term employee benefits;               | 46.67              | 39.14        | 34.95           | 28.42        |
| (b) other long-term benefits;                   | -                  | -            | -               | -            |
| <b>Total</b>                                    | <b>46.67</b>       | <b>39.14</b> | <b>34.95</b>    | <b>28.42</b> |

\* Remuneration paid to KMP's does not include the provision made for gratuity and leave benefits, as they are determined on an actuarial basis for all the employees.

### Terms and conditions of transactions with related parties

The sales to and purchase from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year - end are unsecured and interest free (other than loans) and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2018, the group has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2017: INR Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

# Consequent to the introduction of Goods & Service Tax (GST) with effect from 1st July 2017 Central Excise, Value Added Tax (VAT) etc. have been subsumed into GST. In accordance with Indian Accounting Standard -18 on Revenue and Schedule III of the Companies Act 2013, unlike Excise Duties, levies like GST, VAT etc. are not part of revenue.

Accordingly the figures for the periods upto 30th June 2017 are not strictly relatable to those thereafter. The following additional information is being provided to facilitate such understanding.

### NOTE : 54 Assets Held for Sale

|                   | As at 31st March, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|-------------------|------------------------|------------------------|-----------------------|
| Plant & Equipment | 110.93                 | 110.93                 | -                     |

The group intends to dispose off plant & equipment as its no longer intends to utilise in the next 12 months. No impairment loss was recognised on reclassification of the plant & equipment as held for sale and the group expects the fair value less cost to sell to be higher than carrying amount.



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

**NOTE : 55 Additional Information, as required under schedule III to the companies Act 2013, of enterprises consolidated as subsidiary/ Associate/Joint Ventures.**

₹ In Lakhs

| Name of the entity in the group                         | Net Assets i.e. Total assets minus total liabilities |                    | Share in Profit/( loss)    |                   | Share in other comprehensive income |                   | Share in Total comprehensive income |                   |
|---|--|--------------------|----------------------------|-------------------|-------------------------------------|-------------------|-------------------------------------|-------------------|
|   | Year Ended 31st March 2018                           | Amount (In lakhs)  | Year Ended 31st March 2018 | Amount (In lakhs) | Year Ended 31st March 2018          | Amount (In lakhs) | Year Ended 31st March 2018          | Amount (In lakhs) |
| <b>Parent</b>   |  |                    |                            |                   |                                     |                   |                                     |                   |
| JBM Auto Limited  | 43.11  | 21,154.38          | 39.57                      | 3,210.33          | 16.73                               | 0.57              | 39.56                               | 3,210.91          |
| <b>Subsidiaries</b>                                     |  |                    |                            |                   |                                     |                   |                                     |                   |
| JBM Auto System Private Limited                         | 56.87  | 27,906.73          | 50.34                      | 4,084.63          | (63.53)                             | (2.18)            | 50.30                               | 4,082.45          |
| <b>Minority Interest</b>                                |  |                    |                            |                   |                                     |                   |                                     |                   |
| JBM Auto System Private Limited                         | 14.95  | 7,336.55           | 13.15                      | 1,066.70          | (16.59)                             | (0.57)            | 13.13                               | 1,066.13          |
| Associate (Investment as per equity method)             |  |                    |                            |                   |                                     |                   |                                     |                   |
| JBM MA Automotive Private Limited                       | 11.09  | 5,443.34           | 11.38                      | 923.41            | 132.20                              | 4.54              | 11.43                               | 927.95            |
| <b>Joint Ventures (Investment as per equity method)</b> |  |                    |                            |                   |                                     |                   |                                     |                   |
| JBM Ogihara Automotive Private Limited                  | 3.71   | 1,819.61           | 0.40                       | 32.34             | (1.68)                              | (0.06)            | 0.40                                | 32.28             |
| JBM Solaris Electric Vehicle Private Limited            | 1.41   | 692.06             | (0.31)                     | (24.78)           | -                                   | -                 | (0.31)                              | (24.78)           |
| Indo Tooling Private Limited                            | -  | -                  | (1.39)                     | (112.62)          | 16.27                               | 0.56              | (1.38)                              | (112.06)          |
| <b>Total</b>  | <b>131.14</b>  | <b>64,352.68</b>   | <b>113.15</b>              | <b>9,180.01</b>   | <b>83.41</b>                        | <b>2.86</b>       | <b>113.13</b>                       | <b>9,182.87</b>   |
| <b>Less: Adjustment arising out of consolidation</b>    | <b>(31.14)</b>                                       | <b>(15,280.53)</b> | <b>(13.15)</b>             | <b>(1,066.70)</b> | <b>16.59</b>                        | <b>0.57</b>       | <b>(13.13)</b>                      | <b>(1,066.13)</b> |
| <b>Total</b>  | <b>100.00</b>  | <b>49,072.15</b>   | <b>100.00</b>              | <b>8,113.31</b>   | <b>100.00</b>                       | <b>3.43</b>       | <b>100.00</b>                       | <b>8,116.75</b>   |

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 56 : SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. These include recognition and measurement of financial instruments, estimates of useful lives and residual value of property, plant and equipment and intangible assets, valuation of inventories, measurement of recoverable amounts of cash-generating units, measurement of employee benefits, actuarial assumptions, provisions etc.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The group continually evaluates these estimates and assumptions based on the most recently available information. Revisions to accounting estimates are recognized prospectively in the Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.

#### Judgments

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

##### (i) Land on finance lease – Group as lessee

The group has obtained various lands from the Government for purpose of plants and manufacturing facilities. These lands are having various tenures, generally 90 years and at the end of lease term, the lease could be extended for another term or the land could be returned to the Government Authority. The group has determined, based on an evaluation of the terms and conditions of the arrangements e.g. lease term, annual rental, transfer / retention of significant risks and rewards of ownership of land determined the lease as finance leases and accordingly accounted the same in the financial statements.

##### (ii) Operating lease commitments – Group as lessor

The group has entered into leasing arrangements wherein the group is receiving lease rental income. The group has determined, based on an evaluation of the terms and conditions of the arrangements e.g. lease term, lease rental income, fair value of the land, transfer / retention of significant risks and rewards of ownership of land determined the lease as operating leases.

##### (iii) Operating lease commitments – Group as lessee

The group has entered into leasing arrangements wherein the group is required to pay monthly lease rentals. The group has determined, based on an evaluation of the terms and conditions of the arrangements e.g. lease term, lease rental income, fair value of the land, transfer / retention of significant risks and rewards of ownership of land determined the lease as operating leases.

#### Estimates and assumptions

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

##### (i) Gratuity benefits

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexity of the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

## **NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

In determining the appropriate discount rate, management considers the interest rates of government bonds, and extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables. Future salary increases and pension increases are based on expected future inflation rates. Further details about the assumptions used, including a sensitivity analysis, are given in Note 52 .

### **(ii) Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model based on level-2 and level-3 inputs. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as price estimates, volume estimates, rate estimates etc. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

### **(iii) Impairment of financial assets**

The impairment provisions for trade receivables are based on assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on the group past history and other factors at the end of each reporting period.

### **(iv) Estimates related to useful life of property, plant and equipment & intangible assets**

Depreciation on property, plant and equipment is calculated on a straight-line basis over the useful lives estimated by the management. These rates are in line with the lives prescribed under Schedule II of the Companies Act, 2013.

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

### **(v) Impairment of Assets**

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

### **(vi) Contingent liabilities**

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

### **(vii) Taxes**

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

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 57 : FINANCIAL INSTRUMENTS

#### A. Capital management

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to stakeholders through efficient allocation of capital towards expansion of business, optimisation of working capital requirements and deployment of surplus funds into various investment options

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

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

₹ In Lakhs

| Particulars                     | 31-Mar-18   | 31-Mar-17   | 1-Apr-16    |
|---------------------------------|-------------|-------------|-------------|
| Net debt                        | 57,074.03   | 52,032.82   | 51,317.93   |
| Total equity                    | 41,735.60   | 35,662.23   | 29,917.83   |
| <b>Net debt to equity ratio</b> | <b>1.37</b> | <b>1.46</b> | <b>1.72</b> |

#### B. Fair value measurements

The Group uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques:

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

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

**Level 2:** This level includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

**Level 3:** This level includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The fair value of the financial assets are determined at the amount that would be received to sell an asset in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:

The fair value of investment in unquoted equity/preference shares has been estimated using a Discounted cash flow (DCF)/ Dividend yield/ Yield to Maturity method / NAV method. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of various estimates within the range can be reasonably asserted and are used in management's estimate of fair value for these unquoted equity/preference shares. The assessment of the future risk is done by analyzing various financial ratios. The future cash-outflows are projected after applying any probability of non-payment of dividend and principal amount.

**Fair value of the Group's financial assets that are measured at fair value on a recurring basis:**

There are certain Group's financial assets which are measured at fair value at the end of each reporting period. There have been no transfer among level 3 during the period. Following table gives information about how the fair values of these financial assets are determined:

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ In Lakhs

| Financial assets at fair value through profit and loss | Fair value as at March 31, 2018 |         |          |
|--|---------------------------------|---------|----------|
|  | Level 1                         | Level 2 | Level 3  |
| Hedging gain recoverable                               | -                               | -       | -        |
| Investment in Equity Shares in others                  | -                               | -       | 1,054.96 |
| Investment in Preference Shares in others              | -                               | -       | 300.00   |

| Financial assets at fair value through profit and loss | Fair value as at March 31, 2017 |         |          |
|--|---------------------------------|---------|----------|
|  | Level 1                         | Level 2 | Level 3  |
| Hedging gain recoverable                               | -                               | -       | -        |
| Investment in Equity Shares in others                  | -                               | -       | 1,019.49 |
| Investment in Preference Shares in others              | -                               | -       | 300.00   |

| Financial assets at fair value through profit and loss | Fair value as at April 01, 2016 |         |          |
|--|---------------------------------|---------|----------|
|  | Level 1                         | Level 2 | Level 3  |
| Hedging gain recoverable                               | -                               | 60.33   | -        |
| Investment in Equity Shares in others                  | -                               | -       | 1,000.00 |
| Investment in Preference Shares in others              | -                               | -       | 300.00   |

The Group entered into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Cross currency interest rate swaps are valued using valuation techniques which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying commodity. All derivative contracts are fully cash collateralised, thereby eliminating both counterparty and the Group's own non-performance risk. As at 01 April 2016, the marked-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 March 2018, 31 March 2017 and 1 April 2016 are as shown below:

| Description                     | Valuation technique         | Significant unobservable inputs   | Sensitivity   |
|---------------------------------|-----------------------------|---|---|
| Investment in Equity shares     | DCF method                  | "Risk adjusted discount Rate:<br>31st March 2018: 11.42%<br>31st March 2017: 11.31%<br>01st April 2016: 11.17%" | 1% Increase/(Decrease) in discount rate would result in (decrease)/ increase in fair value by:<br>31st March 2018: ₹(129.62) Lakhs/ ₹ 177.03 Lakhs<br>31st March 2017: ₹ (128.95) Lakhs/ ₹ 176.96 Lakhs |
| Investment in Preference shares | Dividend Yield & NAV Method | "Discount Rate (G-Sec):<br>31st March 2018: 7.42%<br>31st March 2017: 7.00%<br>01st April 2016: 7.42%"          | 1% Increase/(Decrease) in discount rate would result in (decrease)/ increase in fair value by:<br>31st March 2018: ₹ (5.79) Lakhs/ ₹ 6.90 Lakhs<br>31st March 2017: ₹ (6.12) Lakhs/ ₹ 7.38 Lakhs        |

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### Reconciliation of movement in fair value of equity and preference shares:

₹ In Lakhs

|   | Investment in Equity shares | Investment in preference shares |
|---|-----------------------------|---------------------------------|
| <b>As at 1 April 2016</b>   | <b>1,000.00</b>             | <b>300.00</b>                   |
| Investment made during the year                                   | 19.49                       | -                               |
| Investment sold during the year                                   | -                           | -                               |
| Gain/(loss) on change in fair value recognised in Profit and Loss | -                           | -                               |
| <b>As at 31 March 2017</b>  | <b>1,019.49</b>             | <b>300.00</b>                   |
| Investment made during the year                                   | 35.46                       | -                               |
| Investment sold during the year                                   | -                           | -                               |
| Gain/(loss) on change in fair value recognised in Profit and Loss | -                           | -                               |
| <b>As at 31 March 2018</b>  | <b>1,054.95</b>             | <b>300.00</b>                   |

### C. Categories of financial instruments

#### FINANCIAL ASSETS\*

##### Financial assets measured at amortised cost

₹ In Lakhs

| Particulars  | As at 31 March 2018 |                  | As at 31 March 2017 |                  | As at 01st April 2016 |                  |
|--|---------------------|------------------|---------------------|------------------|-----------------------|------------------|
|  | Carrying Value      | Fair Value       | Carrying Value      | Fair Value       | Carrying Value        | Fair Value       |
| Loans  | 527.05              | 527.05           | 437.86              | 437.86           | 429.43                | 429.43           |
| Other non-current financial assets                             | 240.00              | 240.00           | -                   | -                | -                     | -                |
| Trade receivables  | 35,497.06           | 35,497.06        | 30,797.72           | 30,797.72        | 25,050.80             | 25,050.80        |
| Cash and cash equivalents                                      | 192.43              | 192.43           | 208.34              | 208.34           | 583.60                | 583.60           |
| Bank balances other than cash and cash equivalents             | 55.85               | 55.85            | 48.12               | 48.12            | 61.94                 | 61.94            |
| Other current financial assets                                 | 1,308.01            | 1,308.01         | 1,273.85            | 1,273.85         | 216.83                | 216.83           |
| <b>Total financial assets measured at amortised cost - (i)</b> | <b>37,820.40</b>    | <b>37,820.40</b> | <b>32,765.88</b>    | <b>32,765.88</b> | <b>26,342.60</b>      | <b>26,342.60</b> |

##### Financial assets measured at FVTPL

| Particulars  | As at 31 March 2018 |                  | As at 31 March 2017 |                  | As at 01st April 2016 |                  |
|--|---------------------|------------------|---------------------|------------------|-----------------------|------------------|
| Hedging gain recoverable                               | -                   | -                | -                   | -                | 60.33                 | 60.33            |
| Investment in equity shares in others                  | 1,054.96            | 1,054.96         | 1,019.49            | 1,019.49         | 1,000.00              | 1,000.00         |
| Investment in preference shares in others              | 300.00              | 300.00           | 300.00              | 300.00           | 300.00                | 300.00           |
| <b>Total financial assets measured at FVTPL - (ii)</b> | <b>1,354.96</b>     | <b>1,354.96</b>  | <b>1,319.49</b>     | <b>1,319.49</b>  | <b>1,360.33</b>       | <b>1,360.33</b>  |
| <b>Total financial assets (i) + (ii)</b>               | <b>39,175.36</b>    | <b>39,175.36</b> | <b>34,085.37</b>    | <b>34,085.37</b> | <b>27,702.93</b>      | <b>27,702.93</b> |

\* Doesnot include invesments in Joint ventures and Associate which are accounted for as per equity method.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### Financial liabilities measured at amortised cost

₹ In Lakhs

| Particulars                             | As at 31 March 2018 |                  | As at 31 March 2017 |                  | As at 01st April 2016 |                  |
|---|---------------------|------------------|---------------------|------------------|-----------------------|------------------|
|   | Carrying Value      | Fair Value       | Carrying Value      | Fair Value       | Carrying Value        | Fair Value       |
| Non-current borrowings*                 | 29,702.20           | 29,702.20        | 24,841.39           | 24,841.39        | 23,975.80             | 23,975.80        |
| Other non-current financial liabilities | -                   | -                | 48.59               | 48.59            | 43.63                 | 43.63            |
| Current borrowings                      | 27,564.26           | 27,564.26        | 27,399.77           | 27,399.77        | 27,925.73             | 27,925.73        |
| Trade payables                          | 25,688.86           | 25,688.86        | 31,998.73           | 31,998.73        | 35,905.52             | 35,905.52        |
| Other current financial liabilities     | 1,375.02            | 1,375.02         | 1,597.11            | 1,597.11         | 1,581.85              | 1,581.85         |
| <b>Total financial liabilities</b>      | <b>84,330.34</b>    | <b>84,330.34</b> | <b>85,885.58</b>    | <b>85,885.58</b> | <b>89,432.53</b>      | <b>89,432.53</b> |

\* including current maturities of non-current borrowings

Carrying value of loan, other financial assets, trade receivables, cash and cash in bank, other bank balance, Borrowings, other financial liability, trade payable are considered to be same as their fair value

### D. Financial risk management

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

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

Market risk  
Credit risk; and  
Liquidity risk

#### D.1 Market risk

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

#### a) Foreign currency risk management

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

Foreign Currency Exposure that have been hedged by derivative Instrument are given below.

| Liabilities /Assets | Foreign Currency |                  |                  | INR Equivalent   |                  |                  |
|---------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|                     | As at 31-03-2018 | As at 31-03-2017 | As at 01.04.2016 | As at 31-03-2018 | As at 31-03-2017 | As at 01.04.2016 |
| <b>Liabilities</b>  |                  |                  |                  |                  |                  |                  |
| USD                 | -                | -                | 14.29            | -                | -                | 748.44           |



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

The Company has taken derivative contract to hedge its foreign currency exposures in relation to Foreign Currency term loan availed by the Company. Further, the Company has not entered into any derivative or hedging instruments in relation to its foreign currency exposures other than foreign currency term loan.

Foreign currency exposure that have not been hedged by derivative instrument are given below.

₹ In Lakhs

| Liabilities /Assets | Foreign Currency |                  |                  | INR Equivalent   |                  |                  |
|---------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|                     | As at 31-03-2018 | As at 31-03-2017 | As at 01.04.2016 | As at 31-03-2018 | As at 31-03-2017 | As at 01.04.2016 |
| <b>Liabilities</b>  |                  |                  |                  |                  |                  |                  |
| USD                 | 25.17            | 48.99            | 77.87            | 1,638.88         | 3,177.86         | 5,159.85         |
| JPY                 | 249.52           | 83.33            | 618.50           | 154.22           | 48.59            | 367.00           |
| SEK                 | 2.45             | 1.56             | 1.50             | 18.45            | 11.42            | 12.26            |
| EURO                | 0.41             | 1.78             | 2.70             | 33.38            | 122.88           | 203.44           |
| <b>Assets</b>       |                  |                  |                  |                  |                  |                  |
| USD                 | 4.17             | 4.40             | 1.40             | 271.43           | 285.12           | 92.23            |
| Euro                | 4.23             | 3.34             | 2.97             | 340.92           | 230.16           | 221.27           |
| JPY                 | 22.98            | -                | -                | 13.07            | -                | -                |

The Group has taken forward foreign exchange contract to hedge its foreign currency exposures in relation to Foreign Currency Term Loan availed by the Group. Further, the Group has not entered into any derivative or hedging instruments in relation to its foreign currency exposures other than Foreign Currency term loan.

### Foreign currency sensitivity analysis

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

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

| Particulars     | Depreciation in INR |           | Appreciation in INR |           |
|-----------------|---------------------|-----------|---------------------|-----------|
|                 | 31-Mar-18           | 31-Mar-17 | 31-Mar-18           | 31-Mar-17 |
| <b>Payables</b> |                     |           |                     |           |
| USD /INR        | (81.94)             | (158.89)  | 81.94               | 158.89    |
| JPY/INR         | (7.71)              | (2.43)    | 7.71                | 2.43      |
| SEK/INR         | (0.92)              | (0.57)    | 0.92                | 0.57      |
| EURO/INR        | (1.67)              | (6.14)    | 1.67                | 6.14      |

| Particulars        | Depreciation in INR |           | Appreciation in INR |           |
|--------------------|---------------------|-----------|---------------------|-----------|
|                    | 31-Mar-18           | 31-Mar-17 | 31-Mar-18           | 31-Mar-17 |
| <b>Receivables</b> |                     |           |                     |           |
| USD /INR           | 13.57               | 14.26     | (13.57)             | (14.26)   |
| EURO/INR           | 17.05               | 11.51     | (17.05)             | (11.51)   |
| JPY/INR            | 0.65                | -         | (0.65)              | -         |

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### b) Interest rate risk management

The Group is exposed to interest rate risk because Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings. The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. In respect of the non-current foreign currency borrowings denominated in US Dollars (USD), the Group is having Libor linked rate. To mitigate the risk of any adverse interest rate movement, the Group has entered into Cross Currency Interest Rate Swaps (CCIRS) i.e. pay fixed receive variable rate of interest. In the event of any adverse movement of interest rates, the Group is required only to pay the fixed interest eventually thereby offsetting the interest loss from the CCIRS. Accordingly, no sensitivity analysis in respect of such loans is given.

### Interest rate sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates .

### Impact on Profit / (loss) for the year for a 50 basis point change:

₹ In Lakhs

|                  | Increase/decrease in basis points | Effect on profit before tax |
|------------------|-----------------------------------|-----------------------------|
| <b>31-Mar-18</b> |                                   |                             |
| Borrowings       | +50                               | (248.75)                    |
| Borrowings       | -50                               | 248.75                      |
| <b>31-Mar-17</b> |                                   |                             |
| Borrowings       | +50                               | (218.86)                    |
| Borrowings       | -50                               | 218.86                      |

### D.2 Credit risk management

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

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

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

### D.3 Liquidity risk management

Liquidity risk refers to the risk that the Group can not meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and to ensure funds are available for use as per the requirements.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of long term borrowings, short term borrowings and trade payables etc. The Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

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

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ In Lakhs

|   | Less than 1 year | 1 to 5 years     | More than 5 years | Total            |
|---|------------------|------------------|-------------------|------------------|
| <b>As at 31-Mar-18</b>                  |                  |                  |                   |                  |
| Non-current borrowings*                 | 7,200.62         | 23,925.26        | 2,242.27          | 33,368.15        |
| Current borrowings                      | 27,564.26        | -                | -                 | 27,564.26        |
| Trade payables                          | 25,688.86        | -                | -                 | 25,688.86        |
| Other financial liabilities             | 1,375.02         | -                | -                 | 1,375.02         |
|   | <b>61,828.77</b> | <b>23,925.26</b> | <b>2,242.27</b>   | <b>87,996.29</b> |
| <b>As at 31-Mar-17</b>                  |                  |                  |                   |                  |
| Non-current borrowings                  | 6,864.37         | 19,861.00        | 2,249.03          | 28,974.40        |
| Other non current financial liabilities | -                | 48.59            | -                 | 48.59            |
| Current borrowings                      | 27,399.77        | -                | -                 | 27,399.77        |
| Trade payables                          | 31,998.73        | -                | -                 | 31,998.73        |
| Other current financial liabilities     | 1,597.11         | -                | -                 | 1,597.11         |
|   | <b>67,859.97</b> | <b>19,909.59</b> | <b>2,249.03</b>   | <b>90,018.58</b> |
| <b>As at 01-Apr-16</b>                  |                  |                  |                   |                  |
| Non-current borrowings                  | 6,415.36         | 16,818.07        | 5,295.79          | 28,529.22        |
| Other non current financial liabilities | -                | 43.63            | -                 | 43.63            |
| Current borrowings                      | 27,925.73        | -                | -                 | 27,925.73        |
| Trade payables                          | 35,905.52        | -                | -                 | 35,905.52        |
| Other current financial liabilities     | 1,581.85         | -                | -                 | 1,581.85         |
|   | <b>71,828.47</b> | <b>16,861.70</b> | <b>5,295.79</b>   | <b>93,985.95</b> |

\* including current maturities of non-current borrowings

### NOTE 58 : EVENTS AFTER THE REPORTING PERIOD

There are no reportable events that occurred after the end of the reporting period.

### NOTE 59 : FIRST-TIME ADOPTION OF IND AS

These financial statements, for the year ending 31 March 2018 are the first annual Financial Statements prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2017, the Group prepared its financial statements in accordance with accounting standards notified under Section 133 of Companies Act 2013 read with paragraph 7 of the Companies (Accounts) Rules, 2014 (IGAAP).

Accordingly, the Group has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2018, together with the comparative period data as at 31 March 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Group's opening balance sheet was prepared as at 1 April 2016, the Group's transition date to Ind AS. This note explains the principal adjustments made by the Group in restating its Indian GAAP financial statements, including the opening Balance Sheet as at 1 April 2016 and the financial statements for the year ended 31 March, 2017.

#### Exemptions applied:

Ind AS 101 allows first-time adopters certain exemptions from the retrospective applications of certain requirements under Ind AS. The Group has applied the following exemptions:

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### Exemptions applied:

Ind AS 101 allows first-time adopters certain exemptions from the retrospective applications of certain requirements under Ind AS. The Group has applied the following exemptions:

#### A. Mandatory exemptions:

##### a) Estimates

The estimates at 1 April 2016 and at 31 March 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies).

##### b) Derecognition of financial assets:

The Group has applied the de-recognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

##### c) Classification and measurement of financial assets:

Financial assets like security deposits received has been classified and measured at amortised cost on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

##### d) Impairment of financial assets: (Trade receivables and other financial assets)

At the date of transition to Ind AS, the Group has recognised a loss allowance at an amount equal to lifetime expected credit losses at each reporting date until that financial instrument is derecognised (unless that financial instrument is low credit risk at a reporting date).

### B. Optional exemptions:

#### a) Deemed cost-Previous GAAP carrying amount (PPE and Intangible):

Since there is no change in the functional currency, the Group has elected to continue with the carrying value for all of Property, Plant and Equipment and Intangible Assets, as recognised in its Indian GAAP financial as deemed cost at the transition date.

#### b) Foreign Currency Monetary Items:

Under previous GAAP, paragraph 46A of Accounting Standard for 'The Effects of Changes in Foreign Exchange Rates' (AS 11) provided an alternative accounting treatment whereby exchange differences arising on long term foreign currency monetary items relating to depreciable asset are adjusted in fixed assets and depreciated over the remaining life of such assets and in other cases are accumulated in Foreign Currency Monetary item Translation Difference Account (FCMITDA) to be amortised over balance period of long term asset/liability. Ind AS 101 includes an optional exemption that allows a first-time adopter to continue the above accounting treatment in respect of the long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period. The group has elected this exemption and opted to continue with the Previous GAAP carrying value.

#### c) Arrangements containing a lease:

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Group has used Ind AS 101 exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.

#### d) Business combinations:

Ind-AS 103 Business Combinations has not been applied to acquisitions of subsidiaries, which are considered businesses for Ind-AS or of interests in joint ventures that occurred before April 01, 2016. Use of this exemption means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognized under Ind-AS, is their deemed cost at the date of acquisition. After the date of acquisition measurement is in accordance with Ind-AS. Assets and liabilities that do not qualify for recognition under are excluded from opening Ind-AS balance sheet. The Group did not recognise or exclude any previously recognised amounts as a result of Ind-AS recognition requirements.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### First Time Adoption of Ind AS

#### (i) Reconciliation of Equity

₹ In Lakhs

|   | Notes | As at 31st March, 2017 | As at 1st April, 2016 |
|---|-------|------------------------|-----------------------|
| <b>Equity as reported under previous GAAP</b>   |       | <b>41,955.74</b>       | <b>35,367.20</b>      |
| <b>Ind AS: Adjustments increase (decrease):</b>   |       |                        |                       |
| Adjustment reflect final dividend (including corporate dividend tax) declared and approved post reporting period) | 1     | -                      | 834.03                |
| Effect of reclassifying preference share capital as financial liability   | 2     | (6,057.23)             | (6,047.26)            |
| Effect of government grant as per IND AS  | 7     | (339.31)               | (378.96)              |
| Impact on measurement of financial assets at amortised cost using effective interest method                       | 3     | (7.41)                 | (3.00)                |
| Impact of re-measurement of finance lease hold land   | 4     | (3.90)                 | -                     |
| Impact of change in accounting policy for valuation of inventory  | 8     | 0.79                   | 15.41                 |
| Deferred tax impact on unrealised profit  | 9     | 113.55                 | 130.43                |
| <b>Equity as reported under IND AS</b>  |       | <b>35,662.23</b>       | <b>29,917.83</b>      |

#### (ii) Reconciliation of Profit

₹ In Lakhs

|   | Notes | As at 31st March, 2017 |
|---|-------|------------------------|
| <b>Previous GAAP</b>  |       | <b>7,375.75</b>        |
| <b>Ind AS: Adjustments increase (decrease):</b>   |       |                        |
| Effect of reclassifying preference share capital as financial liability                     | 2     | (59.69)                |
| Impact on measurement of financial assets at amortised cost using effective interest method | 3     | (4.41)                 |
| Impact of re-measurement of finance lease hold land   | 4     | (3.90)                 |
| Remeasurement of net defined benefit reclassified to other comprehensive income(OCI)        | 5     | 16.26                  |
| Remeasurement of net defined benefit  |       | 0.17                   |
| Impact of change in accounting policy for valuation of inventory                            | 8     | (14.61)                |
| Effect of accounting for government grants  | 7     | 39.66                  |
| Effect of change in method of consolidation for joint venture                               | 10    | (134.90)               |
| Tax effect  |       | (21.85)                |
| Total adjustment to profit or loss  |       | 7,192.47               |
| Other comprehensive income  | 5     | (10.33)                |
| <b>Total comprehensive income under Ind ASs</b>   |       | <b>7,182.13</b>        |

**Note:** No statement of comprehensive income was produced under previous GAAP. Therefore the above reconciliation starts with profit under previous GAAP.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### (iii) Reconciliation of Cash Flows for the year ended 31 March 2017

₹ In Lakhs

|  | As per Indian GAAP | Adjustments  | As per IND AS   |
|--|--------------------|--------------|-----------------|
| Net cash flow from Operating Activities                        | 14,153.32          | (2,262.88)   | 11,890.44       |
| Net cash flow from Investing Activities                        | (8,115.94)         | 1,590.92     | (6,525.02)      |
| Net cash flow from Financing Activities                        | (6,490.49)         | 749.81       | (5,740.68)      |
| <b>Net Increase/ (Decrease) in cash &amp; cash Equivalents</b> | <b>(453.11)</b>    | <b>77.85</b> | <b>(375.26)</b> |
| Cash and Cash Equivalent as at April 1, 2016                   | 682.79             | (99.19)      | 583.60          |
| Cash and Cash Equivalent as at March 31, 2017                  | 229.68             | (21.34)      | 208.34          |

### Analysis of changes in Cash And cash Equivalents for the purpose of consolidated statement of cash flows under IND AS

|  | Notes | As at 31st March, 2017 | As at 1st April, 2016 |
|--|-------|------------------------|-----------------------|
| Cash and Cash Equivalents as per Previous GAAP                 |       | 229.68                 | 682.79                |
| <b>Ind AS: Adjustments increase (decrease):</b>                |       |                        |                       |
| Effect of change in method of consolidation for joint ventures | 11    | (21.34)                | (99.19)               |
| <b>Cash and Cash Equivalents as per Ind AS</b>                 |       | <b>208.34</b>          | <b>583.60</b>         |

### Footnotes to the reconciliation of equity as at 1 April 2016 and 31 March 2017 and profit or loss for the year ended 31 March 2017:

1. In the financial statements prepared under Previous GAAP, dividend on equity shares recommended by the Board of Directors after the end of reporting period but before the financial statements were approved for issue, was recognised as a liability in the financial statements in the reporting period relating to which dividend was proposed. Under Ind AS, such dividend is recognised in the reporting period in which the same is approved by the members in a general meeting.
2. Under Indian GAAP, redeemable preference share capital was part of share capital where as under IND AS the same has been classified as borrowing and deferred income. Interest charge at EIR on borrowings has been recognised as finance cost. Deferred income is booked on deferred component of preference share capital in statement of profit & loss over the remaining period of preference share capital.
3. Under Indian GAAP, non current security deposits given for the purpose of obtaining asset on lease are recorded at transaction value. Under Ind AS, these security deposits are recorded at fair value at the date of transition. The difference in transaction value and the fair value is recorded as prepaid rent expense and recorded as rent expense over the term of the deposit. Security deposit recorded at discounted value is accreted to its full value by recording interest income over the term of the deposit.
4. Leasehold land was scoped out from AS 19 "Leases" but the same is covered under Ind AS 17 "Leases". Certain land taken on lease is in the nature of finance lease consequently present value of all future rentals have been capitalised to leasehold land and recorded as finance lease obligation. Subsequently, this amount is amortised over the remaining lease period, interest expense is booked on finance lease obligation and rent paid is reduced from finance lease obligation.
5. Both under Indian GAAP and Ind AS, the group recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit and loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised in OCI.
6. Under previous GAAP, there was no concept of other comprehensive income. Under Ind AS, specified items of income expense, gains or losses are required to be presented in other comprehensive income.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

7. Under Indian GAAP, Government Grants related to capital assets are being recorded directly under Capital Reserve. Under Ind AS, the grants are assessed with reference to the conditions attached to the grants and the same are considered as grants related to assets. Accordingly, the group has recorded the grant as deferred revenue and recorded the same as income over the remaining useful life of the assets. Further, the group has transferred the amount from capital reserve to retained earnings to the extent it is relatable to the period which has been lapsed upto April 01, 2016. Further, for remaining useful life of the asset.
8. Accounting policy for valuation of inventory has been changed from First in first out method to Weighted average method to make the uniform accounting policy for the group.
9. Under previous GAAP, tax expense in the Consolidated Financial Statements was computed by performing line by line addition of tax expense of the Parent and its subsidiaries. No adjustments to tax expense was made on consolidation. Under Ind AS, deferred taxes are also required to be recognised on unrealised profits / losses on inventories and property, plant and equipments. Accordingly, deferred tax asset has been recognised on the same.
10. Under previous GAAP, certain entities on account of majority share holding were consolidated fully. As per Ind AS, these entities could not meet the criteria of control as per Ind AS 110 and are accounted as per equity method.
11. Under previous GAAP, certain entities on account of majority share holding were consolidated fully and accordingly their consolidation was done by adding together like items of assets, liabilities, equity, income and expenses. As per Ind AS, these entities could not meet the criteria of control as per Ind AS 110 and are accounted as per equity method, which has resulted in decrease in Cash and Cash Equivalents under Ind AS. Further, under previous GAAP Joint Ventures were consolidated using proportionate consolidated method where as under Ind AS the same are accounted for as per equity method.



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 60 : AMENDMENTS TO STANDARDS THAT ARE NOT YET EFFECTIVE AND HAVE NOT BEEN ADOPTED BY THE COMPANY

#### Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The group has evaluated the effect of this on the financial statements and the impact is not material.

#### Ind AS 115- Revenue from Contract with Customers:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors.
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach).

**The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.**

The group is evaluating the requirements of the amendment and its effect on the financial Statements.

The accompanying notes are forming part of these financial statements

As per our report of even date attached

For Sahni Natarajan and Bahl  
Chartered Accountants  
Firm Registration No. : 002816N

Sudhir Chhabra  
Partner  
M.No. 083762

Surendra Kumar Arya  
Director  
DIN 00004626

Sandip Sanyal  
Executive Director  
DIN 07186909

Place : Gurugram (Haryana)  
Dated : 15th May, 2018

Vivek Gupta  
Chief Financial Officer  
& Company Secretary

**FORM NO. AOC.1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of Subsidiaries/Associate Company/Joint Ventures****Part A: Subsidiaries**

₹ In Lakhs

| S.No. | Particulars  | JBM Auto System Private Limited |
|-------|--|---------------------------------|
| 1     | Reporting period for the subsidiary concerned, if different from the holding company's reporting period                      | NA                              |
| 2     | Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries. | NA                              |
| 3     | Share Capital  | 2,489.00                        |
| 4     | Reserves and Surplus   | 25,417.73                       |
| 5     | Total Assets   | 65,623.98                       |
| 6     | Total Liabilities  | 37,717.25                       |
| 7     | Investments  | 1,354.96                        |
| 8     | Turnover   | 92,115.72                       |
| 9     | Profit before Taxation   | 6,305.31                        |
| 10    | Provision for Taxation   | 2,220.68                        |
| 11    | Profit after Taxation  | 4,084.63                        |
| 12    | Proposed Dividend  | 0.00                            |
| 13    | % of Shareholding  | 73.89%                          |

**1. Names of subsidiaries which are yet to commence operations - NA****2. Name of subsidiaries which have been liquidated or sold during the year - NA**

**Part “B”: Joint Ventures and Associates**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

₹ In Lakhs

| Particulars  | Joint Ventures/Associate                    |   |                                      |  |
|--|---|---|--------------------------------------|--|
|  | <b>JBM Ogihara Automotive India Limited</b> | <b>JBM Solaris Electric Vehicle Private Limited</b> | <b>INDO Toolings Private Limited</b> | <b>JBM MA Automotive Private Limited</b> |
| <b>1. Latest Audited Balance Sheet</b>   | 31.03.2018                                  | 31.03.2018  | 31.03.2018                           | 31.03.2018                               |
| <b>2. Shares of Associate/Joint Ventures held by the Company on the year end</b>     |   |   |                                      |  |
| a) No. of shares   | 11,219,994                                  | 4,808,000   | 200,000                              | 30,449,600                               |
| b) Amount of Investment in Joint venture & Associate                                 | 1,122.00                                    | 480.80  | 20.00                                | 3,044.96                                 |
| c) Extent of holding %   | 51.00%                                      | 80.00%  | 50.00%                               | 50.00%                                   |
| <b>3. Description how there is Significant Influence</b>                             | <b>As per JV Agreement</b>                  | <b>As per JV Agreement</b>                          | <b>As per JV Agreement</b>           | <b>Note-1</b>                            |
| <b>4. Reason why the Associate/Joint Venture is not consolidated</b>                 | <b>NA</b>                                   | <b>NA</b>   | <b>NA</b>                            | <b>NA</b>                                |
| <b>5. Net worth attributable to Shareholding as per latest audited Balance Sheet</b> | <b>1,732.37</b>                             | <b>644.06</b>                                       | <b>(30.60)</b>                       | <b>5,722.67</b>                          |
| <b>6. Profit / Loss for the year*</b>  |   |   |                                      |  |
| 1. Considered in Consolidation   | 32.28                                       | (24.78)   | (112.06)                             | 896.06                                   |
| 2. Not considered in Consolidation   | -   | -   | -                                    | -  |

**1. There are no Associates/joint ventures which are yet to commence operations.**

**2. There are no associates/joint ventures which have been liquidated or sold during the year.**

Note 1 : The Company has Power to Participate in the financial and/or operating policy decision but does not have control or joint control over those policies

\* Based on total comprehensive income

For and on behalf of the Board of Directors of **JBM AUTO LIMITED**

Surendra Kumar Arya  
Director  
DIN 00004626

Sandip Sanyal  
Executive Director  
DIN 07186909

Vivek Gupta  
Chief Financial Officer  
& Company Secretary

Place : Gurugram (Haryana)  
Dated : 15th May, 2018



## REGISTERED OFFICE:

JBM Auto Limited  
601, Hemkunt Chambers,  
89, Nehru Palce, New Delhi-110019  
Ph. : 91-11-26427104-6,  
Fax : 91-11-26427100  
email : corp.communications@jbmggroup.com  
www.jbmggroup.com

## CORPORATE OFFICE:

JBM Auto Limited  
Plot No. 9, Institutional Area  
Sector -44, Gurgaon-122003, Haryana  
Ph: 91-124-4674500-550,  
Fax : 91-124-4674599

## WORKS:

Plot No. 133, Sector-24,  
Faridabad - 121005, Haryana  
Ph. : +91-129-4090200,  
Fax : +91-129-2234230.

Plot No. 5, Sector-31,  
Kasna Industrial Area  
Greater Noida-201306, Uttar Pradesh.  
Ph. : +91-120-4522500, 2341417, 2341429,  
Fax : +91-120-2341423.

71-72, MIDC, Satpur,  
Nashik - 422007, Maharashtra  
Ph: +91-253-2360548,  
Fax : +91-253-2360558.

Plot No. B-2, Survey No. 1,  
Tata Motors Vendor Park,  
Sanand - 382170,  
Ahmedabad, Gujarat  
Ph: +91-2717-645180.

Plot No. 118, Sector – 59,  
HSIDC, Industrial Estate,  
Ballabhgarh - 121004,  
Faridabad ,Haryana

A-4, Industrial Estate,  
Kosi Kotwan,  
Dist. Mathura, Uttar Pradesh.

Plot No. 157-E, Sector-3,  
Pithampur Industrial Area - 454775,  
Dist. Dhar , Indore (M.P.)  
Ph: +91-2717-645180.

Plot No. SP-891,  
Pathredi Industrial Area,  
Bhiwadi - 301707,  
Dist. Alwar ,Rajasthan.

Plot-1 1,  
Ford supplier's park,  
S.P.Koil Post, Chengalpattu Taluk,  
MM nagar Kanchipuram -603204  
Tamil Nadu

Plot-2 RNS 1  
Renault-Nissan Supplier,s park,  
Orgadam, sriperumpudur Taluk,  
Kanchipuram -603109 tamil Nadu

Plot-3 Plot No. AV-13  
Ford supplier park, BOL,  
Industrial Estate, GIDC  
Sanand-II-382170 (Gujrat)

Plot-1 C-1/2 MIDC,  
Chakan Telegaon Road,  
Chakan, Pune -410501(maharashtra)

Plot-1 Building No .06  
Onsite supplier park,  
Toyota Kirloskar motors pvt ltd,  
Plot no 1 Bidadi Industrial area  
Ramnagar -562109 (karnataka)

Plot -1 Survey No 113 /2A  
Village Harnia Khedi,  
Opp Veterinary College AB Road,  
Tehsil MHOW, Indore -453446(MP)

Plot No. 16, Sector-20B,  
Faridabad- 121007 ,Haryana

A-06, Sector - 88,  
Transport Nagar, Gautam Budh Nagar  
Noida- 201301(UP)