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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.

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## MOBILITY 2.0

“The future depends on what we do today” famously said by none other than our very own visionary Mahatma Gandhi. The imperatives that drive tomorrow is based on effective and impacting efficiency of today and these are the attributes that would be the driving forces to bring in a synergistic consumption to make life and living worthwhile.

As we dwell in an era of changing paradigms, there is a need to create value that not only enables us for the today but simultaneously makes provisions for a Cleaner | Greener | Safer tomorrow. The very thought of human efficiency is driven by multiple parameters that stand on the pillars of innovation that propel our environment, sustainability towards environment and its related infrastructure to manage transitioning from the present to being future ready.

The theme of this year revolves around the core; built and managed over years of planning and execution excellence. With a thought towards the need of creating an ecosystem, the organization has been pioneering the development for being Mobility 2.0 ready. The theme showcases the strengths of the organization’s cohesive planning, resource management and execution excellence to create business synergies to propel a futuristic business platform that serves earth and its dwellers.

Mobility 2.0 defines the drive to bring innovation and create product alignments to become the preferred mobility solutions conglomerate. The seamless synergy between auto components manufacturing, tooling to transitioning as the most appealing OEM by manufacturing eco-friendly compressed natural gas fuelled buses, as well as simultaneously creating an EV Infrastructure that consist of Electric Bus manufacturing, Sustainable Energy Generation, Green Energy Storage to EV Charging Infrastructure Development.

As we look ahead, we see better times for our current and future generations to come; where one can be reliant on JBM Auto Ltd. to provide for consuming mobility that is Cleaner, Greener, Safer.



# WE ARE JBM AUTO



JBM Auto Ltd. is the flagship company of the USD 2.2 billion JBM Group. The company is the leading manufacturer of auto components, tooling and CNG and Electric 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, Nashik, 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.

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





## 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, 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.

### 03

#### OEM DIVISION



##### Bus Manufacturing:

Having long endeavor to empower the transportation segment in India, the company came up with technologically superior buses customized to suit a variety of operating patterns across different geographies. These buses have revolutionized the public transportation sector in India by providing state-of-the-art 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 'Made in India' 100% electric buses. 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, it offers entire range of activities right from design, development, engineering, prototyping, testing and validation making it independently competent for catering to customer needs.

# OUR BELIEF SYSTEM



A conscientious corporate citizen that prioritizes People Safety, Environment Conservation and Community welfare.

## SAFE & GREEN



## CUSTOMER TRUST & DELIGHT



Meet commitments, be sensitive to customer needs, address issues with clarity and speed.

## INTEGRITY & ETHICS



The conscience to remain honest, sincere and just in conduct at all times.

## OWNERSHIP & COMMITMENT



Accountability towards undertaken tasks with complete responsibility of outcomes.

## RESPECT & TEAMWORK



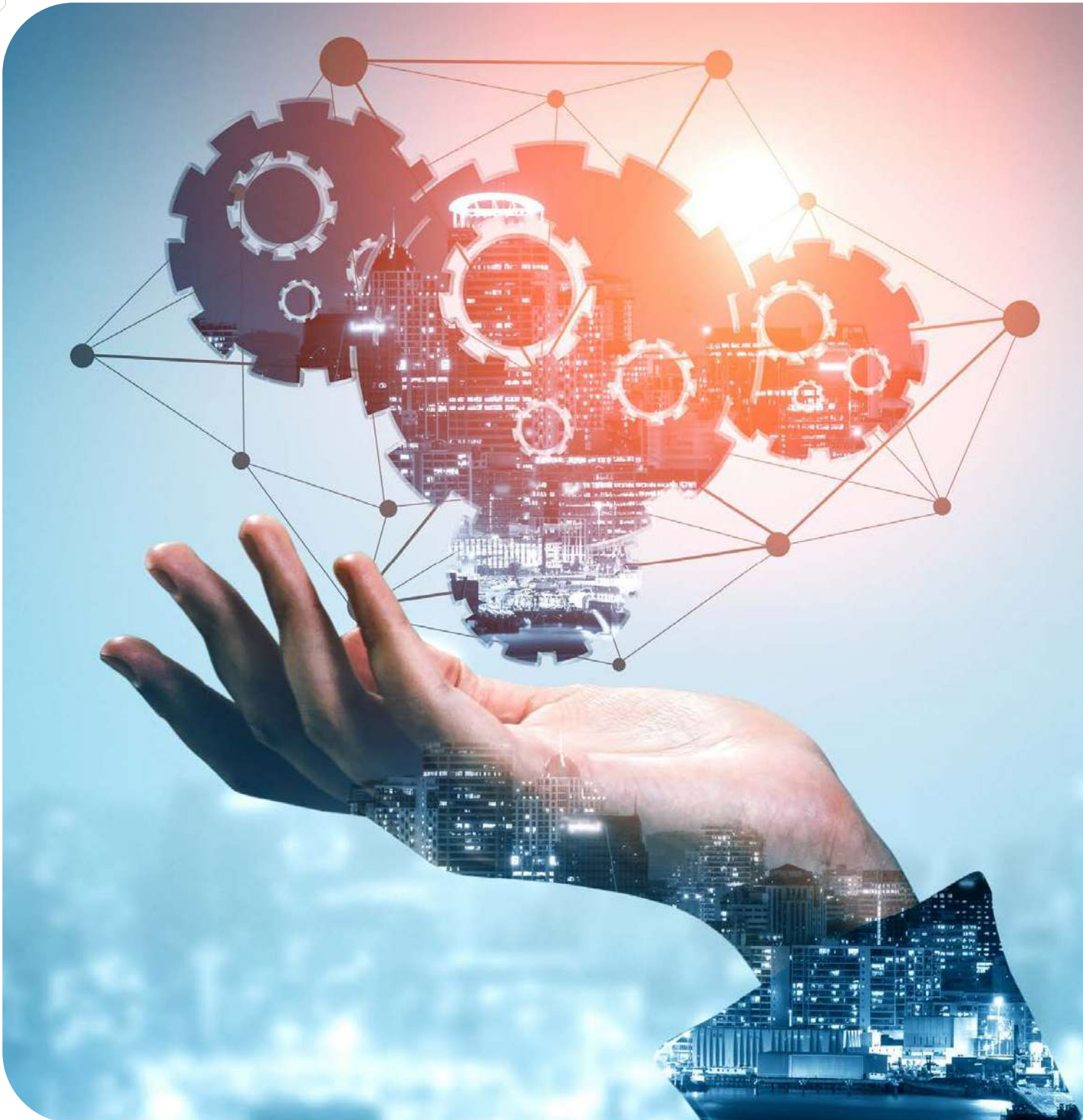
Foster trust, appreciate diversity of ideas, harness individual potential and channelize it to accomplish greater group goals.

# VALUES



# 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**.





**Surendra Kumar Arya**  
Chairman





## LETTER FROM THE CHAIRMAN'S DESK

Dear Shareholders,

As we conclude another financial year at JBM Auto Limited, it is my pleasure to present my thoughts to you at the 24th Annual General Meeting of your company.

Over the past few months, we have been deliberating on the sudden shift that the world has been subjected to due to the COVID-19 pandemic. Such unprecedented times have completely crippled the economies, health systems and industries. For the first time ever, most part of the world including our country came to a standstill for many months together. However, unprecedented times bring forth plethora of opportunities and necessitates fighter's spirit.

The current scenario has led to emergence of many such opportunities, redefined skill sets and led to wider adaptation of virtual and digital aspects of working, thereby evolving to a 'New Normal'. Businesses and individuals alike have had to adapt rapidly to cope with uncertainty and anxiety in a seemingly unending ordeal. And yet, the world endures. The new initiatives and call to action by our Honourable Prime Minister for Atma Nirbhar Bharat, Vocal for Local and Digital India will boost in the speedy revival of our economy but the success surely lies in the robust implementation and collective efforts & commitment of each citizen towards this national call.

The Government had announced a stimulus package of Rs. 20 lakh crores for the revival of the economy and to support the various business sectors. This timely relief package has shown some positive results as macro-economic indicators such as manufacturing PMI, auto sales, railway freight etc. have significantly improved in the month of August 2020. However, the auto sector is reeling under severe slowdown for the last two years and needs specific government support to ensure revival. Further in this direction, the industry has made requests to the Government to consider reduction in the GST rate and an early implementation of the scrappage policy. Moreover, the recent Electric Vehicle policy related announcements by various states have initiated setting the right momentum towards accelerating the adoption rate of EVs in India.

At this juncture, it is imperative to quote the Automotive Mission Plan (AMP) 2026 which directs the Indian Automobile Industry to be a front runner in the Make In India programme, as it is amongst the foremost drivers of the country's 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.

At JBM Auto Limited, with a clear intent towards making your company agile during this time, we have taken rapid strides towards incorporating latest technology to reduce redundancy of tasks & processes and upskilling manpower to enhance productivity. We are moving very swiftly towards incorporating Artificial Intelligence and Machine Learning across our manufacturing facilities that has resulted not only in a smoother resumption of operations post the lockdown, but also ensured in sustaining a safe and healthy working environment.



Your company has ensured strict compliance to all guidelines issued by MHA and respective State Governments at all our workplaces along with the well-being of our employees which is of utmost importance to us. Continuous education combined with self-discipline and adherence to safety measures being the focal points of business continuity when we resumed production. As we look back and reflect on our learnings, we see our vision of being the most admired Mobility Solution Provider unfold into a story that will set new benchmarks for times to come. Mobility 2.0, the theme of this year's annual report is a summation of our efforts and resources, a result of a team that dreams to make the difference.

I am extremely elated to share that your company has delivered its first ever batch of 30 electric buses to Navi Mumbai Metropolitan Transport (NMMT), Mumbai. JBM ECO-LIFE 100% Electric buses manufactured under the aegis of 'Make In India', were rolled out in a grand event announcing your company's presence in the Western region. This electric bus operation will provide estimated savings of around 60 lakh litres of diesel and 15000 tonnes of CO2 over 10 years of operations.

The OEM division of your company has registered giant strides in FY20. After having successfully establishment a world-class city bus service in Noida, Greater Noida and Gurugram, JBM CITYLIFE CNG low floor bus service was launched in the National Capital - New Delhi in March 2020. Your company executed an order for 250 CNG low floor AC buses from DIMTS, Delhi. The coveted Delhi city bus operations was inaugurated by Shri. Arvind Kejriwal, Hon'ble Chief Minister of Delhi NCT. These are the first ever low floor air-conditioned buses that have been deployed in New Delhi under the cluster scheme.

Last year, your company also forayed into an altogether new application of Tarmac Buses, after having secured orders from Indigo and SpiceJet Airlines. JBM SKYLIFE CNG low floor AC buses have been deployed at the Delhi International Airport by Indigo and SpiceJet airlines. What makes it commendable is the fact that the entire cycle right from the application studying to the final product delivery was completed in a record time of 4 months.

Over the last few years, JBM Auto Bus Division has undoubtedly established itself as a frontrunner in the R&D, technology and innovation space. A testimony to it is the development of the BS VI compliant CITYLIFE bus that was launched in the Auto Expo 2020. In a mega event, your company launched 3 state of the art products in the country's biggest auto show, ECO-LIFE 12 mts. non-AC 100% Electric Bus, ECO-LIFE 9 mts. AC 100% Electric bus and CITYLIFE CNG AC BS-VI emission compliant city bus. With a healthy order book in hand and a slew of innovative product concepts on the anvil, the OEM division of your company is gradually establishing itself as an Indian phenomenon with a global impact.

In the auto component space, your company is focussed towards adding value to its customers by consistently innovating the product range for not only aligning with but also surpassing the expectations of the OEMs. Amongst some significant product portfolio enhancements during the year, your company has added capabilities towards Safety Critical Clutch & Brake Pedal Assembly. For the passenger vehicle segment, your company has been catering to the widest range of systems and assemblies as a full-service supplier. In FY20, your company's Chennai plant became the supplier of first choice for critical car body skin panels for PSA. The Chennai plant was also awarded the prestigious 'Gold Certificate of Merit' during India Manufacturing Excellence Awards by Frost & Sullivan. The Pune plant has successfully cleared Volkswagen's sustainability rating which is a MUST requirement for award of new business from any of the VW Group companies globally. Moreover, the Pune plant has inducted new technology for manufacturing of aluminium bumper assembly for Jeep, FCA.

The portfolio in the auto component segment has been expanded by the growth registered by the Tooling business that registered the highest ever turnover in FY20 as a result of new business gained by way of adding multiple new customers,

**I am extremely elated to share that your company has delivered its first ever batch of 30 electric buses to Navi Mumbai Metropolitan Transport (NMMT), Mumbai. JBM ECO-LIFE 100% Electric buses manufactured under the aegis of 'Make In India', were rolled out in a grand event announcing your company's presence in the Western region. This electric bus operation will provide estimated savings of around 60 lakh litres of diesel and 15000 tonnes of CO2 over 10 years of operations.**

enhancing the product portfolio and high degree of localisation. During last year, the tooling division enhanced its skills and capabilities in areas such as robotic simulation that resulted in initiating export business of dies and robotic solutions. Foreseeing the movements in the electric vehicle space, your company's Tooling Division is gearing up towards developing EV related products and solutions.

Last year i.e. in FY19 your company had moved a scheme of Amalgamation of JBM MA Automotive Private Limited (associate company) and JBM Auto System Private Limited (subsidiary company) with the JBM Auto Limited with the Hon'ble National Company Law Tribunal, Mumbai and Hon'ble National Company Law Tribunal, Delhi respectively. The Hon'ble National Company Law Tribunal, New Delhi Bench had approved the scheme of amalgamation in June 2019. Further, the scheme of amalgamation had also been approved by the Hon'ble National Company Law Tribunal, Mumbai in October 2019.

As the auto industry is reeling under steep downturn, this has also affected the revenues and profitability of your company. Your company's revenues declined by 12.09% at Rs. 1962.14 cr from previous year Rs. 2231.93 cr. Your company further faced loss of production and sales arising due to pandemic spread in the last quarter of FY20 which extended to Q1 of FY21. EBITDA of the company also witnessed a shortfall of 13.61% at Rs. 245.77 cr from previous year Rs. 284.48 cr. The EBITDA margin in FY20 stood at 12.53% from 12.75%. Your company's net profit for the year stood at Rs. 69.19 cr, as against Rs. 97.54cr in FY19. Your company has declared dividend at a reduced rate of 35% against 45% declared last year to the shareholders.

The next fiscal year will be challenging for the company due to impact of COVID-19. Your company has restarted operating at low capacity after Unlock 1.0, and we are expecting that demand will improve in coming months, as people may move to self-mobility. Meanwhile, your company has also taken aggressive cost reduction measures in all areas to reduce overheads, operation cost, eliminating wastages and converting fixed cost into variable cost.

As a country, India has responded to the ongoing scenario with much solidarity with our recovery rate now being amongst one of the highest in the world. It gives me utmost confidence and belief to state that we are well on our way to restoring our lives and business back to normalcy. As we move forward, our 'Never Say Die' spirit will not only be our strength but also a true catalyst in enabling your company LEAP ahead with renewed vigour and zeal.

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 transform and grow from strength to strength.

As we transition into the future, we see JBM Auto Limited as the torchbearer of a better tomorrow. With sustainability as the driving engine of your company's growth, we are sure to be the most respected brand that will deliver a Cleaner, Greener and Safer tomorrow. Let's prevail with positivity and grit as a team that is building a better tomorrow for you and your loved ones.

Stay Healthy, Stay Safe.

Thank You and Jai Hind.

**Surendra Kumar Arya**  
Chairman





**7000**  
Employee  
Strength

“  
**A GOAL IS  
A DREAM  
WITH A  
DEADLINE**  
”

“  
**IMAGINATION  
IS MORE  
IMPORTANT  
THAN  
KNOWLEDGE**  
”

**3**  
Business Divisions

**1943cr**

Turnover FY 2019-20  
(IND-AS)

“  
**THERE IS NO  
FINISH LINE.  
THERE ARE  
ONLY MILE  
MARKERS.**  
”

**16**

state-of-the-art  
manufacturing  
facilities

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





THE GREEN ENERGY INITIATIVES IMPLEMENTED ACROSS OUR VARIOUS PLANTS WILL BE GENERATING OVER 300 LAC UNITS THAT WILL RESULT IN A SAVING OF OVER 27000 TONS OF CO<sub>2</sub> EMISSIONS OVER ITS LIFETIME.

TO FURTHER SUPPLEMENT OUR EFFORTS TOWARDS DECARBONISATION AND REDUCING THE RENEWABLE ENERGY POWER INTERMITTENCY, WE HAVE GONE A STEP AHEAD WITH THE DEPLOYMENT OF BEHIND THE METER ENERGY STORAGE SYSTEMS ACROSS OUR VARIOUS PLANTS AT JBM AUTO LTD.







## KEY CLIENTELE

 <b>ASHOK LEYLAND</b>	<b>DAIMLER</b>	 <b>NISSAN</b>	 <b>RENAULT</b>
 <b>FCA</b> <small>FIAT CHRYSLER AUTOMOBILES</small>	 <b>Ford</b>	 <b>TOYOTA</b>	<b>PSA</b> <small>GRUPE</small>
<b>ISUZU</b>	 <b>VOLVO</b>	 <b>TMTL</b>	 <b>VW</b>
 <b>ESCORTS</b>	 <b>HONDA</b>	<b>ROYAL ENFIELD</b>	 <b>TATA</b> <small>TATA MOTORS</small>
 <b>FORCE</b> <small>MOTORS</small>	<b>SML ISUZU</b>	 <b>HONDA</b>	<b>CNH</b> <small>INDUSTRIAL</small>
 <b>VINFAST</b>	 <b>VE COMMERCIAL VEHICLES</b> <small>A VOLVO GROUP AND EICHER MOTORS JOINT VENTURE</small>	 <b>Mahindra</b>	

# INDIAN AUTOMOTIVE INDUSTRY IN FY20

FY20 that witnessed economic slowdown and transition to BS-VI emission, came to a close with the nationwide lockdown imposed due to the COVID19 pandemic, completely subduing the sentiments of the fourth largest car market. The overall volumes of the Indian Auto industry fell by 18 percent to 21,548,494 units in FY20.

- Total commercial vehicles sales declined 29 percent to 717,688 units, as against 1,007,311 units in the same period previous year. CV sales being an indicator of the economic activity, this dip clearly signalled a huge downturn and the economy being in a recessionary state. It is worth mentioning here that the commercial vehicle segment crossed the one-million mark for the first time ever last year (FY19), registering a 24% increase.
- Passenger vehicle sales in FY20 dropped to 18 percent and sold almost 6 lakhs units less in FY20. PV sales figures stood at 2,775,679 units in FY20, as compared to 3,377,389 units in FY19.

- Two-wheeler sales last fiscal dropped 18 percent to 17,417,616 units as compared to 21,179,847 units in FY19.

## GOVERNMENT INITIATIVES

The Government of India encourages foreign investment in the automobile sector and has allowed 100 per cent foreign direct investment (FDI) under the automatic route. Some of the recent initiatives taken by the Government of India are:

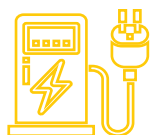
- Under the Union Budget 2019-20, the Government announced to provide additional income tax deduction of Rs 1.5 lakh (US\$ 2,146) on the interest paid on the loans taken to purchase EVs.
- The Government aims to develop India as a global manufacturing centre and a Research and Development (R&D) hub.



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

Category	FY16	FY17	FY18	FY19	FY20
Passenger Vehicles	2789208	3047582	3288581	3377389	2773575
Commercial Vehicles	685704	714082	856916	1007311	717688
Three Wheelers	538208	511879	635698	701005	636569
Two Wheelers	16455851	17589738	20200117	21179847	17417616
<b>Grand Total</b>	<b>20468971</b>	<b>21863281</b>	<b>24981312</b>	<b>26265552</b>	<b>21545448</b>





- Under NATRiP, the Government of India is planning to set up R&D centres at a total cost of US\$ 388.5 million to enable the industry to be on par with global standards.
- The Ministry of Heavy Industries, Government of India has shortlisted 11 cities in the country for introduction of EVs in their public transport systems under the FAME (Faster Adoption and Manufacturing of (Hybrid) and Electric Vehicles in India) scheme. The Government will also set up incubation centre for start-ups working in the EVs space.
- In February 2019, the Government of India approved FAME-II scheme with a fund requirement of Rs 10,000 crore (US\$ 1.39 billion) for FY20-22.

**ROAD AHEAD**

- The automobile industry is supported by various factors such as availability of skilled labour at low cost, robust R&D centres, and low-cost steel production. The industry also provides great opportunities for investment and direct and indirect employment to skilled and unskilled labour.
- Indian automotive industry (including component manufacturing) is expected to reach Rs 16.16-18.18 trillion (US\$ 251.4-282.8 billion) by 2026.



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

Category	FY16	FY17	FY18	FY19	FY20
Passenger Vehicles	653053	758727	748366	676192	677311
Commercial Vehicles	103124	108271	96,865	99,933	60713
Three Wheelers	404441	271894	381002	567683	502169
Two Wheelers	2482876	2340277	2815003	3280841	3520376
<b>Grand Total</b>	<b>3643494</b>	<b>3479169</b>	<b>4041236</b>	<b>4624649</b>	<b>4760569</b>





# AUTO EXPO 2020







JBM Auto Ltd – Auto Expo 2020 - Brand Humanization At Its Best

The Auto Expo 2020 was a large format brand activation event for JBM Auto Ltd that showcased the organization’s prowess to the Automobile industry and the general public.

The theme for the Auto Expo 2020 was ‘LIFE’, wherein the JBM Auto Ltd brand humanized its image to showcase the organization’s integral value for LIFE with the interconnectivity of its eco-sustainability driven business. The highlight of the Auto Expo 2020 was the unveiling ceremony and launch celebratory showcase of the 9 Metre Electric Bus. The ambience created was seen to be an integrated brand activation platform that amplified and engaged audiences using visual tech aids.

LIFE was the commencement of the organization’s communication that embedded the Mobility 2.0 thought of having a Cleaner | Greener | Safer environment to dwell in.





# KEY ACHIEVEMENTS

## Component Division

### Chennai

- Addition of Safety Critical Clutch and Brake Pedal Assembly as a new product range to the portfolio
- Started the supply of the new prestigious model of Isuzu Motors, India for critical tooling and high level sub-assemblies as per global standards.
- Bagged the prestigious order for new business from key customers like Renault – Nissan and Royal Enfield where development is in advanced stages
- Became the supplier of first choice for the critical car body skin panels and major inner panels for tooling and parts supply for PSA.
- Implementation of Artificial Intelligence in Quality Inspection process.
- Awarded prestigious "GOLD CERTIFICATE OF MERIT" during India Manufacturing Excellence Award 2019 by Frost & Sullivan.
- Recognized for on-time development & delivery by Isuzu Motors, India
- ZERO QUALITY DEFECT recognition by Royal Enfield consistently.

### Sanand

- Recognized for quality performance, and sustained FORD Motor Company's Q1 certification and aspiring for Q1 Gold by Oct 2020.
- Achieved 100% delivery performance and productivity for HMSI and FORD for FY20.
- Enhanced Robotic Welding (Spot & MIG) productivity from 92% to 98% in HLSA.
- Addition of sensors in press tools integrated with manual press operation to eliminate mis-feed thereby reducing skilled manpower dependency.
- Added two new customers
- Flawless launch and smooth capacity ramp-up for HMSI.
- To ensure enhanced safety, HPS Machines barricaded and linked with sensors preventing un-warranted entry of workmen during operations.
- Flawless launch and smooth capacity ramp-up for Tata Motors' BSVI and electric vehicles.

### Pune

- Cleared VW's sustainability rating threshold level of 75 and achieved a score of 82. This gives us an opportunity for award of new business for VW group companies globally.
- Achieved VDA Process & Product Audit rating of B-87 from Skoda Auto Volkswagen India Pvt Ltd., thus qualifying for new business awards.
- Started supplies of BIW and CCB systems for new models of Tata Motors. Started Aluminium bumper assembly which is first of its kind in India and is a huge success and right step in the direction of light weighting.
- Bagged new projects for upcoming models from TML, M&M, Skoda VW and FCA.





## Tool Room Division

- Tooling division has achieved the highest ever turnover through increasing business by adding new customers and enhancing the product portfolio with multiple developments of critical products.
- Special skills & capability in the area of Scanning, Reverse engineering, Robotic simulation, Door Roller Hemming have been added to the overall business growth & market share of company.
- Participated with OEM's VA/VE activities for the cost improvement of overall vehicle budget and becoming the first preference for new business.
- Started export business of dies & robotic solutions.
- Foreseeing increment on Electric Vehicle mobility, we are enhancing our skills to develop EV related products.
- Focus will be on next level of expertise like Factory layout development and Laser welding technologies to expand business and product portfolio.
- Fully industrialized the new tool room set up with Overseas participation to take up critical tooling as import substitution.

## OEM Division

- After a successful launch and establishment of world-class city bus services in Noida and Gurugram, a new city bus service was successfully launched in the Capital City- Delhi. An order for 250 Citylife CNG low floor AC buses was executed from DIMTS, Delhi. It is worth mentioning that CNG AC low floor buses have been launched in Delhi after 10 years. The coveted Delhi city bus operations was inaugurated by Hon'ble Chief Minister of Delhi.
- Forayed into an altogether new application of Tarmac Buses, with orders from Indigo Airlines and Spicejet Airlines. Delivered state-of-art Tarmac CNG low floor AC buses to Indigo and Spicejet in record time. The whole cycle from the application studying to the final product delivery was done within a span of just 4 months. Tarmac buses delivered by our company have now become a Technology Showcase at Delhi Airport.
- Added another feather to our cap by successfully delivering the first 9m 100% electric buses - Ecolife to Navi Mumbai Municipal Transport, Mumbai. 30 Buses were successfully launched in a grand event announcing our presence in the Western Region. This EV bus operation will provide an estimated savings of around 60 lakh litres of diesel and prevent around 15000 tonnes of CO2 over 10 years of operations.
- Undoubtedly established ourselves as a force to reckon with. A testimony to this is the response that we received during the Auto Expo 2020. In a mega event, we launched the following 3 products in the country's biggest auto show:
  - a. Ecolife 12m 100% EV low floor non-AC with 40 seating capacity
  - b. Ecolife 9m 100% EV high floor AC with increased battery capacity
  - c. Citylife CNG low floor 12m AC BS-VI emission compliant,

The footfalls right through all the 8 days and the queries & information sought by multiple stakeholders and potential customers speaks volumes about the rapid strides that your company is making in the right direction.

With a good order book in hand, Strategic thinking, Progressive management, and a slew of innovative product concepts on the anvil, your Company is headed to establish itself as an Indian phenomenon with a Global impact.





# DELHI BUS ROLLOUT



JBM 'CITYLIFE' low floor 'air-conditioned' CNG City Buses flagged off by Honourable Chief Minister of Delhi Shri Arvind Kejriwal

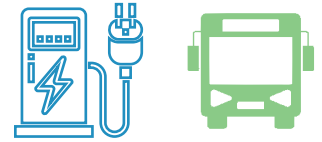








# 1<sup>ST</sup> ELECTRIC BUS ROLLOUT IN MUMBAI





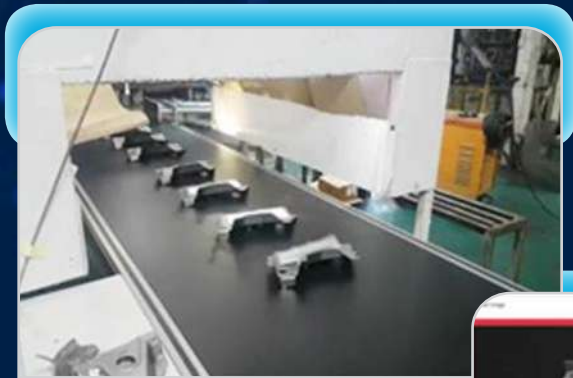
Succesfully executed the first order of Electric Buses



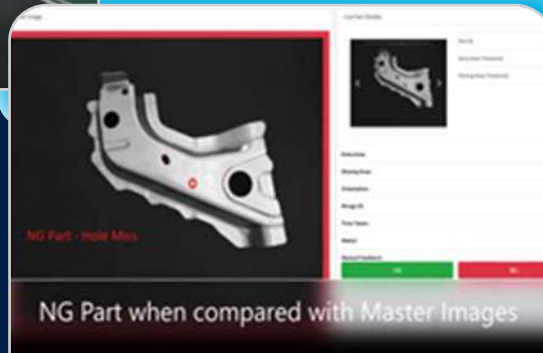
# ARTIFICIAL INTELLIGENCE

With the recent unprecedented changes in the environment and businesses due to COVID-19, we have witnessed the evolution of the new normal. The early adoption of AI in business resonates well with organizations that wish to be future ready. With critical aspects such as sustaining and enhancing the shop floor productivity, predictive insights for better planning and remote supervision becoming the key driving force for manufacturing, JBM Auto Ltd has proactively taken the plunge to drive efficiency and enable predictability in its business planning.

As we tower on our Mobility 2.0 mission and gear up towards the Industry 4.0 revolution, Computer Vision technology and Machine Learning are going to be the two key pillars for driving business process excellence at JBM Auto. The organization has deployed Artificial Intelligence & machine learning, thereby witnessing immense learnings that have both, near-term and long-term benefits. The AI Division of JBM Group is spearheading the convergence of artificial intelligence technology to all facets of the JBM Auto business ecosystem which will be the propeller towards delivering product & service excellence in conjunction with the evolving requirements globally.



To sustain and enhance the Quality standards, camera based automated and AI enabled Quality check mechanism has been introduced. To keep the cost viable, we leveraged the existing hardware, wherever possible, resulting in minimal hardware cost and procurement time. Smart sampling methods are being used to make the process cost effective and less time consuming.

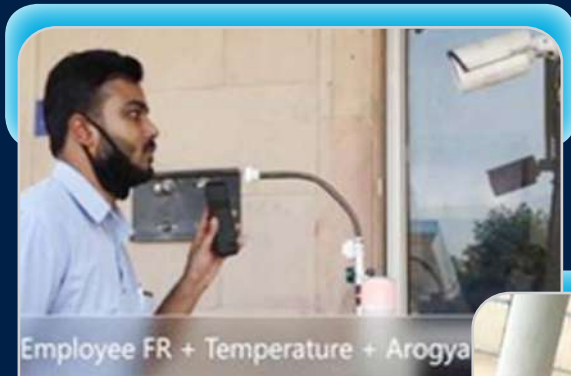


Further, as part of the Industry 4.0 solutions deployment regarding monitoring and controlling the machine productivity, capturing of various machine parameters for Press & Weld systems has been automated with every element available real time online. This online monitoring ensures high productivity and reduced downtime of machines. This system further enables conducting root cause analysis through the captured data and information which helps in ascertaining machine related KPIs, reducing the bottlenecks in the system.



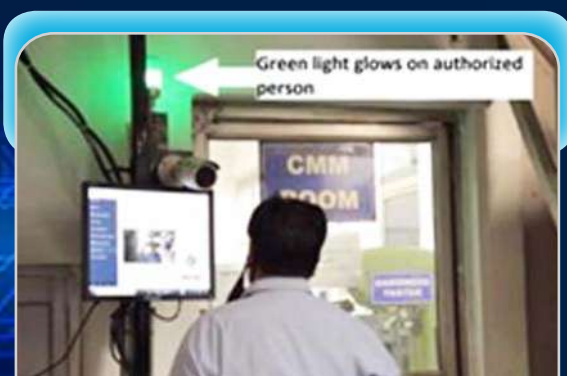


In the area of safe workplace solutions, AI is being extensively used across all the manufacturing facilities to ensure worker safety. Solutions like facial recognition attendance system, manpower monitoring system, social distancing, PPE compliance, traceability & deterrent, improved shop floor productivity and discipline, etc. have been deployed. This system has been created primarily to replace the conventional punching system with an automated check mechanism without any physical contact and restricted access to the workplace. The existing biometric system has been replaced with a no touch facial recognition solution alongwith temperature recording through automatic digitization.



The other AI solution regarding controlled access to workplace is to make sure that the employee moves in the designated work area only. This enables enhanced productivity and also restricts unnecessary movement. Designated work area has been assigned for each employee with access permission to only respective employees for their concerned working areas.

In case of the violation, automated and real time SMS/ email alerts are directed to the supervisor alongwith a violation location snapshot. It also has the provision for automatic data analysis and surfacing hotspots for social distancing violations.



## SKILL DEVELOPMENT INITIATIVES

Your Company's Skill Development Centre (SDC) is recognized at National Level in Promoting National Apprenticeship Promotion Scheme (NAPS), by Providing Training Opportunities in designated and optional trades approved by DGT / NSDC. We have signed MOUs with Government run ITIs for implementation of Dual System Training (DST) at JBM Auto, Plants viz.at Faridabad, Kosi, Sanand and Indore for Training of Tool & Die Maker, Motor Mechanic, Welder and Painters – 120 Candidates.

We also provide Apprenticeship opportunity to Diploma and Graduate Engineers through Board of Apprenticeship Training, M/o HRD nearly 600 candidates benefit out of this.

“In last 5 Year, we have successfully trained and placed more than 8000 candidates from different parts of the country. The training courses have been customized on ‘EARN & LEARN’ principle, thereby, helping the under privileged and candidates from weaker section / North-East”

We are leading Industry Partner of Shri Vishwakarma Skill University, Government of Haryana and support the following high-tech training courses:

- M. Voc in Robotics and Automation
- B. Voc in Robotics and Automation
- B. Voc in Tool & Die Manufacturing

We are managing up-gradation of Government ITI, Sonipat under STRIVE project of Ministry of Skill Development, Government of India and supporting by designing & introducing new courses on E-Mobility. We also conduct expert lectures and offer On Job Training Opportunities to Technical Students at ITIs, Polytechnics and Engineering Colleges.



Felicitation of Sh. S K Arya, Chairman & Sh. Nishant Arya, ED by Chief Minister of Haryana



Saksham Sathi Award – Commendable Contribution towards Dual System of Training







## 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 to fight against 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 Vidyalyas', 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

## BOARD OF DIRECTORS



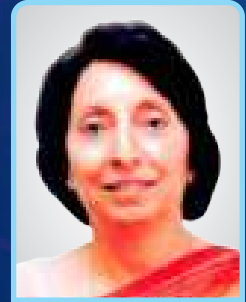
Mr. Surendra Kumar Arya,  
Chairman



Mr. Praveen Kumar  
Tripathi, Director  
(w.e.f 11.07.2019)



Mr. Nishant Arya,  
Director



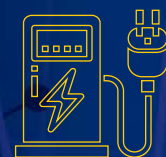
Ms. Pravin Tripathi,  
Director



Mr. Sandip Sanyal,  
Executive Director



Mr. Mahesh Kumar  
Aggarwal, Director



### Chief Financial Officer & Company Secretary

Mr. Vivek Gupta

### Statutory Auditor

Sahni Natarajan and Bahl, Chartered Accountants

### Share Transfer Agent

MCS Share Transfer Agent Limited

### NBFC's

Tata Capital Financial Services Ltd.  
Bajaj Finance Ltd.

## BANKERS

Axis Bank Ltd. | HSBC Ltd. | CTBC Bank Co. Ltd. | IDFC FIRST Bank Ltd. | 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.





# FINANCIAL HIGHLIGHTS

## CONSOLIDATED

(₹ In Crores)

Particulars	FY16	FY17	FY18	FY19	FY20
Gross Sales	1711.18	1693.48	2110.29	2206.96	1946.73
Net Sales	1517.76	1500.92	2045.31	2206.96	1946.73
Other Income	6.40	14.86	12.27	24.97	15.41
Total Revenue (net of excise duty)	1524.16	1515.78	2057.58	2231.93	1962.14
EBDITA	196.54	190.67	263.02	284.48	245.77
Depreciation	58.95	50.05	69.88	74.83	73.85
Finance cost	52.75	52.75	55.73	59.40	64.27
Profit Before Tax (PBT)	84.84	97.38	137.42	150.25	107.65
Tax Expense	21.90	25.46	47.83	52.16	38.43
Profit After Tax (before adjustment to Non Controlling Interest)	62.94	71.92	89.59	98.09	69.22
Other comprehensive income		(0.10)	12.50	(0.55)	(0.03)
Non controlling Interest	10.56	6.54	0.00	0.00	0.00
Total Comprehensive Income attributable to Owners of the company	52.38	65.28	102.09*	97.54	69.19
Equity Share Capital ( Including share issued due to merger)	20.40	20.40	23.65	23.65	23.65
Reserve & Surplus	278.78	336.22	526.19	621.74	679.87
Net Worth	299.18	356.62	549.84	645.39	703.52
Long Term Debt Equity Ratio	0.80	0.70	0.62	0.55	0.40

\* Pursuant to Business Combination, gain of Rs. 12.42 crores has arisen due to Fair Valuation of previously held interest of the company in JBM MA Automotive Private Limited.

## KEY INDICATORS

Particulars	FY16	FY17	FY18	FY19	FY20
EBDITA / Total Revenue (%)	12.95	12.70	12.78	12.75	12.53
PBT/Total Revenue (%)	5.57	6.42	6.68	6.73	5.49
PAT/Total Revenue (%)	3.44	4.31	4.36	4.37	3.53
RONW (PAT/Net worth)%	17.51	18.30	16.29	15.20	9.84
Earning Per Share	12.39	16.02	18.94	20.74	14.63
Cash Earning Per share	27.29	28.27	33.70	36.56	30.24
Book Value per share	73.34	87.42	116.25	136.45	148.74
Dividend Per Share (in ₹)	1.75	2.00	2.00	2.25	1.75
Equity Dividend(₹ in cr)	7.14	8.16	8.16	9.18	8.28
Corporate Dividend tax(₹ in cr)	0.70	1.66	1.66	1.89	-
Dividend Payout ratio(%) (Standalone)	31.83%	24.72%	30.58%	22.71%	11.91%
Price /Earning ratio(times)	12.14	17.36	20.12	12.83	9.52
No of share (in cr)	4.08	4.08	4.73	4.73	4.73
Market Price of Share as on 31st March(₹)	150.40	278.10	381.05	266.00	139.30
Market Capitalisation (₹ in cr)	613.56	1134.52	1554.51	1085.16	658.87

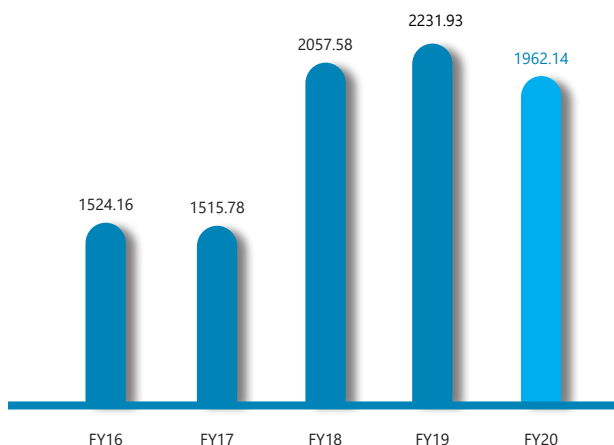
Note:

- The figures related to Profit and Loss from FY 17 to F20 are as per Ind AS and FY 16 are as per AS.
- The figures related to Balance Sheet from FY 16 to F20 are as per Ind AS.
- No of shares of FY 18 and FY 19 includes 0.65 Cr share to be issued due to merger, which have been issued in FY 20.
- The figures related to Profit and Loss and Balance Sheet from FY 18 to FY 19 are reproduced on merged Basis.



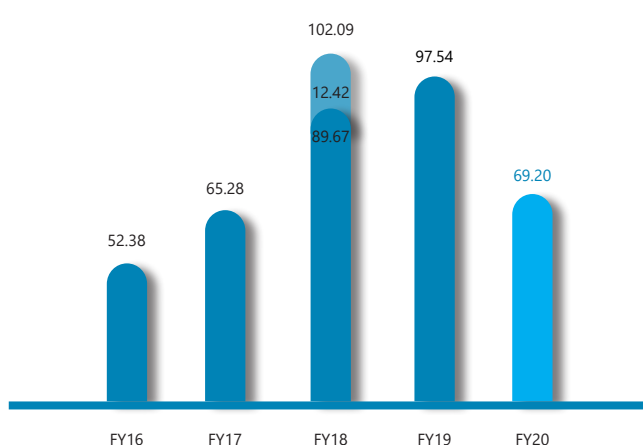
### Total Income(Net of Excise Duty)

(₹ In Crore)



### Total Comprehensive Income

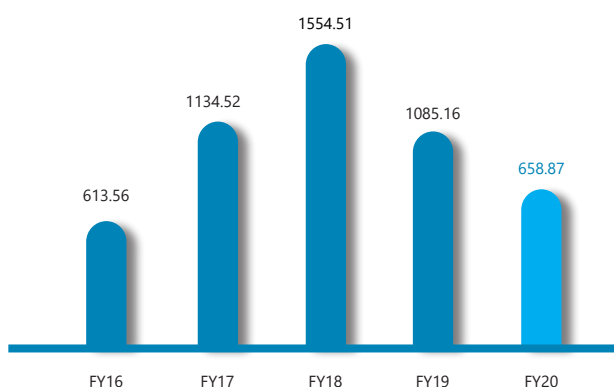
(₹ In Crore)



\* Pursuant to Business Combination, gain of Rs. 12.42 crores has arisen due to Fair Valuation of previously held interest of the company in JBM MA Automotive Private Limited.

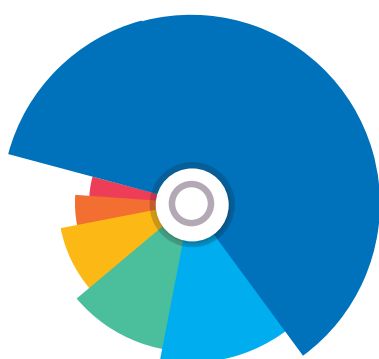
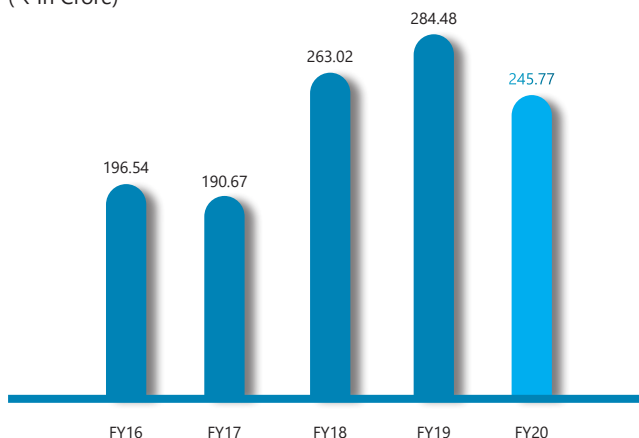
### Market Capitalization

(₹ In Crore)



### EBITDA

(₹ In Crore)

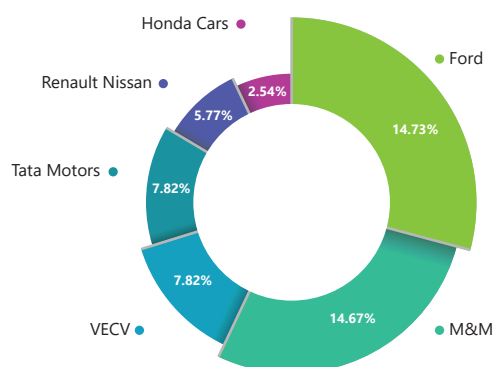


### Distribution of Income 2020

(In %)

Raw Material Consumed	69.09%
Employee benefits expense	10.40%
Depreciation and amortisation expense	3.76%
Other expenses	8.00%
Finance Cost	3.27%
Profit /(loss) before share of Profit / (loss) of an associate and a joint venture	5.49%

### Share of Revenues



### Consolidated Segment-wise Revenue from Operations

Sl	Division	FY20	FY19
1	Component	1,455	1,931
2	Tool Room	253	155
3	OEM	239	121
	Total Revenue from Operations	1,947	2,207

# BOARD'S REPORT

To the Members,

Your Directors present the Annual Report of JBM Auto Limited (the Company) along with the audited financial statements for the financial year ended 31st March, 2020. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

## 1. FINANCIAL RESULTS

Your Company's financial performance for the year ended 31st March, 2020 is summarized below:

₹ In Crores

PARTICULARS	STANDALONE		CONSOLIDATED	
	FY20	FY19	FY20	FY19
Revenue from operations	1,946.73	2,206.96	1,946.73	2,206.96
Other Income	15.41	24.97	15.41	24.97
Total Income	1,962.14	2,231.93	1,962.14	2,231.93
<b>Profit Before Interest, Taxes and Depreciation and amortization</b>	<b>245.60</b>	<b>282.57</b>	<b>245.60</b>	<b>282.57</b>
Less: Depreciation	73.85	74.83	73.85	74.83
Less: Finance Cost	64.27	59.40	64.27	59.40
<b>Profit for the period before share of profit in associate and joint venture</b>	<b>107.48</b>	<b>148.34</b>	<b>107.48</b>	<b>148.34</b>
Share of profit of associate and joint venture	0.00	0.00	0.17	1.91
<b>Profit Before Tax</b>	<b>107.48</b>	<b>148.34</b>	<b>107.65</b>	<b>150.25</b>
Tax Expense	38.00	51.71	38.43	52.16
Profit for the period for continuing operations	69.47	96.63	69.22	98.09
Other Comprehensive income for the year	0.00	(0.50)	(0.03)	(0.55)
<b>Total Comprehensive income for the year</b>	<b>69.47</b>	<b>96.12</b>	<b>69.19</b>	<b>97.54</b>
Less: Non-Controlling Interest	0.00	0.00	0.00	0.00
<b>Total Comprehensive income attributable to the owners of the company</b>	<b>69.47</b>	<b>96.12</b>	<b>69.19</b>	<b>97.54</b>

## 2. FINANCIAL HIGHLIGHTS

### On Standalone Basis

During FY20, the Company's revenue from operations is Rs. 1,946.73 crore as against Rs. 2,206.96 crores in the previous year, thereby decrease of 11.79%, against the industry down by 14.73%. However there is significant increase in Tool Room and OEM division.

The profit before tax is Rs. 107.48 crore in FY20 as against Rs. 148.34 crore in the previous year, thereby decrease of 27.54%.

### On Consolidated Basis

In compliance with the applicable provisions of the Companies Act, 2013 including the Accounting Standard Ind AS 110 on Consolidated Financial Statements, this Annual Report also includes Consolidated Financial Statements for FY20.

The Company's Consolidated revenue from operations is Rs. 1,946.73 crores as against Rs. 2,206.96 crores in the previous year, thereby decrease of 11.79%, against the industry down by 14.73%. However there is significant increase in Tool Room and OEM division.

The Profit before tax for the year stood at Rs. 107.65 crores as against Rs. 150.25 crores in the previous year, thereby decrease of 28.35%.

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



### 3. DIVIDEND AND APPROPRIATION

#### (A) Dividend

The Board has recommended a final dividend of Rs. 1.75/- (i.e. 35%) per equity share on fully paid-up equity shares of Rs. 5/- each on equity share capital for the financial year ended 31st March 2020.

The payment of dividends is subject to the approval of the shareholders at the ensuing 24th Annual General Meeting (AGM) of the Company and will be paid to those members whose name will be appearing in the register of members on the cut-off date 4th December, 2020.

#### (B) Appropriation

No amount has been transferred to the General Reserve for FY20.

### 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, 2020.

However, pursuant to merger of JBM Auto System Private Limited (Transferor Company No. 1) and JBM MA Automotive Private Limited (Transferor Company No. 2) with the JBM Auto Limited (Transferee Company), the object clause of Memorandum of Association of JBM Auto Limited has been amended in order to include the object clauses of transferor companies.

### 5. COMPLIANCE WITH SECRETARIAL STANDARDS

The applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively have been duly complied by your Company except the exemptions/ relaxations granted by Ministry of Corporate Affairs (MCA) under the lockdown period due to COVID 19 pandemic.

### 6. MATERIAL CHANGES AFFECTING THE COMPANY

There were no material changes and commitments affecting the financial position of the Company which have occurred between the end of FY20 and to the date of this report.

As the Government of India has declared lockdown all over India w.e.f. 23rd March, 2020, to stop the spread corona virus (COVID 19) disease, all the plants/ units of Company were closed till 15th May, 2020 and no manufacturing/ production activities were carried over there.

### 7. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

As per the applicable provisions of the Companies Act, 2013 read with Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund ) Rules, 2016 ("IEPF Rules"), all unclaimed dividends are required to be transferred by the Company to the IEPF, after completion of seven (7) years. Further, according to IEPF Rules, the shares on which dividend has not been claimed by the shareholders for seven (7) consecutive years or more shall be transferred to the demat account of the IEPF Authority. The details relating to amount of dividend transferred to the IEPF and corresponding shares on which dividends were unclaimed for seven (7) consecutive years are available on the website of the Company at [http://www.jbmgroup.com/JBM-Auto-Ltd.php#ChildVerticalTab\\_27](http://www.jbmgroup.com/JBM-Auto-Ltd.php#ChildVerticalTab_27).

### 8. HUMAN RESOURCES

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

## 9. SHARE CAPITAL AND LISTING OF SHARES

The authorized share capital of the Company is Rs.136 crore and subscribed & paid up equity share capital of the Company is Rs. 23.65 crore.

During the year, the authorized share capital of the Company has increased from Rs. 50 crore to Rs. 136 crore and the Company has issued 65,03,489 equity shares to the shareholders of JBM Auto System Private Limited and JBM MA Automotive Private Limited pursuant to the scheme of merger of JBM Auto System Private Limited (Transferor Company No. 1) and JBM MA Automotive Private Limited (Transferor Company No. 2) with the JBM Auto Limited (Transferee Company) as approved by Hon'ble National Company Law Tribunal, New Delhi Bench (Court-III) vide its order no. CAA-133/ND/2018 dated 14th June, 2019 and by Hon'ble National Company Law Tribunal, Mumbai Bench (Court- IV) vide its order no. C.P.(C.A.A.)/4660/MB/2019 dated 25th October, 2019 read with corrigendum dated 17th December, 2019.

During the year, the Company has also redeemed 50 lacs 8% Non-Cumulative Redeemable Preference Shares having face value of Rs. 10/- each on 13th February, 2020, which were issued to Neel Metal Products Limited on 14th February, 2014.

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

## 10. SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES

A statement containing the salient features of financial statements of subsidiaries/ joint venture/ associate companies of the Company in the prescribed Form AOC - 1 forms a part of Consolidated Financial Statements (CFS) in compliance with Section 129(3) and other applicable provisions, if any, of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014.

The said Form also highlights the financial performance of each of the subsidiaries/ joint venture/ associate companies included in the CFS of the Company pursuant to Rule 8(1) of the Companies (Accounts) Rules, 2014.

In accordance with Section 136 of the Act, the financial statements of the subsidiary and associate companies are available for inspection by the members at the Registered Office of the Company during business hours on all days except Saturdays, Sundays and public holidays upto the date of the AGM. Any member desirous of obtaining a copy of the said financial statements may write to the Company Secretary at the Registered Office of the Company.

The Company has formulated a policy for determining material subsidiaries. The policy may be accessed on the website of the Company ([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))

## 11. DIRECTORS AND KEY MANAGERIAL PERSONNEL

### Directors

Pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013, one-third of such of the Directors as are liable to retire by rotation, shall retire by rotation every year and, if eligible, offer themselves for re-appointment at every Annual General Meeting (AGM), Consequently Mr. Surendra Kumar Arya retires by rotation and being eligible, offers himself for re-appointment. A resolution seeking shareholders' approval for his re-appointment forms part of the Notice.

This is to inform that pursuant to the Section 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 the Shareholders of the Company in their 19th Annual General Meeting held on 22nd September, 2015 had appointed Mr. Sandip Sanyal (DIN: 07186909), as a Whole Time Director (designated as an "Executive Director") for a period of 5 (Five) consecutive years w.e.f. 18th May, 2015 to 17th May, 2020

The Board of Director in their meeting held on 3rd February, 2020 has approved the re-appointment of Mr. Sandip Sanyal for further period of 1 (one) year w.e.f. 18th May, 2020. The same shall be placed in the 24th Annual General Meeting, for shareholders' approval.

A resolution seeking shareholders' approval for their re-appointment forms a part of the Notice of 24th Annual General Meeting.

Pursuant to the provisions of Section 149 of the Act, the independent directors have submitted declarations that each of them meet the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations. There has been no change in the circumstances affecting their status as independent directors of the Company.

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/ Committee of the Company. None of the Directors of the Company are 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:

- |     |                   |   |   |
|-----|-------------------|---|---|
| (a) | Mr. Sandip Sanyal | - | Executive Director                          |
| (b) | Mr. Vivek Gupta   | - | Chief Financial Officer & Company Secretary |

## 12. COMPLIANCES UNDER COMPANIES ACT, 2013

### (i) Extract of Annual Return

As per the requirements of Section 92(3) of the Act and Rules framed thereunder, the extract of the annual return for FY20 is given in **Annexure I** in the prescribed Form No. MGT-9, which forms part of this report.

### (ii) Meetings of the Board

During FY20, 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

During FY20, Annual General Meeting of the Company was held on 14th September, 2019, at Air Force Auditorium, Subroto Park, New Delhi-110010.

### (v) Committees of the Board

The details pertaining to the composition of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Committee are included in the Corporate Governance Report, which forms part of this report.

### (vi) Corporate Restructuring

The scheme of merger of JBM Auto System Private Limited and JBM MA Automotive Private Limited with JBM Auto Limited had become effective w.e.f. 1st January, 2020 as approved by the Hon'ble National Company Law Tribunal, New Delhi Bench (Court-III) vide its order no. CAA-133/ND/2018 dated 14th June, 2019 and the Hon'ble National Company Law Tribunal, Mumbai Bench (Court-IV) vide its order no. C.P. (C.A.A.)/4660/MB/2019 dated 25th October, 2019 read with corrigendum dated 17th December, 2019.

All the necessary compliances and arrangement have been done in this regard.

### (vii) Company's Policy on Appointment and Remuneration of Directors

The criteria for determining qualifications, positive attributes and independence in terms of the Companies 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 appropriate to the Company.

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 can be accessed at our website at [http://www.jbmgroup.com/JBM-Auto-Ltd.php#ChildVerticalTab\\_28](http://www.jbmgroup.com/JBM-Auto-Ltd.php#ChildVerticalTab_28).

### (viii) Directors' Responsibility Statement

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirm that they:

- have followed in the preparation of Annual Accounts for FY20, the applicable Accounting Standards and no material departures have been made for the same;

- ii. have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2020 and of the profit of the Company for the year ended on that date;
- iii. have 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. have 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 were adequate and were operating effectively; and
- vi. have devised proper systems to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors and external consultants, including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY20.

#### **(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 Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

All contracts/ arrangements/ transactions etc. entered into by the Company with Related Parties were in ordinary course of business and on arm's length basis.

All transactions with related parties were reviewed and approved by the Audit Committee and are in accordance with the Policy on dealing with and materiality of Related Party Transactions, formulated by the Company.

SMC Credits Limited and A to Z Securities Limited, Promoters of the Company, who hold more than 10% shareholding in the Company.

The details of the related party transactions as per Indian Accounting Standards (IND AS) - 24 are set out in Note 53 to the Standalone Financial Statements of the Company.

Form AOC - 2 pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is set out in the Annexure II to this report.

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

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

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

The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from 07th May, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the ensuing AGM.

M/s. Sahni Natarajan & Bahl, Chartered Accountants, have confirmed that they are not disqualified from continuing as Auditors of the Company.

The Auditors have issued an unmodified opinion on the financial statements for the financial year ended 31st March, 2020.



**(b) Secretarial Auditors**

In terms of Section 204 of the Companies Act 2013 and rules made there under, Mr. Dhananjay Shukla, Practicing Company Secretary (CP No. 8271) was appointed to conduct the Secretarial Audit of the Company for the financial year 2019-20. He has confirmed that he is eligible for the said appointment.

The Secretarial Audit Report for FY20 is annexed to this Report as **Annexure III**.

The report is self-explanatory and does 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 in their meeting held on 28th May, 2019 have appointed Mr. Amol Modak, Chartered Accountant and external agency, as Internal Auditors of the Company to perform the internal audit for FY20.

**(d) Cost Audit**

Pursuant to the merger of JBM Auto System Private Limited into JBM Auto Limited, the cost audit as specified under Section 148 of the Companies Act, 2013 is applicable to the Company, which was earlier applicable to JBM Auto System Private Limited.

Mr. M Krishnaswamy was appointed to conduct the audit of cost records of the Company for FY20. The Board of Directors in their meeting held on 30th June, 2020 has appointed Mr. M Krishnaswamy, Cost Accountant to conduct the audit of cost records of the Company for FY21. A resolution seeking approval of a members for ratifying the remunerations payable to the cost auditors for the FY21 is provided in the notice to the ensuing AGM.

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

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company as adopted by the Board and the initiatives undertaken by the Company on CSR activities during the year under review are set out in **Annexure IV** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. For other details regarding the CSR Committee, please refer to the Corporate Governance Report, which forms part of this Annual report.

Your Company has also been engaged in the Vocational Skill Development in the area of Fabrication, Production & Manufacturing in its Skill Development Centres situated at Plot No. 16, Sector-20B, Faridabad, Haryana- 121007 and No. 1, Ford Suppliers Park, S.P. Koil Post, Chengalpattu (TK), Kancheepuram Dist. Tamil Nadu – 603204 and Plot No AV 13, BOL Industrial Estate, Sanand – II, Dist- Ahmedabad, Gujarat, which is qualified as 'Employment Enhancing Vocational Skills' under Section 135 & Schedule VII of the Companies Act, 2013. It is through these sustained and continued efforts that your Company has been able to build and consolidate its CSR initiatives which contribute to nation building.

**CSR Policy**

The CSR Policy including a brief overview of the projects or programs undertaken can be accessed at the Company's website through the Web-link: [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)

**CSR Committee**

The CSR Committee comprises of Mr. Surendra Kumar Arya (Chairman), Mr. Nishant Arya and Mr. Mahesh Kumar Aggarwal, as other members of the Committee. The Committee, inter alia, reviews and monitors the CSR. During the year under review, your Company spent Rs. 228.49 lacs on CSR activities. The amount equal to 2% of the average net profit for the past three financial years required to be spent on CSR activities was Rs. 224.88 lacs.

The brief outline of the Corporate Social Responsibility (CSR) policy of the Company and the initiatives undertaken by the Company on CSR activities during the year under review are set out in **Annexure IV** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. For other details regarding the CSR Committee, please refer to the Corporate Governance Report, which forms part of this report. The CSR policy is available on [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)

**(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 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 can be accessed at our website at [http://www.jbmgroup.com/JBM-Auto-Ltd.php#ChildVerticalTab\\_28](http://www.jbmgroup.com/JBM-Auto-Ltd.php#ChildVerticalTab_28)

**(xv) Particulars of Loans, Guarantees and Investments**

Particulars of loans, guarantees and investments under Section 186 of the Companies Act, 2013 as at the end of FY20 have been disclosed in the financial statements.

**13. PERFORMANCE EVALUATION**

Pursuant to the provisions of the Act, Regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Guidance Note on Board Evaluation issued by the SEBI dated 5th January, 2017, the Board has carried out the annual performance evaluation of its own performance, Directors' individually as well as evaluation of its Committees. The evaluation criteria, inter-alia, covered various aspects of the Board functioning including its composition, attendance of Directors, participation levels, bringing specialized knowledge for decision making, smooth functioning of the Board and effective decision making.

The performance of individual Directors was evaluated on parameters such as level of engagement and contribution, independence of judgment and safeguarding the interest of the Company, etc. The Directors expressed their satisfaction with the evaluation process.

**14. REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND PARTICULARS OF EMPLOYEES**

The remuneration paid to the directors is in accordance with the Nomination and Remuneration Policy formulated in accordance with Section 178 of the Act and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

The Company's policy relating to remuneration of directors, key managerial personnel and other employee are can be accessed at our website at [http://www.jbmgroup.com/JBM-Auto-Ltd.php#ChildVerticalTab\\_28](http://www.jbmgroup.com/JBM-Auto-Ltd.php#ChildVerticalTab_28)

**15. 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.

**16. CORPORATE GOVERNANCE**

Your Company has taken adequate steps to ensure compliance with the provisions of Corporate Governance as prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A separate section on Corporate Governance, forming a part of this Report and requisite certificate from the Company's Secretarial Auditor confirming compliance with conditions of Corporate Governance is attached to the report on Corporate Governance.

**17. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

In terms of the SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Management Discussion and Analysis report is given separately and forming part of the Annual Report.

**18. INSIDER TRADING POLICY**

During the year under review, the Company reviewed compliance with the provisions of Regulation 9A of SEBI (Prohibition of Insider Trading) Regulations, 2015 with respect to "Institutional Mechanism for Prevention of Insider trading" and found the systems for internal control are adequate and are operating effectively, in accordance with the amendments to the applicable provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015. The Policy is available on the website of the Company at <http://www.jbmgroup.com/pdf/JBM-Auto-Ltd/Policy/Insider-Trading-Policy/InsiderTradingCodeApril12019.pdf>



## 19. RISK MANAGEMENT

The Company has a well-defined process in place to ensure appropriate identification and mitigation of risks. Risk identification exercise is inter-woven with the annual planning cycle which ensures both regularity and comprehensiveness. The Company has effectively managed and identified the risks at strategic, business, operational and process levels. Accordingly formulating the mitigation plans and actions for the identified risks, which are driven by senior leadership.

The key strategic, business and operational risks which are significant in terms of their impact to the overall objectives of the Company along with status of the mitigation plans are periodically presented and discussed in the Board and Audit Committee meetings. Inputs from the Audit Committee and Internal Auditors are duly incorporated in the action plans. All significant risks mitigation plans are well integrated with functional and business plans and are reviewed on a regular basis by the senior leadership.

There are no risks which in the opinion of the Board threaten the existence of the Company. However, some of the risks which may pose challenges are set out in the Management Discussion and Analysis Report which forms part of this Annual Report.

## 20. INTERNAL CONTROLS SYSTEMS AND THEIR ADEQUACY

The Corporate Governance Policies guide the conduct of affairs of your Company and clearly delineates the roles, responsibilities and authorities at each level of its governance structure and key functionaries involved in governance. The Code of Conduct for Senior Management and Employees of your Company (the Code of Conduct) commits Management to financial and accounting policies, systems and processes. The Risk Management Policy and the Code of Conduct stand widely communicated across your Company at all times.

Your Company's financial statements are prepared on the basis of the significant accounting policies that are carefully selected by Management and approved by the audit Committee and the Board. These accounting policies are reviewed and updated from time to time.

Your Company uses SAP ERP systems as a business enabler and to maintain its books of account. The transactional controls built into the SAP ERP systems ensure appropriate segregation of duties, appropriate level of approval mechanisms and maintenance of supporting records. The systems, standard operating procedures and controls are reviewed by management. These systems and controls are audited by Internal Auditor and their findings and recommendations are reviewed by the Audit Committee which ensures the implementation.

Based on the results of such assessments carried out by management, no reportable material weakness or significant deficiencies in the design or operation of internal financial controls was observed.

## 21. VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Company has a vigil mechanism through its Whistle Blower Policy approved and adopted by Board of Directors of the Company in compliance with the provisions of Section 177 (10) of the Act and Regulation 22 of the Listing Regulations.

The mechanism covers any instances of financial irregularities, breach of code of conduct, abuse of authority, disclosure of financial/ price sensitive information, unethical/ unfair actions concerning Company vendors/ suppliers, mala-fide manipulation of Company records, discrimination to the Code of Conduct in an anonymous manner.

The Policy also provides protection to the employees and business associates who report unethical practices and irregularities.

Any incidents that are reported are investigated and suitable action is taken in line with the Whistle Blower Policy.

The Whistle Blower Policy of the Company can be accessed at 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. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has formulated a Policy on Prevention of Sexual Harassment at Workplace for prevention, prohibition and redressal of sexual harassment at workplace in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company is committed to providing a safe and conducive work environment to all of its employees and associates.

The Company periodically conducts sessions for employees across the organization to build awareness about the Policy and the provisions of Prevention of Sexual Harassment Act.

No Complaints of sexual harassment were received during FY20 by the Company and policy is available on <http://www.jbmgroup.com/pdf/JBM-Auto-Ltd/Policy/Sexual-Harrasement-Policy/sexual-harrasement-policy.pdf>

### 23. MEETINGS OF INDEPENDENT DIRECTORS

The Independent Directors of your Company met on 11th February, 2020 without the presence of the Non-Independent Director or any other Management Personnel. The Meeting was conducted in an informal and flexible manner to enable the Independent Directors to discuss matters pertaining to, inter alia, review of performance of Non-Independent Directors and the Board as a whole, review the performance of the Chairman of the Company (taking into account the views of the Executive and Non-Executive Directors), review the performance of the Company, assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The meeting was attended by all the Independent Directors.

### 24. 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.

However, the Hon'ble National Company Law Tribunal, New Delhi Bench (Court-III) vide its order no. CAA-133/ND/2018 dated 14th June, 2019 and Hon'ble National Company Law Tribunal, Mumbai Bench (Court- IV) vide its order no. C.P.(C.A.A.)/4660/MB/2019 dated 25th October, 2019 read with corrigendum dated 17th December, 2019 has approved the scheme of merger of JBM Auto System Private Limited (Transferor Company No. 1) and JBM MA Automotive Private Limited (Transferor Company No. 2) with the JBM Auto Limited (Transferee Company).

### 25. 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, 2020.

### 26. EMPLOYEES STOCK OPTION PLANS/ SCHEMES

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

### 27. 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 the 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.

### 28. INDUSTRIAL RELATIONS

Your Company's focus continues towards propagating proactive and employee centric practices. The transformational work culture initiative, which aims to create an engaged workforce with an innovative, productive and competitive shop-floor ecosystem, continues to grow in strength. In order to develop skills and foster togetherness at the workplace, your Company rolled out multiple training and engagement programs covering a wide range of topics, viz. positive attitude, stress management, creativity, team effectiveness, safety and environment, quality tools, skill building programs, customer focus, and Code of Conduct.

Significant emphasis was also laid towards raising awareness on health and wellness of employees through annual medical check-ups, health awareness activities and online yoga sessions.

Proactive and employee-centric shop floor practices, a focus on transparent communication of business goals, an effective concern resolution mechanism, and a firm belief that employees are the most valuable assets of the Company, are the cornerstones of your Company's employee relations approach. The industrial relations scenario continued to be positive across all manufacturing locations.



## 29. AWARDS & RECOGNITIONS

During the year, the Company had received various awards and recognitions, which have been described in Management Discussion and Analysis Report, forming part of the Annual Report.

## 30. COST RECORDS

Pursuant to the merger of JBM Auto System Private Limited into JBM Auto Limited, maintenance of cost records as specified under Section 148(1) of the Companies Act, 2013 are applicable to the Company, which was earlier applicable to JBM Auto System Private Limited. Accordingly, such accounts and records are made and maintained by the Company during FY20.

## 31. CREDIT RATING

CRISIL has assigned its credit rating of A1 for short term instruments and the rating for long term debt instruments is A and indicating the outlook on the long term rating as "Stable".

## 32. OTHER DISCLOSURES

- a. The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings;
- b. The Company has not issued equity shares with differential rights as to dividend, voting or otherwise.

## APPRECIATION

The Board of Directors place on record sincere gratitude and appreciation for all the employees at all levels for their hard work, solidarity, cooperation and dedication during the year.

The Board conveys its appreciation for its customers, shareholders, suppliers as well as vendors, bankers, business associates, regulatory and government authorities for their continued support.

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

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

Date: 12th September, 2020

'Annexure-I'

## FORM No. MGT 9 EXTRACTS OF ANNUAL RETURN

**As on financial year ended on 31st March, 2020**

**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, New Delhi – 110019 Tel : 011 26427104, Fax : 011 26427100
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	MCS Share Transfer Agent Limited F-65, 1st Floor, Okhla Industrial Area, Phase- 1, New Delhi – 110020, Tel : 011 41406149

### 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	74.76%
2	Tools & Dies for Automobiles	28221	12.98%
3	OEM	29109	12.26%

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

S. No.	Name 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	2(87)(ii)
3	JBM Solaris Electric Vehicles Private Limited	U34300DL2016PTC315153	Subsidiary	79.90	2(87)(ii)
4	JBM Ogihara Die Tech Private Limited	U27100DL2018PTC334880	Subsidiary	51	2(87)(ii)
5	MH Ecolife Emobility Private Limited	U63030DL2020PTC360711	Subsidiary	99.98	2(87)(ii)
6	JBM Electric Vehicles Private Limited#	U34100DL2020PTC363195	Subsidiary	100	2(87)(ii)
7	Indo Toolings Private Limited	U28931MP2008PTC034503	Associate	50	2(6)
8	JBM MA Automotive Private Limited*	U29220PN2007PTC155874	Associate	50	2(6)
9	VT Emobility Private Limited	U63030DL2020PTC360600	Associate	26	2(6)

\*Both of these companies have been merged into JBM Auto Limited w.e.f. 1st January, 2020.

#Incorporated on 8th April, 2020.

#### IV. 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] 01.04.2019				No. of Shares held at the end of the year [Face Value of equity shares is Rs. 5/ each] 31.03.2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	1145884	--	1145884	2.81	1145886	--	1145886	2.42	(0.39)
b) Central Govt	--	--	--	--	--	--	--	--	--
c) State Govt(s)	--	--	--	--	--	--	--	--	--
d) Bodies Corp.	24129540	--	24129540	59.15	30760066	--	30760066	65.03	5.88
e) Banks / FI	--	--	--	--	--	--	--	--	--
f) Any other	--	--	--	--	--	--	--	--	--
<b>Sub-Total (A)(1)</b>	<b>25275199</b>	<b>--</b>	<b>25275199</b>	<b>61.96</b>	<b>31905952</b>	<b>--</b>	<b>31905952</b>	<b>67.45</b>	<b>5.49</b>
<b>(2) Foreign</b>									
a) NRIs – Individual	--	--	--	--	--	--	--	--	--
b) Other – Individual	--	--	--	--	--	--	--	--	--
c) Bodies Corp.	--	--	--	--	--	--	--	--	--
d) Banks / FI	--	--	--	--	--	--	--	--	--
e) Any Other	--	--	--	--	--	--	--	--	--
<b>Sub-Total (A)(2)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Total Shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>25275199</b>	<b>--</b>	<b>25275199</b>	<b>61.96</b>	<b>31905952</b>	<b>--</b>	<b>31905952</b>	<b>67.45</b>	<b>5.49*</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	5812	--	5812	0.01	63369	--	63369	0.13	0.12
b) Banks/ FI	10729	960	11689	0.03	--	960	960	0.0020	(0.028)
c) Central Govt	71344	--	71344	0.17	81268	--	81268	0.17	--
d) State Govt(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	4320	--	4320	0.01	4320	--	4320	0.01	--
g) FIs	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (Foreign Portfolio Investors)	78957	--	78957	0.19	362996	--	362996	0.77	0.58
<b>Sub-total (B)(1)</b>	<b>171162</b>	<b>960</b>	<b>172122</b>	<b>0.41</b>	<b>511953</b>	<b>960</b>	<b>512913</b>	<b>1.08</b>	<b>0.67</b>



**Continued....**

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	
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	8661770	1440	8663210	21.24	8397138	1440	8398578	17.75	(3.49)
ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 2 lacs	4392604	88173	4480777	10.98	4336966	59856	4396822	9.30	(1.68)
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lacs	1858865	46000	1904865	4.67	1659236	56285	1715521	3.63	(1.04)
c) NRI	298566	--	298566	0.73	360667	--	360667	0.76	.03
d) Trust	400	--	400	0.00	8400	--	8400	0.01	0.01
e) NBFC	--	--	--	--	--	--	--	--	--
<b>Sub-total (B)(2)</b>	<b>15212205</b>	<b>135613</b>	<b>15347818</b>	<b>37.62</b>	<b>14762407</b>	<b>117581</b>	<b>14879988</b>	<b>31.44</b>	<b>(6.18)</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>15383367</b>	<b>136573</b>	<b>15519940</b>	<b>38.04</b>	<b>15274360</b>	<b>118541</b>	<b>15392901</b>	<b>32.55</b>	<b>(0.00)</b>
<b>C. Shares held by Custodian for GDRs&amp;ADRs</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Grand Total (A+B+C)</b>	<b>40658791</b>	<b>136573</b>	<b>40795364</b>	<b>100.00</b>	<b>47180312</b>	<b>118541</b>	<b>47298853</b>	<b>100.00</b>	<b>--</b>

\* The changes in the shareholding of a promoters due to allotment of equity shares issued pursuant to the scheme of merger.

## b) Shareholding of Promoters &amp; Promotor Group.

S.No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2019)			Shareholding at the end of the year (As on 31-03-2020)			% 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	119342	0.25	0	(0.04)
2	Surendra Kumar Arya (HUF)	288856	0.71	0	288856	0.61	0	(0.1)
3	Neelam Arya	396188	0.97	0	396188	0.83	0	(0.14)
4	Nishant Arya	339400	0.83	0	339400	0.71	0	(0.12)
5	Ram Richpal Rameshardas Agarwal	600	0.00	0	0	0.00	0	(0.00)
6	Satya Priya Arya	2100	0.01	0	2100	0.01	0	0.00
7	Vishudda Ramrichhpal Agarwal	600	0.00	0	0	0.00	0	(0.00)
8	JBM Builders Private Limited	3030832	7.43	0	3030832	6.41	0	(1.02)
9	JBM Industries Limited	720	0.00	0	720	0.00	0	0.00
10	ANS Holding Private Limited	2058996	5.05	0	4165996	8.81	0	3.76
11	NAP Investment & Leasing Private Limited	2274616	5.58	0	2274616	4.81	0	(0.77)
12	A to Z Securities Limited	4190160	10.27	0	5523160	11.67	0	1.4
13	SMC Credit Limited	7570260	18.56	0	7697299	16.27	0	(2.29)
14	Focal Leasing & Credit Limited	1579132	3.87	0	1579132	3.33	0	(0.54)
15	Shuklamber Exports Limited	3424824	8.40	0	3424824	7.24	0	(1.16)
16	Neel Metal Products Limited	00	0.00	0	913488	1.93	0	1.93
17	JBM International Limited	00	0.00	0	2149999	4.54	0	4.54
	<b>TOTAL</b>	<b>25275424</b>	<b>61.96</b>	<b>0</b>	<b>31905952</b>	<b>67.45</b>	<b>0</b>	<b>5.50</b>

## c) Change in Promoters' Shareholding

S. No	Particulars	Shareholding at the beginning 01-04-2019/ end of the year 31-03-2020		Date*	Increase / Decrease in Shareholding	Reason
		No of Shares	% of total shares of the Company			
1	Surendra Kumar Arya	118140	0.29	12.04.2019	600	Purchased
				12.04.2019	600	Purchased
				01.01.2020	2	Shares issue pursuant to Scheme of Merger
		119342	0.25	31.03.2020		
2	Surendra Kumar Arya (HUF)	288856	0.71		0	
3	Neelam Arya	396188	0.97	--	0	--
4	Nishant Arya	339400	0.83	--	0	--
5	Ram Richpal Rameshardas Agarwal	600	0.00	12.04.2019	(600)	Inter se transfer between Promoters
		0	0.00	31.03.2020		
6	Satya Priya Arya	2100	0.01	--	0	--
7	Vishudda Ramrichhpal Agarwal	600	0.00	12.04.2019	(600)	Inter se transfer between Promoters
		0	0.00	31.03.2020		
8	JBM Builders Private Limited	3030832	7.43	01.01.2020	0	--
9	JBM Industries Limited	720	0.00	--	0	--
10	ANS Holding Private Limited	2058996	5.05	01.01.2020	2107000	Shares issue pursuant to Scheme of Merger
		4165996	8.81	31.03.2020		
11	NAP Investment & Leasing Private Limited	2274616	5.58	--	0	--
12	A to Z Securities Limited	4190160	10.27	01.01.2020	1333000	Shares issue pursuant to Scheme of Merger
		5523160	11.67	31.03.2020		
13	SMC Credit Limited	7570260	18.56	01.01.2020	127039	Shares issue pursuant to Scheme of Merger
		7697299	16.27	31.03.2020		
14	Focal Leasing & Credit Limited	1579132	3.87	--	0	--
15	Shuklamber Exports Limited	3424824	8.40	--	0	--
16	Neel Metal Products Limited	00	0.00	01.01.2020	913488	Shares issue pursuant to Scheme of Merger
		913488	1.93	31.03.2020		
17	JBM International Limited	00	0.00	01.01.2020	2149999	Shares issue pursuant to Scheme of Merger
		2149999	4.54	31.03.2020		



d) **SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS: (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS):**

S.No	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.19 to 31.03.20)	
		No of Shares at the Beginning (01.04.19)/ end of the Year (31.03.20)	% of total shares of the Company				Shares	% of total shares of the Company
1	Zeal Impex and Traders Private Limited	4018968	8.5	01.04.2019				
		4018968	8.5	31.03.2020	Nil	Nil		
2	Amity Info-tech Private Limited	4000000	8.46	01.04.2019				
		4000000	8.46	31.03.2020	Nil	Nil		
3	Anil Kumar Goel	653000	1.38	01.04.2019				
				20.03.2020	-1344	Sale	651656	1.38
				27.03.2020	-233045	Sale	418611	0.89
		418611	0.89	31.03.2020				
4	Point Break Capital LLP	0	0	01.04.2019				
				11.10.2019	47576	Purchase	47576	0.10
				18.10.2019	47075	Purchase	94651	0.20
				25.10.2019	18632	Purchase	113283	0.24
				01.11.2019	805	Purchase	114088	0.24
				08.11.2019	29072	Purchase	143160	0.30
				15.11.2019	7322	Purchase	150482	0.32
				22.11.2019	4503	Purchase	154985	0.33
				29.11.2019	5474	Purchase	160459	0.34
				06.12.2019	38920	Purchase	199379	0.42
				13.12.2019	48786	Purchase	248165	0.52
				20.12.2019	8375	Purchase	256540	0.54
				28.02.2020	12769	Purchase	269309	0.57
				06.03.2020	15231	Purchase	284540	0.60
				13.03.2020	16526	Purchase	301066	0.64
				20.03.2020	6431	Purchase	307497	0.65
				27.03.2020	20843	Purchase	328340	0.69
		328340	0.69	31.03.2020				

S.No	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.19 to 31.03.20)	
		No of Shares at the Beginning (01.04.19)/ end of the Year (31.03.20)	% of total shares of the Company				Shares	% of total shares of the Company
5	Arvind Kumar Sancheti	174088	0.37	01.04.2019				
				30.08.2019	2690	Purchase	176778	0.37
		176778	0.37	31.03.2020				
6	D Srimathi	158911	0.34	01.04.2019				
				11.10.2019	-15352	Sale	143559	0.30
		143559	0.30	31.03.2020				
7	Arvind Kumar J Sancheti	127445	0.27	01.04.2019				
				02.08.2019	335	Purchase	127780	0.27
				20.03.2020	-6808	Sale	120972	0.26
				27.03.2020	970	Purchase	121942	0.26
		121942	0.26	31.03.2020				
8	Sarita Arvind Sancheti	105240	0.22	01.04.2019				
				27.09.2019	500	Purchase	105740	0.22
		105740	0.22	31.03.2020				
9	Uday Vasantlal Merchant	0	0	01.04.2019				
				28.02.2020	100000	Purchase	100000	0.21
		100000	0.21	31.03.2020				
10	Sandeep Ravindra Shah	99560	0.21	01.04.2019	Nil	Nil		
		99560	0.21	31.03.2020	Nil	Nil		

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

S. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year (As on 01-04-2019)		Change in shareholding during the year			Cumulative Shareholding during the year (As on 31-03-2020)	
		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
<b>A. DIRECTORS</b>								
1.	Mr. Surendra Kumar Arya (Chairman)	118140	0.29	12.04.2019	600	Purchase	118740	
				12.04.2019	600	Purchase	119340	
				01.01.2020	2	Shares issue pursuant to Scheme of Merger	119342	0.25
2	Mr. Nishant Arya (Non-Executive Director)	339400	0.83	--	--	--	339400	0.71
3	Mr. Sandip Sanyal (Executive Director)	Nil	-	NA	NA	NA	NA	--
4	Mr. Mahesh Kumar Aggarwal (Non-Executive Director)	Nil	-	NA	NA	NA	NA	--
5	Mrs. Pravin Tripathi (Non-Executive Director)	Nil	-	NA	NA	NA	NA	--
6	Mr. Praveen Kumar Tripathi (Non-Executive Director)	Nil	-	NA	NA	NA	NA	--

<b>B KEY MANAGERIAL PERSONNEL (KMP'S)</b>								
1.	Mr. Vivek Gupta (CFO & Company Secretary)	505	0.00	01.04.2019				
				31.05.2019	14	Open market sale	491	0.00

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

₹ In Lacs

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	61,182.18	11,648.23	0.00	72,830.41
ii) Interest due but not paid	1.41	0.00	0.00	1.41
iii) Interest accrued but not due	259.30	33.95	0.00	293.25
<b>Total (i+ii+iii)</b>	<b>61,442.88</b>	<b>11,682.18</b>	<b>0.00</b>	<b>73,125.06</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	23,567.76	43,867.73	0.00	67,435.49
* Reduction	(31,088.07)	(49,790.32)	0.00	(80,878.39)
<b>Net Change</b>	<b>(7,520.31)</b>	<b>(5,922.59)</b>	<b>0.00</b>	<b>(13,442.90)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	53,723.02	5,746.55	0.00	59,469.57
ii) Interest due but not paid	0.08	0.00		0.08
iii) Interest accrued but not due	199.48	13.04		212.52
<b>Total (i+ii+iii)</b>	<b>53,922.58</b>	<b>5,759.59</b>	<b>0.00</b>	<b>59,682.17</b>

Note: indebtedness does not includes the preference share capital and finance lease liability.



## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

### A. REMUNERATION TO MANAGING DIRECTOR, WHOLE TIME DIRECTORS AND/OR MANAGER:

Amount in ₹

S.No.	Particulars of Remuneration	Mr. Sandip Sanyal *(Executive Director)	Total Amount (per annum)
1	<b>Gross salary</b>		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	46,83,156	46,83,156
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	<b>Stock Option</b>	-	-
3	<b>Sweat Equity</b>	-	-
4	<b>Commission</b> - as % of profit - others, specify...	-	-
5	<b>Others, please specify</b>	-	-
	<b>Total (A)</b>	<b>46,83,156</b>	<b>46,83,156</b>

Ceiling as per the Companies Act, 2013: Rs. 537.39 lacs being 5% of the profit calculated as per Section 198 of the Companies Act, 2013.

#### Note :-

\*Mr. Sandip Sanyal was also an Executive Director of JBM Auto System Private Limited, subsidiary of the Company w.e.f. 19th May, 2015 and drawing salary from this subsidiary from 01st April, 2019 till 31st December, 2019. After the merger of JBM Auto System Private Limited into JBM Auto Limited w.e.f. 01st January, 2020 he drawn salary from JBM Auto Limited from 01st January, 2020 till 31st March, 2020. The salary given above is for the FY20.

### B. Remuneration to other Directors:

₹ In Lacs

S.No.	Particulars of Remuneration	Mr. Surendra Kumar Arya	Mr. Nishant Arya	Mr. Mahesh Kumar Aggarwal	Mrs. Pravin Tripathi	Mr. Praveen Kumar Tripathi	Total Amount
1	<b>Independent Directors</b>						
	• Fee for attending board committee meetings	NA	NA	2.75	2.15	1.90	6.80
	• Commission	NA	NA	Nil	Nil	Nil	Nil
	• Others, please specify	NA	NA	Nil	Nil	Nil	Nil
	<b>Total (1)</b>	-	-	<b>2.75</b>	<b>2.15</b>	<b>1.90</b>	<b>6.80</b>
2	<b>Other Non-Executive Directors</b>						
	• Fee for attending board committee meetings	2.75	1.75	NA	NA	NA	4.50
	• Commission	Nil	Nil	NA	NA	NA	Nil
	• Others, please specify	Nil	Nil	NA	NA	NA	Nil
	<b>Total (2)</b>	<b>2.75</b>	<b>1.75</b>	-	-		<b>4.50</b>
	<b>Total (B)=(1+2)</b>	<b>2.75</b>	<b>1.75</b>	<b>2.75</b>	<b>2.15</b>	<b>1.90</b>	<b>11.30</b>
	<b>Total Managerial Remuneration</b>	<b>2.75</b>	<b>1.75</b>	<b>2.75</b>	<b>2.15</b>	<b>1.90</b>	<b>11.30</b>
	<b>Overall Ceiling as per the Act</b>	Rs. 107.48 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

Amount In ₹

S. No.	Particulars of Remuneration	Mr. Vivek Gupta (Chief Financial Officer & Company Secretary)	Total Amount (per annum)
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	39,09,600	39,09,600
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	32,400	32,400
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission	-	-
	- as % of profit		
	- others, specify...		
5.	Others(Employer contribution to the provident fund)	2,66,400	2,66,400
	<b>Total (A)</b>	<b>42,08,400</b>	<b>42,08,400</b>

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

S. No.	Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
1.	<b>A. COMPANY</b> Penalty Punishment Compounding  <b>B. DIRECTORS</b> Penalty Punishment Compounding  <b>C. OTHER OFFICERS IN DEFAULT</b> Penalty Punishment compounding			NIL		

## '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) RULES, 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**

S. 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**

S. 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	Based on transfer Pricing Guidelines	28.05.2019	Nil



## ANNEXURE III

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

For the financial year ended 31st March, 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

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

Based on our verification, to the extent possible in the prevailing conditions caused by the Covid-19 pandemic, 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31st March 2020 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.

We have examined, to the extent possible in the prevailing conditions caused by the Covid-19 pandemic, the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March 2020 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - 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, 2018;
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (No event took place under this Regulation during Audit period);
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (No event took place under this Regulation during Audit period);
  - 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 (No event took place under this Regulation during Audit period); and
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (No event took place under this Regulation during Audit period).
- vi. The Company is engaged into the business of Sheet Metal Components, Tools & Dies. The company is also an Original Equipment Manufacturer (OEM) as it is engaged in the production of Passenger Buses. As identified and confirmed by the management of the Company, following are the specific laws applicable to the company during the period under audit. Accordingly we have examined, to the extent possible in the prevailing conditions caused by the Covid-19 pandemic, compliance with the applicable clauses of the following specific laws:-
  - a. The Motor Vehicles Act, 1988 and Rules made thereunder
  - b. The Petroleum Act, 1934 and Rules made thereunder

We have also examined, to the extent possible in the prevailing conditions caused by the Covid-19 pandemic, compliance with the applicable clauses of the following:

- I. Secretarial Standards issued by The Institute of Company Secretaries of India on Board Meetings (SS-1) and General Meetings (SS-2);
- II. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR") read with the Listing agreements as entered by the company with the Stock Exchanges.

During the period under audit, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. as mentioned above to the extent applicable.

We further report that, based on the information provided by the company, its officers and Authorized Representatives during the conduct of the Audit and also on the review of Quarterly Compliance Reports given by the Executive Director and taken on record by the Board of Directors of the company, in our opinion, adequate systems, processes and control mechanism exist in the company to monitor and ensure compliances with applicable General Laws like Labour laws and Environmental laws.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Women Director during the Audit Period. The changes in the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. However after the completion of the term of Mr. Ashok Kumar Agarwal as an Independent Director on 31st March 2019, the company was required to appoint another Independent Director till 30th June 2019. The company has appointed Mr. Praveen Kumar Tripathi (DIN:02167497) as an Independent Director on 11th July 2020 in terms of Regulation 17(1)(b) to read with Regulation 25(6) of the LODR. Further the company has reappointed Mr. Mahesh Kumar Aggarwal, who had attained an age of more than 75 years, as an Independent Director pursuant to Regulation 17(1A) of the LODR for second term of Five Years with retrospective effect from 1st April 2019 in its Annual General Meeting held on 14th September 2019. The Company has also re-appointed Mr. Sandip Sanyal as Executive Director of the company for the further period of One year w.e.f 18th May 2020 in compliance with the Provisions of the Act subject to approval of the Shareholders in ensuing 24th Annual General Meeting of the company.

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

All decisions at Board Meetings and Committee Meetings are carried out unanimously as per the minutes, as duly recorded and signed by the Chairman of the meeting of the Board of Directors or committees of the Board; therefore there were no dissenting views required to be recorded as part of the minutes.

We 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 etc.

We further report that, during the audit period, the Company has not undertaken any activity having a major bearing on the Company's Affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc except reported as hereunder:-

1. Pursuant to sections 42, 62 and 71 of the Companies Act, 2013, the company has passed an enabling special resolution in the Annual General Meeting of the company held on 14th September 2019 for issue of Securities for the amount not exceeding Rs. 500 Crore (Rupees Five Hundred Crore only) or equivalent thereof.
2. The company has declared dividend @ 45% i.e Rs.2.25/ Equity Share on the face value of Rs.5/ per equity share during the year under audit duly approved by Shareholders at the Annual General Meeting of the Company held on 14th September 2019.
3. Pursuant to Sections 230-232 of the Companies Act, 2013, The Hon'ble National Company Law Tribunal, (Court-III), New Delhi Bench and Hon'ble National Company Law Tribunal, (Court-IV), Mumbai Bench have approved the Scheme of amalgamation/ merger of JBM Auto System Private Limited (JBMAS) and JBM MA Automotive Private Limited (JBM MA) with the Company vide their orders dated 14th June, 2019 and 25th October, 2019 respectively read with corrigendum order dated 17th December, 2019 passed by the Hon'ble National Company Law Tribunal, (Court-IV), Mumbai Bench. The said amalgamation/ merger became effective from 1st January, 2020.
4. Pursuant to the above said orders of Scheme of amalgamation /merger, the company had made an allotment of 65,03,489 Equity Shares of Rs. 5 each to the Shareholders of JBM Auto System Private Limited (Transferor Company No.1) and JBM MA Automotive Private Limited (Transferor Company No.2) in accordance with the approved scheme.

5. The Board of Directors of the company has passed resolution for subscribing 26,000 Equity shares of Rs. 10 (Ten) each of VT Emobility Private Limited.
6. The Board of Directors of the company has passed resolution for subscribing 50,000 Equity Shares of Rs. 10 each of MH Ecolife Emobility Private Limited.
7. The Board of Directors of the company has passed enabling resolution for incorporating a Wholly Owned Subsidiary to enter into the business of manufacturing of electric vehicles with a proposed initial investment of Rs. 10 (Ten) Lacs.
8. Pursuant to Section 55 of the Companies Act, 2013, the Board of Directors has passed resolution for redemption of Preference Shares (Issued to Neel Metal Products Limited in the Board Meeting held on 14th February, 2014 for 6 years). Accordingly, the company has redeemed 50,00,0000 Preference Shares of Rs. 10 each at a premium of Rs. 50 each aggregating Rs. 30 Crores on 13th February, 2020.

For Dhananjay Shukla & Associates  
Company Secretaries

**Dhananjay Shukla**  
**Proprietor**  
**FCS-5886, CP No. 8271**  
**UDIN:F005886B000403107**

Place: Gurugram (Haryana)  
Date: 30th June, 2020

This report is to be read with our letter of even date which is annexed as 'Annexure –A' and forms 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 and other relevant records as maintained by the company. Our Report is based on the online verification of the documents/ records supplied by the company on email, its officers and Authorized Representatives and information available on the websites of the company, Bombay Stock Exchange/ National Stock Exchange/ Ministry of Corporate Affairs. Physical verification of the records/ documents could not be carried out due to the Covid-19 pandemic. Further the verification was done on test basis to ensure that correct facts are reflected in secretarial records and other relevant records. We believe that the processes and practices we followed and the audit evidences we have obtained are sufficient and appropriate to 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. We have not examined the compliance by the company with applicable financial laws like Direct tax and Indirect Tax Laws, since the same has been subject to review by the Statutory Financial Auditor or by other designated professionals.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and 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 efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Dhananjay Shukla & Associates  
Company Secretaries

**Dhananjay Shukla**  
**Proprietor**  
**FCS-5886, CP No. 8271**  
**UDIN:F005886B000403107**

Place: Gurugram (Haryana)  
Date: 30th June, 2020

## 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. 11,244.17 Lacs

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

The Company during FY20 was required to spend Rs. 224.88 Lacs towards CSR activities.

Details of CSR spent during the financial year:

- a. Total amount to be spent for the financial year Rs. 224.88 Lacs
- b. Amount unspent : NIL
- c. Manner in which the amount spent during the financial year is detailed below:

₹ In Lacs

(1) Sl No.	(2) CSR Project or activity identified	(3) Sector in Which the project is covered	(4) Location (Unit)	(5) Amount Outlay	(6) Amount spent on the project or programs	(7) Cumulative expenditure up to the reporting period	(8) Amount Spent : Direct or through implementing agencies
1	Vocational Skills	Promoting education, including special education and vocational skills.	(i) Plot No. 16, Sector-20B, Faridabad, Haryana  (ii) No.1, Ford Suppliers Park, S.P. Koil Post, Chengalpattu (TK), Kancheepuram Dist. Tamil Nadu – 603204. India  (iii) Plot No AV 13, BOL Industrial Estate Sanand – II Dist- Ahmedabad Gujarat	224.88	228.49	228.49	Directly by Company
			<b>Total</b>	<b>224.88</b>	<b>228.49</b>	<b>228.49</b>	

**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) Rules, 2014

### A. Conservation of energy:

#### I. Steps taken for conservation of energy

- a. Use electrical operated solenoid valve line wise in weld shop and interlocked with machine, if machine stop more than 5 minutes, then air will stop automatically.
- b. Use portable type small air compressor during shut down.
- c. Use energy efficient compressor, replace 1088 cfm compressor with 750 cfm energy efficient compressor.
- d. Use electrical grinders in place of pneumatic grinders
- e. Use air receiver tank 04 nos extra in BIW to avoid pressure drop in remote shops & also compressor frequent loading will reduce.
- f. Use pulse setting valves where direct air flow required.
- g. Review double impulse spot & convert it into single spot.
- h. Awareness in the staffs to switch off lights and machineries, when not working or not in use, through pasting instructions and energy conservation quotes at various places in office premises.
- i. Centralised control of Air Conditioners and auto off, after working hour.

#### II. Steps taken by the Company for utilizing alternate source of energy

Installation of roof top solar systems at its plant at Sanand, Gujarat, to reduce cost of generator power.

### 2. Technology absorption

#### I. Efforts made towards technology absorption

State of art - Global Die manufacturing tool room "JBM Ogihara - Die technology" installed at Greater Noida in the Year 2019. It is fully equipped with Design and Die simulation & Higher end CNC machines, Prototyping, Die manufacturing facilities.

#### II. The benefit derived like production improvement, cost reduction, product development or import substitution

State of art - Global Die manufacturing tool room: Competing with global Die maker, by establishing a world class setup locally. It has opened the doors for Tool and die business from local & Global OEM's.

#### (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	2019-20	NA
No Technology imported	2018-19	NA
1. Adaptation of 100% Electric Vehicle (EV) technology 2. For manufacturing of subframe component, front suspension, LWR arms assembly R/L for Honda WRV	2017-18	NA NA



## (iv) Expenditure incurred on research and development

Sl. No.	Particulars	Amount Rs. in Lakhs
(a)	Revenue Expenditure	2,108.14
(b)	Capital expenditure	117.96
	<b>Total</b>	<b>2,226.10</b>

## C. Foreign Exchange Earnings and Outgo

Particulars	Amount Rs. in Lakhs
Foreign exchange earned in terms of actual inflow	2,477.67
Foreign exchange outgo in terms of actual outflow	7,286.31

# MANAGEMENT DISCUSSION & ANALYSIS

## A. OVERVIEW OF THE ECONOMY

### 1. Global Economy

The global economy grew at 2.4% in calendar year (CY 2019), slowing from 3% in CY 2018 amidst global trade war, tariff related uncertainties and Brexit.

Due to escalation of trade tensions with the United States (US) during the year, the Chinese economy's growth moderated but held up at 6.1%. By mid-October 2019, negotiations between the US and China resulted in an agreement that involved the partial roll-back of some US tariffs in exchange for Chinese commitments to make additional purchases of US products, marking a de-escalation of trade tensions between the two nations. The US economy remained relatively strong, growing at 2.3%. Nevertheless, the global trade environment remained challenging due to heightened trade tensions.

Amidst these trade tensions and Brexit-related uncertainty, EU growth weakened to 1.1%. However, with talks of trade resolution in the second half of CY 2019, Europe started to see some recovery in growth. Brexit, which was a key uncertainty for Europe over the last two years, also saw resolution towards end of CY 2019.

Emerging economies, including Brazil, India, Mexico, Russia, and Turkey demonstrated stressed growth, contributing to the declining trajectory of global growth.

#### Outlook

The global growth outlook has changed since the outbreak of COVID-19. There has been coordinated global monetary policy easing and fiscal support from governments. These policy support measures would act as cushions, offsetting weakness in growth to some extent. However, global economic activity is likely to contract in Calendar Year 2020 and the global growth environment will remain challenging in the short term.

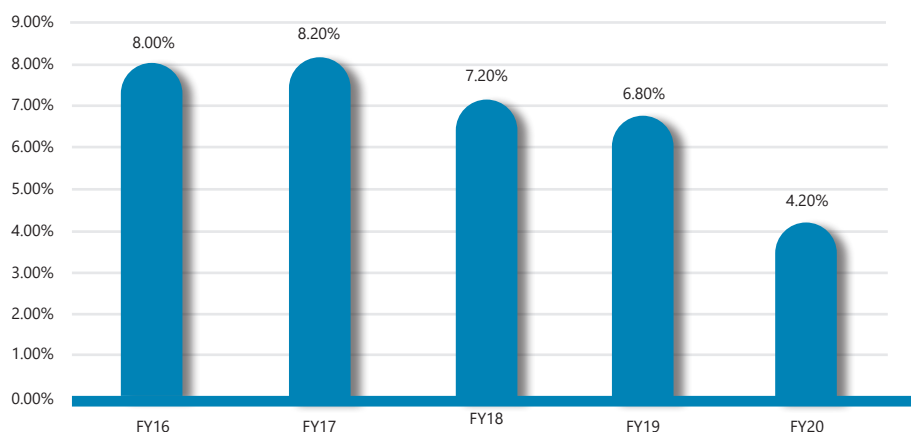
Source: IMF

### 2. Indian Economy

India continues to be one of the fastest growing major economies in the world and is expected to be one of the top three global economic powers over the next 10-15 years, backed by its young demographics, robust democracy and strong partnerships.

However due to consecutive external shocks including threats of a trade war between the top two economies of the world, GDP growth slowed to 4.2% in FY20 from 6.8% in FY19.

Indian GDP Growth



## Market size

India's gross domestic product (GDP) (at constant 2011-12 prices) was estimated to be Rs 145.65 lakh crore (US\$ 2.06 trillion) for FY20.

The country retained its position as the third largest start-up base in the world with over 8,900-9,300 start-ups as 1,300 new start-ups got incorporated in 2019, according to a report by NASSCOM. India also witnessed the addition of 7 unicorns in 2019 (till August 2019), taking the total tally to 24.

India's labour force is expected to touch 160-170 million by 2020 based on the rate of population growth, increased labour force participation and higher education enrolment among other factors according to a study by ASSOCHAM and Thought Arbitrage Research Institute. India's foreign exchange reserves reached Rs 39.73 lakh crore (US\$ 541.43 billion) as on August 28, 2020, according to the data from RBI.

### Performance parameters during FY 2020:

- During the year under review, there have been investments across various sectors of the economy.
- The mergers and acquisition (M&A) activity in India stood at US\$ 28 billion, while private equity (PE) deals reached US\$ 48 billion.
- Merchandise export and import (in US\$ terms) declined by 4.8% and 9.1%, respectively, in FY20.
- Gross tax revenue stood at Rs 15.04 lakh crore (US\$ 215.28 billion) in 2019-20 – income tax collection contributed Rs 4.80 lakh crore (US\$ 68.14 billion) to it.
- India's Foreign Direct Investment (FDI) equity inflow reached US\$ 469.99 billion between April 2000 to March 2020, with maximum contribution from services, computer software and hardware, telecommunications, construction, trading, and automobiles.
- India improved its ranking in World Bank's Doing Business Report by 14 spots over the previous year and was ranked 63 among 190 countries in the 2020 edition of the report.

Source: IBEF

## Performance in early FY21

India was under stringent lockdown in Q1 FY21, in an effort to stop the COVID-19 pandemic from spreading. With severe restrictions on economic activities, the GDP declined 23.9% during the first quarter of FY21. However, the second quarter started showing the initial signs of recovery.

## Government Initiatives during FY20

### (i) August 2019 Stimulus Package for the Auto Sector

In August 2019, acknowledging the slowdown in the auto sector which contributes ~7% to India's GDP and employs about 32 million people, the Government announced a package to boost demand in the sector. It lifted the ban on purchase of vehicles by government departments and both electric vehicles (EVs) and Internal Combustion Vehicles (ICVs) would continue to be registered. It also allowed an additional 15% depreciation (taking the total depreciation available to 30%) on vehicles acquired until the end of FY20. The Government also promised to focus on setting up infrastructure for the development of ancillaries/components, including batteries for exports. Even the revision of one-time registration fees was deferred.

### (ii) Union Budget 2020

The first Union Budget of the third decade of the 21st century was presented by Minister for Finance & Corporate Affairs in the Parliament on February 1, 2020. The budget aimed at energizing the Indian economy through a combination of short-term, medium-term, and long-term measures. The policies were characterized by a twin focus on fundamental structural reform and inclusive growth. They took into account two cross-cutting developments: a) the proliferation of technologies, specially analytics, machine learning, robotics, bio-informatics and Artificial Intelligence; and b) the number of people in the productive age group i.e. 15-65 years in India, being at its highest. The government has budgeted a total expenditure for FY21 of Rs 37.14 lakh crore (US\$ 531.53 billion), an increase of 13% from FY20 (revised budget estimates).

Observing that many mid-size companies are successful domestically but not in the export markets, the government proposed to extend support in selected sectors such as pharmaceuticals, auto components and others, towards technology upgradations, R&D, business strategy etc. It announced a scheme of Rs 1000 crore, anchored by EXIM Bank together with SIDBI, who would both contribute Rs 50 crore each. This Rs 100 crore would be contributed towards equity and technical assistance alongside debt funding of Rs 900 crore from banks being made available.

### (iii) Post COVID19 Stimulus packages by government and RBI

The government imposed a series of nationwide lockdowns, starting from March 25, to contain the spread of the pandemic COVID-19. These lockdowns brought economic activities to a standstill. To ensure a faster level of recovery post the lifting of the lockdowns, the government and the RBI announced a series of stimulus measures targeted at various sections of the economy, specifically farmers,

migrant workers, the underprivileged, women and the differently abled, among other steps. These packages comprised cash, food, credit and credit guarantee and compliance leniency, in the form of extension of tax deadlines amongst many others.

The cumulative worth of various economic packages was around Rs 20 lakh crore (US\$ 283.73 billion), amounting to almost 10% of India's GDP. The Pradhan Mantri Garib Kalyan Package (PMGK), introduced in April 2020 to provide relief to underprivileged and help them fight the battle against COVID-19, received an allocation of Rs 1.70 lakh crore (US\$ 24.12 billion).

The RBI, on its part, repeatedly reduced interest rates and announced a moratorium on EMIs whereby all commercial, regional & rural, NBFCs and small finance banks could offer their clients a hiatus from payment of EMIs on loans. These and other measures to infuse liquidity into the system were announced while entreating banks to lend.

#### **(iv) Diverting Global Supply Chains to India**

The emergence of coronavirus pandemic, which came quick on the heels of trade disputes between China and the US, created a trust deficit among global investors in China. As a result, global corporations began looking to diversify their supply chains to other destinations and India became a preferred contender. Even governments in various countries have been encouraging their corporations to reduce their China dependence and have offered incentives for them to relocate elsewhere.

Recognizing the opportunity, the Indian government has been working to attract more Foreign Direct Investments (FDIs). It has demarcated 4.62 lakh hectares of land across the country which also includes 1.15 lakh hectares of existing industrial land for firms relocating to India from China.

#### **(v) Attracting foreign investment**

The Honorable Prime Minister of India launched the Make in India initiative to boost the country's manufacturing sector. Numerous foreign companies have been setting up facilities in India on account of various Government initiatives like Make in India and Digital India. With the employment it will create, the purchasing power of Indian consumers will increase, which would further drive demand and spur development, thus benefiting investors. Through the Make in India initiative, the Government is trying to boost the contribution made by the manufacturing sector to the GDP from the current level. Besides, the Government has also come up with the Digital India initiative, which focuses on three core components: creation of digital infrastructure, delivering services digitally and to increase the digital literacy.

COVID-19 will have a positive impact considering the bilateral ties between India and Japan, Korea, and the USA. Japan has already announced a \$2 billion investment package for companies to move out of China. The Make in India programme is sure to gain increased momentum with the inflow of foreign companies, thereby, strengthening the manufacturing capabilities inhouse and India well-positioned in becoming the contract manufacturer for the world.

#### **(vi) Other initiatives announced**

- The Government of India is going to increase public health spending to 2.5% of the GDP by FY25.
- Under the Pradhan Mantri Awas Yojana (Urban), Government has sanctioned more than 96.50 lakh houses under PMAY(U) and approved 606 proposals for the construction of 3,31,075 houses with an overall investment of Rs 15,125 crore (US\$ 2.16 billion).
- The Cabinet Committee on Economic Affairs has approved the increase of authorized capital of Food Corporation of India (FCI) from the existing Rs 3,500 crore (US\$ 500.79 million) to Rs 10,000 crore (US\$ 1.43 billion).
- Around 26.02 million households were electrified by 31st March 2019 under Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA).
- The Government of India is expected to invest highly in the infrastructure sector, mainly highways, renewable energy, and urban transport.
- In April 2020, the Government set a target of constructing roads worth Rs 15 lakh crore (US\$ 212.80 billion) in the next two years.
- In March 2020, NHAI accomplished the highest ever highway construction of 3,979 km of national highways in FY20.

#### **Road Ahead**

India's GDP is targeted to reach US\$ 5 trillion by FY25. The country is also anticipated to achieve upper-middle income status on the back of digitization, globalization, favorable demographics, and reforms.

With a focus on renewable sources to generate energy, India is planning to achieve 40% of its energy from non-fossil sources by 2030, which is currently 30%. It has plans to increase its renewable energy capacity to 175 giga-watt (GW) by 2022.

Density of vehicles per thousand in India is currently around 26 vehicles/1000 persons. According to the Automotive Mission Plan 2026, this is estimated to go upto 65 vehicles per 1000 persons, translating to a growth of over 100%. This stands as a huge opportunity area for the automobile sector in India to be maximized.



## B. AUTOMOTIVE INDUSTRY IN INDIA IN FY20

The auto industry is considered the engine of growth in most developed countries, including China and India also. The Indian automobile industry, which was at a nascent stage at the beginning of the 21st century has now become a huge industry that contributes majorly to the growth and development of the Indian Economy. As per the current statistics, the industry employs 32 million people, and its turnover is estimated to be equivalent to 7.1% of overall GDP.

The industry has made investments to the tune of Rs. 50,000 crores in the last three financial years. However, at the current level of growth, the industry has achieved a size of just over US\$ 110 billion (expected), a shortfall of about 25% of its target until 2020. This has been due to a number of factors, including an overall slowdown in economic activity, GDP growth and consumption, stricter lending rules, structural changes in the industry – such as BS-VI, which will add 8-10% to the cost of vehicles and stricter pollution control norms, etc. As a result, by the third quarter of FY20, automobile sales in India witnessed their largest decline in over two decades.

### i. Performance of the Auto industry in FY20

#### • Production

The industry produced a total 2,63,56,187 vehicles including Passenger Vehicles, Commercial Vehicles, Three Wheelers, Two Wheelers in FY20 as against 3,09,09,486 in FY19, registering a de-growth of (-) 14.73% over the same period last year.

#### • Domestic Sales

The sale of Passenger Vehicles declined by (-) 17.88 percent in April-March 2020 over the same period last year. Within the Passenger Vehicles, the sales of Passenger Cars and Vans declined by (-) 23.58, percent and (-) 39.23 percent respectively while sales of Utility Vehicles marginally increased by 0.48 percent in April-March 2020 over the same period last year.

The overall Commercial Vehicles segment registered a de-growth of (-) 28.75 percent in April- March 2020 as compared to the same period last year. Within the Commercial Vehicles, Medium & Heavy Commercial Vehicles (M&HCVs) and Light Commercial Vehicles declined by (-) 42.47% and (-) 20.06% respectively in April-March 2020 over the same period last year.

Sale of Three Wheelers declined by (-) 9.19% in April-March 2020 over the same period last year. Within the Three Wheelers, Passenger Carrier and Goods Carrier declined by (-) 8.28% and (-) 13.27%, respectively, in April-March 2020 over April-March 2019.

Two Wheelers sales registered a de-growth of (-) 17.76% in April-March 2020 over April-March 2019. Within the Two Wheelers segment, Scooters, Motorcycles and Mopeds declined by (-) 16.94%, (-) 17.53% and (-) 27.64%, respectively, in April-March 2020 over April-March 2019.

#### • Exports

In April-March 2020, overall automobile exports registered a growth of 2.95%. While Commercial Vehicles and Three Wheelers exports declined by (-) 39.25% and (-) 11.54%, respectively, Passenger Vehicles exports marginally increased by 0.17% and Two wheelers exports registered a growth of 7.30% in April-March 2020 over the same period last year.

Source: SIAM

### The Automobile Production, Domestic Sales and Export Sale (No. of Vehicles in lakhs)

Category	Production			Domestic Sales			Export Sale		
	FY 19	FY 20	% Growth	FY 19	FY 20	% Growth	FY 19	FY 20	% Growth
Passenger Vehicles	40.28	34.34	(14.76)	33.77	27.74	(17.88)	6.76	6.77	0.17
Commercial Vehicles	11.12	7.52	(32.40)	10.07	7.18	(28.75)	1.00	0.61	(39.25)
Three Wheelers	12.69	11.34	(10.64)	7.01	6.37	(9.19)	5.68	5.02	(11.54)
Two Wheelers	245.00	210.36	(14.14)	211.80	174.18	(17.76)	32.81	35.20	7.30
<b>Grand Total</b>	<b>309.09</b>	<b>263.56</b>	<b>(14.73)</b>	<b>262.66</b>	<b>215.45</b>	<b>(17.97)</b>	<b>46.25</b>	<b>47.61</b>	<b>2.94</b>

Source: SIAM

## C. INDIAN AUTO-COMPONENT INDUSTRY

The auto-components industry in India is highly dynamic and evolving quickly to cater to the needs of the fast-changing automobile sector. Take for instance, Europe, that took 10 years for transitioning from EURO 5 to EURO 6, whereas India took only 3 years (from 2017 to 2020) to transition directly from EURO 4 to EURO 6. With demands for automobiles that deliver greater fuel efficiency, environment sensitivity and customer delight, leading players in the auto components sector have been constantly innovating and upgrading products. Consequently, the auto components sector has posted healthy growth over the last few years. The total turnover of the automobile component manufacturing companies in India has declined by 11.7 percent to Rs 3.49 lakh crore in FY20 majorly due to prolonged slowdown in the auto sector. However, in FY19, the revenue of the sector grew by 14.5 percent to Rs 3.95 lakh crore.

The auto-components industry accounts for 2.3% of India's GDP and employs as many as 5 million people directly and indirectly. A stable government framework, increased purchasing power, large domestic market, and an ever-increasing development in infrastructure have made India a favourable destination for investment. In the Union Budget 2020–21, the Government has given a massive push to the infrastructure sector by allocating Rs 1,69,637 crore (US\$ 24.27 billion) to develop the transport infrastructure. The infrastructure sector has become the biggest focus area for the Government of India. India plans to spend US\$ 1.4 trillion on infrastructure during 2019–23 to have a sustainable development of the country. The Government has suggested investment of Rs 5,000,000 crore (US\$ 750 billion) for railways infrastructure between 2018–2030.

India and Japan have joined hands for infrastructure development in India's Northeast states and are also setting up an India-Japan Coordination Forum for Development of Northeast to undertake strategic infrastructure projects for the region. The Indian auto-components industry can be broadly classified into the organized and unorganized sectors. The organized sector caters to the Original Equipment Manufacturers (OEMs) and consists of high-value precision instruments while the unorganized sector comprises low-valued products and caters mostly to the aftermarket category. In recent times, frontline players in the organized sector have begun to play a lead role in innovating and have begun to partner with their OEM clients, from the drawing board stage right till the customer product review and feedback stage, to deliver customized solutions with better outcomes.

India's exports of auto components increased at a CAGR of 8.34%, during FY14-FY19, with the value of auto component exports increasing from US\$ 10.16 billion in FY14 to US\$ 15.17 billion in FY19. This has been driven by strong growth in the domestic market and increasing globalization (including exports) of several Indian suppliers. Turnover of the aftermarket has increased at a CAGR of 11.35% from US\$ 5.90 billion in FY14 to US\$ 10.10 billion in FY19 and is expected to reach US\$ 32 billion by FY26.

Indian Automotive sector has the potential of becoming the third largest auto market in the world in next 10 years.

### i. Public transportation

India, one of the fastest growing economies in the world, is achieving a growth rate of 7.5% per annum. With a growing population too, the country is working hard to transform itself over the next few decades. Currently, India has 1.6 million buses on road. The bus density is 0.75 buses per 100 people in India and it is targeted to be raised 1-1.5 buses per 100 people. There is a huge opportunity for bringing safe and affordable public transportation. In Delhi, there is a requirement of 11000 buses but currently only 6000 buses are fleeing on road in Delhi. Your Company is well poised to cater to this opportunity.

### ii. Foreign Investments

The Foreign Direct Investment (FDI) inflows into the Indian automotive industry during the period April 2000–March 2020 were recorded at US\$ 24.21 billion, as per data by the Department for Promotion of Industry and Internal Trade (DPIIT).

Source: IBEF

### iii. Key Enablers for the Auto Sector:

India has one of the most rapidly growing automobile markets in the world and has witnessed an annual growth of 16% in vehicle registrations for the past decade. At current levels, nearly 50,000 new motor vehicles got registered every day, prior to the outbreak of COVID-19 pandemic. A key reason for the exponential growth in motor vehicles is the high population growth rate combined with rapid urbanization and economic prosperity.

Urbanization increase in per capita income, lack of reliable public transport services, etc., are some of the important factors that have influenced the rapid motorization rates. The growth rates of population and registered vehicles are different for various categories of cities in India. Mumbai and Kolkata are some of the few cities in India that were planned based on a public transport networks, and, hence, they have lower motorization rates. The National Urban Transport Policy, 2006, emphasized the need to prioritize the development of public transport and non-motorized transport in various urban areas to reduce motorization rates and promote sustainable transport.

#### iv. Challenges of Rapid Motorization

Rapid motorization has several impacts on various sectors. It results in an increase in vehicle ownership, decrease in the use of public transport, congestion that eventually results in reduction in travel speed and an increase in accidents, fatalities, and air pollution.

##### a) Air Pollution:

The rapid motorization has its consequences in terms of increased air pollution in the country. Currently, 14 of the top 20 most polluted cities in the world are in India and the transportation sector accounts for roughly 20% to 30% of fine Particulate Matter (PM2.5) emissions in Indian cities. India is the fourth highest emitter of carbon dioxide in the world, as per a study by the Global Carbon project, which also accounted for 7% of global greenhouse gas (GHG) emissions.

##### b) Oil Imports

The transport sector is the largest consumer of petroleum products, accounting for 98% of the total petrol consumption and 70% of total diesel consumption. India currently relies on imports to meet more than 80% of its oil needs. It ranks third in the world for crude oil imports, both in terms of volume as well as value. Its oil imports account for USD 91.43 billion, constituting 27% of its total spending on imports in 2017.

The fluctuations in prices of crude oil and its availability in international markets pose challenges to India's long-term energy security. Reducing the dependence on imported fuel and increasing the use of alternate fuel options can reduce India's vulnerability to fluctuations in global oil prices.

#### v. Electric Vehicle as Potential Solution:

Over the past decade, India's cities have been witnessing an increasing trend in motorization with deteriorating air quality. India needs to promote and have a transition into zero emission technologies where we are able to see either low or zero emission to reduce the carbon footprint. In the current scenario, EVs are the most promising zero emission technology to curb pollution and health hazards in addition to Aatmnirbhar Bharat focus on energy security by reducing the dependence on imported fossil fuel.

## D. INDIAN ELECTRIC VEHICLE SCENARIO

### i. Global Electric Vehicle Market Overview:

According to Allied Market Research, the global electric vehicle market was valued at \$162.34 billion in 2019, and is projected to reach \$802.81 billion by 2027, registering a CAGR of 22.6%. Asia-Pacific was the highest revenue contributor, accounting for \$84.84 billion in 2019, and is estimated to reach \$357.81 billion by 2027, with a CAGR of 20.1%. North America is estimated to reach \$194.20 billion by 2027, at a significant CAGR of 27.5%. Asia-Pacific and Europe collectively accounted for around 74.8% share in 2019, with the former constituting around 52.3% share. North America and Europe are expected to witness considerable CAGRs of 27.5% and 25.3%, respectively, during the forecast period. The cumulative share of these two segments was 40.1% in 2019 and is anticipated to reach 51.0% by 2027.

#### Imperatives for the shift to EVs from Gasoline-based vehicles

The Research by Allied Market Research suggests that factors such as increase in demand for fuel-efficient, high-performance, and low-emission vehicles along with stringent government rules and regulations toward vehicle emission will support the growth of the electric vehicle market.

#### Challenges to the growth of the EV market

Factors such as high vehicle cost and range anxiety are currently posing hurdles to the growth of the electric vehicle market. However, various technological advancements and proactive government initiatives are imperative for the shift towards EVs.

Increasing focus of various countries on promoting electrification of mass public transport and government support through fiscal and non-fiscal measures are propelling the growth of the electric bus market, along with rapidly declining battery prices and fast-growing charging infrastructure.

#### Global Electric Bus Market

The Global Electric Bus Market size is projected to reach 900,000 units by 2025 from 137,000 units in 2019, at a CAGR of 27%. The Asia Pacific region is the largest electric bus market in the world. It comprises some of the fastest developing and developed economies in the world. China is far ahead of other countries, with 425,000 e-buses already deployed. Sales are rising quickly in Europe and North America and new policy targets are pushing the market forward. By 2030, 46% of the global bus fleet is expected to be electrified.

In 2019, the new electric bus registrations numbered about 75,000 vehicles from 93,000 units in 2018. There were about 513,000 electric buses worldwide in 2019, up 17% from 2018. About 95% of the electric buses registered in 2019 were made and sold in China. Year-on-year registrations have decreased by about 20%, due to a decrease in purchase subsidies in 2019 (the subsidy decreased by 40% compared to 2016) as well as overall decline in the bus market in China. The number of electric buses has strongly increased in Europe and in the United States, thereby slightly reducing the Chinese market concentration.

## ii. India Electric Vehicle Market Overview:

According to a study by BIS Research, the Indian electric vehicle ecosystem market is currently in a nascent phase. The government's push to ensure EV adoption through subsidies and tax benefits is propelling the market growth. The EV market is anticipated to grow at a robust CAGR of 43.13% during the forecast period from 2019 to 2030. Additionally, installation of charging infrastructure is projected to grow at a CAGR of 42.38%.

Despite the Indian automotive industry experiencing a sharp decline in FY19, the electric vehicle market is expected to continue to grow in the coming years. With the BS6 norms becoming applicable from April 2020, the electric vehicles will become more price competitive with conventionally fueled vehicles, thus accelerating the electric vehicle sales in the country.

### Imperatives for the shift to EVs from Gasoline-based vehicles

India is the fourth-largest automobile market and the second-largest two-wheeler market in the world, with around 20 million units. It is also a country with a massive dependency on oil imports, with a USD 101 billion oil import bill in FY20. At the same time, pollution in many Indian cities has reached alarming levels. Lastly, the technology used for EVs has improved significantly over the years, making them more economical and reliable, across multiple use cases, including passenger and commercial vehicles. All these factors make a strong case for EV adoption in India. Further, the Government is going all out to promote electric vehicles by offering subsidies for private consumption and various incentives for adoption as public transportation.

### Indian Electric Bus Market

Government of India is a key facilitator for the adoption of electric buses for mass transportation. The FAME policy was launched under the aegis of Ministry of Heavy Industries to provide an ecosystem of electric vehicles, key electric aggregates, charging infrastructure, skilled manpower and education to all stakeholders under time bound projects.

With the implementation of the FAME II policy, deployment of electric buses in India increased rapidly. Bus fleets now operate in the cities such as Navi-Mumbai, Kolkata, Mumbai, Pune, Hyderabad and Ahmedabad.



**FAME II Lays highest Emphasis on Buses:**

Vehicle segment-wise Incentives, Maximum Number of vehicle to be supported						
S.No.	Vehicle Segment	##Maximum no of vehicle to be supported	Approximate size of battery in KWH	Total Approximate Incentive @ 10000/kwh for all vehicle and 20000/kwh for Buses and Trucks	Maximaums Ex-factory price to avail incentive	Total fundsupport from DHI
1	Registered e-2 Wheelers	1000000	2KWH	₹ 20000/-	₹ 1.5 Lakhs	₹ 2000 Crores
2	Registered e-3 Wheelers (including eRikshaws)	500000	5KWH	₹ 50000/-	₹ 5 Lakhs	₹ 2500 Crores
3	e-4 Wheelers	35000	15KWH	₹ 150000/-	₹ 15 Lakhs	₹ 525 Crores
4	4W Strong Hybrid Vehicle	20000	1.3 KWH	₹ 13000/-	₹ 15 Lakhs	₹ 26 Crores
<b>5</b>	<b>e-Bus</b>	<b>7090</b>	<b>250 KWH</b>	<b>₹ 50 Lakhs/-</b>	<b>₹ 2 Crores</b>	<b>₹ 3545 Crores</b>
<b>Total Demand Incentive</b>						<b>₹ 8596 Crores</b>

**The breakup of fund allocation year wise, compenent-wise, for the scheme's duration is give below**

Sr. No.	Component	2019-20	2020-21	2021-22	Total fund requirement in crores
1	Demand Incentives	822	4587	3187	8596
2	Charging Infrastructure	300	400	300	1000
3	Administrative Expenditure including Publicity, ICE Activities	12	13	13	38
<b>Total for FAME-II</b>		<b>1134</b>	<b>5000</b>	<b>3500</b>	<b>9634</b>
4	Committed expenditure of Phase-I	366	0	0	366
<b>Total</b>		<b>1500</b>	<b>5000</b>	<b>3500</b>	<b>10000</b>

Demand Incentive will be 40% of the estimated Cost of the bus. However, this demand incentive will be further limited to maximum incentive applicable for the bus, as stated – For Standard Bus (Length > 10m to 12m) – 55 Lakhs , For Midi Bus (Length > 8 m to 10m) – 45 Lakhs and For Mini Bus (Length > 6m to 8m) – 35 Lakhs

The above Demand incentive should be available on strict compliances of Phased Manufacturing Programme (PMP). The Phased Manufacturing Program will be valid until 2024 and help in localization of production across the entire electric vehicle value chain. The objective of the mission is to make technology-driven sustainable and holistic mobility solutions universal by scaling up the manufacture of these electric vehicles.

The PMP will bring huge opportunities for local manufacturing in India as multiple OEMS and auto component companies would be sourcing all their requirements from India.

**Cap on incentives for buses will be 40% of the cost of vehicles and for all other categories it will be 20%.**

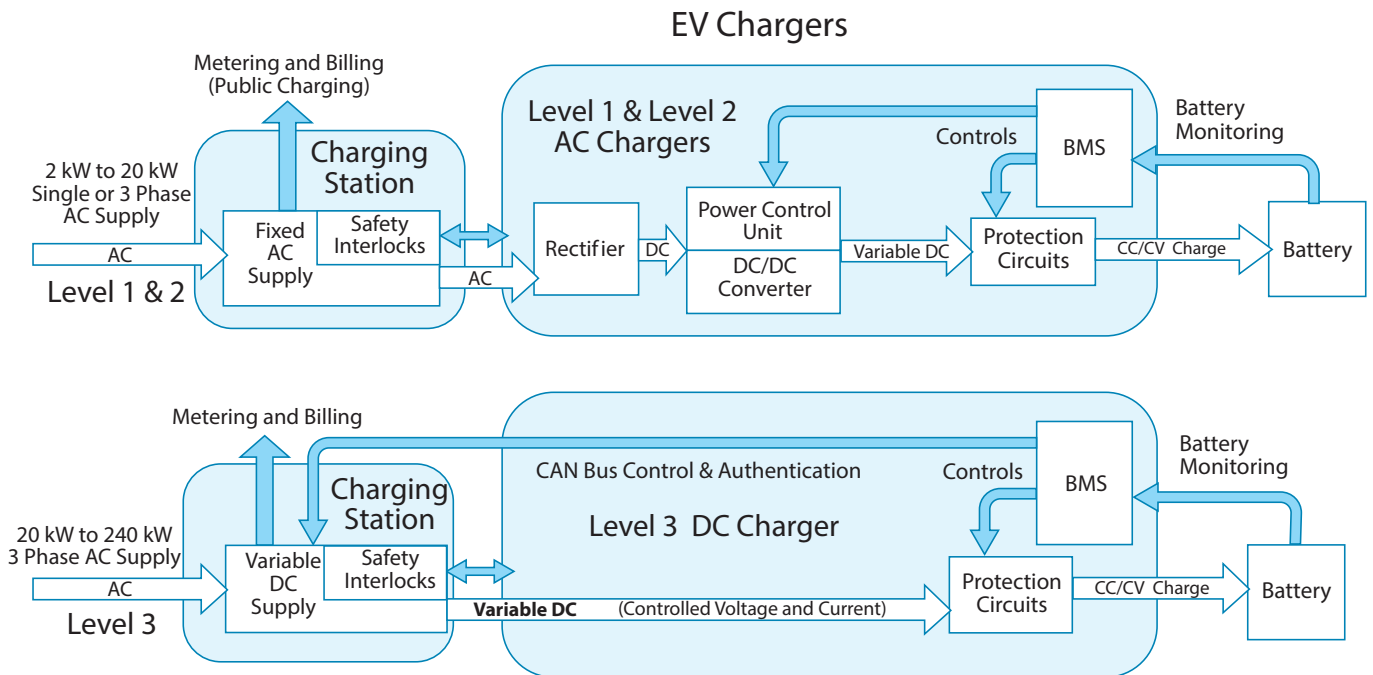
##The proposed amount of incentive per KWH are, however, subject to review as per the reduction in battery costs & thereby reduction in vehicles cost and would be notified accordingly from time to time. It is to be noted that the number of vehicle and fund support among the sub components as above is fungible with the approval of PISC

The new incentive scheme (often referred to as "FAME II") (PTI 2019) includes two levels of subsidies that depend on the percentage of localized production the percentage of the total cost of bus components that are locally or domestically manufactured. Under the FAME II Policy 5,595 buses have already been sanctioned.

**Battery Charging**

In low-power applications, the power conditioning that includes the AC to DC conversion, the power control unit that delivers a variable DC voltage to the battery, and various filtering functions are all carried out within the charger and can be implemented at a relatively low cost. The Battery Management System (BMS) is tightly integrated with the battery. It monitors the key battery operating parameters of voltage, current and temperature. It also controls the charging rate to provide the required constant current / constant voltage (CC/CV) charging profile. Lastly, it triggers the protection circuits if the battery's operating limits are exceeded, isolating the battery, if needed.

The battery charging scheme is shown in the figure below:



**E. HUGE OPPORTUNITY FOR JBMA**

The future of mobility in India and the world is rapidly evolving towards becoming more electrified and environment friendly, while delighting end users with superior experiences. The pace of progress is especially rapid and exciting in the EV space with special focus on public transportation contributing the highest percentage in the FAME 2 policy as well.

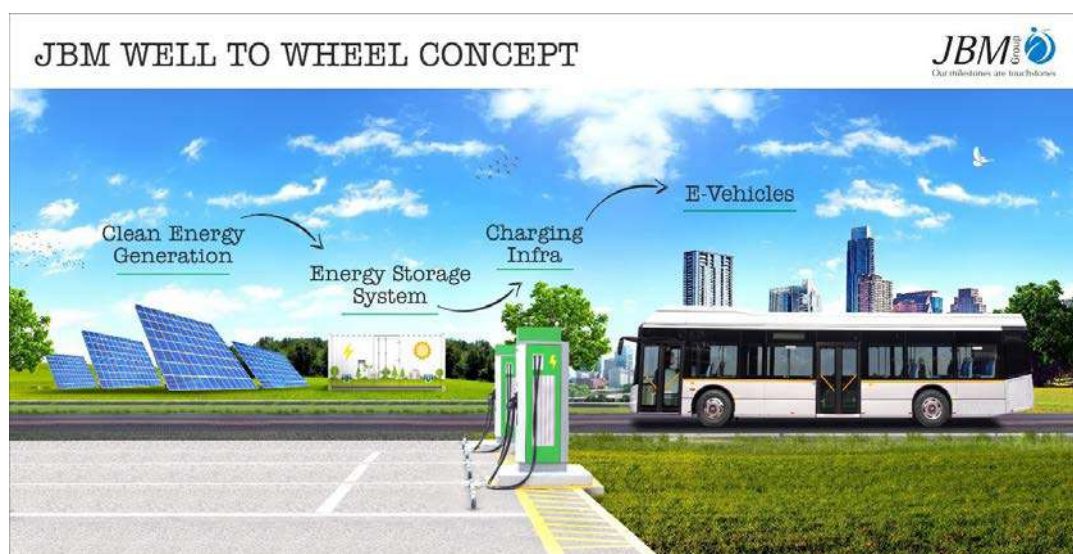
Your Company is a complete end-to-end well to wheel solution-based enterprise in the mobility space, with a presence across auto-components, tooling, and the complete ecosystem for Buses (complete ecosystem of buses including vehicle technology, battery technology, charging infra). Our enterprise moat springs from our ability to manage modular platforms for meeting customer requirements and reducing time to market.

At JBM, we have developed a "Well to Wheel" concept that not only drives business across our various verticals on one hand but also propels our initiatives towards sustainability and green manufacturing. JBM's multiple businesses like Renewable Energy, EV Charging Infrastructure and Electric Vehicles have strategically synergized towards creating a seamless solution from generation to consumption of clean energy. Moreover, now in many of our plants we are using solar power for captive energy requirements. As part of our business sustainability, we define sustainability in different ways of energy conservation, people skill enhancement, societal development that leads to scalability for us.

This opens up plethora of opportunities for us to contribute significantly to the evolution and contours of mobility. We have harnessed these competitive advantages to secure a leadership position, which we look forward to leveraging within the unfolding policy framework.

The Government of India is targeting 100% electrification in the public transportation segment by 2030. To support this, there will be a colossal need for charging infrastructure, to cater to the large population of e-vehicles in the coming years. The Ministry of Heavy Industries (MOHI) is actively promoting Electric Mobility through the FAME II policy.

Based on these and various other conducive developments, the Company is actively pursuing its mission to become a complete ecosystem provider for electric mobility with vertical integration of electric vehicles, key components and aggregates, along with charging infrastructure.



## F. YOUR COMPANY'S PERFORMANCE IN FY20

During the year, despite unfavorable conditions and various challenges faced by OEMs, your Company has delivered a satisfactory performance in all aspects.

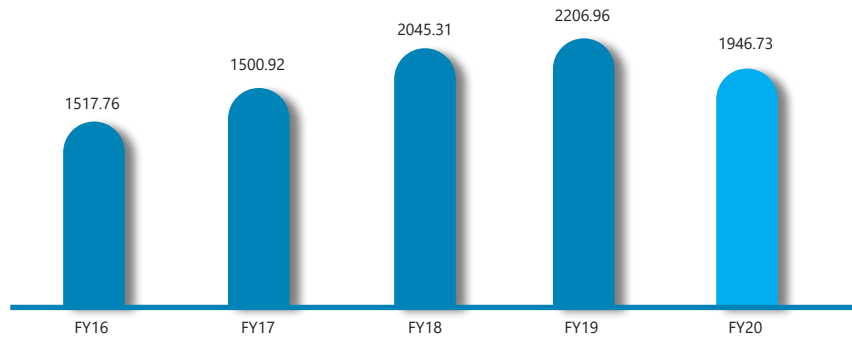
Highlights of consolidated results:

- In FY20, Net Revenue from operations decreased by 11.79% to Rs. 1946.73 cr as against Rs. 2206.96 cr in FY19 against auto industry volume of 14.73%
- Tool room division has consistently performed better over the last years' performance by multiple leaps. Net Revenue of Tool Room division increased by 63% to Rs. 252.62 cr as against Rs. 155 cr in FY19. Tool Room has achieved highest ever sale in FY20.
- The OEM division's revenues has almost doubled over the last financial year. OEM division revenue increased to Rs. 238.99 cr as against Rs. 120.50 cr in FY19. OEM division performance has enhanced multifold and is expected to set higher benchmark in the coming years with increasing market penetration of our products.
- Component division revenue decreased by 24.7% to Rs. 1454.52 cr as against 1930.86cr in FY19 due to downgrade in production of passenger vehicles and commercials vehicles by -14.76 and -32.47% respectively.
- Total Comprehensive Income attributable to the owners of the Company decreased to Rs. 69.19 cr in FY20 from Rs. 97.54 cr in FY19.
- Net worth of the Company as on 31st March 2020 increased by 9.01% to Rs 703.52 cr as against Rs. 645.39 cr on 31st March, 2019.
- The book value per share has increased by 9.01% to Rs. 148.74 per share as against Rs. 136.45 per share.
- The Earnings per share was Rs. 14.63 per share as against 20.74 per share in FY19.
- The Long-Term Debt Equity ratio of the Company has improved to 0.40 times as on 31st March 2020 against 0.55 times as on 31st March 2019. Total debt in your company has been reduced by Rs. 75.76 crores.

## Consolidated Performance of your Company over the past 5 year.

### REVENUE FROM OPERATIONS

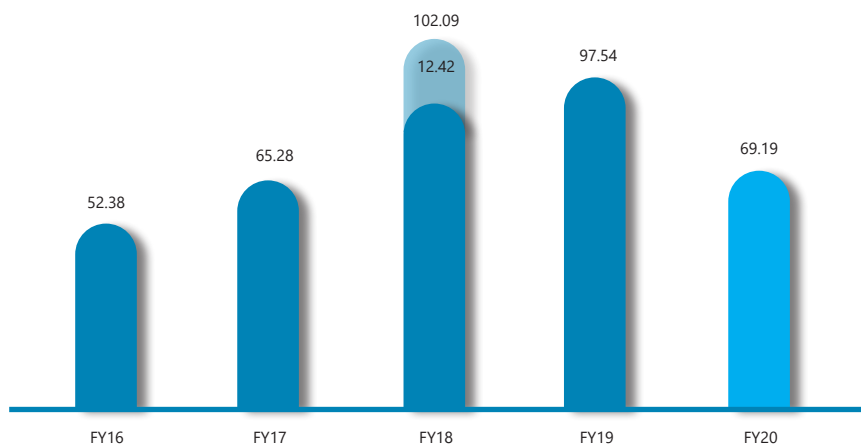
(₹ In Crore)



Net Revenue from operations decreased by 11.79% to Rs.1946.73 crores as against Rs. 2206.96 crores in FY19. However, Topline in tool room and OEM segment has significantly increased over the previous year.

### TOTAL COMPREHENSIVE INCOME

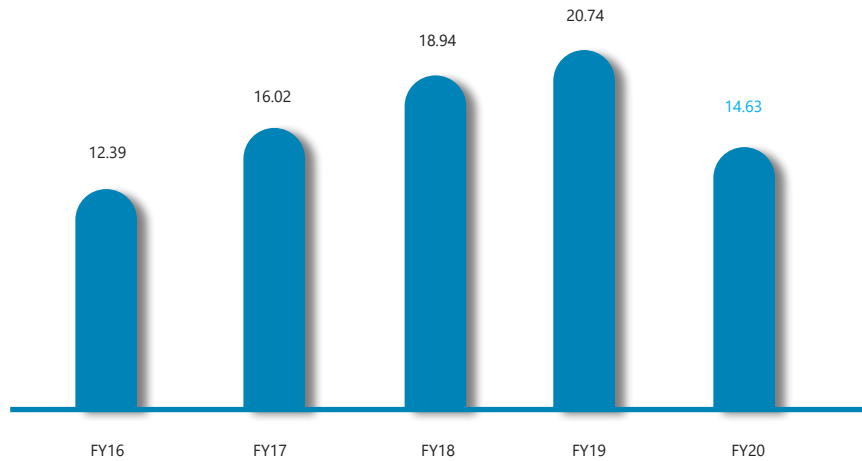
(₹ In Crore)



1. Pursuant to Business Combination, gain of Rs. 12.42 crores has arisen due to Fair Valuation of previously held interest of the company in JBM MA Automotive Private Limited.
2. In FY20 total comprehensive income decreased by 29.06% mainly because of turnover down in component division and subsequent under absorption of fixed cost. However, the company has taken various initiatives to protect EBIT margins in these challenging times.

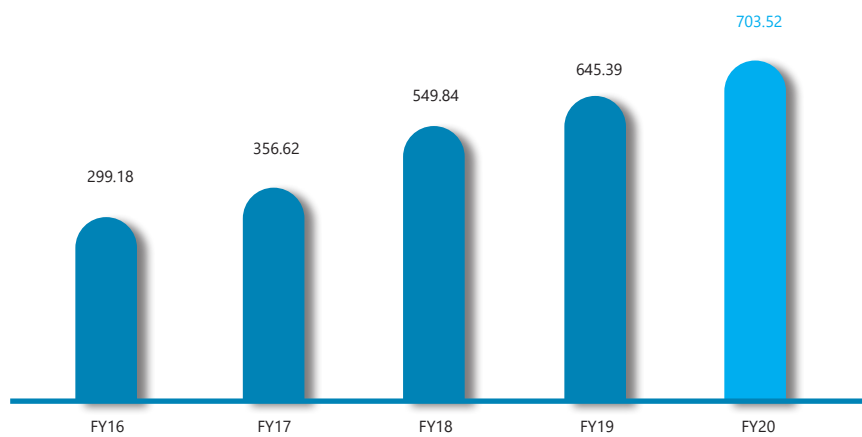


### Earning Per Share ( In ₹ )



The Earning Per Share decreased by 29.42% due to 29.06% decrease in total comprehensive income.

### NET WORTH ( ₹ In Crore)

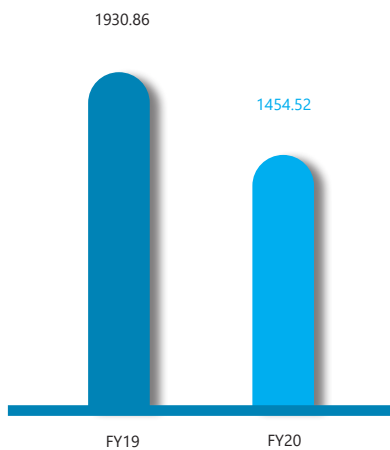


Net worth of the company increased to Rs. 703.52 crores consequential to profit earned during the year of Rs. 69.19 crores.

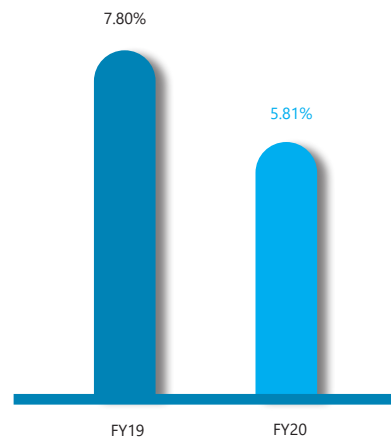
## G. SEGMENT WISE PERFORMANCE

### COMPONENT DIVISION

#### NET REVENUE (₹ In Crore)



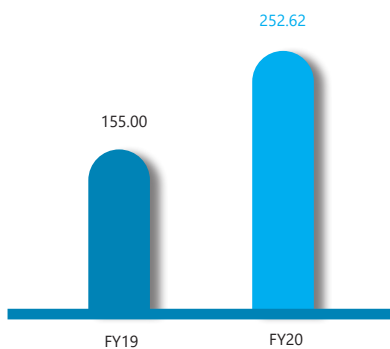
#### EBIT in % of Sales



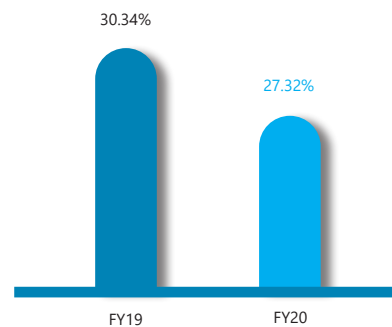
1. Component division revenue decreased by 24.7% to Rs. 1454.52 crores as against 1930.86 crores in FY19 due to downgrade in Passenger Vehicles segment by -14.76.
2. EBIT margin is down due to lower sale and subsequent under absorption of fixed cost. Your company has taken various initiatives to protect EBIT margins in these challenging times.

### TOOL ROOM DIVISION

#### NET REVENUE (₹ In Crore)

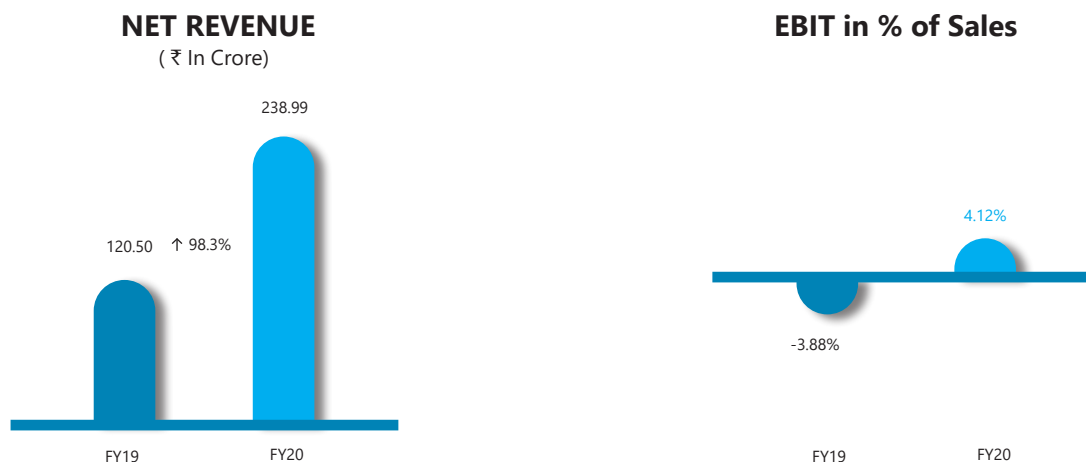


#### EBIT as % of Sales



1. Net Revenue of Tool Room division increased by 63% to Rs. 252.62 crores as against Rs. 155 crores in FY19. Tool Room has achieved highest ever sale in FY20.
2. EBIT increased by Rs. 21.99 crores to Rs. 69.02 crores in FY20 as against Rs. 47.03 crores in FY19. EBIT% is down as compared to previous year due to strategic business acquisition. We are expecting further increase in Tool Room division sale in FY21 due to increasing localization of tooling in India and various new model launches by OEMs.

## OEM DIVISION



- OEM division sale increased due to sale of buses to various customers for operations of buses under Delhi Integrated Multi-modal Transit System Limited (DIMTS), and Gurugram Metropolitan City Bus Limited (GMCBL).
- Launch of the first ever lot of 30 Electric buses which have been sold to Navi Mumbai Municipal Transport (NMMT) during the year. This opens up a new segment of Electric Mobility in JBMA.
- In FY20, OEM division has achieved positive EBIT margin for the first time due to almost 100% increase in sales.
- Your Company has also been expanding its R&D capabilities which will be adding values in the coming years.

## H. RESEARCH & DEVELOPMENT

### 1. Component Division:

Your Company's R&D encompasses design, CAE & test teams that are working on chassis, suspension & pedal box development for different customers, deploying the latest design technologies using CAD software such as NX & Catia and CAE software, such as Hyper works, Nastran & Simulia (Abaqus) which are supported by world class test labs equipped with advanced functionalities.

Your company is actively engaged with prestigious global and local OEMs, right from the early stages of development. We provide complete solutions, enveloping benchmarking and VA/VE proposals. The goal is to go ahead with concurrent engineering in the early development cycle of all programmes for all our product lines which results into faster time to market and first time right solutions.

Our engineers have been trained in Europe and Japan, so they are well versed with global benchmarking in design development and technologies. We have also commenced full circle of technologies for various OEMs across the world with best in class testing centers in India and Europe.

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

- Advanced Benchmarking for identifying the best features w.r.t. each product, process, and durability of the vehicle to be incorporated in upcoming products.
- To address any challenges in the product design prototype itself and for validation & verification of design concepts.

Stress measurement – to ensure correlation of product integration, virtual and physical testing

Such initiatives will continue to bolster people development, deployment of technologies to boost its market share and business growth. Your R&D has a slew of new products under development, which will be launched in the coming years.

## 2. OEM Division:

Your OEM R&D Centre received a re-certification till FY21 by the Department of Scientific and Industrial Research (DSIR). Such initiatives will continue to boost our know-how, deployment to latest technologies amongst other benefits. Your company's R&D has a pipeline of multiple products which are under deployment for launch in the coming times.

It constantly works to innovate new designs and develop new Bus models for various applications in the domestic emerging markets. The fully equipped center has world class R&D facilities like CAD Design Center, BUS Prototype development facilities, Laboratory/ Vehicle testing and validation facilities and a dedicated test track. There is a dedicated Data acquisition and instrumentation lab also available now to acquire real time data and RLDA (Road Load Data Acquisition) during various applications, which goes as an input during the initial phase of Product Design.

The main objective of your R&D is to develop new Product Models using newer technology and Product Development Process (PDP) to meet the customer requirements in emerging markets. Your R&D team comprises of professional experts from various Domain and OEM background. 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 developed a long-term strategy in line with the Automotive Mission Plan 2026. This Road map is for New Products as well as for adoption of newer Technologies. With sensitivity towards environmental concerns, your company has taken a resolution to stay with the cleaner and green fuels. Post FY20, your company will only be producing only cleaner fuel like CNG and zero emission technology i.e. 100% Electric Vehicles and other Green technologies for various applications.

In the new Products Development area, this year also we have worked on many new products. A significant development has been the entry into entirely new platform of 9-meter Electric Buses. This 9-meter Electric Buses is launched at Navi Mumbai Municipal Corporation ("NMMT") which has received a lot of appreciation from customers. In the Conventional Fuel Buses, our Non-AC CNG variant of the 12-meter Citylife which was homologated with new concept that got launched as Gurugaman City Bus services, at Gurugram in a record time and has proven to be best in lower operating costs with superior Fuel economy performance. Further, the 12-meter CNG BS4 AC low floor buses were launched after 10 years in Delhi. We have also developed and delivered a new variant for Airport application for leading airlines like Indigo and SpiceJet.

Your R&D center will continue to focus on new product development as per forthcoming regulations while delivering value by enhancing product performance, especially Electronics/ ITS, NVH (noise and vibration) reduction and fuel efficiency enhancement. It has continued to focus on producing environment friendly vehicles that will enhance cost efficiency and total cost of ownership in the entire product portfolio. New technology adoption like EV vehicles related technology, Euro VI emission technology etc. has been at the nucleus of all our upcoming products and innovations. Training need Identification has continued to strengthen the core design, electrical and electronics and validation/testing functions. As per the latest global trend we have also taken a step towards Virtual Validation to ensure our products are FIRST TIME RIGHT and ALWAYS RIGHT. A comprehensive capability improvement plan has been curated to improve the organizational capability to take on forthcoming challenges.

## I. KEY OPERATIONAL ACHIEVEMENTS DURING FY20

### I. COMPONENT

#### Chennai

- Addition of Safety Critical Clutch and Brake Pedal Assembly as a new product range to the portfolio
- Started the supply of the new prestigious model of Isuzu Motors, India for critical tooling and high level sub-assemblies as per global standards.
- Bagged the prestigious order for new business from key customers like Renault – Nissan and Royal Enfield where development is in advanced stages
- Became the supplier of first choice for the critical car body skin panels and major inner panels for tooling and parts supply for PSA.
- Implementation of Artificial Intelligence in Quality Inspection process.
- Awarded prestigious "GOLD CERTIFICATE OF MERIT" during India Manufacturing Excellence Award 2019 by Frost & Sullivan.
- Recognized for on-time development & delivery by Isuzu Motors, India
- ZERO QUALITY DEFECT recognition by Royal Enfield consistently.

#### Sanand

- Recognized for quality performance, and sustained FORD Motor Company's Q1 certification and aspiring for Q1 Gold by Oct 2020.
- Achieved 100% delivery performance and productivity for HMSI and FORD for FY20.



- Enhanced Robotic Welding (Spot & MIG) productivity from 92% to 98% in HLSA.
- Addition of sensors in press tools integrated with manual press operation to eliminate mis-feed thereby reducing skilled manpower dependency.
- Added two new customers
- Flawless launch and smooth capacity ramp-up for HMSI.
- To ensure enhanced safety, HPS Machines barricaded and linked with sensors preventing un-warranted entry of workmen during operations.
- Flawless launch and smooth capacity ramp-up for Tata Motors' BSVI and electric vehicles.

#### Pune

- Cleared VW's sustainability rating threshold level of 75 and achieved a score of 82. This gives us an opportunity for award of new business for VW group companies globally.
- Achieved VDA Process & Product Audit rating of B-87 from Skoda Auto Volkswagen India Pvt Ltd., thus qualifying for new business awards.
- Started supplies of BIW and CCB systems for new models of Tata Motors.
- Bagged new projects for upcoming models from TML, M&M, Skoda VW and FCA.

#### ii. TOOL ROOM DIVISION

- Tooling division has achieved the highest ever turnover through increasing business by adding new customers and enhancing the product portfolio with multiple developments of critical products.
- Special skills & capability in the area of Scanning, Reverse engineering, Robotic simulation, Door Roller Hemming have been added to the overall business growth & market share of company.
- Participated with OEM's VA/VE activities for the cost improvement of overall vehicle budget and becoming the first preference for new business.
- Started export business of dies & robotic solutions.
- Foreseeing increment on Electric Vehicle mobility, we are enhancing our skills to develop EV related products.
- Focus will be on next level of expertise like Factory layout development and Laser welding technologies to expand business and product portfolio.
- Fully industrialized the new tool room set up with Overseas participation to take up critical tooling as import substitution.

#### iii. OEM DIVISION

- After a successful launch and establishment of world-class city bus services in Noida and Gurugram, a new city bus service was successfully launched in the Capital City- Delhi. An order for 250 Citylife CNG low floor AC buses was executed from DIMTS, Delhi. It is worth mentioning that CNG AC low floor buses have been launched in Delhi after 10 years. The coveted Delhi city bus operations was inaugurated by Hon'ble Chief Minister of Delhi.
- Forayed into an altogether new application of Tarmac Buses, with orders from Indigo Airlines and Spicejet Airlines. Delivered state-of-art Tarmac CNG low floor AC buses to Indigo and Spicejet in record time. The whole cycle from the application studying to the final product delivery was done within a span of just 4 months. Tarmac buses delivered by our company have now become a Technology Showcase at Delhi Airport.
- Added another feather to our cap by successfully delivering the first 9m 100% electric buses - Ecolife to Navi Mumbai Municipal Transport, Mumbai. 30 Buses were successfully launched in a grand event announcing our presence in the Western Region. This EV bus operation will provide an estimated savings of around 60 lakh litres of diesel and prevent around 15000 tonnes of CO2 over 10 years of operations.
- Undoubtedly established ourselves as a force to reckon with. A testimony to this is the response that we received during the Auto Expo 2020. In a mega event, we launched the following 3 products in the country's biggest auto show:
  - a. Ecolife 12m 100% EV low floor non-AC with 40 seating capacity
  - b. Ecolife 9m 100% EV high floor AC with increased battery capacity
  - c. Citylife CNG low floor 12m AC BS-VI emission compliant,

The footfalls right through all the 8 days and the queries & information sought by multiple stakeholders and potential customers speaks volumes about the rapid strides that your company is making in the right direction.

With a good order book in hand, Strategic thinking, Progressive management, and a slew of innovative product concepts on the anvil, your Company is headed to establish itself as an Indian phenomenon with a Global impact.

## J. KEY RECOGNITION & AWARDS DURING THE YEAR

1. Frost & Sullivan has awarded the "Gold Certificate of Merit" for the efforts taken by the plant and its personnel in enhancing Manufacturing and Supply Chain excellence.
2. Isuzu Motors India has awarded the prestigious "On-Time Development" Award.
3. Confederation of Indian Industry (CII) awarded the 14th Edition of CII southern region Kaizen Competition 2019.
4. Royal Enfield awarded with the "Zero Quality Defect" consistently.

## K. RISK MANAGEMENT

Your Company, in its capacity as an internationally active player in the automobile industry, is exposed to various risks within each of its business segments and products. This makes it necessary for the implementing an organized risk management system. The Company is therefore exposed to risks associated with global organizations and the automotive industry in particular.

The Company has set up a Risk Management framework. The framework enables a structured and disciplined approach to risk management. The group has developed guidelines on risk controlling and the use of financial instruments. These guidelines contain a clear allocation of duties. Risks are controlled and monitored by means of operational and financial measures. The successful management of opportunities and risks is part of operating a business and is the primary task of all management personnel. During the regular management meetings at all management levels, opportunities, risks and optimization measures are reviewed in detail. Any exceptional situations having potential risks are identified and addressed at an early stage to minimize their impact on financial and operational positions.

### Potential risks and Mitigation measures:

#### i. Market risk:

Market risk is the risk that the fair value of future cashflows of a financial instrument will fluctuate because of changes in market price/ rate. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risks. Financial instruments affected by market risk include loans and borrowings, deposits and payables/ receivables in foreign currencies.

#### ii. Forex risk

The exchange variations in India have mainly impacted imports but the Company has arrangements with its major domestic customers that enable passing on the exchange impact on import purchases. The Company has also considerably increased its export sales during the last few years to attain a natural hedge. It also undertakes selective hedging to mitigate risks associated with foreign currency.

#### iii. Credit risk:

The credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations towards the Company, which arise principally from the Company's receivables from customers and deposits with banking institutions.

#### iv. Trade receivables:

The Company has developed guidelines for the management of credit risk from trade receivables. The Company's primary customers are major Indian automobile manufacturers (OEMs) with good credit ratings. Non-OEM clients are subjected to credit assessments as a precautionary measure, and the adherence of all clients to payment due dates is monitored on an on-going basis, thereby practically eliminating the risk of default and impairment.

#### v. Financial instruments and cash deposits

The Company has deposited liquid funds at various banking institutions. Primary banking institutions are major Indian and foreign banks. In long term credit ratings these banking institutions are considered to be investment grade. Also, no impairment loss has been recorded in respect of fixed deposits that are with recognised commercial banks and are not past due.

#### vi. Liquidity risk:

The liquidity risk encompasses any risk that the Company cannot fully meet its financial obligations. To manage the liquidity risk, cash flow forecasting is performed in the operating divisions of the Company and aggregated by Company finance. The Company's finance monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities / overdraft facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

## L. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has adequate systems of internal control commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use, executing transactions with proper authorization and ensuring compliance of corporate policies. The Company has periodic internal audits in collaboration with independent internal auditors to carry out both system and financial audit of its activities. The audit findings are reviewed by the Audit Committee at regular

intervals, details of which have been provided in the corporate governance report. Suggestions for improvement are considered and the Audit Committee follows up on corrective action. The Company has also identified various business risks and laid down necessary procedures for mitigation of the same. Given the geographical spread of the operations of the Company, it has devised adequate systems to ensure statutory compliances at each location and these are monitored regularly. Management has assessed the effectiveness of the Company's internal control over financial reporting (as defined in Clause 17 of SEBI Regulations 2015 applicable on Indian entities) as on March 31, 2020.

## M. HUMAN RESOURCE AND INDUSTRIAL RELATIONS

Your Company values people as its biggest asset. For the all-round development of its employees at all levels, various initiatives are taken at regular intervals.

Various engagement activities, like Sports Week, Annual Day, Outbound training programs and other similar events, are arranged for the welfare and motivation of our employees. We nurture innovative thought processes and encourage a multi-cultural environment to infuse diversity. These are themes of our people engagement initiatives. Our employees are also an integral part of Corporate Social Responsibility programmes such as blood donation drives, etc.

Employee Engagement was an area of focus during the year under review too. Beyond conducting engagement surveys, focus was laid on post survey action planning and activities to improve the environment at the work place. These initiatives go a long way towards controlling attrition and improving employee satisfaction at the workplace.

Regular training programs are organised to keep the employees updated in their respective spheres of work, further enhancing their skill levels. This initiative ensures improved performance, boosts morale & improves attitude, which culminates into high-quality end-results, which in turn translates into customer delight. To gain an outside in perspective, we nominate employees with potential for exclusive and prestigious programs conducted by external agencies, like VLFM by CII, EPP by LMI and various programs by MACE.

All the new recruits are trained to become socially, professionally and culturally integrated through well-structured induction program. Your Company imparts training to all fresh recruits to ensure that they work in sync to achieve our goal and become a part of our journey to take the organisation to new heights. To assist employees in leading a balanced and happy family life, training programs for spouses are conducted. Regular programs on spiritual and ethical themes are also conducted periodically.

Your Company also focuses on grooming the existing talent base, to enable them to take positions of greater responsibility within the organisation. We conduct various developmental initiatives through our MDPs (Management Development Programs), especially designed for 3 different levels. Also, the SDP (Supervisory Development Program) is conducted for supervisors. A proper skill matrix and training is being prepared for the blue-collar employees.

With the intention to develop internal capabilities, we have initiated a series of programs for developing internal trainers. This helps in developing subject matter experts and people capabilities while controlling cost for conducting various trainings.

As always, your Company lays emphasis on quality, which is achieved through activities like Kaizen and quality circle. 5S is being done at all level to improve the productivity and efficiency of the employees. The ongoing initiative of TUK (Tayari Udaan Ki) continued with full vigour during this year also. All the plants of your company participated in various TUK projects of improving quality, productivity and reducing costs etc. which are reviewed on quarterly basis and annual rewards are given.

All employees are made aware of and have access to the central database of HR policies covering all aspects of welfare, benefits and administration. With the help of technology, the Company has started automating HR processes and will continue in the next year. These efforts will bring in more efficiency, and a more real-time approach to HR processes.

Lastly, but most importantly, to protect the rights of various stakeholders, your Company has instituted a code of conduct. The policies enshrined in this code include items concerning issues such as working hours, wages, employee relations, prohibition of discrimination, PoSH, Whistle Blower policies, protection of privacy, concern for human rights of foreign nationals, trainees and operators.

## N. SKILL DEVELOPMENT

Your Company's Skill Development Centre (SDC) is constantly taking the lead in providing training opportunities in designated trades, including advanced courses approved by DGT, Ministry of Skill Development and UGC – Ministry of Human Resource and Development. Through these initiatives, it has been recognized at the national level for promoting the National Apprenticeship Promotion Scheme (NAPS). We have also signed MOUs with different State Government-run ITIs for implementation of Dual System Training (DST) at JBM Auto's Plants at Faridabad, Sanand and Indore.

We are the leading industry partner of the Shri Vishwakarma Skill University, Government of Haryana and support the following high-tech training courses:

- Master of Vocation in Robotics and Automation
- Bachelor of Vocation in Robotics and Automation
- Bachelor of Vocation in Tool & Die Manufacturing

Presently we have more than 1000 candidates undergoing training in these specialized courses.

We have adopted the Government ITI, Sonapat, which is being upgraded under the STRIVE project of the World Bank and SDC. We support this institution by designing & introducing new courses on E-Mobility, which are offered at the ITI, Sonapat Campus, under our supervision and guidance. We also conduct guest lectures and offer on-the-job training opportunities to technical students at ITIs, polytechnics and engineering colleges.

In last 5 years, we have successfully trained and placed more than 7500 candidates hailing from different parts of the country. The training courses have been customized on an 'Earn & Learn' principle, thereby, helping the under privileged and tribal candidates.



Felicitation of Sh. S K Arya , Chairman & Sh. Nishant Arya, ED by Chief Minister of Haryana



Visit of Dr Ranjit Sinha, IAS, Secretary from Government of Uttarakhand



Outstanding Contribution toward Industry- Integrated Dual – Education mode with Shri Vishwakarma Skill University (SVSU)

## O. 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 have qualified and acquired for 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, healthy and safety.
- e) Implement effective policies for environment conservation.
- f) Establish an environmental health and safety management team, which 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.



## P. THE ROAD AHEAD

The rapidly globalising world is opening up newer avenues for the transportation industry. There is a conscious shift towards electric, electronic and hybrid cars, which are deemed more efficient, safe, and reliable modes of transportation. Over the next decade, this will lead to newer verticals and opportunities for auto-component manufacturers, who would need to adapt to the change via systematic research and development.

The Indian auto-components industry is set to become the third largest in the world by 2025. Indian auto-component makers are well positioned to benefit from the globalisation of the sector as the export potential of this sector could increase significantly over time.

The government aims to develop India as a global manufacturing as well as a research and development (R&D) hub. It has set up National Automotive Testing and R&D Infrastructure Project (NATRIP) centres as well as a National Automotive Board to act as facilitator between the Government and the industry. Under (NATRIP), five testing and research centres have been established in the country since 2015.

The Indian government has also set up an ambitious target of having only electric vehicles being sold in the country. The Ministry of Heavy Industries, Government of India has shortlisted more than 60 cities in the country for introduction of electric vehicles (EVs) in their public transport systems under the FAME (Faster Adoption and Manufacturing of (Hybrid) and Electric Vehicles in India) scheme.

Your company is enthusiastic about the future on the back of all these external developments. Your company has utilized the economic hiatus imposed by the coronavirus pandemic to undertake a thorough organisational diagnostic exercise and reflect on its growth aspirations for 2025. Subsequently, we have undertaken a realignment of the organisational structure design to capitalize on the opportunities that will emerge on the other side of the crisis. We have also reviewed our Business Governance are amplifying our communication to convey our vision to our stakeholders within and outside the organisation with greater conviction.

With our competitive advantages, which emerge from our presence across verticals in the mobility space and our solution-centric approach, we are ready to facilitate the future of mobility in India and play a significant part in guiding its direction and success from our leadership position in the mobility space in India.

## Q. RESPONSE TO COVID-19 PANDEMIC

The World Health Organization declared a global pandemic of the Novel Coronavirus disease (COVID-19) on February 11, 2020. In enforcing social distancing to contain the spread of the disease, our offices and client offices, across locations have been operating with minimal or no staff for extended periods of time. In keeping with our employee-safety first approach, we quickly instituted measures to trace all employees, to stay assured of their well-being. Our teams reacted with speed and efficiency, leveraging technology, to shift the workforce to an entirely new 'work-from-home' model during the lockdowns and post lockdowns as well, wherever required.

Proactive arrangements were made at our work locations during this transition to ensure that our offices and training centers were safe. Travel, immigration, and insurance-related challenges faced by our employees were swiftly handled, in line with the guidelines issued by the local authorities. Policy changes related to working from home and IT infrastructure support were rolled out overnight to help our employees shift to this new work paradigm. Continuous communication on the latest updates played a key role in enabling our employees to stay on top of the evolving situation. Several initiatives were rolled out to make teams and managers effective while working from different locations.

We also launched a series of initiatives related to COVID-19 awareness and the new remote way of working, with a focus on the health and wellness of employees. We have extended support to the employees impacted by this pandemic, including those who tested positive for COVID-19.

We have implemented a phased and safe return-to-work plan. The Company is taking utmost care of its staff and work force, with precautions like, maintaining proper hygiene, sanitization, social distancing, mandatory mask wearing, and thermal check at the entrance gate. We have spread awareness amongst employees and are monitoring social distance through AI. AI cameras have been installed on the premises, shop floor and entry gates of the Company to capture images while temperatures of the employees are checked through thermal scanners, without manual intervention. AI cameras also sends alerts on violation of social distancing; as a result, no manpower is required to monitor social distancing activities.

To ensure the overall wellbeing of our employees, we have been organizing virtual Yoga Sessions. These sessions guide employees with tips on to how to improve their health, wellbeing, moral and productivity to achieve happiness in their personal and professional lives.

### \*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.

# Business Responsibility Report

## (Pursuant to Regulation 34(2)(f) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

### Introduction

JBM Auto Limited is rapidly evolving with agility, dynamism and rigor as we are vertically integrating and imbibing technology to introduce products and solutions that improve people's lives. Like, in the initial phase of our journey, the focus was towards simpler parts and components which transitioned to complex auto systems, assemblies and solutions, i.e. from product based approach to experience & solution-based approach. We focus on the TCO (Total Cost of Ownership) principle, wherein, the intent is driving optimum value and cost optimization from our products & solutions while constantly changing and upgrading our benchmarks.

The Company is one amongst the globally leading manufacturers in the automobile segment and continues to be India's one of the best automobile Company with a consolidated revenue of Rs. 1,946.73 crores in FY20. The Company believes in the core philosophy of 'Good Corporate Citizenship' staying committed to sustainability and the spirit of 'giving back to society'. The Company is present across all segments of the commercial and passenger vehicles, with a widespread through all over India offerings sales and services as well as having established spare parts network touch points.

The Business Responsibility Report highlights the approach of the Company towards creating long-term value for all its stakeholders. The Report is aligned with National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVG-SEE) released by Ministry of Corporate Affairs and is in accordance with Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (SEBI Listing Regulations). This Report provides an overview of the activities carried out by the Company under each of the nine principles outlined in NVG.

### Section A: General Information about the Company

1. Corporate Identity Number (CIN) of the Company: L74899DL1996PLC083073
2. Name of the Company: JBM Auto Limited
3. Registered address: 601, Hemkunt Chambers, 89, Nehru Place, New Delhi - 110019, India
4. Website: [www.jbmgroup.com](http://www.jbmgroup.com)
5. E-mail id: [vivek.gupta@jbmgroup.com](mailto:vivek.gupta@jbmgroup.com)
6. Financial Year reported: 2019-20

#### 7. Sector(s) that the Company is engaged in (industrial activity code-wise):

NIC Code	Name and Description of main products/ services
25910	Sheet Metal Components for Automobiles
28221	Tools & Dies for Automobiles
29109	Passenger Buses

#### 8. List three key products/ services that the Company manufactures/ provides (as in balance sheet):

- a. CNG & Electric Buses and Services under AMC
- b. Sheet Metal Components
- c. Tools & Dies

Please refer to our website [www.jbmgroup.com](http://www.jbmgroup.com) for complete list of our products

#### 9. Total number of locations where business activity is undertaken by the Company:

a.	Number of International Locations	Nil
b.	Number of National Locations	The Company manufacturing locations in India are situated at Faridabad (Haryana), Pune & Nasik (Maharashtra), Chengalpattu (Tamilnadu), Indore (Madhya Pradesh), Sanand (Gujarat), Pathredi (Rajasthan), Greater Noida and Kosi (Uttar Pradesh).

10. **Markets served by the Company – Local/ State/ National/ International:**

Asia (including all over India), Europe.

**Section B: Financial Details of the Company**

1. Paid up Capital: Rs. 28.65 Crores.
2. Total Turnover: Rs. 1,946.73 Crores (This is standalone figure)
3. Total profit after taxes: Rs. 69.47 Crores (This is standalone figure)
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): Total expenditure reported is Rs. 2.28 Crores, which is more than 2% of average profit of previous three financial years of the Company.
5. Details of activities in which expenditure in 4 above has been incurred: Vocational Skill Development in the area of fabrication, production & manufacturing

**Section C: Other Details**

1. **Does the Company have any Subsidiary Company/ Companies?**

The Company has five (5) subsidiaries in India as on year ended March 31, 2020.

2. **Do the Subsidiary Companies participate in the BR Initiatives of the Parent Company? If yes, then indicate the number of such subsidiary company(s)?**

The subsidiary companies are not required to comply with the Business Responsibility in initiatives as per the laws applicable to them.

3. **Do any other entity/ entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%]**

No, BR initiatives of the Company are limited to its own operations. However, stakeholders are encouraged to participate in the Company's BR initiatives being a responsible business.

**Section D: BR Information**

1. **Details of Director/ Directors responsible for BR**

a. **Details of the Director/ Directors responsible for implementation of the BR policy/ policies.**

Sr. No	Particulars	Details
1.	DIN Number (if applicable)	07186909
2.	Name	Mr. Sandip Sanyal
3.	Designation	Executive Director

b. **Details of the BR head**

Sr. No	Particulars	Details
1.	DIN Number (if applicable)	NA
2.	Name	Mr. Vivek Gupta
3.	Designation	Chief Financial Officer, Company Secretary & Compliance officer
4.	Telephone	+91 129 4090200
5.	E-mail id	vivek.gupta@jbmgroupp.com

## 2. Principle-wise (as per NVGs) BR Policy/ policies (Reply in Y/ N)

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVG-SEE) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are as follows:

P1 -	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
P2 -	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3 -	Businesses should promote the well-being of all employees.
P4 -	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
P5 -	Businesses should respect and promote human rights.
P6 -	Businesses should respect, protect, and make efforts to restore the environment.
P7 -	Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8 -	Businesses should support inclusive growth and equitable development.
P9 -	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Sr. No.	Questions	P1	P2	P3	P4	P5*	P6	P7**	P8	P9
1.	Do you have policy/ policies for?					Yes				
2.	Has the policy being formulated in consultation with the relevant stakeholders?					Yes				
3.	Does the policy conform to any national/ international standards? If yes, specify?					Yes				
4.	Has the policy being approved by the Board? If yes, has it been signed By MD/ owner/ CEO/ appropriate Board Director?					Yes				
5.	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?					Yes				
6.	Indicate the link for the policy to be viewed online?						www.jbmgroup.com			
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?					Yes				
8.	Does the Company have in-house structure to implement the policy/ Policies?					Yes				
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?					Yes				
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?					Yes				

\*The Company does not have a standalone Human Rights policy. Aspects of human rights, such as child labour, occupational health and safety and non-discrimination are covered in its various Human Resource policies.

\*\*The Company does not have a standalone advocacy policy. For advocacy on policies related to the automobile industry, the Company engages with industry associations in which Company is a member and expert agencies, as required

b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options):- Not Applicable



### 3. Governance related to Business Responsibility

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3 to 6 months, annually, more than 1 year

Regular monitoring is being done of BR initiatives and complete assessment is done on need basis and annually.

- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Since, the report is applicable on the Company first time w.e.f. FY20, the same is being published in the Annual Report of FY20 and also available on the website of the Company following part of this Annual Report at [www.jbmgroupp.com](http://www.jbmgroupp.com)

## Section E: Principle-wise performance

### Principle 1: Ethics, Transparency and Accountability

- Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?

No, the Company has articulated a comprehensive code of conduct, which is applicable to the Group.

- How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

No Complaints were received in the last Financial Year relating to Ethics, Transparency and accountability

### Principle 2: Product Life Cycle Sustainability

- List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities.

The Company is engaged in the manufacturing of Sheet Metal Components, Tool Room Components and Bus. These products have insignificant social or environmental concern or risk.

- For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

The Company always take efforts for optimum utilization of natural resources

- Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain?

Not Applicable

- Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The Company continuously monitors its process with respect to usage of raw material and other natural resources in terms of sales. The optimized design and technology resulted in saving of natural resources.

**3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?**

Yes, The Company has an environment policy and safety policy. We encourage our vendors to ensure compliance with these policies. It covers various issues like health of workers and safety measures.

**4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

The Company keeps on developing local vendors: visit their facilities, analyze quality related aspects, and create action plans jointly with the suppliers, customers and monitored performance.

**5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

Considering the nature of business there are no significant emissions or process wastes. The Company recycle materials wherever it is usable within the Company which cannot be reused is disposed off in a manner in compliance with applicable statutory provisions.

**Principle 3: Employee Wellbeing**

Sr. No.	Particulars	Number of Employees
1.	Total number of permanent employees.	2056 number
2.	Total number of employees hired on temporary/ contractual/ casual basis.	4971 number
3.	Number of permanent women employees.	49 number
4.	Number of permanent employees with disabilities	4 permanent employees
5.	Employee association that is recognized by management? (if any)	Yes
6.	Percentage of your permanent employees is members of this recognized employee association?	18%

**7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

Sr. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child labour/ forced labour/ involuntary labour	Nil	Nil
2.	Sexual harassment	Nil	Nil
3.	Discriminatory employment	Nil	Nil

**8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year**

- Permanent Employees
- Permanent Women Employees
- Casual/ Temporary/ Contractual Employees
- Employees with Disabilities

Safety is of paramount importance to the Company. All employees in the Company are provided with safety training as part of their induction programme. The safety induction programme is also a compulsory requirement for contract workforce before they are inducted into the system. The Company has a structured safety training agenda on an on-going basis to build a culture of safety across its workforce.

#### Principle 4: Stakeholder Engagement

1. **Has the Company mapped its internal and external stakeholders?**

Yes.

2. **Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?**

Yes

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

The Company carries out various CSR initiatives for the upliftment/ growth & development of people living in the villages around its manufacturing facilities.

#### Principle 5: Human Rights

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?**

The Company has adopted Code of conduct & ethics and whistle blower policy along with Business Responsibility Policies. These policies are applicable to the Directors and employees of the Company, the underline principles are communicated to vendors, suppliers and distributors and other key business associates of the Company, which they are expected to adhere to while dealing with the Company. The Company encourages its suppliers, vendors, contractors and other business partners associated to follow the principles laid out in Code of Conduct.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

During the past financial year, the Company has not received any complaint except certain requests for providing copies of annual reports etc. which were provided to the satisfaction of the stakeholders.

However, during the FY20, 19 investor complaints received for non-receipt of dividend, revalidation of dividend warrants and the same were satisfactorily closed.

#### Principle 6: Environmental

1. **Does the policy related to Principle 6 cover only the Company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ others.**

The Company continuously makes efforts to safeguard the environment. Steps are taken for optimal utilization of our resources. The Company's environmental policy extend to its suppliers and all other stakeholders.

2. **Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.**

Over the years there have been various initiatives undertaken to address global environmental issues. The emissions or waste generated by the Company are within the permissible limits specified by the Central Pollution Control Board (CPCB) and State Pollution Control Board (SPCB). The Business responsibility policy of the Company specifies its approach towards protection of environment; the policy is applicable for all employees of the Company and its subsidiaries.

**3. Does the Company identify and assess potential environmental risks? Y/N**

Yes, environmental risk is covered and in the Company principles that are based on ISO 14001 standards.

**4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

The Company continues to work towards development and implementation of climate change mitigation project mainly through energy saving projects across the Company. However, we do not have any registration of CDM projects. All the Units of the Company have filed environmental compliance reports as per the requirement of applicable environmental laws.

**5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page etc.**

Covered under Board report which forms part of the Annual Report.

**6. Are the Emissions/ Waste generated by the Company within the permissible limits given by CPCB/ SPCB for the financial year being reported?**

Yes

**7. Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

During the FY20, 3 (three) notices received and the same were satisfactorily replied and closed.

**Principle 7: Policy Advocacy**

**1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

The Company is member of:

- a. Automotive Component Manufactures Association (ACMA)
- b. Confederation of Indian Industries (CII)
- c. Society of Indian Automobile Manufacturers (SIAM)
- d. Federation of Indian Chambers of Commerce and Industry (FICCI)

**2. Have you advocated/ lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

No

**Principle 8: Inclusive Growth**

**1. Does the Company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.**

Yes, Company has a Corporate Social Responsibility Policy which derived its core value on various aspects as per the requirement of the Companies Act 2013. The policy has been developed considering the requirement of the Companies Act 2013. The Company is engaged in the Vocational Skill Development in the area of fabrications, production & manufacturing through Skill Development Centres situated at Plot No. 16, Sector 20B, Faridabad, Haryana – 121007 and No. 1, Ford Suppliers Park, S.P. Koil Post, Chengalpattu (TK), Kancheepuram Dist. Tamil Nadu – 603204 and Plot No AV 13, BOL Industrial Estate, Sanand – II, Dist- Ahmedabad, Gujarat.

**2. Are the programmes/ projects undertaken through in-house team/ own foundation/ external NGO/ government structures/ any other organization?**

The Company established Skill Development Centre (SDC), a flagship initiative of Ministry of Skill Development & Entrepreneurship, Government of India for Fresher and ITI Pass artisans to get hands on industry exposure, and also encourages National Apprenticeship Training Scheme for Diploma & Graduate Engineers promoted by Ministry of HRD. SDC is also an approved Examination Center for conducting All India Trade Tests under Directorate General of Training under MSDE. It is also affiliated with Automotive Skill Development Council.



We have trained & placed more than 6500 candidates in last 5 years from different parts of the country. All our training courses are on Earn & Learn Principle helping the under-privileged, tribal candidates from North-East, Jharkhand, Chhattisgarh, Haryana, UP and MP etc. We have also signed MoUs with Government ITIs to support training on Dual System.

The Company has also signed an MoU with Shri Vishwakarma Skill University, Haryana (1st Government Skill University) to offer Post-Graduate Level Courses i.e. M. Voc in Robotics & Automation in addition to the existing Graduate Level - B. Voc courses in Tool & Die Manufacturing and Robotic & Automation field in dual-system following Earn-while-you-learn principle.

Furthermore, the Hon'ble Chief Minister of Haryana has also recognized and awarded JBM for the outstanding work and contribution in the area of skill development.

**3. Have you done any impact assessment of your initiative?**

Yes, we do structured assessment of our initiatives that have been undertaken. The Company has positive feedback of its efforts from community and environment.

**4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.**

The Company during the FY20 spent Rs. 2.28 crore towards CSR activities i.e. Vocational Skills Promoting education, including special education and vocational skills.

**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

Yes, the Company regularly monitors the projects to ensures that they are adopted and continued and sustain within communities beyond our interactions.

**Principle 9: Customer Value**

**1. What percentage of customer complaints/ consumer cases are pending as on the end of financial year.**

Not Applicable

**2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/ N.A. / Remarks(additional information)**

Not Applicable

**3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/ or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

No

**4. Did your Company carry out any consumer survey/ consumer satisfaction trends?**

Yes, our Company carry-out the costumer survey and also have direct interaction with the mechanics and retailers for aftermarket division. It enables the Company to meet the expectations of its customers in the market and also create awareness about the product range of the Company for prospective customers and retailers. The Company obtains the customer feedback directly on regular basis to identify the areas of concerns. Accordingly corrective measures have been planned and implemented. The Company is also planning for a cross functional survey for business partners in the aftermarket to take feedback regarding quality of products, quality of services and timely supplies.

# REPORT ON CORPORATE GOVERNANCE

## 1. PHILOSOPHY OF THE COMPANY ON CORPORATE GOVERNANCE

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

Our Company believes that the governance process should ensure that these resources are utilized in a manner that meets stakeholders' aspirations and societal expectations. Our philosophy of Corporate Governance is built on a foundation of ethical and transparent business operations. Through this philosophy, the Company fosters a culture, focusing on well-embedded balance between performance and organizational health. This culture inspires trust among all stakeholders and strengthens the Board and management accountability.

The Company has adopted the values of good governance, sustainability and teamwork to create long-term value for its stakeholders. The practice of responsible governance has enabled it to achieve sustainable growth, while meeting the aspirations of its stakeholders and fulfilling societal expectations. Leveraging the principles of integrity, execution excellence, customer orientation and leadership in an ethical manner, the Company continues to take the necessary steps towards growth and to enhance value for its shareholders. The sound governance processes and systems guide the Company on its journey towards continued success.

We believe that our vision can only be achieved if we appreciate and discharge our responsibilities towards our various stakeholders.

### (i) Responsibility to our customers and business partners

- follow proper business practices and engage in fair, transparent and free competition based on a respect for the law.
- derive concepts from the market, provide the best in quality, technology and service, and obtain the satisfaction and trust of customers.

### (ii) Responsibility to our shareholders

- maintain close communication with shareholders and disclose corporate information properly, while at the same time working to improve our corporate value on a continuous basis.

### (iii) Responsibility to our employees

- respect the individuality of employees, create workplaces that are motivating to employees and enable them to fulfill their potential, and strive to provide each with abundant living circumstances.

### (iv) Contributing to regional societies and to global society

- as a good corporate citizen, we aggressively pursue activities that contribute to society.
- follow rules, observe the laws, cultures and customs of society and regions where we have operations, and seek to contribute to their growth.
- carry out global environmental improvement activities proactively and aggressively with deep awareness of their being an important corporate mission.

## 2. GOVERNANCE STRUCTURE

Our 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. Governance should create a mechanism of checks and balances to ensure that the decision-making powers vested in the executive management are used with care and responsibility to meet stakeholders' aspirations and societal expectations. This layered structure brings about harmonious blending 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

For the purpose of maintaining an ample level of Company's Corporate Governance, all statutory and other significant and material information are placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company as trustees of Shareholders. The Board has an optimal mix of Executive and Non-Executive Directors who have considerable expertise in their respective fields including competencies required in context of Company's businesses. The Board effectively separates the functions of governance and management and balances deliverables.

The composition and size of the Board is reviewed periodically to ensure that the Board is a wholesome blend of Directors with complementary skill-sets. 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.

### 3. BOARD OF DIRECTORS

#### Composition of Board

Our Company's Board is a balanced Board, comprising Executive and Non-Executive Directors. The Non-Executive Directors include independent professionals. At least one-third of the total strength of the Board was required to comprise Independent Directors. As on 31st March, 2020, the Board comprised of 6 (six) members, 3 (three) of which are Independent Directors constituting half of the Board strength, 2 (two) are Non- Executive/ Promoter Directors and 1 (one) Whole-time director.

The composition of the Board is in conformity with the requirements of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as well as the Companies Act, 2013 read with the Rules issued thereunder.

#### Changes in the Board

During the year under review, based on the recommendations of the Nomination & Remuneration Committee, the Board of Directors approved the appointment of Mr. Praveen Kumar Tripathi as an Additional Director (Independent) w.e.f. 11th July, 2019 for a period of five (5) year, and the same also approved by the shareholders at 23rd AGM of the Company held on 14th September, 2019.

The Board also approved the re-appointment of Mr. Sandip Sanyal for a term of one (1) year as an Whole Time Director and to be designated as an "Executive Director" in the category of Key Managerial Personnel of the Company, whose term expired on the closure of business hours on 17th May, 2020. He is going to attain the age of 70 years in April, 2021. The same will be placed before the shareholders for their approval by special resolution at the ensuing 24th AGM of the Company

#### Board Procedures and flow of information

The dates of Board meetings are decided well in advance and are given under General Shareholders Information forming part of this Report. In case of matters requiring urgent approval of the Board, resolutions are passed through circulation. The Company also provides video conferencing facility to its Directors to enable them to participate in the discussions held at the meetings, when it may not be possible for them to be physically present for the meeting.

The Board meets at least once in a quarter to, inter alia, review quarterly standalone and consolidated financial results/ statements, compliance report(s) of all laws applicable to the Company, regulatory developments, minutes of the Board Meetings of subsidiary companies, significant transactions and arrangements entered into by the unlisted subsidiary companies, risk management, details of joint ventures or collaborations, any other proposal from the management, etc.

#### Availability of information to the Board

The Board has unrestricted access to all Company-related information, including that of our employees. At Board meetings, managers and representatives who can provide additional insights into the items being discussed are invited.

Information is provided to the Board members on a continuous basis for their review, inputs and approval. Strategic and operating plans are presented to the Board in addition to the quarterly and annual financial statements. Specific cases of acquisitions, important managerial decisions, material positive/ negative developments and statutory matters are presented to the committees of the Board and later, with the recommendation of the committees, to the Board for its approval. As a process, information to directors is submitted along with the agenda well in advance of Board meetings. Inputs and feedback of Board members are taken and considered while preparing the agenda and documents for the Board meetings. At these meetings, directors can provide their inputs and suggestions on various strategic and operational matters.

#### Meeting of Independent Directors'

Schedule IV of the Companies Act, 2013 and Secretarial Standard - 1 on Meetings of the Board of Directors mandates that the Independent Directors of the Company hold at least one meeting in a year, without the attendance of non – Independent Directors.

At such meetings, the independent directors discuss, among other matters, the performance of the Company and risks faced by it, the flow of information to the Board, competition, strategy, leadership strengths and weaknesses, governance, compliance, Board movements, human resource matters and performance of the executive members of the Board, including the Chairman. During the year, the independent directors met on 11th February, 2020 without the presence of the Management

### Induction and Familiarization of Board Members

The Independent Directors of the Company are eminent personalities having wide experience in the field of business, finance, technology, industry and commerce. Their presence on the Board has been advantageous and fruitful in taking business decisions.

The Company conducts Familiarization Programme for Independent Directors to enable them to understand their roles, rights and responsibilities. All new non-executive directors inducted to the Board are introduced to our Company culture through orientation sessions. Executive directors and senior management provide an overview of operations, and familiarize the new non-executive directors on matters related to our values and commitments.

Moreover, when new Director(s) are inducted on the Board, an information pack is handed over to them which includes, Company profile, Company's Codes and Policies, Strategy and such other operational information which will enable them to understand the Company and its business(es) in a better way.

The familiarization programme of directors forms part of Company's Nomination and Remuneration Policy and can be viewed on the Company's website [www.jbmgroupp.com](http://www.jbmgroupp.com)

### Other Relevant Details of Directors as on 31st March, 2020:

S. No.	Name of Directors	Category	Inter-se relationship	Shareholding in the Company *	No. of Directorship(s)**	No. of Committee(s)***		Directorship in other Listed Entities
						Member	Chairman	
1	Mr. Surendra Kumar Arya	Non-Executive Chairman	Father of Mr. Nishant Arya	1,19,342	6	2	1	Jay Bharat Maruti Limited (Chairman and Managing Director)
2	Mr. Sandip Sanyal	Executive Director	-	-	1	-	-	NA
3	Mr. Nishant Arya	Non-Executive Director	Son of Mr. Surendra Kumar Arya	3,39,400	10	2	-	Jay Bharat Maruti Limited (Non Executive -Non Independent Director)
4	Mr. Mahesh Kumar Aggarwal	Independent Director	-	-	1	0	1	NA
5	Mrs. Pravin Tripathi	Independent & Woman Director	-	-	7	4	2	1. Minda Industries Limited (Non Executive-Independent Director) 2. Jay Bharat Maruti Limited (Non Executive-Independent Director) 3. PTC India Financial Services Limited (Non Executive-Independent Director) 4. Multi Commodity Exchange of India Limited Non Executive-Independent Director
6	Mr. Praveen Kumar Tripathi	Independent Director	-	-	4	2	2	1. Indiabulls Real Estate Limited (Non Executive-Independent Director) 2. Indiabulls Integrated Services Limited (Non Executive-Independent Director) 3. Indiabulls Venture Limited (Non Executive-Independent Director)

#### 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.



### Board Meetings held during the Year

The Board met five times during FY20 i.e. on 28th May, 2019, 12th August, 2019, 31st October, 2019, 24th December, 2019 and 3rd February, 2020.

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:

Sr. No	Name of Directors	No. of Board Meetings attended					Attendance at last AGM held on 14.09.2019
		28.05.2019	12.08.2019	31.10.2019	24.12.2019	03.02.2020	
1.	Mr. Surendra Kumar Arya	√	√	√	√	√	Yes
2.	Mr. Nishant Arya	√	√	√	√	√	Yes
3.	Mr. Sandip Sanyal	√	X	√	√	√	Yes
4.	Mr. Mahesh Kumar Aggarwal	√	√	√	√	√	Yes
5.	Mrs. Pravin Tripathi	√	√	x	√	√	Yes
6.	Mr. Praveen Kumar Tripathi	NA	√	√	√	√	Yes

### 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 work force 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.

### Declarations

The Independent Directors have submitted declaration(s) that they meet the criteria of Independence laid down under the Companies Act, 2013 and the Listing Regulations.

The Board of Directors, based on the declaration(s) received from the Independent Directors, have verified the veracity of such disclosures and confirm that the Independent Directors fulfill the conditions of independence specified in the Listing Regulations and are independent of the management of the Company.

Based on intimations/ disclosures received from the Directors periodically, none of the Directors of the Company hold memberships/ Chairmanships more than the prescribed limits.

### Key Board Qualifications, expertise and attributes

The Company's Board comprises qualified members who bring in the required skills, competence and expertise that allow them to make effective contribution to the Board and its committees. The Board members are committed to ensure that the Company's Board is in compliance with the highest standards of corporate governance.

The table below summarizes the key qualifications, skills, and attributes which are taken into consideration while nominating candidates to serve on the Board.

Leadership (L)	Extended leadership experience for a significant enterprise, resulting in a practical understanding of organizations, processes, strategic planning, and risk management. Demonstrated strengths in developing talent, planning succession and driving change and long-term growth.
Communication (C)	Facilitate group discussions strategically (including focusing on the agenda and working for practical consensus). Promote transparency, communicating developments to members, affiliates, etc. and invite input.
Experience (E)	Have various leadership experiences within the profession. Have thorough knowledge of organization's policies / procedures / vision / mission.
Global Business (GB)	Experience in driving business success in markets around the world, with an understanding of diverse business environments, economic conditions, cultures, and regulatory frameworks, and a broad perspective on global market opportunities.
Financial(F)	Leadership of a financial firm or management of the finance function of an enterprise, resulting in proficiency in complex financial management, capital allocation, and financial reporting processes, or experience in actively supervising a principal financial officer, principal accounting officer, controller, public accountant, auditor or person performing similar functions.
Technology(T)	A significant background in technology, resulting in knowledge of how to anticipate technological trends, generate disruptive innovation, and extend or create new business models.
Enterprise Risk Management (ERM)	Ability to think critically about operational and governance issues to ensure the effective management of potential opportunities and adverse effects.
Human Resources Strategy (HRS)	Ability for planning and implementing human resource strategies
Sales and Marketing (SM)	Experience in developing strategies to grow sales and market share, build brand awareness and equity, and enhance enterprise reputation.
Governance (G)	Experience of governance principles and practices.

In the table below the specific areas of focus or expertise of individual Board Member have been highlighted:

Name of Director	L	C	E	GB	F	T	ERM	HRS	SM	G
Mr. Surendra Kumar Arya	√	√	√	√	√	√	√	√	√	√
Mr. Nishant Arya	√	√	√	√	√	√	√	√	√	√
Mr. Mahesh Kumar Aggarwal	√	√	√	√	√	√	√		√	√
Mr. Sandip Sanyal	√	√	√	√	√	√	√	√	√	√
Mrs. Pravin Tripathi	√	√	√		√		√			√
Mr. Praveen Kumar Tripathi	√	√	√		√		√			√

### Information supplied to the Board

Among other information, this includes:

- Annual operating plans and budgets and any updates.
- Capital budgets and any updates.
- Quarterly results of the Company and its operating divisions or business segments.
- Minutes of meetings of Audit Committee and other Committees of the Board.
- The information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
- Show cause, demand, prosecution notices and penalty notices, which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- Significant labour problems and their proposed solutions.
- Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- Sale, of material nature, of investments, subsidiaries, assets, which is not in normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

The Board periodically reviews compliance reports of all laws applicable to the Company, prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances.

### Certificate from Practicing Company Secretary

The Company has received a certificate from Mr. Dhananjay Shukla, Practicing Company Secretary to the effect that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of the Company by the Ministry of Corporate Affairs or any other statutory authority. The same forms part of this report.

## 4. COMMITTEES OF THE BOARD

The Board has constituted various Committees with specific terms of reference in line with the provisions of the Listing Regulations, Companies Act, 2013 and the Rules issued thereunder. The Board periodically reviews the composition and terms of reference of its Committees in order to comply with any amendments/ modifications to the provisions relating to composition of Committees under the Listing Regulations, Companies Act, 2013 and the Rules issued thereunder.

The Company currently has 4 (four) statutory mandatory Committees of the Board, namely Audit Committee, Nomination and Remuneration Committee, Stakeholder's Relationship Committee, Corporate Social Responsibility (CSR) Committee and two non-mandatory/ internal committees viz. 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, 2020 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. To oversee the Company's financial reporting process and the disclosure of its financial information to ensure the financial statement is correct, sufficient and credible.
2. To oversee the adequacy of internal audit function, the structure of the internal audit department, reporting structure coverage and frequency of internal audit.
3. To oversee the Statutory and Internal Auditor's independence and performance and scrutinizing the effectiveness of the entire Audit process.
4. To oversee 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. To oversee 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 thereon.
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.
15. Review, 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 utilized for purposes 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;
16. Do scrutiny of inter-corporate loans and investments whenever it is necessary.
17. Do valuation of undertakings or assets of the listed entity, wherever it is necessary.
18. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
19. Discuss with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

The Audit Committee is also empowered with the following powers to :

- investigate any activity within its terms of reference.
- seek information from any employee.
- obtain outside legal or other professional advice.
- secure attendance of outsiders with relevant expertise, if it considers necessary.

**The Audit Committee is also apprised on information with regard to related party transactions, by being presented:**

- a statement in summary form of transactions with related parties in the ordinary course of business;
- details of material individual transactions, if any, with related parties which are not in the normal course of business;
- details of material individual transactions, if any, with related parties or others, which are not on an arm's length basis together with management's justification for the same.

**Audit Committee attendance:**

The Audit Committee met four times during FY20 on 28th May, 2019, 12th August, 2019, 31st October, 2019 and 03rd February, 2020:

S.No.	Name of Members	Designation	Category	No. of Meetings attended			
				28.05.2019	12.08.2019	31.10.2019	03.02.2020
1.	Mr. Mahesh Kumar Aggarwal	Chairman	Independent	√	√	√	√
2.	Mr. Surendra Kumar Arya	Member	Non-Independent	√	√	√	√
3.	Mrs. Pravin Tripathi	Member	Independent	√	√	×	√
4.	Mr. Praveen Kumar Tripathi	Member	Independent	NA	√	√	√



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

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 Nomination and Remuneration Committee of the Board inter alia, identifies persons qualified to become Directors and formulates criteria for evaluation of performance of the Directors and the Board as a whole. The Committee's role includes recommending to the Board the appointment, remuneration and removal of the Directors and senior management.

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 Companies Act, 2013, besides other terms as referred by the Board. The terms of reference of the Nomination and Remuneration Committee include:

1. To Formulate 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. To Formulate the criteria for evaluation of independent Directors and the Board;
3. Devising a policy on Board diversity;
4. To Identify 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. To Review and recommend 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, 2020:

S.No.	Name of Members	Designation	Category
1.	Mr. Mahesh Kumar Aggarwal	Chairman	Independent
2.	Mr. Surendra Kumar Arya	Member	Non-Independent
3.	Mrs. Pravin Tripathi	Member	Independent

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.

During the year, the Committee met once on 03rd February, 2020 and all the members were present in the meeting.

### Remuneration to Executive/ Whole-Time Director

Mr. Sandip Sanyal, Executive Director of the Company has also been appointed as the Executive Director of JBM Auto System Private Limited (JBMAS), and draws whole salary from the JBMAS till 31st December, 2019. After the merger of JBM Auto System Private Limited into the Company w.e.f. 01st January, 2020, he was paid remuneration from the Company.

The remuneration paid to Mr. Sanyal by the Company and JBM Auto Systems Private Limited for the financial year ended 31st March, 2020 was Rs. 46,83,156.

### Sitting fees to Directors

Name of Directors	₹ In Lacs		
	Board Meetings	Audit Committee Meetings	Total
Mr. Surendra Kumar Arya	1.75	1.00	2.75
Mr. Nishant Arya	1.75	-	1.75
Mr. Sandip Sanyal	-	-	-
Mr. Mahesh Kumar Aggarwal	1.75	1.00	2.75
Mrs. Pravin Tripathi	1.40	0.75	2.15
Mr. Praveen Kumar Tripathi	1.40	0.50	1.90
<b>Total</b>	<b>8.05</b>	<b>3.25</b>	<b>11.30</b>

### C. Stakeholders' Relationship Committee

The Stakeholders Relationship Committee of the Board oversees redressal of shareholder and investor grievances and, inter alia, approves transmission of shares, sub-division/ consolidation/ renewal of share certificates, issue of duplicate share certificates etc.

The composition of the Stakeholders' Relationship Committee in our Company, 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 three Non-Executive Directors as on 31st March, 2020. The Committee consists of the following Members:

S.No.	Name of Members	Designation	Category
1.	Mr. Surendra Kumar Arya	Chairman	Non-Independent
2.	Mr. Nishant Arya	Member	Non-Independent
3.	Mrs. Pravin Tripathi	Member	Independent

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.

During the year, the Committee met once on 3rd February, 2020 and all the members were present in the meeting.

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 FY20.

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

The role of the CSR Committee of the Board is inter-alia to review, monitor and provide strategic direction to the Company's CSR and sustainability practices towards fulfilling its Social objectives. The Committee seeks to guide the Company in integrating its social and environmental objectives with its business strategies and assists in crafting unique models to support creation of sustainable livelihoods. The Committee formulates & monitors the CSR Policy and recommends to the Board the annual CSR Plan of the Company. 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 two times during FY20 on 28th May, 2019 and 03rd February, 2020. All the members were present in the meeting.

The Composition of committee is as follows:

S.No.	Name of Members	Designation	Category
1.	Mr. Surendra Kumar Arya	Chairman	Non-Independent
2.	Mr. Nishant Arya	Member	Non-Independent
3.	Mr. Mahesh Kumar Aggarwal	Member	Independent

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.jbmgroup.com/JBM-Auto-Ltd.php#ChildVerticalTab\\_28](http://www.jbmgroup.com/JBM-Auto-Ltd.php#ChildVerticalTab_28).

## 5. BOARD EVALUATION

The parameters for Board performance evaluation have been derived from the Board's core role of trusteeship to protect and enhance shareholder value as well as to fulfill expectations of other stakeholders through strategic supervision of the Company.

During the year under review, a structured evaluation were undertaken for evaluation of performance of Directors, Board as a whole and Committees of the Board 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 & Remuneration Committee shall identify and ascertain the integrity, qualification, expert 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 Whole-time Director) 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 Whole-Time Director of the Company was re-appointed as Whole-Time Director offer a further period of one (1) years with effect from 18th May, 2020.

Amount in ₹

S. No.	Names of the Directors	Salary & Allowances (Fixed)	Other benefits and perquisites (Fixed)	Stock options, Pension etc.	Total
1.	Mr. Sandip Sanyal	46,83,156	-	-	46,83,156

## 7. GENERAL SHAREHOLDER INFORMATION

### a. Forthcoming Annual General Meeting (AGM): Day, Date, Time and venue

The 24th Annual General Meeting of the Company is scheduled on Saturday, 12th December, 2020 through video conferencing or other audio visual means at 10:30 A.M.

### b. Listing on Stock Exchanges

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

Stock Exchanges	Address
BSE Limited (BSE)	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001
National Stock Exchange of India Ltd. (NSE)	Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400051

### Stock Codes

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

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

Listing Fees for FY21 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.

### c. Book Closure Date

The register of members and share transfer books of the Company will remain closed from Saturday 5th December, 2020 to Saturday 12th December, 2020 (both days inclusive), for the purpose of Annual General Meeting and payment of dividend.

### d. Dividend Payment Date

The Board has recommended dividend of Rs. 1.75 i.e. (35%) per equity share having face value of Rs. 5 each for the financial year ended 31st March, 2020 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.

### e. Market Price Data – the monthly high and low prices of the Company's shares at BSE and NSE for the financial year ended 31st March, 2020 are as follows:

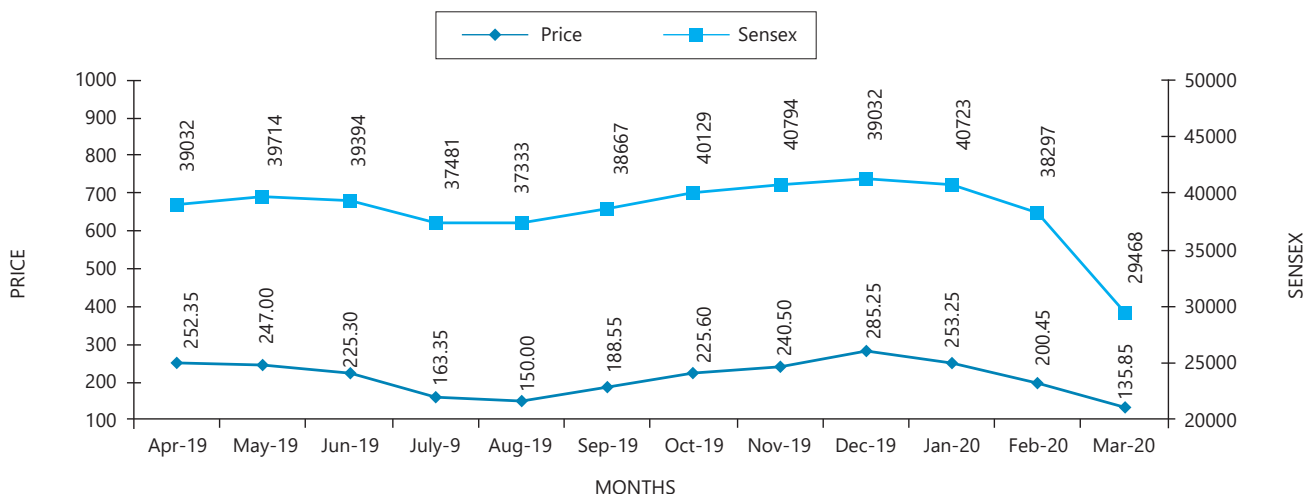
MONTH(S) 2019-20	NSE		BSE	
	High (In Rs.)	Low (In Rs.)	High (In Rs.)	Low (In Rs.)
April, 2019	282.75	251.90	280.35	251.10
May, 2019	268.70	215.00	268.80	212.00
June, 2019	263.75	219.10	265.10	220.00
July, 2019	267.75	156.05	245.00	155.10
August, 2019	165.00	135.50	160.05	135.00
September, 2019	219.00	145.85	218.90	145.60
October, 2019	245.90	163.00	246.00	163.00
November, 2019	249.35	218.00	248.50	217.10
December, 2019	296.00	233.40	296.10	234.30
January, 2020	291.50	250.70	291.15	250.00
February, 2020	262.00	195.15	261.05	195.55
March, 2020	290.80	95.00	209.55	97.60



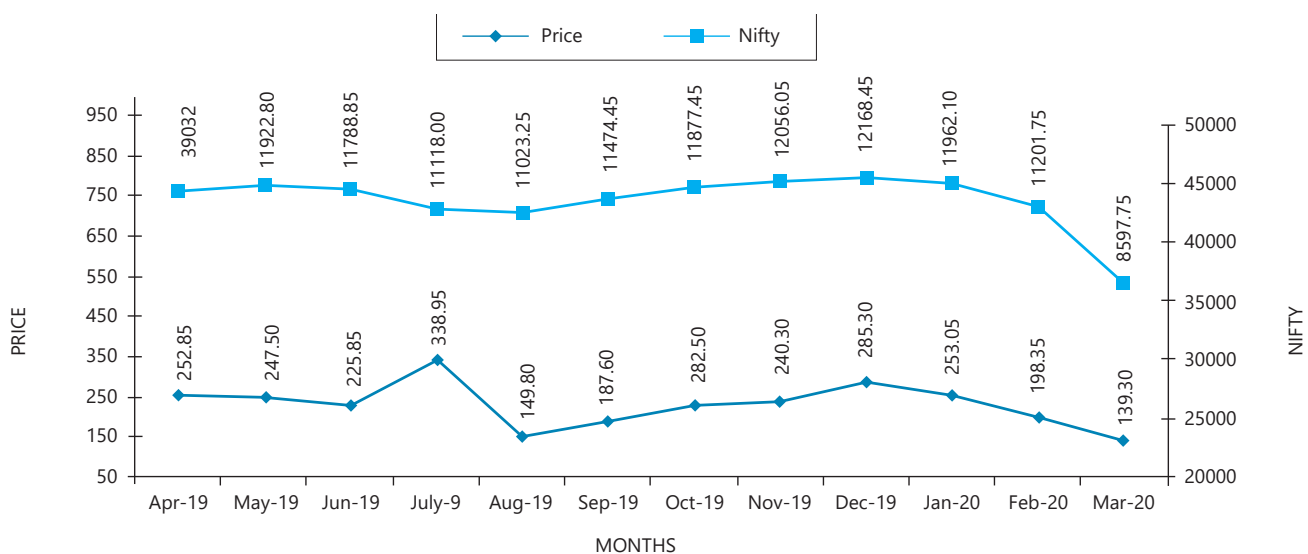
**f. Performance Stock Performance in comparison to broad based Indices:**

The Chart below shows the comparison of the Company's share price movement on BSE vis-à-vis the movement of the BSE Sensex and NSE Nifty for the financial year ended 31st March, 2020 (based on month end closing):

Monthly Share Price v/s BSE Sensex 2019-20 (Closing)



Monthly Share Price v/s S&Q CNX Nifty 2019-20 (Closing)



**g. Suspension from trading**

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

**h. Share Transfer System**

Application for transmission and transposition are received by the Company at its Registered Office or Corporate Office or at the office of its Registrar and Transfer Agent. In terms of Regulation 40(1) of SEBI Listing Regulations, as amended, securities can be transferred only in dematerialized form w.e.f. 1st April, 2019 except in case of request received for transmission or transposition of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form.

Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. The Stakeholders' Relationship Committee of the Board of Directors of the Company is empowered to approve transposition, demat request on case to case basis and transmission etc. Such approvals are accorded in due course of time when request is made and, thereafter are registered and duly endorsed certificates are sent to the shareholders.

**i. Registrar and Share Transfer Agent**

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

**j. 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.

**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.	2012-13	9th September, 2013	14th October, 2020
2.	2013-14	24th September, 2014	29th October, 2021
3.	2014-15	22nd September, 2015	27th October, 2022
4.	2015-16	3rd September, 2016	8th October, 2023
5.	2016-17	18th August, 2017	23rd September, 2024
6.	2017-18	4th September, 2018	9th October, 2025
7.	2018-19	14th September, 2019	19th October, 2026

**k. Distribution of Shareholding as on 31st March, 2020 (On the basis of Ownership)**

Category Code	Category of Shareholders	No. of Shareholders	No. of shares held	Percentage (%)
<b>A</b>	<b>Shareholding of Promoter and Promoting Group</b>			
1	Indian	15	3,19,05,952	67.45
2	Foreign	-		-
	<b>Sub Total(A)</b>	<b>15</b>	<b>3,19,05,952</b>	<b>67.45</b>
<b>B</b>	<b>Public Shareholding</b>			
<b>1</b>	<b>Institutions</b>			
a	Mutual Funds/ UTI	1	63,369	0.13
b	Financial institutions/ Banks	1	960	0.00
c	Central Government/ State Government(s) (IEPF)	1	81,268	0.17

d	Insurance Companies	1	4,320	0.01
e	Foreign institutional Investors	-	-	-
f	Foreign Portfolio Investors	2	3,62,996	0.76
	<b>Sub-Total (B)(1)</b>	<b>6</b>	<b>5,12,913</b>	<b>1.08</b>
<b>2</b>	<b>Non-Institutions</b>			
a	Bodies Corporate	214	83,98,578	17.7564
b	Individual shareholders holding nominal share capital up to Rs. 2 Lacs	17,003	43,96,822	9.2958
c	Individual shareholders holding nominal share capital in excess of Rs. 2 Lacs	15	17,15,521	3.6270
d	Trust	2	8,400	0.01
e	NRI	346	3,60,667	0.76
F	NBFC	-	-	-
	<b>Sub-Total (B)(2)</b>	<b>17,580</b>	<b>1,48,79,988</b>	<b>31.44</b>
	<b>Total Public Shareholding (B) (1)+(B)(2)</b>	<b>17,586</b>	<b>1,53,92,901</b>	<b>32.54</b>
	<b>Grand Total (A+B)*</b>	<b>17,601</b>	<b>4,72,98,853</b>	<b>100.00</b>

**Note: \***

Pursuant to amendment in Regulation 31 of the SEBI (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, 2020, the total number of folios as per register of members is 19,418.

**I. Shareholding Pattern by Size as on 31st March, 2020 (On the basis of Shares held)**

S. No.	Category	Shares	% of shares	No. of Shareholders	% of Total Shareholders dues
1.	1 - 500	1466357	3.10	17804	91.6881
2.	501 - 1000	603354	1.28	777	4.01
3.	1001 - 2000	623069	1.32	419	2.15
4.	2001 - 3000	290747	.614	117	0.61
5.	3001 - 4000	281425	0.59	79	0.41
6.	4001 - 5000	217413	0.46	47	0.24
7.	5001 - 10000	512679	1.08	72	0.37
8.	10001 - 50000	1309317	2.77	71	0.36
9.	50001 - 100000	812437	1.72	10	0.05
10.	100001 and Above	41182055	87.06	22	0.11
	<b>Total</b>	<b>47298853</b>	<b>100.00</b>	<b>19418</b>	<b>100.00</b>

**m. Dematerialization of Shares and Liquidity**

As on 31st March, 2020, 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	538	118541	0.25
2	NSDL	10244	11914245	25.19
3	CDSL	8636	35266067	74.56
	<b>Total:</b>	<b>19418</b>	<b>47298853</b>	<b>100.00</b>

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

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

**o. 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.

**p. 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, 2020.

**q. Plants Locations (JBM Auto Limited)**

<b>Plant I</b>	-	Plot No. 133, Sector-24, Faridabad-121005, Haryana 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 Ph.: +91-120-4522500, 2341417, 2341429, Fax: +91-120-2341423.
<b>Plant III</b>	-	71-72, MIDC, Satpur, Nashik – 422007, Maharashtra 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 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 (MP)
<b>Plant VIII</b>	-	Plot No. SP-891, Pathredi Industrial Area, Bhiwadi - 301707, Dist. Alwar, Rajasthan
<b>Plant IX</b>	-	Plot No. 80, Sector-3, Pithampur industrial Area - 454775, Dist. Dhar, Indore, M.P.
<b>Plant X</b>	-	C-1/2, MIDC, Chakan Telegaon road, Chakan, Pune – 410501, Maharashtra
<b>Plant XI</b>	-	A-1/6, MVML Vendor Park, Chakan, Pune-410501, Maharashtra
<b>Plant XII</b>	-	Ford's Suppliers Park, S.P.Koil post, Chengalpattu Taluk, M.M. Nagar, Kanchipuram - 603204, Tamilnadu
<b>Plant XIII</b>	-	RNS 1, Renault- Nissan Park, Orgadam, Sriperumpudur Taluk, Kanchipuram – 603109, Tamilnadu
<b>Plant XIV</b>	-	Plot No. AV-13, Ford Supplier Park, BOL, Industrial Estate, GIDC, Sanand-II – 382170, Gujarat
<b>Plant XV</b>	-	Plot No. SP-1-888, RIICO Industrial Area Pathredi, Bhiwadi – 301018, Alwar, Rajasthan

**Skill Development Centre (SDC)**

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

(ii) No. 1, Ford Suppliers Park, S.P. Koil Post, Chengalpattu (TK), Kancheepuram Dist. Tamil Nadu – 603204.

(iii) Plot No AV 13, BOL Industrial Estate, Sanand – II, Dist- Ahmedabad, Gujarat.



**r. Address for Correspondence:****Registered Office:**

601, Hemkunt Chambers, 89,  
Nehru Place, New Delhi - 110019  
Tel.: 011-26427101-06, 41709881  
Fax: 011-26511512,  
E-mail: vivek.gupta@jbmgroup.com

**Corporate Office:**

Plot No. 9, Institutional Area,  
Sector-44 Gurugram - 122002, Haryana  
Tel: 91-124-4674500  
Fax: 91-124-4674599

**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 Chambers, 89, Nehru Place,  
New Delhi – 110019  
Tel.: 011-26427101-06  
Fax: 011-26511512  
E-mail: vivek.gupta@jbmgroup.com

**MCS Share Transfer Agent Limited**

(Unit: JBM Auto Ltd.)  
F - 65, 1stFloor, Okhla Industrial Area, Phase-I,  
New Delhi - 110020  
Tel No. 011-41406149  
Fax No. 011-41709881  
E-mail: admin@mcsregistrars.com

**s. 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.

**t. 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.

**u. 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@jbmgroup.com](mailto:jbmainvestor@jbmgroup.com)

**8. OTHER DISCLOSURES****a. Related Party transactions**

All contracts or arrangements entered into by the Company with its related parties during the financial year were in accordance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All such contracts or arrangements have been approved by the Audit Committee, as applicable. No material contracts or arrangements with related parties were entered into during the year under review.

The Audit Committee, during FY20, has approved Related Party Transactions along with granting omnibus approval in line with the Policy of dealing with and materiality of Related Party Transactions and the applicable provisions of the Companies Act, 2013 read with the Rules issued thereunder and the Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force). The related party transactions entered into by the Company pursuant to the omnibus approval granted by the Audit Committee is reviewed at least on a quarterly basis by the said Committee.

The policy on dealing with and materiality of Related Party Transactions has been placed on the Company's website and can be accessed at the following web link: [http://www.jbmgroupp.com/JBM-Auto-Ltd.php#ChildVerticalTab\\_28](http://www.jbmgroupp.com/JBM-Auto-Ltd.php#ChildVerticalTab_28).

There are no materially significant Related Party Transactions of the Company which have potential conflict with the interests of the Company at large.

**b. Details of non-compliance by the Company, penalties, & structures 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**

The Company has complied with all the requirements of the Stock Exchange(s) and SEBI on matters relating to Capital Markets. There were no penalties imposed or strictures passed against the Company by SEBI, stock exchange(s) on which the shares of the Company are listed or any statutory authority in this regard, during the last 3 (three) years.

**c. Vigil Mechanism and Whistle Blower Policy**

The Company has adopted a Whistle Blower Policy and an effective Vigil Mechanism system to provide a formal mechanism to its Directors, Employees and Business Associates to voice concerns in a responsible and effective manner regarding suspected unethical matters involving serious malpractice, abuse or wrongdoing within the organization and also safeguards against victimization of Directors/ Employees and Business Associates who avail of the mechanism.

No personnel were denied access to the Audit Committee of the Company with regards to the above. The Policy has been placed on the website of your Company and can be accessed through the following link: [http://www.jbmgroupp.com/JBM-Auto-Ltd.php#ChildVerticalTab\\_28](http://www.jbmgroupp.com/JBM-Auto-Ltd.php#ChildVerticalTab_28) 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 – 110019

**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.jbmgroup.com/JBM-Auto-Ltd.php#ChildVerticalTab\\_21](http://www.jbmgroup.com/JBM-Auto-Ltd.php#ChildVerticalTab_21)

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

**h. Secretarial Compliance Report**

SEBI vide its Circular No. CIR/CFD/CMD1/27/2019 dated 8th February, 2019 read with Regulation 24A of the Listing Regulations, directed listed entities to conduct Annual Secretarial compliance audit from a Practicing Company Secretary of all applicable SEBI Regulations and circulars/ guidelines issued thereunder. The said Secretarial Compliance report is in addition to the Secretarial Audit Report by Practicing Company Secretaries under Form MR – 3 and is required to be submitted to Stock Exchanges within 60 days of the end of the financial year (For FY20 time extended till 30th June, 2020 by SEBI).

The Company has engaged the services of Mr. Dhananjay Shukla (CP No. 8271), Practicing Company Secretary and Secretarial Auditor of the Company for providing this certification.

The Company is publishing the said Secretarial Compliance Report, on voluntary basis and the same has been annexed as Enclosure - 1 to this Report forming part of this Annual Report.

**i. Recommendations of Committees of the Board**

There were no instances during FY20, wherein the Board had not accepted recommendations made by any committee of the Board.

**9. GENERAL BODY MEETINGS****a. The location and time of last three Annual General Meetings (AGM) are as follows:**

For the Year	2016-17	2017-18	2018-19
	21st AGM	22nd AGM	23rd AGM
Date & Time	18th August, 2017 at 12:30 P.M.	4th September, 2018 at 12:30 P.M.	14th September, 2019 at 12:00 Noon.
Location	Air force Auditorium, Subroto Park, 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
2016-2017	No Special Resolution passed in the 21st AGM
2017-2018	1. Approval for the issue of Securities through various means passed in the 22nd AGM as Special Resolution
2018-2019	1. Re-appoint Mr. Mahesh Kumar Aggarwal (DIN: 00004982), as an independent director for a second term of 5 consecutive years. 2. Approval for the issue of Securities. 3. To consider and approve the Alteration in 'The Seal Clause' of the Articles of Association of the Company

**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.

**10. 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.jbmgrou.com](http://www.jbmgrou.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@jbmgrou.com](mailto:jbmainvestor@jbmgrou.com).

**c. Stock Exchange**

Your Company makes timely disclosures of necessary information to the BSE Limited and the National Stock Exchange of India Ltd. 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.

**11. 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.

**12. CORPORATE GOVERNANCE CERTIFICATE**

The Secretarial Auditor's certificate on corporate governance is attached as COMPLIANCE WITH CODE OF CONDUCT AND ETHICS.

**13. 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.



## 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 2020.

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: 30th June, 2020**

**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, 2020 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

Place: Gurugram (Haryana)  
Date: 30th June, 2020

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

## CERTIFICATE ON CORPORATE GOVERNANCE

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

We have examined the compliance of conditions of Corporate Governance by M/s JBM Auto Limited ('the Company') for the year ended 31st March 2020 as stipulated under Regulations 17 to 27, Clauses (b) to (i) of sub-regulations (2) of Regulation 46 and Paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as specified in the Regulations 17 to 27, Clauses (b) to (i) of sub-regulations (2) of Regulation 46 and Paragraphs C, D and E of Schedule V of the of the Listing Regulations. However, after the completion of the term of Mr. Ashok Kumar Agarwal as an Independent Director on 31st March 2019, the company was required to appoint another Independent Director till 30th June 2019. The company has appointed Mr. Praveen Kumar Tripathi (DIN:02167497) as an Independent Director on 11th July 2020 in terms of requirements of Regulation 17(1)(b) to read with Regulation 25(6) of the Listing Regulations. Further the company has reappointed Mr. Mahesh Kumar Aggarwal, who had attained an age of more than 75 years, as an Independent Director pursuant to Regulation 17(1A) of the Listing Regulations for second term of Five Years with retrospective effect from 1st April 2019 in its Annual General Meeting held on 14th September 2019.

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

**For Dhananjay Shukla & Associate  
Company Secretaries**

**Sd/-**

**Dhananjay Shukla  
Proprietor**

**FCS-5886, CP No. 8271**

**UDIN: F005886B000403096**

**Place: Gurugram (Haryana)**

**Date: 30th June, 2020**

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

### (Pursuant to Regulation 34(3) and Schedule V, Para C, Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
JBM Auto Limited  
601, Hemkunt Chambers, 89,  
Nehru Place, New Delhi-110019

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of the JBM Auto Limited having CIN: L74899DL1996PLC083073 having Registered Office at 601, Hemkunt Chambers, 89, Nehru Place, New Delhi-110019 (hereinafter referred as the "company") as produced before us by the company for the purpose of issuing this certificate, in accordance with sub clause (i) of clause 10 of Para C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation 2015 ('Listing Regulations').

Ensuring the eligibility for the appointment or continuity of every Director on the Board is the primary responsibility of the Management of the company. Our responsibility is to express an opinion on the disqualification of the Directors of the company as mentioned hereunder.

In our opinion and to the best of our information and according to the verification, including Director Identification Number (DIN) status at the portal of the www.mca.gov.in, as considered necessary and explanations furnished to us by the Company and its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

S. No.	Name of the Director	DIN	Date of appointment
1.	Mr. Surendra Kumar Arya	00004626	01/08/2000
2.	Mr. Nishant Arya	00004954	30/07/2009
3.	Mr. Mahesh Kumar Aggarwal	00004982	07/06/2002
4.	Mr. Praveen Kumar Tripathi	02167497	11/07/2019
5.	Mrs. Pravin Tripathi	06913463	04/09/2017
6.	Mr. Sandip Sanyal	07186909	18/05/2015

We further report that the company has re-appointed Mr. Mahesh Kumar Aggarwal, who had attained an age of more than 75 years, as an Independent Director pursuant to Regulation 17(1A) of the Listing Regulations for second term of Five Years with retrospective effect from 1st April 2019 in its Annual General Meeting held on 14th September 2019.

**For Dhananjay Shukla & Associate  
Company Secretaries**

Sd/-

**Dhananjay Shukla  
Proprietor**

**Place: Gurugram (Haryana)**

**Date: 30th June, 2020**

**FCS-5886, CP No. 8271**

**UDIN: F005886B000403030**

## Annual Secretarial Compliance Report of JBM Auto Limited for the Financial year ended 31st March 2020

To,  
JBM Auto Limited  
601, Hemkunt Chambers, 89,  
Nehru Place, New Delhi -110019

We have examined, to the extent possible in the prevailing conditions caused by the Covid-19 pandemic, the following :

- (a) all the documents and records made available to us and explanation provided by M/s JBM Auto Limited("the listed entity"),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended 31st March,2020 ("Review Period") in respect of compliance with the provisions of :

- (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined (to the extent possible in the prevailing conditions caused by the Covid-19 pandemic) include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations,2018; (No event took place under this Regulation during the Audit period).
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;(No event took place under this Regulation during the Audit period).
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (No event took place under this Regulation during the Audit period).
- (g) Securities and Exchange Board of India(Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations,2013;(No event took place under this Regulation during the Audit period).
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
- (i) Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client.

and circulars/ guidelines issued thereunder and based on the above examination, We hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

S r . No.	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1.	Regulation 17 (1)(b) and 25(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,2015	Regulation 17 (1)(b) and 25(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,2015	After the completion of the term of Mr. Ashok Kumar Agarwal as an Independent Director on 31st March 2019, the company was required to appoint another Independent Director till 30th June 2019. The company has appointed Mr. Praveen Kumar Tripathi (DIN:02167497) as an Independent Director on 11th July 2020

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued there under in so far as it appears from our examination of those records.



- (c) From the examination of the records of the company and website of stock exchanges and information received from the company, there are no actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued there under.

Sr. No.	Action Taken by	Details of Violation	Details of Action taken e.g.Fines. warning letter, debarment etc.	Observations/ Remarks of the Practicing Company Secretary, if any
Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

- (d) During the previous year financial year 2018-19, there were no observation in the report. Therefore no comment is required on action taken report over the observations of the previous year.

**For Dhananjay Shukla & Associate  
Company Secretaries**

Sd/-

**Dhananjay Shukla**

**Proprietor**

**FCS-5886, CP No. 8271**

**UDIN: F005886B000402997**

**Place: Gurugram (Haryana)**

**Date: 30th June, 2020**

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF JBM AUTO LIMITED

### Report on the Audit of Standalone Ind AS Financial Statements

#### Opinion

We have audited the accompanying Standalone Ind AS Financial Statements of **JBM AUTO LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and the notes to the Standalone Ind AS Financial Statements including a summary of the significant accounting policies and other explanatory information in which are included the Returns for the year ended on that date audited by the branch auditors of the Company's branches located at Pune, Maharashtra (here in after referred to as the "Standalone Ind AS Financial Statements").

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended (the Ind AS) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the Standalone Ind AS Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone Ind AS Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS Financial Statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
<p><b>Accounting for Business Combination</b></p> <p>During the year 2019-20, the Scheme of Amalgamation of JBM Auto System Private Limited ("earlier Subsidiary Company") and JBM MA Automotive Private Limited ("earlier Associate Company") with JBM Auto Limited has been approved by respective National Company Law Tribunal (NCLT) with Appointed Date April 01, 2017. The Company has filed the copy of Orders with respective Registrar of Companies (ROC) to give effect to the Merger, therefore the Standalone Ind AS Financial Statements for current year and previous year are prepared for merged entity. Accounting for JBM Auto System Private Limited is done as per Pooling of Interest method given in Ind AS 103 "Business Combination" and Acquisition method of accounting is used for JBM MA Automotive Private Limited given in Ind AS 103</p> <p>Under Acquisition Method of Ind AS 103, assets acquired and liabilities assumed have to be fair valued. The valuation of the assets and liabilities involve usage of significant estimates including those relating to future cash flows, short term and long-term growth rate and discounting rate. The management had engaged an external professional services firm in this regard.</p> <p>We identified the accounting of the business combination as a key audit matter because the accounting of such arrangement is complex and involves judgement and assumptions used in determining the accounting thereof.</p>	<p>Principal audit procedures performed: We have performed the following procedures:</p> <ul style="list-style-type: none"> <li>(i) Obtained and examined the Scheme of Amalgamation.</li> <li>(ii) Assessed the appropriateness of the accounting policy to ensure that the same is in accordance with Ind AS 103.</li> <li>(iii) Evaluated and tested the design of the management's internal control processes around application of the principles of Ind AS 103 and compliance thereto.</li> <li>(iv) Evaluated the appropriateness of the accounting treatment followed by the Company in this regard, with reference to the requirements of the Ind AS 103.</li> <li>(v) Assessed the adequacy of the disclosures made in the Standalone Ind AS Financial Statements.</li> </ul>

Key Audit Matter	Auditor's Response
<p><b>Leases</b></p> <p>Ind AS 116, Leases, is applicable from April 01, 2019 and introduces a new lease accounting model, wherein lessees are required to recognise a right-of-use (ROU) asset and a lease liability in their balance sheet in respect of contracts which qualify as a lease.</p> <p>Ind AS 116, Leases, involves certain key judgements with respect to identification of leases, determination whether there is reasonable certainty that an extension or termination option will be exercised, identification of appropriate discount rate using the interest rate implicit in the lease or lessee's incremental borrowing rate, as applicable, to calculate the lease obligation, measuring any impairment of the 'right of use asset', modification/termination to the leases etc.</p> <p>The Company has adopted Ind AS 116, Leases, with effect from April 01, 2019 using the modified retrospective method along with transition option to recognise right-of-use assets (RoU) at an amount equal to the lease liability (Refer Note No. 2.5 of the Standalone Ind AS Financial Statements).</p> <p>The assessment of the impact of transition to Ind AS 116 is significant to our audit as it involves selection of the transition option and identification and processing all relevant data associated with the leases which is complex. Significant judgement is required in the assumptions and estimates made in the measurement of the ROU asset and lease liability. Such assumptions and estimates include assessment of lease term including termination and renewal options, and determination of appropriate discount rates.</p> <p>Based on the above factors, the implementation of the new accounting standard on leases has been identified as a key audit matter.</p>	<p>Principal audit procedures performed: We have performed the following procedures:</p> <p>(i) Assessed the appropriateness of the accounting policy for leases as per relevant accounting standard with special reference to methodology of the selected transition approach to this standard.</p> <p>(ii) Evaluated and tested Company's internal control processes in relation to lease identification, assessment of the terms and conditions of lease contracts and the calculation of the related lease liability and ROU asset.</p> <p>(iii) Evaluated the reasonableness of Company's key judgements and estimates made in preparing the transition adjustments, specifically in relation to the lease term and discount rate.</p> <p>(iv) Testing the completeness and accuracy of underlying lease data and Ind AS 116 adjustments by checking its reconciliation with the number of operating lease contracts and relevant records of the Company.</p> <p>(v) Tested the accuracy and existence of the ROU asset and lease liability recognised on transition by examining the original lease agreements and re-performing the calculations after considering the impact of the variable lease payments, if any.</p> <p>(vi) Assessed the adequacy of the disclosures included in the Standalone Ind AS Financial Statements.</p>

### Information Other than the Standalone Ind AS Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report and Corporate Governance Report, but does not include the Standalone Ind AS Financial Statements and our Auditor's Report thereon.

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

In connection with our audit of the Standalone Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Ind AS Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management and Those Charged with Governance 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 Act with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Indian Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Ind AS Financial Statements, including the disclosures, and whether the Standalone Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Ind AS Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Matters

a. As described in Note No. 55 to the Standalone Ind AS Financial Statements, effect of merger of JBM Auto System Private Limited (JBMAS) , a subsidiary of the Company has been accounted retrospectively for all the periods presented under the 'Pooling of Interest Method' in accordance with Appendix C of Ind AS 103 'Business Combinations' and effect of merger of JBM MA Automotive Private Limited (JBMMMA), an Associate of the Company, has been accounted retrospectively for all the periods presented applying the 'Acquisition Method' in accordance with Ind AS 103 'Business Combinations'. Financial information of JBMMMA included in the accompanying Statement for the year ended March 31, 2019 is audited by the company's predecessor auditors who have expressed an unmodified opinion on those financial statements.

Our report on the Standalone Ind AS Financial Statements is not modified in respect of above matter.

b. We did not audit the financial statements and information of 2 (Two) Branches included in the Standalone Financial Statements of the Company whose financial statements and financial information reflect total assets of Rs. 42,684.83 Lakhs as at 31st March 2020 and total revenue of Rs. 41,738.77 Lakhs for the year ended on that date, as considered in the Standalone Ind AS Financial Statements. The financial statements and financial information of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors.

Our opinion on the Standalone Ind AS Financial Statements is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the branch auditors and Financial Statements and Financial Information certified by the Board of Directors.

## 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 Sub Section (11) of Section 143 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 explanation 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, based on our audit we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report.
  - d. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - e. 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.
  - f. On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
  - g. 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".
  - h. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provision of section 197 of the Act.



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

i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS Financial Statements- Refer Note No. 37 of the Standalone Ind AS Financial Statements.

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

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Sudhir Chhabra  
Partner  
Membership No. 083762

Place: New Delhi  
Date: June 30, 2020

## 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) According to the information and explanations given to us and on the basis of examination of records of the Company, the title deeds of immovable properties are held in the name of the Company except as given below:

S.No.	Nature	Gross Block (Rs. in Lakhs)	Net Block (Rs. in Lakhs)	Land situated at:
1	Leasehold land	10.18	6.77	Sector 24 Faridabad, Haryana
2	Leasehold land *	828.96	748.52	No. 1, Ford Suppliers Park, S. P. Koil Post, Chengalpattu - 603204 - Tamilnadu
3	Leasehold land *	1,880.34	1,818.44	Plot No RNS-1, Renault Nissan Supplier's Park, SIPCOT Industrial Growth Centre, Sinnakuppam Village, Sriperumbudur Taluk, Oragadam, Kanchipuram District - 605102 - Tamilnadu
4	Leasehold land *	1,711.19	1,639.49	Plot No. AV-13, Sanand-II GIDC Industrial Estate, BOL Goan, Sanand, Ahmedabad, Gujrat- 382170.
5	Leasehold land #	1,911.87	1,824.04	C1/2, Chakan, MIDC Plant, Pune

\* These leasehold lands have been acquired in Business Combination which are in the name of Acquiree Company JBM Auto System Private Limited

# The leasehold land has been acquired in Business Combination which are in the name of Acquiree Company JBM MA Automotive Private Limited.

- (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 respect of loans, secured or unsecured, granted by the Company to the companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act"):
- (a) In our opinion and according to the information and explanations given to us, the terms and conditions of grant of such loans are not prejudicial to the Company's interest.
- (b) The schedule for repayment of principal and payment of interest has been stipulated and repayments of principal amounts and/or receipts of interest have been regular as per stipulations.
- (c) There is no overdue amount remaining outstanding as at the year-end.
- (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 deposits 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) In our opinion and according to the information and explanations given to us, maintenance of the cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account relating to materials, labour and other items of costs, maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, made by the Central Government for the maintenance of the cost records, to the extent applicable and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- (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, Goods and Services Tax, Cess 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, 2020 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, 2020 are given as under:

S.No.	Name of Statute	Nature of Dues	Amount due (Rs. in Lakhs) *	Year to which amount relates	Forum where dispute is pending
1	The Central Excise Act, 1944 and The Finance Act, 1994 (Service Tax)	Service Tax, Penalty/ Interest	9.34	2001-02	Commissioner (A), Faridabad
		Service Tax, Penalty/ Interest	8.30	2001-02	CCE- Delhi-IV, Faridabad
		Excise Duty & Penalty	66.08	2011-12	Add. Comm. C.E, Ahmedabad
		Excise Duty	28.60	2015-16	AC, CE, D-111, Bhiwadi
		Excise Duty	11.38	2017-18	Superintendent Pithampur
		Excise Duty	136.68	2013-14 to 2017-18	Director General, GST, Chennai
		Excise Duty	563.37	2008-10	CESTAT
2	The Maharashtra Value Added Tax Act, 2001	Sales Tax	5.51	2013-14	Deputy Commissioner, Appeal, Pune
3	The Income Tax Act, 1961	Income Tax	202.85	AY 2013-14	Income Tax Appellate Tribunal
		Income Tax	176.29	AY 2014-15	Income Tax Appellate Tribunal
		Income Tax	5,445.64	FY 2007-08 to 2017-18	CIT (Appeals)
		Income Tax	1.32	AY 2006-07	DCIT, Chennai
		Income Tax	40.58	AY 2013-14	CIT (Appeals)
		Income Tax	69.92	AY 2015-16	CIT (Appeals)
4	The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund	140.33	2011-13	Provident Fund Tribunal

\*Total amount deposited in respect of disputed Income Tax demands is Rs. 198.57 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 & 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 paid / provided managerial remuneration during the year in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act.
- (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  
UDIN: 20083762AAAAAV4595

Place: New Delhi  
Date: June 30, 2020

## ANNEXURE-B 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 2(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")

We have audited the internal financial controls over financial reporting of **JBM AUTO LIMITED** ("the Company") as of March 31, 2020 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 Board of Directors 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:

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 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
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 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 and according to the best of our information and according to explanations given to us, 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, 2020, 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  
UDIN: 20083762AAAAAV4595

Place: New Delhi  
Date: June 30, 2020

CIN L74899DL1996PLC083073

## Standalone Balance Sheet as at March 31, 2020

₹ In Lakhs

	Note No.	As at 31st March, 2020	As at 31st March, 2019
<b>I. ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	3(a)	77,189.18	75,330.66
(b) Capital work in progress		4,081.44	4,266.68
(c) Intangible assets	3(b)	8,923.40	8,101.03
(d) Intangible assets under development		4,917.42	2,711.44
<b>(e) Financial assets</b>			
(i) Investments	5	4,765.56	4,063.37
(ii) Loans	6	1,655.00	1,421.19
(iii) Other non-current financial assets	7	-	156.11
(f) Other non-current assets	8	2,585.16	2,241.93
		<b>1,04,117.16</b>	<b>98,292.41</b>
<b>Current assets</b>			
(a) Inventories	9	29,554.69	28,983.33
<b>(b) Financial assets</b>			
(i) Trade receivables	10	49,459.38	60,961.10
(ii) Cash and cash equivalents	11	2,187.96	1,078.30
(iii) Other bank balances	12	54.67	51.50
(iv) Loans	13	-	300.00
(v) Other current financial assets	14	1,358.30	1,450.33
(c) Other current assets	15	13,585.68	8,867.58
		<b>96,200.68</b>	<b>1,01,692.14</b>
<b>Total Assets</b>		<b>2,00,317.84</b>	<b>1,99,984.55</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	16 (a)	2,364.94	2,039.77
(b) Equity share capital to be issued due to merger	16 (b)	-	325.17
(c) Other equity	17	67,406.41	61,565.48
		<b>69,771.35</b>	<b>63,930.42</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>(a) Financial liabilities</b>			
(i) Borrowings	18	19,671.70	23,675.92
(ii) Other non-current financial liabilities	19	543.46	498.66
(b) Provisions	20	1,067.90	830.46
(c) Deferred tax liability (net)	21	8,791.25	6,954.67
(d) Other non-current liabilities	22	517.13	796.32
		<b>30,591.44</b>	<b>32,756.03</b>

₹ In Lakhs

	Note No.	As at 31st March, 2020	As at 31st March, 2019
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	23	34,914.95	42,705.62
(ii) Trade payables	24		
Total Outstanding Dues to Micro and Small Enterprises		666.25	236.44
Total Outstanding Dues of Creditors other than Micro and Small Enterprises		39,396.30	40,665.32
(iii) Other current financial liabilities	25	9,865.93	13,868.21
(b) Other current liabilities	26	14,670.01	5,502.37
(c) Provisions	27	269.82	320.14
(d) Current tax liabilities (net)		171.79	-
		99,955.05	1,03,298.10
<b>Total Equity and Liabilities</b>		<b>2,00,317.84</b>	<b>1,99,984.55</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

Place : New Delhi  
Dated : 30th June, 2020

For and on behalf of Board of Directors  
JBM Auto Limited

Surendra Kumar Arya  
Chairman  
DIN 00004626  
Place : New Delhi

Sandip Sanyal  
Executive Director  
DIN 07186909  
Place : Gurugram  
(Haryana)

Vivek Gupta  
Chief Financial Officer  
& Company Secretary  
Place : Gurugram  
(Haryana)

## CIN L74899DL1996PLC083073

## Standalone Statement of Profit and Loss for the year ended 31st March, 2020

₹ In Lakhs

	Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>I. Revenue from operations</b>	28	1,94,672.97	2,20,695.86
<b>II. Other income</b>	29	1,540.95	2,497.48
<b>III. Total Income (I+II)</b>		<b>1,96,213.92</b>	<b>2,23,193.34</b>
<b>IV. Expenses</b>			
Cost of materials consumed	48	1,39,618.33	1,51,224.34
Changes in inventories of finished goods & work in progress	30	(4,050.36)	3,383.74
Employee benefits expense	31	20,398.64	21,655.37
Finance costs	32	6,426.93	5,939.76
Depreciation and amortization expense	4	7,385.05	7,483.36
Other expenses	33	15,687.50	18,673.03
<b>Total Expenses</b>		<b>1,85,466.09</b>	<b>2,08,359.60</b>
<b>V. Profit before tax (III-IV)</b>		<b>10,747.83</b>	<b>14,833.74</b>
<b>VI. Tax Expense</b>	34		
(1) Current Tax		1,921.53	4,162.32
(2) Deferred tax (credit)/charge		1,836.58	996.56
(3) Earlier years		42.29	12.14
		<b>3,800.40</b>	<b>5,171.02</b>
<b>VII. Profit after tax for the year (V-VI)</b>		<b>6,947.43</b>	<b>9,662.72</b>
<b>VIII. Other Comprehensive Income</b>	35		
<b>Items that will not be reclassified to Statement of Profit and loss:</b>			
(i) Gain/(loss) of defined benefits plans		0.10	(77.35)
(ii) Income tax expenses on gain/(loss) on defined benefits plans		(0.03)	27.02
<b>Total Other Comprehensive Income</b>		<b>0.07</b>	<b>(50.33)</b>
<b>IX. Total Comprehensive Income (VII+VIII)</b>		<b>6,947.50</b>	<b>9,612.39</b>
<b>X. Earnings per equity share: (Face Value of ₹ 5/-each)</b>	36		
(1) Basic		14.69	20.43
(2) Diluted		14.69	20.43

## 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

Place : New Delhi  
Dated : 30th June, 2020

For and on behalf of Board of Directors  
JBM Auto Limited

Surendra Kumar Arya  
Chairman  
DIN 00004626  
Place : New Delhi

Vivek Gupta  
Chief Financial Officer  
& Company Secretary  
Place : Gurugram  
(Haryana)

Sandip Sanyal  
Executive Director  
DIN 07186909  
Place : Gurugram  
(Haryana)

CIN L74899DL1996PLC083073

## Standalone Statement of Changes in Equity for the year ended 31st March, 2020

## A Equity Share capital

₹ In Lakhs

	Balance as at 01st April 2018	Changes in equity share capital during the year	Balance at the end of 31st March 2019	Changes in equity share capital during the year*	Balance at the end of 31st March 2020
Equity Share Capital	2,039.77	-	2,039.77	325.17	2,364.94
Equity share capital to be issued due to merger	325.17	-	325.17	(325.17)	-
	2,364.94	-	2,364.94	-	2,364.94

\* Equity share capital issued pursuant to merger

## B Other Equity

	General Reserve	Retained Earnings	Capital Reserve on Merger	Securities Premium	Capital Redemption Reserve	Total
<b>Balance as at 01.04.2018</b>	<b>2,988.31</b>	<b>44,553.37</b>	<b>(14.47)</b>	<b>4,629.97</b>	<b>-</b>	<b>52,157.18</b>
Profit for the year	-	9,662.72	-	-	-	9,662.72
Other comprehensive income/(loss) for the year	-	(50.33)	-	-	-	(50.33)
Impact of IND AS 115	-	779.53	-	-	-	779.53
Dividends distributed during the year (including CDT)	-	(983.62)	-	-	-	(983.62)
<b>Balance as at 31.03.2019</b>	<b>2,988.31</b>	<b>53,961.67</b>	<b>(14.47)</b>	<b>4,629.97</b>	<b>-</b>	<b>61,565.48</b>
Profit for the year	-	6,947.43	-	-	-	6,947.43
Other comprehensive income/(loss) for the year	-	0.07	-	-	-	0.07
Transfer from retained earnings to Capital Redemption Reserve	-	(500.00)	-	-	500.00	-
Dividends distributed during the year (including CDT)	-	(1,106.57)	-	-	-	(1,106.57)
<b>Balance as at 31.03.2020</b>	<b>2,988.31</b>	<b>59,302.60</b>	<b>(14.47)</b>	<b>4,629.97</b>	<b>500.00</b>	<b>67,406.41</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

Place : New Delhi  
Dated : 30th June, 2020

For and on behalf of Board of Directors  
JBM Auto Limited

Surendra Kumar Arya  
Chairman  
DIN 00004626  
Place : New Delhi

Sandip Sanyal  
Executive Director  
DIN 07186909  
Place : Gurugram  
(Haryana)

Vivek Gupta  
Chief Financial Officer  
& Company Secretary  
Place : Gurugram  
(Haryana)



## CIN L74899DL1996PLC083073

## Standalone Cash Flow Statement for the year ended 31st March 2020

₹ In Lakhs

		For the year ended March 2020		For the year ended March 2019	
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES :</b>				
	<b>Profit before tax</b>		10,747.83		14,833.74
	<b>Adjustments for :</b>				
	Depreciation and amortization expense	7,385.05		7,483.36	
	Finance costs	6,426.93		5,939.76	
	Unrealised exchange loss/(gain) (net)	36.10		95.09	
	Grant Income	(81.93)		(79.32)	
	Deferred income on deferred component of financial instrument	(451.12)		(393.45)	
	Interest income	(144.07)		(129.24)	
	Loss/(Profit) on sale of property, plant & equipment (net)	(44.53)		31.19	
	Bad Debts/Provision for Doubtful Debts	-		25.33	
	Rental income	(108.27)		(26.39)	
			<b>13,018.15</b>	-	<b>12,946.33</b>
	<b>Operating profit before working capital changes</b>		<b>23,765.98</b>		<b>27,780.07</b>
	<b>Adjustments for :</b>				
	Trade and other receivables	7,205.09		(14,736.24)	
	Inventories	(571.36)		(2,692.26)	
	Trade and other liabilities	8,684.61	15,318.34	8,756.89	(8,671.61)
	<b>Cash generated from operations</b>		<b>39,084.32</b>		<b>19,108.46</b>
	Income tax paid (Net)	(2,101.03)	(2,101.03)	(3,906.46)	(3,906.46)
	<b>Net Cash flow from operating activities</b>		<b>36,983.29</b>		<b>15,202.00</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>				
	Purchase of property, plant & equipment and intangible assets (including CWIP and intangible assets under development)	(12,623.74)		(17,592.32)	
	Proceeds from sale of property, plant and equipment and intangible assets	517.34		396.16	
	Loan given	(50.00)		(1,100.00)	
	Loan received Back	300.00		-	
	Interest received	144.07		129.24	
	Rental income	108.27		26.39	
	Proceeds from Sale of Investment	-		55.00	
	Purchase of non current investments	(701.59)		(901.00)	
	<b>Net Cash used in Investing Activities</b>		<b>(12,305.65)</b>		<b>(18,986.53)</b>

C.	CASH FLOW FROM FINANCING ACTIVITIES			
	Repayment of Financial Liability (Preference Share)	(3,000.00)		-
	Repayment of non current borrowings	(13,439.17)		(9,728.72)
	Proceeds from non current borrowings	7,869.00		10,371.61
	Increase/(Decrease) in current borrowings(net)	(7,790.67)		10,448.72
	Finance cost paid	(6,100.57)		(5,462.09)
	Dividend/dividend tax paid	(1,106.57)		(983.62)
	<b>Net Cash flow from/(used in) Financing Activities</b>		<b>(23,567.98)</b>	<b>4,645.90</b>
	<b>Net Increase in Cash and cash equivalents</b>		<b>1,109.66</b>	<b>861.37</b>
	<b>Cash and cash equivalents at the beginning of the year (Refer Note No. 11)</b>		<b>1,078.30</b>	<b>216.93</b>
	<b>Cash and cash equivalents at the end of the year (Refer Note No. 11)</b>		<b>2187.96</b>	<b>1,078.30</b>

## Notes:

- 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"
- Trade and other receivables includes loans and advances.
- 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 . The required disclosure is made below.

	As at 01st April 2019	Recognised During the Year	Cash flows	Acquisition/Foreign exchange movement/ Fair value changes	31st March 2020
Borrowings- Non Current	35,297.60	-	(8,570.17)	424.10	27,151.53
Borrowings- Current	42,705.62	-	(7,790.67)	-	34,914.95
Lease liabilities	98.32	585.59	(83.78)	68.72	668.85
	<b>78,101.54</b>	<b>585.59</b>	<b>(16,444.62)</b>	<b>492.82</b>	<b>62,735.33</b>

- 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

Place : New Delhi  
Dated : 30th June, 2020

For and on behalf of Board of Directors  
JBM Auto Limited

Surendra Kumar Arya  
Chairman  
DIN 00004626  
Place : New Delhi

Sandip Sanyal  
Executive Director  
DIN 07186909  
Place : Gurugram  
(Haryana)

Vivek Gupta  
Chief Financial Officer  
& Company Secretary  
Place : Gurugram  
(Haryana)

## 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, 2020 were approved by the Board of Directors and authorize for issue on June 30, 2020.

### 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.

#### 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.

#### 2.2 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, cash discount, trade allowances, sales incentives and value added taxes. 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 entity and specific criteria have been met for each of the Company's activities as described below.

##### Sale of Products

Revenue from contracts with customers is recognized on transfer of control of promised goods to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services.

##### Sale of Services

Revenue from services are recognized as related services are performed.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs;

## NOTES FORMING PART OF FINANCIAL STATEMENTS

2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Company's performance does not create an asset with an alternative use to the Company and an entity has an enforceable right to payment for performance completed to date.

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

### 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.

### 2.3 Leases

Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases" and applied to all lease contracts existing on the date of initial application, using the modified retrospective method along with transition option to recognise right-of-use assets (RoU) at an amount equal to the lease liability. Accordingly, comparatives for previous year ended March 31, 2019 have not been retrospectively adjusted.

#### The Company as lessor

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

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases. When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from 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 Company's expected inflationary cost increases, such increases are recognised in the period in which such benefits accrue.

The Company did not make any adjustments to the accounting for assets held as a lessor as a result of adopting the new lease standard.

#### The Company as lessee (Till 31st March, 2019)

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 policy on borrowing costs.

Rental expense from 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.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### The Company as lessee (With effect from April 1, 2019)

The Company assesses whether a contract contains a lease, at inception of a contract. At the date of commencement of the lease, the Company recognises a 'right-of-use' asset and a corresponding liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease

Right-of-use asset are measured at cost comprising the following:

- the amount of initial measurement of liability
- any lease payments made at or before the commencement date less the incentives received
- any initial direct costs, and
- restoration costs

They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use asset are depreciated over the shorter of asset's useful life and the lease term on a straight-line basis. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

Lease liabilities measured at amortised cost include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Company under residual value guarantees
- the exercise price of purchase option if the Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the rate of interest implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in the similar economic environment with similar terms, security and conditions.

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract in accordance with Ind AS 116 and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

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 the statement of profit and loss, unless they are directly attributable to qualifying assets. Variable lease payments are recognised in the statement of profit and loss in the period in which the condition that triggers those payments that occur.

#### Lease liabilities

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

## 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.

#### 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



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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.

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.

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.

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### 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 Scheme, Employees' Pension 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 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.

## 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.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### Transition to IND AS

On transition to Ind AS, the Company had 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 & equipment	15 - 20 years
Pallets, tools & dies	8 - 15 years
Furniture and fixtures	3 - 10 years
Vehicles	3 - 8 years
Office equipment	3 - 5 years
Finance Leasehold land	Over the remaining period of lease

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.

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 had 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.

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### 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 OEM 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.

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

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### 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.

### 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.

#### (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.



## NOTES FORMING PART OF FINANCIAL STATEMENTS

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.

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

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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 115, 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.

## 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.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### (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.

### (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

## NOTES FORMING PART OF FINANCIAL STATEMENTS

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.

### 2.16 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 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.

### 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 (Right of Use Assets)	Total (B)	TOTAL ASSETS (A+B)
<b>Gross Block</b>										
<b>As at April 01, 2018</b>	<b>254.93</b>	<b>15,675.02</b>	<b>53,314.11</b>	<b>246.56</b>	<b>391.07</b>	<b>801.41</b>	<b>70,683.11</b>	<b>9,131.02</b>	<b>9,131.02</b>	<b>79,814.13</b>
Additions	118.34	3,356.09	10,523.73	108.06	131.83	139.53	14,377.58	83.25	83.25	14,460.84
Disposals	-	-	(451.01)	-	(14.13)	(1.85)	(466.99)	-	-	(466.99)
- Other (See Note 3)	-	-	-	-	-	-	-	(156.11)	(156.11)	(156.11)
<b>As at March 31, 2019</b>	<b>373.27</b>	<b>19,031.11</b>	<b>63,386.84</b>	<b>354.63</b>	<b>508.78</b>	<b>939.08</b>	<b>84,593.71</b>	<b>9,058.16</b>	<b>9,058.16</b>	<b>93,651.87</b>
Additions	-	1,073.20	5,775.28	21.41	383.33	57.08	7,310.30	1,134.86	1,134.86	8,445.16
Disposals	-	-	(630.71)	(0.40)	(36.66)	(9.60)	(677.37)	-	-	(677.37)
<b>As at March 31, 2020</b>	<b>373.27</b>	<b>20,104.31</b>	<b>68,531.41</b>	<b>375.64</b>	<b>855.44</b>	<b>986.57</b>	<b>91,226.64</b>	<b>10,193.02</b>	<b>10,193.02</b>	<b>1,01,419.67</b>
<b>Accumulated Depreciation</b>										
<b>As at April 01, 2018</b>	-	<b>1,184.72</b>	<b>10,099.09</b>	<b>85.21</b>	<b>72.39</b>	<b>439.42</b>	<b>11,880.83</b>	<b>199.33</b>	<b>199.33</b>	<b>12,080.16</b>
Charged For the period	-	644.73	5,327.99	38.82	68.26	199.08	6,278.88	112.75	112.75	6,391.63
Adjustment on Disposals	-	-	(136.44)	-	(13.01)	(1.13)	(150.58)	-	-	(150.58)
<b>As at March 31, 2019</b>	-	<b>1,829.46</b>	<b>15,290.63</b>	<b>124.03</b>	<b>127.63</b>	<b>637.37</b>	<b>18,009.12</b>	<b>312.08</b>	<b>312.08</b>	<b>18,321.20</b>
Charged For the year	-	712.75	4,975.29	34.49	88.04	146.16	5,956.74	178.87	178.87	6,135.59
Adjustment On disposals	-	-	(206.68)	(0.02)	(10.68)	(8.93)	(226.32)	-	-	(226.32)
<b>As at March 31, 2020</b>	-	<b>2,542.21</b>	<b>20,059.24</b>	<b>158.50</b>	<b>205.00</b>	<b>774.59</b>	<b>23,739.54</b>	<b>490.95</b>	<b>490.95</b>	<b>24,230.49</b>
<b>Net Block</b>										
<b>As at March 31, 2019</b>	<b>373.27</b>	<b>17,201.65</b>	<b>48,096.20</b>	<b>230.60</b>	<b>381.15</b>	<b>301.71</b>	<b>66,584.59</b>	<b>8,746.09</b>	<b>8,746.09</b>	<b>75,330.66</b>
<b>As at March 31, 2020</b>	<b>373.27</b>	<b>17,562.10</b>	<b>48,472.18</b>	<b>217.14</b>	<b>650.44</b>	<b>211.97</b>	<b>67,487.11</b>	<b>9,702.07</b>	<b>9,702.07</b>	<b>77,189.18</b>

#### Notes

- The lease hold land at Faridabad amounting to ₹ 10.18 lakhs is yet to be registered in the name of the Company. The Company has obtained "no objection certificate" from the lessor to get registration of the same in the name of Company.
- The lease hold land includes land located at Chennai, Sanand and Pune acquired under Business Combination amounting to ₹ 6,332.66 lakhs which are in the name of acquiree companies i.e. JBM Auto System Private Limited and JBM MA Automotive Private Limited.
- Leasehold land included land at Singur amounting to ₹ 156.11 Lakhs has been transferred in Other Non Current Financial Assets during financial year 2018-19 (Refer Note No 7 & 45)
- Certain borrowings of the Company have been secured against Property, Plant and Equipment. (Refer Note No 18 & 23)



## NOTES FORMING PART OF FINANCIAL STATEMENTS

## NOTE 3(b) : INTANGIBLE ASSETS

₹ In Lakhs

Particulars	Technical Knowhow	Computer Software	Prototype	License Fees	Total
<b>Gross Block</b>					
<b>As at April 01, 2018</b>	<b>791.42</b>	<b>276.72</b>	<b>4,400.26</b>	<b>1,259.73</b>	<b>6,728.13</b>
Additions	-	72.29	4,003.11	-	4,075.40
<b>As at March 31, 2019</b>	<b>791.42</b>	<b>349.01</b>	<b>8,403.37</b>	<b>1,259.73</b>	<b>10,803.53</b>
Additions	119.71	53.82	1,950.04	-	2,123.57
Disposals	-	-	(59.57)	-	(59.57)
<b>As at March 31, 2020</b>	<b>911.13</b>	<b>402.83</b>	<b>10,293.84</b>	<b>1,259.73</b>	<b>12,867.53</b>
<b>Accumulated Amortization</b>					
<b>As at April 01, 2018</b>	<b>432.23</b>	<b>131.07</b>	<b>766.68</b>	<b>280.78</b>	<b>1,610.76</b>
Charged For the year	221.20	84.64	645.50	140.39	1,091.73
<b>As at March 31, 2019</b>	<b>653.43</b>	<b>215.71</b>	<b>1,412.18</b>	<b>421.17</b>	<b>2,702.49</b>
Charged For the year	66.34	90.89	951.55	140.68	1,249.46
On Disposals	-	-	(7.82)	-	(7.82)
<b>As at March 31, 2020</b>	<b>719.77</b>	<b>306.60</b>	<b>2,355.92</b>	<b>561.85</b>	<b>3,944.13</b>
<b>Net Block</b>					
<b>As at March 31, 2019</b>	<b>137.99</b>	<b>133.31</b>	<b>6,991.18</b>	<b>838.56</b>	<b>8,101.03</b>
<b>As at March 31, 2020</b>	<b>191.36</b>	<b>96.24</b>	<b>7,937.92</b>	<b>697.88</b>	<b>8,923.40</b>

## Note 4 : DEPRECIATION AND AMORTIZATION EXPENSE

Particulars	For the Year Ended 31st March 2020	For the Year Ended 31st March 2019
Depreciation/Amortization on Property, Plant & Equipment	6,135.59	6,391.63
Amortization on Intangible Assets	1,249.46	1,091.73
	<b>7,385.05</b>	<b>7,483.36</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ In Lakhs

	As at 31st March,2020	As at 31st March,2019
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**NON CURRENT FINANCIAL ASSETS****(Carried at amortised cost, unless stated otherwise)****NOTE 5 : NON CURRENT INVESTMENTS****Investment in Equity Instruments**

<b>Subsidiary (At cost)</b>		
50,000 (P.Y. 31.03.2019 NIL ) Equity Shares of Rs. 10/- each fully paid up of MH Ecolife Emobility Private Limited	5.00	-
<b>Joint Ventures (At Cost)</b>		
1,19,84,657(P Y 31.03.2019 : 1,19,84,657) Equity Shares of Rs.10/- each fully paid up of JBM Solaris Electric Vehicles Private Limited	1,198.46	1198.46
2,00,000 (P Y 31.03.2019 : 2,00,000) Equity Shares of Rs. 10/ each fully paid up of INDO Toolings Private Limited.	20.00	20.00
1,12,19,994 (P Y 31.03.2019 : 1,12,19,994) Equity Share of Rs. 10/- each fully paid up of JBM Ogihara Automotive India Limited	1,122.00	1122.00
1,11,66,000 (P Y 31.03.2019 : 42,24,900) Equity Shares of Rs. 10/- each fully paid up of JBM Ogihara Die Tech Private Limited	1,116.60	422.49
<b>Associate (At Cost)</b>		
26,000 (P Y 31.03.2019 : NIL) Equity Shares of Rs 10/- each fully paid up of VT Emobility Private Limited	2.60	-
<b>Others (at Fair Value through Profit and Loss )</b>		
2,123 (PY 31.03.2019 : 2,100) Equity Shares of Rs.10/- each fully paid Puvaneswari Enterprises Wind Farms Private Limited	0.21	0.21
2,230 (PY 31.03.2019 : 2,100) Equity Shares of Rs.10/- each fully paid of Premchander Wind Farms Private Limited	0.22	0.21
2,260 (PY 31.03.2019 : NIL ) Equity Shares of Rs.10/- each fully paid of AFCM Wind Farms Private Limited	0.23	-
1,220 (PY 31.03.2019 : NIL) Equity Shares of Rs.10/- each fully paid of Sarojarajan Green Energy Private Limited	0.12	-
1,220 (PY 31.03.2019 : NIL) Equity Shares of Rs.10/- each fully paid of AJSM Green Energy Private Limited	0.12	-
1,00,00,000 (P Y 31.03.2019 : 1,00,00,000) Equity Shares of Rs.10/- each of Yorozu JBM Automotive Tamil Nadu Private limited	1,000.00	1,000.00
<b>Investment in Preference Shares in others (at fair value through Profit and Loss)</b>		
2,40,000 (P.Y: 31.03.2019 : 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
	<b>4,765.56</b>	<b>4,063.37</b>
Aggregate amount of unquoted investment	<b>4,765.56</b>	<b>4,063.37</b>
Aggregate amount of impairment in value of investments	-	-

## NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ In Lakhs

	As at 31st March, 2020	As at 31st March, 2019
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**NOTE 6 : LOANS****(Unsecured and Considered good)**

Security deposits	805.00	621.19
Loan to Joint Venture company *	850.00	800.00
	<b>1,655.00</b>	<b>1,421.19</b>

\* Refer Note No. 53

**NOTE 7 : OTHER NON CURRENT FINANCIAL ASSETS****(Unsecured and Considered good)**

Recoverable from Government Department*	-	156.11
	-	<b>156.11</b>

\* Refer Note No. 45

**NOTE 8 : OTHER NON CURRENT ASSETS****(Unsecured, considered good)**

Money deposited Under Protest	156.06	62.50
Capital advance	829.31	359.82
Prepaid rent	28.24	557.04
Advance income tax (net of provision)	1,571.55	1,262.57
	<b>2,585.16</b>	<b>2,241.97</b>

**NOTE 9 : INVENTORIES****(Carried at lower of cost and net realisable value)**

Raw materials	15,637.77	19,595.53
Raw materials in transit	660.78	357.11
Work in process	10,410.28	6,295.78
Finished Goods	662.42	726.56
Stores, spares & consumables	2,084.34	1,873.64
Scrap	99.10	134.71
	<b>29,554.69</b>	<b>28,983.33</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. 18 & 23)
- The cost of inventories recognised as an expense during the year is ₹ 1,39,034.82 lakhs (P.Y ₹ 1,59,293.89 lakhs)

## NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ In Lakhs

CURRENT FINANCIAL ASSETS (Carried at amortised cost)	As at 31st March, 2020	As at 31st March, 2019
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**NOTE 10 : TRADE RECEIVABLE (Unsecured)**

- Considered good	49,459.38	60,961.10
- Considered doubtful	44.96	44.96
	<b>49,504.34</b>	61,006.06
Less: Provision for doubtful debts	44.96	44.96
	<b>49,459.38</b>	60,961.10

- Certain borrowings of the Company have been secured against Receivables (Refer Note No. 18 & 23)
- Debts amounting to ₹ 173.73 lakhs (Y.E : 31.03.2019 ₹ 129.41 lakhs) is due by private companies in which director is a director or a member.
- Amount due from related parties ₹ 1,294.33 (PY ₹ 1,020.67 lakhs)

**NOTE 11 : CASH AND CASH EQUIVALENTS**

Cash in hand	23.50	16.77
Balances with banks		
- In Current account	2,164.46	1,061.53
	<b>2,187.96</b>	<b>1,078.30</b>

**NOTE 12 : OTHER BANK BALANCES**

In Fixed Deposit account more than 3 months original Maturity but less than 12 month maturity	31.58	29.69
Margin money with Bank	-	0.90
Balances with banks		
- In Unpaid Dividend account	23.09	20.91
	<b>54.67</b>	<b>51.50</b>

**NOTE 13 : LOANS (Unsecured and Considered good)**

Inter corporate loan	-	300.00
	-	300.00

**NOTE 14 : OTHER CURRENT FINANCIAL ASSETS (Unsecured, considered good)**

Claim receivable (Refer Note No. 46)	1,105.00	1,105.00
Insurance claim receivable	-	51.20
Hedging gain recoverable (carried at fair value through Profit or loss)	-	91.68
Royalty receivable	38.95	28.26
Other financial assets	214.35	174.19
	<b>1,358.30</b>	1,450.33

**NOTE 15 : OTHER CURRENT ASSETS (Unsecured, considered good)**

Subsidy receivable	2,092.57	1,655.02
Balance with statutory/government authorities	1,090.64	771.23
Sales Tax/VAT recoverable	4.10	4.03
Advance to suppliers	2,826.11	3,260.52
Contract Assets	7,265.85	2,904.46
Other assets	306.41	272.32
	<b>13,585.68</b>	<b>8,867.58</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

<b>NOTE 16(a) : EQUITY SHARE CAPITAL</b>	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>
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**A. Authorised**

25,20,00,000(P.Y: 31.03.2019: 8,00,00,000) Equity Shares of ₹ 5 /- each	12,600.00	4,000.00
1,00,00,000 (P.Y.: 31.03.2019: 1,00,00,000) Preference Shares of ₹ 10/- each	1,000.00	1,000.00
	<b>13,600.00</b>	<b>5,000.00</b>

**B. Issued, Subscribed and Fully Paid Up**

4,72,98,853 (Y.E. 31.03.2019: 4,07,95,364) Equity Shares of Rs. 5/- each fully paid up	2,364.94	2,039.77
	<b>2,364.94</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	4,07,95,364	4,07,95,364
Add: issued during the year *	65,03,489	-
Number of equity shares outstanding at the end of the year	4,72,98,853	4,07,95,364

\* Pursuant to merger of JBM Auto System Private Limited ("Subsidiary Company") and JBM MA Automotive Private Limited ("Associate Company") with JBM Auto Limited the Company has issued 65,03,489 equity shares

**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 ,2020**

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 (b) : EQUITY SHARE CAPITAL TO BE ISSUED DUE TO MERGER**

₹ In Lakhs

Equity share capital to be issued due to merger *	-	325.17
	-	325.17

\* Pursuant the Scheme of Amalgamation of JBM Auto System Private Limited ("Subsidiary Company") and JBM MA Automotive Private Limited ("Associate Company") with JBM Auto Limited as approved by Hon'ble National Company Law Tribunal, New Delhi Bench vide its order dated 14th June 2019 & the Hon'ble National Company Law Tribunal, Mumbai Bench vide its order dated 25th October, 2019 read with corrigendum Order dated 17.12.2019 with the Appointed Date of 01.04.2017. The Company has filed the copy of orders with respective Registrar of Companies (ROC) on 01.01.2020 to give effect to the Merger, and accordingly 65,03,489 shares issued which are effective from 01.04.2017.



## NOTES FORMING PART OF FINANCIAL STATEMENTS

### NOTE 17 : OTHER EQUITY

₹ In Lakhs

	General Reserve	Retained Earnings	Capital Reserve on merger	Securities Premium	Capital Redemption Reserve	Total
<b>Balance as at 01.04.2018</b>	<b>2,988.31</b>	<b>44,553.37</b>	<b>(14.47)</b>	<b>4,629.97</b>	-	<b>52,157.18</b>
Profit for the year	-	9,662.72	-	-	-	9,662.72
Other comprehensive income/(loss) for the year	-	(50.33)	-	-	-	(50.33)
Impact of IND AS 115	-	779.53	-	-	-	779.53
Dividends distributed during the year (including CDT)	-	(983.62)	-	-	-	(983.62)
<b>Balance as at 31.03.2019</b>	<b>2,988.31</b>	<b>53,961.67</b>	<b>(14.47)</b>	<b>4,629.97</b>	-	<b>61,565.48</b>
Profit for the year	-	6,947.43	-	-	-	6,947.43
Other comprehensive income/(loss) for the year	-	0.07	-	-	-	0.07
Transfer from retained earnings to Capital Redemption Reserve	-	(500.00)	-	-	500.00	-
Dividends distributed during the year (including CDT)	-	(1,106.57)	-	-	-	(1,106.57)
<b>Balance as at 31.03.2020</b>	<b>2,988.31</b>	<b>59,302.60</b>	<b>(14.47)</b>	<b>4,629.97</b>	<b>500.00</b>	<b>67,406.41</b>

\*During FY20, the Company has paid dividend of ₹ 2.25/- per share (PY ₹ 2 per share) (on fully paid-up equity share of ₹ 5 each) amounting to ₹ 1106.57 lakhs (PY ₹ 983.62 lakhs) (including dividend distribution tax thereon of ₹ 188.68 lakhs (PY ₹ 167.71 lakhs)

The Board at its meeting held on June 30th, 2020 has recommended a dividend @ 35% i.e. ₹ 1.75 /- per share (on fully paid up equity share of ₹ 5/-each) for the year ended 31st March 2020. This equity dividend is subject to approval by shareholders at the Annual General Meeting. The total estimated equity dividend to be paid is ₹ 827.73 Lakhs.

### NON CURRENT FINANCIAL LIABILITIES (Carried at amortised cost, unless stated otherwise)

₹ In Lakhs

#### NOTE 18 : NON CURRENT BORROWINGS

<b>A. Term Loan from banks (Secured)</b>			
In Foreign Currency		-	1,697.07
In Rupee*		16,361.47	17,333.97
Vehicle Loans**		224.65	-
<b>B. Term loan From Others (Secured)***</b>			
In Rupee		7,968.49	11,093.75
		24,554.61	30,124.79
Less: Current Maturities of term loans		8,024.25	8,633.24
		16,530.36	21,491.55
<b>C. Finance lease obligations (unsecured)</b>			
		668.85	98.32
<b>D. Liability component of financial instruments (unsecured)</b>			
		2,596.91	5,172.81
		<b>3,265.76</b>	<b>5,271.13</b>
<b>Less:</b>			
Current maturities of finance lease obligations		84.42	6.76
Current maturities of liability component of financial instruments		40.00	3,080.00
		<b>124.42</b>	<b>3,086.76</b>
		<b>3,141.34</b>	<b>2,184.37</b>
		<b>19,671.70</b>	<b>23,675.92</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

\*Term loan of ₹ 1,667.00 (P.Y ₹ 2,222.22) lakhs is secured by Exclusive charge on Plant and Machinery of the borrower with a minimum asset cover of 1.50X.

Term loan of ₹ 4,536.00 lakh (P.Y ₹ NIL ) is secured by First Pari Passu Charge on the movable fixed assets of the Chakan, Pune plant of the Group both present & future.

Second Pari-passu charge on the current assets of the Chakan, Pune plant of the Group both present & future.

Term loan of ₹ 1,558.25 lakhs (P.Y ₹ 2,180.50 lakhs) is secured by First Pari Passu Charge on the movable fixed assets of the Chakan, Pune plant of the Group both present & future.

Second Pari-passu charge on the current assets of the Chakan, Pune plant of the Group both present & future. First Pari Passu Charge on the immovable fixed assets of the Group being factory land and building situated at C-1/2, MIDC, Chakan - Talegaon Raod, Chakan, Pune - 410501"

Term loan of ₹ 4.968.00 lakhs (P.Y ₹ 3,800.00 lakhs) is secured by First Pari Passu Charge on the movable fixed assets of the Chakan, Pune plant of the Group both present & future.

Second Pari-passu charge on the current assets of the Chakan, Pune plant of the Group both present & future. First Pari Passu Charge on the immovable fixed assets of the Group being factory land and building situated at C-1/2, MIDC, Chakan - Talegaon Raod, Chakan, Pune - 410501"

Term loan of ₹ 1,111.11 lakhs (P.Y ₹ 2,051.68 Lakhs) is secured by exclusive charge on machinery funded by bank. Asset cover of 1.5x to be maintained

Term loan of ₹ 1,000.00 lakhs (P.Y ₹ 5000.00 lakhs) is secured by Pari Passu charge on Movable Fixed Assets of the Group with a minimum asset cover of 1.30X.

Term loan of ₹ 1,427.62 lakhs (P.Y ₹ 791.67 lakhs) is secured by Primary-First Pari passu Charge on all movable and immovable fixed assets of the Group C-1/2, MIDC, Chakan - Talegaon Raod, Chakan, Pune - 410501 (both present and future)(excluding those exclusively charge to other lenders).

Collateral-Second Pari Passu Charge on current assets of the Chakan, Pune plant of the Group (both present and future)

Term loan of ₹ 93.49 lakhs (P.Y ₹ 375.00 lakhs) is secured by First charge on pari passu basis along with DBS (for its ECB) on the immovable assets of the Group's plant located at Plot No RNS-1, Renault & Nissan Suppliers Park, SIPCOT Industrial Growth Centre, Oragadam, Tamil Nadu.

First charge on Pari Passu basis along with DBS ( for its ECB) and Indusind Bank ( for TL of INR 450 mio) and HDFC Bank ( for TL of INR 400 mio), on the movable assets ( except those exclusively charge to term lenders and ford India) of the Group's Plant located at Plot No RNS-1, Renault & Nissan Suppliers Park, SIPCOT Industrial Growth Centre, Oragadam, Tamil Nadu.

First Charge on the movable assets ( except those exclusively charged to Term Lenders and Ford India) of the Group's MM Nagar Plant Located at 1 Ford Suppliers Park, S.P Koil post, Chengalpattu Taluk, Kanchipuram - 603204 ( Tamilnadu).

First Charge on the movable assets ( except those exclusively charged to Term Lenders and Ford India) of the Group's plant located at Hosur - Plot No. 31, SIPCOT Industrial Complex, Phase - I, Mookandpilli, Hosur - 635126, Tamil Nadu.

Term loan of ₹ NIL (P.Y ₹ 156.25lakhs) is secured by Primary-First Pari passu Charge on entire movable and immovable fixed assets of Indore Unit located at plot no 157 E sec -3 , pithampur 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 Group both present and future situated at faridabad, Indore and Greater Noida

Term loan of ₹ NIL (P.Y ₹ 250.00 lakhs) is secured by First Pari passu Charge on both movable and immovable fixed assets of the Group at (both present and future).

Second Pari Passu charge on the entire current assets of the Group both present and future.

Term loan of ₹ NIL (P.Y ₹ 506.65 lakhs) is secured by First Pari passu Charge on both movable and immovable fixed assets of the Group at Indore , Greater Noida and Faridabad Plant (both present and future).

Second Pari Passu charge on the entire current assets of the Group both present and future situated at faridabad, Indore and Greater Noida"

\*\* Secured by hypothecation of respective vehicle financed

\*\*\* Term loan of ₹ 3,750.00 lakhs (P.Y ₹ 5,000.00 lakhs) has Pari Passu charge on Movable Fixed Assets of the Group with a minimum asset cover of 1.30X.

Term loan of ₹ 3,593.49 lakhs (P.Y ₹ 4,843.75 lakhs) is secured by Pari Passu charge on Movable & immovable Fixed assets of the Group on MM Nagar, Orgadum (Tamil nadu) with Minimum assets cover of 1.3x

Term loan of ₹ 6,25.00 lakhs (P.Y ₹ 1,250.00 lakhs) is secured by Exclusive charge on Plant and Machinery of the borrower with a minimum asset cover of 1.50X.

Second pari passu charge on all the current assets of the sanand unit of the borrower, both Present and future."

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### Maturity Profile

Term of Repayment of Loan	Balance as at 31.03.2020	No. of yearly/ Quarterly/ Monthly Installment	Balance installment as at 31.03.2020	Rate of Interest
Term Loan from Banks	1,667.00	18 Quartely	12	MCLR Linked rate
Term Loan from Banks	4,536.00	18 Quartely	18	MCLR Linked rate
Term Loan from Banks	1,558.25	16 Quartely	10	MCLR Linked rate
Term Loan from Banks	4,968.00	16 Quartely	15	MCLR Linked rate
Term Loan from Banks	1,111.11	18 Quartely	8	MCLR Linked rate
Term Loan from Banks	1,000.00	17 Quartely	15	MCLR Linked rate
Term Loan from Banks	1,427.62	24 Quartely	15	MCLR Linked rate
Term Loan from Banks	93.49	16 Quartely	1	MCLR Linked rate
<b>Total</b>	<b>16,361.47</b>			
Term Loan from Others	3,750.00	16 Quartely	12	MCLR Linked rate
Term Loan from Others	1,718.49	17 Quartely	12	MCLR Linked rate
Term Loan from Others	1,875.00	17 Quartely	13	MCLR Linked rate
Term Loan from Others	625.00	16 Quartely	4	MCLR Linked rate
<b>Total</b>	<b>7,968.49</b>			

Vehicle Loan from bank are payable in 60 monthly equal installments respectively from the date of disbursements carrying interest rate @ 8.55% per annum

There have been no breach of covenants mentioned in the loan agreements during the reporting periods.

₹ In Lakhs

	As at 31st March, 2020	As at 31st March, 2019

### NOTE 19 : OTHER NON CURRENT FINANCIAL LIABILITIES

Payable for Capital Goods	543.46	498.66
	<b>543.46</b>	<b>498.66</b>

### NOTE 20 : PROVISIONS

Provision for employee benefits	1,067.90	830.46
	<b>1,067.90</b>	<b>830.46</b>

### NOTE 21 : DEFERRED TAX LIABILITY (NET)

#### Deferred tax liability

Related to property, plant and equipment and intangible assets	11,491.17	9,654.16
IND AS 115 application	478.06	-
<b>Total (A)</b>	<b>11,969.23</b>	<b>9,654.16</b>
<b>Deferred tax asset</b>		
Provision for doubtful debts	(15.71)	(15.71)
Claim under Section 43B of Income Tax Act 1961	(594.18)	(490.40)
<b>Total (B)</b>	<b>(609.89)</b>	<b>(506.11)</b>
<b>Total (A+B)</b>	<b>11,359.35</b>	<b>9,148.05</b>
MAT Credit available	(2,568.10)	(2,193.38)
<b>Deferred tax liability / (asset) (net)</b>	<b>8,791.25</b>	<b>6,954.67</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/(asset) arising on account of temporary difference are as follows: ₹ In Lakhs

	As at 01.04.2019	Movement during the year	As at 31.03.2020
Related to property, plant and equipment and intangible assets	9,654.16	1,837.01	11,491.17
IND AS 115 application	-	478.06	478.06
Provision for doubtful debts	(15.71)	-	(15.71)
Claim under Section 43B of Income Tax Act 1961	(490.40)	(103.78)	(594.18)
MAT Credit available	(2,193.38)	(374.72)	(2,568.10)
<b>Deferred tax Expense</b>		<b>1,836.58</b>	
<b>Net Deferred tax Liability</b>	<b>6,954.67</b>		<b>8,791.25</b>

	As at 01.04.2018	Movement during the year	As at 31.03.2019
Related to property, plant and equipment and intangible assets	8,567.35	1,086.80	9,654.16
Provision for doubtful debts	(6.79)	(8.92)	(15.71)
Claim under Sec 43B of Income tax Act, 1961	(365.32)	(125.08)	(490.40)
MAT Credit available	(3,094.63)	901.25	(2,193.38)
<b>Deferred tax Expense</b>		<b>1,854.06</b>	
<b>Net Amount</b>	<b>5,100.61</b>		<b>6,954.67</b>

<b>NOTE 22 : OTHER NON CURRENT LIABILITIES</b>	As at 31st March, 2020	As at 31st March, 2019
Deferred component of financial instruments	143.91	341.17
Deferred Government grant	373.22	455.15
	<b>517.13</b>	<b>796.32</b>

### CURRENT FINANCIAL LIABILITIES

(Carried at amortised cost)

#### NOTE 23 : CURRENT BORROWINGS

##### A. Loan Repayable on Demand from Banks (Secured)\*

Cash Credit	5,289.36	4,949.20
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##### B. Others Loans From Banks (Secured)\*

Working capital demand loans	19,800.00	22,666.80
Bill discounting/PO financing	1,674.25	3,441.39
Suppliers credit	2,404.69	-
	<b>29,168.30</b>	<b>31,057.39</b>

##### C. Loans Repayable on Demand from Banks (Unsecured)

Bill discounting/PO financing	5,746.65	11,648.23
	<b>5,746.65</b>	<b>11,648.23</b>
	<b>34,914.95</b>	<b>42,705.62</b>

\*Secured by hypothecation on pari passu interse between banks by way of First Pari Passu Charge on Current Assets of the Company both present and future. Second Pari Passu Charge on Movable Fixed Assets of the Company both present and future. (Excluding those have exclusive charge to the term lenders)

There have been no breach of covenants mentioned in the loan agreements during the reporting periods.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ In Lakhs

	As at 31st March, 2020	As at 31st March, 2019
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**NOTE 24 : TRADE PAYABLES\***

Total Outstanding Dues to Micro and Small Enterprises	666.25	236.44
Total Outstanding Dues of Creditors other than Micro and Small Enterprises	<b>39,396.30</b>	40,665.32
	<b>40,062.55</b>	<b>40,901.76</b>

\*Refer Note No. 47

**NOTE 25 : OTHER CURRENT FINANCIAL LIABILITIES**

Current maturities of liability component of financial instruments	40.00	3,080.00
Current maturities of finance lease obligations	84.42	6.76
Current maturities of term loans	8,024.25	8,633.24
Interest accrued but not due on borrowings	212.52	293.25
Interest accrued and due on borrowings	0.08	1.41
Unpaid/unclaimed dividend	23.09	20.91
Payable for capital goods	499.28	927.12
Employee related liabilities	776.91	711.21
Security deposits	205.38	194.31
	<b>9,865.93</b>	<b>13,868.21</b>

**NOTE 26 : OTHER CURRENT LIABILITIES**

Deferred Income on financial instruments	196.72	368.66
Statutory dues payable	1,403.32	1,364.08
Advance from Customers	12,699.23	3,446.67
Deferred Govt Grant	81.93	81.93
Others (including advance from employees for vehicles)	288.81	241.03
	<b>14,670.01</b>	<b>5,502.37</b>

**NOTE 27 : PROVISIONS**

Provision for employee benefits	269.82	320.14
	<b>269.82</b>	<b>320.14</b>

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
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**NOTE 28 : REVENUE FROM OPERATIONS\***

Sale of products	1,76,494.31	1,96,555.72
Sale of services	4,336.78	4,115.82
Other operating revenue	13,841.88	20,024.32
	<b>1,94,672.97</b>	<b>2,20,695.86</b>

\* Refer Note No. 51



## NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ In Lakhs

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
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## NOTE 29 : OTHER INCOME

Rent	108.27	26.39
Interest on security & other deposits*	144.07	129.24
Profit on sale of property plant & equipment (Net)	44.53	-
Royalty	65.79	118.51
Subsidy	513.00	1,437.85
Deferred Income on deferred component of financial instruments	369.20	393.45
Miscellaneous income	296.09	392.04
	<b>1,540.95</b>	<b>2,497.48</b>

*In relation to financial assets classified at amortised cost	144.07	129.24
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## NOTE 30 : CHANGES IN INVENTORIES OF FINISHED GOODS &amp; WORK IN PROGRESS

<b>Opening inventories :</b>		
Work in Progress (including in transit material)	6,295.78	9,687.35
Finished goods	726.56	718.73
	<b>7,022.34</b>	<b>10,406.08</b>
<b>Less : Closing inventories :</b>		
Work in Progress (including in transit material)	10,410.28	6,295.78
Finished goods	662.42	726.56
	11,072.70	7,022.34
<b>(Increase)/ Decrease in Finished Goods &amp; Work in Progress</b>	<b>(4,050.36)</b>	<b>3,383.74</b>

## NOTE 31 : EMPLOYEE BENEFITS EXPENSE

Salaries & wages	19,534.34	20,459.87
Contribution to provident and other funds	884.15	878.94
Staff welfare expenses	1,237.22	1,594.71
	<b>21,655.71</b>	<b>22,933.52</b>
Less: Transferred to Project Commissioned/under Commissioning	1,257.07	1,278.15
	<b>20,398.64</b>	<b>21,655.37</b>

## NOTE 32 : FINANCE COSTS

Interest on borrowings	6,041.90	5,845.18
Interest on liability component of financial instruments	538.96	497.80
Interest- others	137.27	119.54
Other borrowing costs	136.61	35.92
Exchange difference regarded as an adjustment to borrowings costs	42.61	-
	<b>6,897.35</b>	<b>6,498.44</b>
Less: Transferred to Project Commissioned/under Commissioning	470.42	558.68
	<b>6,426.93</b>	<b>5,939.76</b>
In relation to financial liabilities classified at amortised cost	6,580.86	6,342.98

The weighted average rate for capitalisation of interest relating to general borrowings was approximately 9.85 % and 9.32% for the years ended March 31, 2020 and 2019, respectively.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ In Lakhs

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
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## NOTE 33 : OTHER EXPENSES

Stores consumed	1,357.24	1,974.29
Manufacturing expenses	4,247.07	4,207.82
Power & fuel	3,353.14	3,963.78
Packing materials consumed	503.02	716.35
Rent (including land lease rent)	200.17	266.09
Rates & taxes	332.09	224.30
Insurance	99.41	69.17
Repair & Maintenance		
- Building	116.35	179.50
- Machinery	1,606.59	1,995.17
- Others	587.90	775.26
Loss on sale of property, plant and equipment (net)	-	31.19
Provision for bad & doubtful debts	-	25.33
Freight & forwarding charges	1,809.87	2,349.16
Exchange fluctuation(Net)	60.01	73.65
Royalty	53.60	155.48
Other administrative expenses	2,219.48	1,949.80
	<b>16,545.94</b>	<b>18,956.34</b>
Less: Transferred to Project Commissioned/under Commissioning	858.44	283.31
	<b>15,687.50</b>	<b>18,673.03</b>

## NOTE 34 : INCOME TAX EXPENSE

<b>(a) Income tax expense recognised in Statement of Profit and Loss</b>		
Current tax in respect of the current year	1,921.53	4,162.32
Minimum Alternate Tax credit entitlement	(374.72)	-
Deferred tax in respect of the current year	2,211.30	996.56
Earlier Years	42.29	12.14
	<b>3,800.40</b>	<b>5,171.02</b>
<b>(b) Income Tax Expense recognised in Other Comprehensive Income</b>		
Income tax expense/(income) on Remeasurement of Defined Benefit Obligations	(0.03)	27.02
	<b>(0.03)</b>	<b>27.02</b>
	<b>3,800.43</b>	<b>5,144.00</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:

## NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ In Lakhs

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Profit before tax	10,747.83	14,833.74
At country's statutory income tax rate (C Y : MAT Rate, PY: Normal Tax Rate)	17.47%	34.94%
<b>Computed tax expense</b>	<b>1,877.86</b>	<b>5,183.50</b>
<b>Tax Effect of :</b>		
Effect of disallowance and allowances	43.67	(1,021.18)
<b>Current Tax Provision (A)</b>	<b>1,921.53</b>	<b>4,162.32</b>
<b>MAT Credit entitlement (B)</b>	<b>(374.72)</b>	-
<b>Deferred Tax Expense</b>		
Incremental Deferred Tax Liability on account of Property, Plant and Equipment and Intangible assets	1,837.01	1,086.80
Incremental Deferred Tax Assets / Liability on account of Temporary Allowances/ Disallowances under income Tax Act , 1961	374.29	(90.24)
<b>Deferred Tax Expense (c )</b>	<b>2,211.30</b>	<b>996.56</b>
Adjustment in respect to taxes earlier years (D)	42.29	12.14
<b>Total tax expense recognised in Statement of Profit and Loss (A+B+C+D)</b>	<b>3,800.40</b>	<b>5,171.02</b>

## NOTE 35 : OTHER COMPREHENSIVE INCOME

Items that will not be reclassified to statement of profit and loss		
gains/(losses) on defined benefits plans	0.10	(77.35)
Income tax expense on gain/(loss) on defined benefits plans	(0.03)	27.02
	<b>0.07</b>	<b>(50.33)</b>

## NOTE 36: 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:

	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit after tax attributable to owners of the company (₹ in Lakhs)	6,947.43	9,662.72
-Weighted Average Number of Equity Shares (Outstanding during the year)*	4,72,98,853	4,72,98,853
-Face Value of share (₹)	5.00	5.00
Basic Earning per share (Amount in ₹)	14.69	20.43
Diluted Earning per share (Amount in ₹)	14.69	20.43

\* includes 65,03,489 shares issued pursuant to Merger

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### NOTE 37 : CONTINGENT LIABILITIES AND COMMITMENTS

#### A. Contingent liabilities

(Claims against the Company not acknowledged as debts)

₹ In Lakhs

Particulars	31-Mar-20	31-Mar-19
a Income Tax Matters*	5,936.61	490.97
b Excise and Service Tax Matters**	845.51	1,602.34
c Sales Tax and VAT Matters	5.51	12.21
d Provident Fund Matters #	233.89	233.89
e Other money for which the Company is contingently liable	7.65	7.65
f MIDC Demand for Delayed Interest & Differential Land Premium^	131.65	131.65

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.

\* Includes demand received from Ld Assessing Officer for the block assessment done under section 153A / 143(3) of the Income Tax Act for the AY 2008-09 to 2018-19 amounting to ₹ 5,445.64 Lakhs. An appeal has been filed by the Company before the Honble Commissioner of Income Tax (A) for the same. The Company has been advised that the said demand is not tenable and likely to be deleted and no liability is envisaged against the Company. Accordingly no provision is considered necessary.

\*\* Against this, an amount of Rs. 21.76 Lakhs (P.Y. Rs. 85.72 Lakhs) has been deposited.

# Against this, an amount of Rs. 93.56 lakhs (PY Nil) has been deposited.

^ Against this, an amount of Rs. 83.25 Lakhs (PY Rs. 83.25 Lakhs) has been deposited.

#### B. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for ( Net of advances)	31-Mar-20	31-Mar-19
Property, Plant and Equipment	2,449.31	1,113.47

#### C. Other Commitments

Particulars	31-Mar-20	31-Mar-19
Letter of Credit issued by bankers and outstanding	2,174.92	2,039.63
Bank Guarantees	30.00	30.00

#### D. Other Pending Litigation:

The Company has filed legal suit against one of the customer for recovery of dues amounting to Rs. 340.80 Lakhs (including damage charges). The matter is pending before Hon'ble commercial court at Ahmedabad. The Company expects to recover the same.

### NOTE 38 : Auditor's Remuneration (Excluding GST)

Statutory Auditors	31-Mar-20	31-Mar-19
A) Statutory Audit Fees	38.50	38.50
B) Tax Audit Fees	9.20	9.20
C) Taxation Matters	4.77	5.00
D) Other Services	9.45	9.84
E) Reimbursement of expenses	1.53	3.80

### NOTE 39 : Disclosure required under Section 186(4) of Companies Act, 2013

The details of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

## NOTES FORMING PART OF FINANCIAL STATEMENTS

Details of Investment made by the Company are as follows:

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 Ogihara Die Tech Private Limited	Equity	69,41,100	694.11	51% of Equity Shares
2	MH Ecolife Private Limited	Equity	50,000	5.00	99.98% of Equity Shares
3	VT Mobility Private Limited	Equity	26,000	2.60	26% of Equity Shares

Details of loans given by the Company are as follows:

S No	Name of Party	Relationship	Amount (₹ in Lakhs)	O/S Balance as on 31.03.2020 (₹ in Lakhs)	Purpose
1	JBM Solaris Electric Vehicles Private Limited	Joint Venture	50.00	850.00	Business Expansion

### NOTE 40 : 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 41 : 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 2020	Year Ended 31st March 2019
Revenue Expenditure	2,108.14	1568.68
Capital Expenditure	117.96	103.63
<b>Total</b>	<b>2,226.10</b>	<b>1672.31</b>

### NOTE 42 : DISCLOSURE RELATING TO CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

Particulars		31-Mar-20	31-Mar-19
(i) Gross amount required to be spent by the Company during the year		224.88	217.74
(ii) Amount spent during the year ending on March 31, 2020:	<b>In cash</b>	<b>Yet to be paid in cash</b>	<b>Total</b>
1. Construction / acquisition of any asset	-	-	-
2. On purposes other than (i) above			
– Others (Skill Development Centre)*	228.49	-	228.49
(ii) Amount spent during the year ending on March 31, 2019:			
1. Construction / acquisition of any asset	-	-	-
2. On purposes other than (i) above			
– Others (Skill Development Centre)*	132.56	-	132.56
– Suman Nirmal Minda Charitable Trust	89.00	-	89.00

\* 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.



## NOTES FORMING PART OF FINANCIAL STATEMENTS

### NOTE 43 : DURING THE YEAR, THE FOLLOWING EXPENDITURE HAS BEEN CAPITALIZED IN OEM DIVISION:

₹ In Lakhs

Nature of expenses	Capitalized from opening CWIP	Capitalized from C Y Expenses	Total Capitalized
Manpower Cost	439.33 (1,235.65)	431.70 (532.36)	871.02 (1,768.01)
Finance Cost	157.25 (249.55)	95.63 (144.34)	252.87 (393.90)
Other Expenses	438.80 (17.74)	300.60 (3.93)	739.40 (21.67)
<b>Total</b>	<b>1,035.38</b> <b>(1,502.94)</b>	<b>827.92</b> <b>(680.63)</b>	<b>1,863.30</b> <b>(2,183.58)</b>

Note: Figures in brackets represents previous year's amounts

**NOTE 44 :** During the quarter, the Company has invested ₹ 2.60 lakhs in equity shares of VT EMOBILITY PRIVATE LIMITED being 26% stake and ₹ 5.00 lakhs in equity shares of MH ECOLIFE EMOBILITY PRIVATE LIMITED being 99.98% stake in the company.

**NOTE 45 :** The Company was allotted plot no. A-4, measuring 10 acres of land situated at P.S. Singur, Dist. Hooghly, comprised within TATA Small Car Project vendor park on lease for a period of 90 Years for manufacturing of components, spare parts, aggregates etc. vide allotment letter dated 14.05.2007 from the West Bengal Industrial Development Corporation Limited(WBIDC).The Company had paid the lease premium amounting to ₹ 150.00 lakhs on 14.05.2007 (Receipt No. 2870 dated 14.05.2007 issued by West Bengal Industrial Development Corporation Limited.) On 31.08.2016, the Hon'ble Supreme Court of India in the case of Kedar Nath Yadav Vs. State of West Bengal & Others has quashed the land acquisition by West Bengal Government from farmers. In view of above order, Supreme Court held that land allotted by WBIDC to TATA Motors and its vendors become infructuous. Subsequent to the above decisions of Supreme Court, the allotment of land to us has also become infructuous. Now in FY20 the Company has received the lease premium amounting to ₹ 150.00 lakhs (dated 11.07.2019) from the West Bengal Industrial Development Corporation Limited.

**NOTE 46 :** Claim receivable represents ₹ 1,105 lakhs (P.Y. ₹1,105 lakhs) receivable from one of the customer against the claim made for compensation, on account of loss for the underutilisation of resources due to less volume purchase 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-20	31-Mar-19
(i)	the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	666.25	236.44
(ii)	the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	Nil	Nil
(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
(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	Nil	Nil
(v)	the amount of interest accrued and remaining unpaid at the end of each accounting year	Nil	Nil
(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	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.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

**NOTE 48 :** Cost of materials consumed has been computed by adding purchase to the opening stock and deducting closing stock.

### NOTE 49 : DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% EQUITY SHARE CAPITAL

Name of Shareholder	31-Mar-20		31-Mar-19	
	No. of shares	% holding	No. of shares	% holding
<b>Equity shares of ₹ 5 each fully paid up</b>				
SMC Credit Limited	76,97,299	16.27	75,70,260	18.56
A to Z Securities Limited	55,23,160	11.68	41,90,160	10.27
Zeal Impex & Traders Private Limited	40,18,968	8.5	40,18,968	9.85
Amity Infotech Private Limited	40,00,000	8.46	40,00,000	9.81
JBM Builders Private Limited	30,30,832	6.4	30,30,832	7.43
Shuklamber Exports Limited	34,24,824	7.24	34,24,824	8.39
NAP Investment & Leasing Private Limited	22,74,616	4.81	22,74,616	5.58
ANS Holding Private Limited	41,65,996	8.81	20,58,996	5.05

### NOTE 50 : LEASES

#### COMPANY AS LESSEE

The Company's leases primarily consists of leases for land. Generally, the contracts are made for fixed periods and does not have a purchase option at the end of the lease term.

(i) Amounts recognised in the Balance Sheet

	31-Mar-20	31-Mar-19
The balance sheet shows the following amounts relating to the leases:		
Right-of-use assets:		
Land	9,702.07	8,746.09
Total	9,702.07	8,746.09

Additions to the Right-of-use asset during the year were Rs. 1,134.86 Lakhs

(ii) Maturity analysis of lease liabilities:

	31-Mar-20	31-Mar-19
Lease liabilities (Discounted Cash Flows)		
Current	84.42	6.76
Non-Current	584.42	91.56
Total	668.85	98.32

Maturity analysis-Contractual Undiscounted Cash Flows

	31-Mar-20	31-Mar-19
Within one year	84.42	6.76
Later than one year but less than five years	344.24	27.03
Later than five years	2,900.41	2,235.51
Total	3,329.07	2,269.30

## NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ In Lakhs

(iii) Amounts recognised in the statement of profit and loss

The statement of profit and loss shows the following amounts relating to leases:

	31-Mar-20	31-Mar-19
Depreciation charge of right-of use assets (land)	178.87	112.75
Interest expense on lease liabilities (included in finance cost)	68.10	9.98
Expense relating to short term and low value leases (included in other expense)	200.17	266.09

The total cash outflow for leases for the year ended 31 March, 2020 were Rs. 83.78 Lakhs

(iv) Extension and termination option

Extension and termination options are included in some of the leases executed by the company. These are used to maximise operational flexibility in terms of managing the assets used in company's operations. Generally, these options are exercisable mutually by both the lessor and the lessee.

(v) There are no restrictions imposed by the lease agreements. There are no contingent rents. The operating lease agreements are renewable on a periodic basis. Some of these lease agreements have price escalation clause.

(vi) Incremental borrowing rate of 10.5% p.a has been applied for measuring the lease liability at the date of initial application.

(vii) The Company has sub-leased part of land. Income from sub-leasing right-of-use assets id Rs. 108.27 lakhs (PY Rs. 26.39 lakhs).

### NOTE 51 : REVENUE FROM CONTRACTS WITH CUSTOMERS

(a) Revenue from contracts with customers disaggregated based on nature of product or services

₹ In Lakhs

Particular	For the Year Ended 31, March 2020	For the Year Ended 31, March 2019
<b>Revenue from Sale of Products</b>		
Components	1,29,060.33	1,70,955.95
Tool & Dies	24,654.39	14,641.29
Buses	22,779.59	10,958.48
Other	-	-
	<b>1,76,494.31</b>	<b>1,96,555.72</b>
<b>Revenue from Sale of Services</b>		
Components	2,701.82	2,234.49
Tool & Dies	561.99	807.60
Buses	1,072.97	1,073.72
Other	-	-
	<b>4,336.78</b>	<b>4,115.82</b>
<b>Other Operating Revenue</b>		
Components	13,689.53	19,895.65
Tool & Dies	45.56	50.75
Buses	46.84	18.04
Others	59.95	59.87
	<b>13,841.88</b>	<b>20,024.32</b>
<b>Total</b>	<b>1,94,672.97</b>	<b>2,20,695.86</b>

(b) The table below represents summary of contract assets and liabilities relating to contracts with customers:

	As at 31 March 2020	As at 31 March 2019
Receivables	49,459.38	60,961.10
Contract assets	7,265.85	2,904.46
Contract liabilities*	11,965.53	2,942.12

\* included in Advance from Customers

## NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ In Lakhs

Movement of contract liability for the period given below :

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Contract liability at the beginning	2,942.12	1,016.06
Add / (less)		
Consideration received during the year as advance	11,950.53	2,927.12
Revenue reconisred from contract liability	(2,927.12)	(1,001.06)
Contract liability at the end	11,965.53	2,942.12

Payment is received in advance towards contract entered with customers and is recognised as a contract liability. As and when the performance obligation is met, the same is recognised as revenue

**c)** The amounts receivable from customers become due after expiry of credit period which ranges from 30 to 180 days. There is no significant financing component in any transaction with the customers.

**d)** Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product in component division is satisfied at a point in time or over the period of time depending upon nature of contract.

Revenue from Tooling Business is recognized over time by measuring progress towards satisfaction of performance obligation and it determined that the input method is the best method for measuring progress of the tooling development because there is a direct relationship between the Company's effort (i.e., costs incurred) and the transfer of tooling to the customer. The Company recognises revenue on the basis of the total costs incurred relative to the total expected costs to complete the tool.

Revenue from OEM Division (Sale of Buses) is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of Bus in OEM division is satisfied at a point in time or over the period of time depending upon nature of contract.

**e)** The Company provides agreed upon performance warranty for selected range of products. The amount of liability towards such warranty is immaterial.

**f)** The transactions price allocated to the performance obligations relating to tool development (unsatisfied or partially satisfied) is ₹ 19,141.55 lakhs (P Y ₹ 6441.58 lakhs). The Company expects to recognise revenue related to unsatisfied obligation within one year from the reporting period.

**g)** The Company does not have any significant adjustment between the control price and the revenue recognized in Statement of Profit and Loss.

### NOTE 52 : 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.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### Disclosure of gratuity

#### (i) Amount recognised in the Statement of Profit and Loss is as under:

₹ In Lakhs

Description	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
Current service cost	166.16	143.42
Net interest cost	42.86	26.06
Past service cost	-	-
<b>Amount recognised in the Statement of Profit and Loss</b>	<b>209.02</b>	<b>169.48</b>

#### (ii) Amount recognised in Other Comprehensive Income is as under:

Description	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
Actuarial loss/(gain) recognised during the year		
- Change in demographic assumptions	8.47	12.95
- Change in financial assumptions	51.91	51.01
- Experience variance (i.e. actual experience vs assumptions)	(50.15)	50.08
Return on plan assets, excluding amount recognised in net interest expenses	(10.33)	(36.70)
<b>Amount recognised in the Other Comprehensive Income</b>	<b>(0.10)</b>	<b>77.34</b>

#### (iii) Movement in the Present value of Defined Benefit Obligation recognised in the Balance Sheet is as under:

Description	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
<b>Present value of defined benefit obligation as at the beginning of the year</b>	<b>1,102.61</b>	<b>844.10</b>
Current service cost	166.16	143.42
Interest cost	83.46	64.19
Actuarial loss/(gain) arising from :		
- change in demographic assumptions	8.47	12.95
- change in financial assumptions	51.91	51.01
- experience variance (i.e. actual experience vs assumptions)	(50.15)	50.08
Benefits paid	(77.37)	(63.14)
Past service cost	-	-
<b>Present value of defined benefit obligation as at the end of the year</b>	<b>1,285.10</b>	<b>1,102.61</b>

#### (iv) Movement in the plan assets recognised in the Balance Sheet is as under:

Description	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
<b>Fair Value of plan assets at beginning of the year</b>	<b>537.55</b>	<b>501.29</b>
Interest income plan assets	40.60	38.13
Actual company contributions	30.12	11.12
Return on plan assets, excluding amount recognised in net interest expense	10.33	36.70
Benefits paid	(46.09)	(49.69)
<b>Fair Value of plan Assets at the end of the year</b>	<b>572.52</b>	<b>537.55</b>



## NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ In Lakhs

## (v) Major categories of plan assets:

Asset Category	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
Insurer Managed Funds	100%	100%

## (vi) Analysis of Amounts Recognised on Other Comprehensive (Income)/Loss at year end

Description	Year Ended 31 <sup>st</sup> March 2020	Year Ended 31 <sup>st</sup> March 2019
Actuarial (gain)/loss on arising from change in demographic assumption	8.47	12.95
Actuarial (gain)/loss on arising from change in financial assumption	51.91	51.01
Experience variance (i.e. actual experience vs assumptions)	(50.15)	50.08
Return on plan assets (excluding interest)	(10.33)	(36.70)
<b>Total remeasurements recognized in OCI</b>	<b>(0.10)</b>	<b>77.34</b>
<b>Amount recognized in OCI, End of Period</b>	<b>(0.10)</b>	<b>77.34</b>

## (vii) Reconciliation of Balance Sheet Amount

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
Present value of obligation	1285.10	1102.61
Fair value of plan assets	572.52	537.55
Surplus/(deficit)	(712.58)	(565.06)
Effect of assets ceiling, if any	-	-
<b>Net Assets/(Liability)</b>	<b>(712.58)</b>	<b>(565.06)</b>

## (viii) Current / Non-Current Bifurcation

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
Current benefit obligation	173.95	207.40
Non - current benefit obligation	1111.16	895.22
<b>(Asset)/liability recognised in the Balance Sheet</b>	<b>1,285.10</b>	<b>1,102.61</b>

## (ix) Actuarial assumptions

Description	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
Discount rate	6.35%	7.5% to 7.6%
Future basic salary increase	0% for first year and 5% thereafter	4% to 6%
Expected rate of return on plant assets	7.55-7.60%	7.60-7.70%
Mortality (% of IALM 06-08)	100.00%	100.00%
Normal retirement age	"Vijay Kuamr Bhalla - 65 Years Other Employees - 58 Years"	"Vijay Kuamr Bhalla - 65 Years Other Employees - 58 Years"
Attrition/withdrawal rate (per annum)	8.00%	5% to 8%

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 FINANCIAL STATEMENTS

### (x) Maturity Profile of Defined Benefit Obligation

₹ In Lakhs

Expected Cash Flow over the next (Valued on undiscounted basis)	As at 31 <sup>st</sup> March 2020
1 year	173.95
2 year	112.79
3 year	121.47
4 year	126.29
5 year	126.81
6 to 10 years	555.28
More than 10 years	1083.92

### (xi) Sensitivity analysis for gratuity liability

₹ In Lakhs

Description	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
Defined Benefit Obligation (Base)	1,285.10	1,102.61
<b>Description</b>	<b>As at 31, March 2020</b>	<b>As at 31, March 2019</b>
<b>Defined Benefit Obligation - change in discount rate</b>		
- Discount rate increase by 1.00 %	1,193.68	1,025.81
- Discount rate decrease by 1.00 %	1,389.45	1,190.25
<b>Defined Benefit Obligation - change in salary rate</b>		
- Salary rate increase by 1.00 %	1,388.46	1,188.49
- Salary rate decrease by 1.00 %	1,192.15	1,025.92

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 ₹ 889.77 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	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
Current service cost	129.12	90.63
Interest cost	-	-
Actuarial loss/(gain) recognised during the year:	43.08	33.65
- Change in demographic assumptions		
- Change in financial assumptions	(0.64)	7.06
- Experience variance (i.e. actual experience vs assumptions)	15.67	24.77
<b>Amount recognised in the Statement of Profit and Loss</b>	<b>24.39</b>	<b>114.65</b>
	<b>211.62</b>	<b>270.77</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 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
Present value of defined obligation as at the beginning of the year	569.39	453.43
Current service cost	129.12	90.63
Interest cost	-	-
Actuarial loss/(gain) recognised during the year	43.09	33.65
-change in demographic assumptions	-	-
-change in financial assumptions	(0.64)	7.06
-experience variance (i.e. actual experience vs assumptions)	15.67	24.77
Benefits paid	24.39	114.65
Present value of defined obligation as at the end of the year	(155.87)	(154.81)
	625.15	569.39

### (iii) Current / Non-Current Bifurcation

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
Current benefit obligation	95.27	96.60
Non - current benefit obligation	529.87	472.80
<b>(Asset)/Liability Recognised in the Balance Sheet</b>	<b>625.14</b>	<b>569.39</b>

### (iv) Sensitivity Analysis

Description	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
Present Value of Obligation (Base)	625.14	569.39
Description	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
<b>Present Value of Obligation - change in discount rate</b>		
- Discount rate increase by 1.00 %	582.98	532.93
- Discount rate decrease by 1.00 %	673.11	610.84
<b>Present Value of Obligation - change in salary rate</b>		
- Salary rate increase by 1.00 %	673.60	609.89
- Salary rate decrease by 1.00 %	581.81	533.18

### (v) Actuarial assumptions

Description	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
Discount rate	6.35%	7.5% to 7.6%
Future basic salary increase	0% For first year and 5% thereafter	4% to 6%
Normal retirement Age	"For Vijay Kumar Bhalla -65 years For Others - 58 Years "	"For Vijay Kumar Bhalla -65 years For Others - 58 Years "
Mortality (% of IALM 06-08)	100.00%	100.00%
Attrition/withdrawal rate	8.00%	5% to 8%

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 FINANCIAL STATEMENTS

### 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 31/03/2020	Year Ended 31/03/2019
Employer's contribution to Provident and Pension fund*	570.98	560.49
Employer's contribution to Employee State insurance*	46.31	69.03
Employer's contribution to Labour Welfare fund*	2.58	1.32

\* Included in contribution to provident & other funds under employee benefit expenses (Refer Note No - 31)

### NOTE 53 : RELATED PARTY DISCLOSURES :

The list of related parties as identified by the management is as under:

Subsidiary	-MH Ecolife Emobilty Private Limited (w.e.f 23.01.2020)
Associate	- VT Emobilty Private Limited (w.e.f 21.01.2020)
Joint Ventures	- JBM Ogihara Automotive India Limited - JBM Ogihara Die Tech Private Limited - JBM Solaris Electric Vehicles Private Limited - INDO Toolings Private Limited
Key Management personnel:	- Mr. Sandip Sanyal, Executive Director - Mr. Vivek Gupta, CFO & Company Secretary
Post employment benefit plan of the Company	-JBM Auto Group Gratuity Scheme Trust -JBM Auto System Private Limited Group Gratuity Scheme Trust -JBM MA Automotive Private Limited Employees Group Gratuity Trust

## NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ In Lakhs

Particulars	FY20	FY19	FY20	FY19	FY20	FY19	FY20	FY19
	Subsidiary		Joint Venture/ Associates		Key Management personnel		Gratuity Trust	
<b>Sale of Goods</b>								
JBM Ogihara Automotive India Limited	-	-	-	39.57	-	-	-	-
JBM Solaris Electric Vehicles Private Limited	-	-	3,410.39	-	-	-	-	-
INDO Toolings Private Limited	-	-	10.43	20.83	-	-	-	-
JBM Ogihara Die Tech Private Limited	-	-	128.39	189.29	-	-	-	-
<b>Total</b>	-	-	<b>3549.21</b>	<b>249.69</b>	-	-	-	-
<b>Sale of Capital Goods</b>								
JBM Solaris Electric Vehicle Private Limited	-	-	-	224.68	-	-	-	-
INDO Toolings Private Limited	-	-	-	3.11	-	-	-	-
JBM Ogihara Die Tech Private Limited	-	-	4.60	-	-	-	-	-
<b>Total</b>	-	-	<b>4.60</b>	<b>227.79</b>	-	-	-	-
<b>Other Income</b>								
JBM Ogihara Automotive India Limited	-	-	65.79	118.51	-	-	-	-
JBM Solaris Electric Vehicles Private Limited	-	-	500.75	479.37	-	-	-	-
<b>Total</b>	-	-	<b>566.54</b>	<b>597.88</b>	-	-	-	-
<b>Purchase of Goods</b>								
INDO Toolings Private Limited	-	-	1,914.41	1,386.02	-	-	-	-
JBM Ogihara Die Tech Private Limited	-	-	879.56	2.83	-	-	-	-
<b>Total</b>	-	-	<b>2,793.97</b>	<b>1,388.85</b>	-	-	-	-
<b>Others Expenses</b>								
INDO Toolings Private Limited	-	-	24.93	-	-	-	-	-
JBM Ogihara Die Tech Private Limited	-	-	51.25	-	-	-	-	-
JBM Solaris Electric Vehicles Private Limited	-	-	88.50	-	-	-	-	-
<b>Total</b>	-	-	<b>164.69</b>	-	-	-	-	-
<b>Others Expenses Reimbursed</b>								
JBM Solaris Electric Vehicles Private Limited	-	-	-	54.91	-	-	-	-
JBM Ogihara Die Tech Private Limited	-	-	33.40	13.09	-	-	-	-
<b>Total</b>	-	-	<b>33.40</b>	<b>68.00</b>	-	-	-	-
<b>Others Reimbursement</b>								
JBM Solaris Electric Vehicles Private Limited	-	-	-	106.59	-	-	-	-
<b>Total</b>	-	-	-	<b>106.59</b>	-	-	-	-



## NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ In Lakhs

Particulars	FY20	FY19	FY20	FY19	FY20	FY19	FY20	FY19
	Subsidiary		Joint Venture/ Associates		Key Management personnel		Gratuity Trust	
<b>Contribution to Gratuity Trust</b>								
JBM Auto Group Gratuity Scheme Trust	-	-	-	-	-	-	30.00	11.00
JBM Auto System Private Limited Group Gratuity Scheme Trust	-	-	-	-	-	-	0.12	0.12
<b>Total</b>	-	-	-	-	-	-	<b>30.12</b>	<b>11.12</b>
<b>Rent Income</b>								
JBM Solaris Electric Vehicles Private Limited	-	-	27.00	25.54	-	-	-	-
JBM Ogihara Die Tech Private Limited	-	-	81.27	0.85	-	-	-	-
<b>Total</b>	-	-	<b>108.27</b>	<b>26.39</b>	-	-	-	-
<b>Interest Income on Inter Corporate Loan</b>								
JBM Solaris Electric Vehicles Private Limited	-	-	81.97	63.01	-	-	-	-
<b>Total</b>	-	-	<b>81.97</b>	<b>63.01</b>	-	-	-	-
<b>Investment/Share application money given</b>								
JBM Solaris Electric Vehicles Private Limited	-	-	-	477.67	-	-	-	-
MH Ecolife Emobilty Private Limited	5.00	-	-	-	-	-	-	-
VT Emobilty Private Limited	-	-	2.60	-	-	-	-	-
JBM Ogihara Die Tech Private Limited	-	-	694.11	422.49	-	-	-	-
<b>Total</b>	<b>5.00</b>	-	<b>696.71</b>	<b>900.16</b>	-	-	-	-
<b>Inter Corporate Loan Given</b>								
JBM Solaris Electric Vehicle Private Limited	-	-	50.00	800.00	-	-	-	-
<b>Total</b>	-	-	<b>50.00</b>	<b>800.00</b>	-	-	-	-
<b>Remuneration paid to KMP's and their relatives</b>								
Mr. Sandip Sanyal	-	-	-	-	46.83	46.64	-	-
Mr. Vivek Gupta	-	-	-	-	42.08	42.76	-	-
<b>Total</b>	-	-	-	-	<b>88.91</b>	<b>89.40</b>	-	-
<b>Receivables (Payables)</b>								
JBM Ogihara Automotive India Limited	-	-	139.49	111.65	-	-	-	-
JBM Solaris Electric Vehicles Private Limited	-	-	1,004.28	623.50	-	-	-	-
INDO Toolings Private Limited	-	-	(386.82)	11.54	-	-	-	-
JBM Ogihara Die Tech Private Limited	-	-	(5.07)	200.19	-	-	-	-
<b>Total</b>	-	-	<b>751.88</b>	<b>946.88</b>	-	-	-	-

## NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ In Lakhs

Particulars	FY20	FY19	FY20	FY19	FY20	FY19	FY20	FY19
	Subsidiary		Joint Venture/ Associates		Key Management personnel		Gratuity Trust	
<b>Inter Corporate Loan Receivable</b>								
JBM Solaris Electric Vehicle Private Limited			850.00	800.00	-	-	-	-
<b>Total</b>	-	-	<b>850.00</b>	<b>800.00</b>	-	-	-	-
<b>Advance Recoverable</b>								
JBM Auto Group Gratuity Scheme Trust	-	-	-	-	-	-	14.51	71.94
<b>Total</b>	-	-	-	-	-	-	<b>14.51</b>	<b>71.94</b>
<b>Dividend Paid</b>								
Mr. Vivek Gupta	-	-	-	-	0.01	0.01	-	-
<b>Total</b>	-	-	-	-	<b>0.01</b>	<b>0.01</b>	-	-

Remuneration paid to KMP's and their relatives*	Mr. Vivek Gupta		Mr. Sandip Sanyal	
	FY20	FY19	FY20	FY19
(a) short-term employee benefits;	39.42	40.10	46.83	46.64
(b) other long-term benefits;	2.66	2.66	-	-
<b>Total</b>	<b>42.08</b>	<b>42.76</b>	<b>46.83</b>	<b>46.64</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 (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 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2019: 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.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### NOTE 54 : 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."

#### Judgements

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:

#### Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on lease-by-lease basis. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods reassessed to ensure that the lease term reflects the current economic circumstances.

#### Estimates and assumptions

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

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

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

##### (ii) 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 52.

##### (iii) 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.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### (iv) 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 judgment in making these assumptions and selecting the inputs to the impairment calculation based on the Company past history and other factors at the end of each reporting period.

### (v) 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.

### (vi) 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.

### (vii) 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 statements.

### (viii) 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 FINANCIAL STATEMENTS

### NOTE 55 : BUSINESS COMBINATION

#### (a) Scheme of Amalgamation

In their meeting held on 01/03/2018, the Board of Directors of the Company had 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 ("the Company") from Appointed Date 01/04/2017. The Hon'ble National Company Law Tribunal, New Delhi Bench has approved the Scheme of Amalgamation of JBM Auto System Private Limited with JBM Auto Limited vide its order dated 14/06/2019. The Hon'ble National Company Law Tribunal, Mumbai Bench has pronounced its Order approving the Scheme of Amalgamation of JBM MA Automotive Private Limited with the JBM Auto Limited on 25/10/2019 read with corrigendum Order dated 17/12/2019. The Company has filed the copy of orders with respective Registrar of Companies (ROC) on 01/01/2020 to give effect to the Merger. As Merger is effective from 01/01/2020, therefore the financial statements for current period are prepared for merged entity and number for corresponding year have been reproduced accordingly.

#### (b) Nature of Business of Acquiree Companies

Both JBM Auto System Private Limited and JBM MA Automotive Private Limited are the companies incorporated in India and are engaged business of manufacturing of sheet metal components, welding assemblies, chassis suspension parts and other related parts for automobile industry.

#### (c) Major Rationale for Business Combination:

- (i) The Company's business is likely to benefit from lower cost of funds, given the strong credit rating of the Company.
- (ii) Cash flow of the merged company can be meaningfully leveraged towards nurturing the Company with future growth opportunities.

#### (d) Method of Accounting

Accounting for merger is done in accordance with Ind AS 103 "Business Combination" as follows:

**JBM Auto System Private Limited:** As JBM Auto System Private Limited was a Subsidiary Company of JBM Auto Limited (i.e. business combination of entities under common control), its accounting is done as per Pooling of Interest method given in Appendix C of Ind AS 103. Under pooling of interest method, the assets and liabilities are reflected at their carrying amounts. No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee. The identity of the reserves are preserved and appearing in the financial statements of the Company in the same form in which they appeared in the financial statements of the JBM Auto System Private Limited.

**JBM MA Automotive Private Limited:** Accounting is done as per Acquisition Method given under Ind AS 103. Under Acquisition Method, at the acquisition date, the identifiable assets acquired and liabilities assumed are recognised at their acquisition date fair values. However, deferred tax has been recognised in accordance with Ind AS 12 "Income Taxes". The consideration transferred for the business combination is measured at fair value at acquisition date.

#### (e) Consideration transferred

##### In respect of JBM MA Automotive Private Limited:

Each shareholder of JBM MA Automotive Private Limited has received 3 shares of JBM Auto Limited for 100 shares held in JBM MA Automotive Private Limited.

Description	JBM MA Automotive Private Limited
Equity Shares Issued (No.)	9,13,488
Fair Value per share (in Rs.)	511.84
Fair Value of consideration (equity shares) (₹ In Lakhs)	4,675.64

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### In respect of JBM Auto System Private Limited:

Each shareholder of JBM Auto System Private Limited has received 86 shares of JBM Auto Limited for 100 shares held in JBM Auto System Private Limited.

Description	JBM MA Automotive Private Limited
Equity Shares Issued (No.)	55,90,001
Nominal Value per share (in Rs.)	5.00
Nominal Value of shares issued (equity shares) (₹ In Lakhs)	279.50

### (f) Assets and Liabilities recognised

Assets and liability that have been recognised as a result of the business combination are as follows:

₹ In Lakhs

Particulars	JBM Auto System Private Limited (Pooling of Interest Method) (At Book Value)	JBM MA Automotive Private Limited (Acquisition Method) (At Fair Value)
<b>Assets</b>		
<b>Non Current Assets</b>		
a. Property, plant and equipment	30,377.93	18,133.62
b. Capital work in progress	26.32	579.89
c. Intangible assets	26.35	11.73
d. Financial assets		
i. Investments	1,319.49	-
ii. Loans	249.66	-
iii. Other non-current financial assets	-	50.46
e. Other non-current assets	1,433.91	-
	<b>33,433.66</b>	<b>18,775.70</b>
<b>Current Assets</b>		
a. Inventories	9,483.35	5,132.75
b. Financial assets		
i. Trade receivable	15,487.45	7,552.49
ii. Cash and cash equivalents	189.10	18.88
iii. Other bank balances	8.56	-
iv. Other current financial assets	6.52	-
c. Current tax assets	-	79.60
d. Other current assets	5,922.85	1,305.08
	<b>31,097.83</b>	<b>14,088.80</b>
Assets held for sale	110.93	-
<b>Total Identifiable Assets (A)</b>	<b>64,642.42</b>	<b>32,864.50</b>
<b>Other Equity</b>	<b>21,335.26</b>	-



## NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ In Lakhs

Particulars	JBM Auto System Private Limited (Pooling of Interest Method) (At Book Value)	JBM MA Automotive Private Limited (Acquisition Method) (At Fair Value)
<b>Liabilities</b>		
<b>Non Current Liabilities</b>		
a. Financial liabilities		
i. Borrowings	5,755.47	2,544.97
b. Provisions	172.82	86.49
c. Deferred tax liability (net)	2,051.21	330.31
d. Other non-current liability	9.91	3,932.88
	7,989.41	6,894.65
<b>Current Liabilities</b>		
a. Financial liabilities		
i. Borrowings	14,184.16	3,430.05
ii. Trade payables	14,858.14	6,428.50
iii. Other current financial liability	3,169.10	2,592.31
b. Other current liability	556.63	3,787.35
c. Provisions	60.72	46.86
	32,828.75	16,285.07
<b>Total Identifiable Liability (B)</b>	<b>62,153.42</b>	<b>23,179.73</b>
<b>Net assets acquired (A-B)</b>	<b>2,489.00</b>	<b>9,684.78</b>

**Fair Valuation methodology:** Fair valuation of Property, Plant and Equipment has been determined with the use of external fair valuation expert. Approach used by valuation expert for valuation of land involves usage of rates provided by the Government. Depreciated rate of construction for valuation of building. Valuation approach for other property, plant and equipment involves various techno commercial factors- like inflation, depreciation, improvement/obsoleting and availability of the buyer at arm's length to arrive the valuation.

**Acquired Receivables:** The gross contractual amounts and fair value of Trade and Other receivables is same. None of the trade and other receivables is credit impaired and it is expected that full contractual amounts will be recovered.

**(g) Capital Reserve / Bargain Purchase Gain****In respect of JBM MA Automotive Private Limited:**

The excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities is recognised as Goodwill. Any shortfall is considered as Bargain Purchase. Bargain purchase has been recognised directly in Other Equity (Capital Reserve). Bargain purchase arising out of acquisition has been determined as follows:

₹ In Lakhs

Particulars	JBM MA Automotive Private Limited
Consideration Transferred (i.e. Shares of JBM Auto Limited issued to holders of JBM MA Automotive Private Limited)	4,675.64
Add: Acquisition Date (i.e. April 01, 2017) fair Value of shares held by JBM Auto Limited in JBM MA Automotive Private Limited	4,287.29
Less: Net assets acquired	(9,684.78)
Capital Reserve/Bargain Purchase Gain (i)	(721.85)

Gain on bargain purchase resulted from combination of Company's unique position to complement JBM MA Automotive Private Limited's business portfolio, its potential ability to manage and grow the business through synergies which gave us sufficient purchasing power to achieve a beneficial transaction.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### In respect of JBM Auto System Private Limited:

Capital Reserve has been computed as follows :

₹ In Lakhs

Particulars	JBM Auto System Private Limited
Equity share capital issued	279.50
Cancellation of Investments of JBM Auto Limited in JBM Auto System Private Limited	2,945.82
Less: Net assets acquired	(2,489.00)
Capital Reserve (Debit Balance) (ii)	736.32
Net Capital Reserve on Merger (i) + (ii)	14.47

### (h) Business combination achieved in stages:

Prior to Business Combination, the Company had 50% share in JBM MA Automotive Private Limited (i.e. Business combination achieved in stages) therefore the Company has remeasured at fair value its previously held interest as on Appointed Date (i.e. April 01, 2017) in JBM MA Automotive Private Limited and recognised the same during 2017-18.

₹ In Lakhs

Particulars	JBM MA Automotive Private Limited
Fair Value of previously held interest	4,287.29
Carrying Value of previously held interest	3,044.96
Gain on re-measurement of Previously held interest	1,242.33

### (i) Acquisition Related Costs:

The Company has incurred, acquisition related costs amounting to Rs. 60.44 Lakhs. These costs have been included in below expenses in Statement of Profit and Loss.

₹ In Lakhs

Particulars	FY 2017-18	FY 2018-19	FY 2019-20	Total
Legal & professional charges	7.43	24.23	5.47	37.14
Rate & taxes	-	0.07	23.24	23.31
<b>Total</b>	<b>7.43</b>	<b>24.30</b>	<b>28.71</b>	<b>60.44</b>

## 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 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
Net debt	60,547.37	77,023.25
Total equity	69,771.35	63,930.42
<b>Net debt to equity ratio(times)</b>	<b>0.87</b>	<b>1.20</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 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 FINANCIAL STATEMENTS

₹ In Lakhs

Financial assets at fair value through profit and loss	Fair value as at March 31, 2020		
	Level 1	Level 2	Level 3
Investment in Equity Shares in others	-	-	1,000.90
Investment in Preference Shares in others	-	-	300.00
Financial assets at fair value through profit and loss	Fair value as at March 31, 2019		
	Level 1	Level 2	Level 3
Investment in Equity Shares in others	-	-	1,000.42
Investment in Preference Shares in others	-	-	300.00

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 2020, 31 March 2019 are as shown below:

Description	Valuation technique	Significant unobservable inputs	Sensitivity
Investment in Equity shares	DCF method	"Risk adjusted discount Rate: 31st March 2020: 11.65% 31st March 2019: 10.85%"	" 1% Increase/(Decrease) in discount rate would result in (decrease)/increase in fair value by: 31st March 2020: Rs. (132.00) Lakhs/ Rs. 175.00 Lakhs 31st March 2019: Rs.(130.00) Lakhs/ Rs. 176.00 Lakhs "
Investment in Preference shares	Dividend Yield & NAV Method	"Discount Rate (G-Sec): 31st March 2020: 7.35% 31st March 2019: 7.42%"	" 1% Increase/(Decrease) in discount rate would result in (decrease)/increase in fair value by: 31st March 2020: Rs. (10.75) Lakhs/ Rs. 5.52 Lakhs 31st March 2019: Rs. (6.86) Lakhs/ Rs. 7.58 Lakhs "

Reconciliation of movement in fair value of equity and preference shares:

₹ In Lakhs

Particulars	Investment in Equity shares	Investment in preference shares
<b>As at 1 April 2018</b>	<b>1,054.96</b>	<b>300.00</b>
Investment made during the year	0.42	-
Investment sold during the year	(54.96)	-
Gain/(loss) on change in fair value recognised in Profit and Loss	-	-
<b>As at 31 March 2019</b>	<b>1,000.42</b>	<b>300.00</b>
Investment made during the year	0.48	-
Investment sold during the year	-	-
Gain/(loss) on change in fair value recognised in Profit and Loss	-	-
<b>As at 31 March 2020</b>	<b>1,000.90</b>	<b>300.00</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### C. Categories of financial instruments

#### FINANCIAL ASSETS\*

##### Financial assets measured at amortised cost

₹ In Lakhs

Particulars	As at 31 <sup>st</sup> March 2020		As at 31 <sup>st</sup> March 2019	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Loans (Non-current)	1,655.00	1,655.00	1,421.19	1,421.19
Other non-current financial assets	-	-	156.11	156.11
Trade receivables	49,459.38	49,459.38	60,961.10	60,961.10
Cash and cash equivalents	2,187.96	2,187.96	1,078.30	1,078.30
Other bank balances	54.67	54.67	51.50	51.50
Loans	-	-	300.00	300.00
Other current financial assets	1,358.30	1,358.30	1,358.65	1,358.65
<b>Total financial assets measured at amortised cost - (i)</b>	<b>54,715.31</b>	<b>54,715.31</b>	<b>65,326.84</b>	<b>65,326.84</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"

##### Financial assets measured at FVTPL

₹ In Lakhs

Particulars	As at 31 <sup>st</sup> March 2020		As at 31 <sup>st</sup> March 2019	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Investment in equity shares in others	1,000.90	1,000.90	1,000.42	1,000.42
Investment in preference shares in others	300.00	300.00	300.00	300.00
Hedging gain recoverable	-	-	91.68	91.68
<b>Total financial assets measured at FVTPL - (ii)</b>	<b>1,300.90</b>	<b>1,300.90</b>	<b>1,392.10</b>	<b>1,392.10</b>
<b>Total financial assets (i) + (ii)</b>	<b>56,016.21</b>	<b>56,016.21</b>	<b>66,718.94</b>	<b>66,718.94</b>

\* Does not include investments in Subsidiary, Joint ventures and Associate which are measured at cost as per IND AS 27.

##### Financial liabilities measured at amortised cost

₹ In Lakhs

Particulars	As at 31 <sup>st</sup> March 2020		As at 31 <sup>st</sup> March 2019	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Non current borrowings*	27,820.37	27,820.37	35,395.92	35,395.92
Other non-current financial liabilities	543.46	543.46	498.66	498.66
Current borrowings	34,914.95	34,914.95	42,705.62	42,705.62
Trade payables	40,062.55	40,062.55	40,901.76	40,901.76
Other current financial liabilities	1,717.25	1,717.25	2,148.21	2,148.21
<b>Total financial liabilities measured at amortised cost</b>	<b>1,05,058.58</b>	<b>1,05,058.58</b>	<b>1,21,650.17</b>	<b>1,21,650.17</b>

\*including current maturities of non current borrowings

Carrying 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.

There have been no transfer among levels during the year

### 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

## NOTES FORMING PART OF FINANCIAL STATEMENTS

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).

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 31-03-2020	As at 31-03-2019	As at 31-03-2020	As at 31-03-2019
<b>Liabilities</b>				
USD	16.10	28.91	1,213.60	1,999.95
JPY	111.82	41.67	77.88	26.05
SEK	1.56	1.70	11.90	12.69
EURO	2.39	2.23	198.41	173.48
CNY	25.23	-	268.49	-
<b>Assets</b>				
USD	21.89	4.22	1,650.35	292.07
EURO	13.00	4.39	1,079.51	340.81
CNY	0.46	0.29	4.86	2.95

#### Foreign currency sensitivity analysis

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

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

₹ In Lakhs

Particulars	Depreciation in INR		Appreciation in INR	
	As at 31-03-2020	As at 31-03-2019	As at 31-03-2020	As at 31-03-2019
<b>Payables</b>				
USD /INR	(60.68)	(100.00)	60.68	100.00
JPY/INR	(3.89)	(1.30)	3.89	1.30
SEK/INR	(0.59)	(0.63)	0.59	0.63
EURO/INR	(9.92)	(8.67)	9.92	8.67
CNY/INR	(13.42)	-	13.42	-



## NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	Depreciation in INR		Appreciation in INR	
	As at 31-03-2020	As at 31-03-2019	As at 31-03-2020	As at 31-03-2019
<b>Receivables</b>				
USD /INR	82.52	14.60	(82.52)	(14.60)
EURO/INR	53.98	17.04	(53.98)	(17.04)
CNY/INR	0.24	0.15	(0.24)	(0.148)

### 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.

#### 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:

	Increase/decrease in basis points	Effect on profit before tax
<b>As at 31, March 2020</b>		
Borrowings	+50	(296.22)
Borrowings	-50	296.22
<b>As at 31, March 2019</b>		
Borrowings	+50	(355.67)
Borrowings	-50	355.67

### 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-20</b>				
Non-current borrowings*	8,064.25	19,087.27	-	27,151.53
Finance Lease Obligations (Undiscounted)*	84.42	344.24	2,900.41	3,329.07
Other non current financial liabilities	-	543.46	-	543.46
Current borrowings	34,914.95	-	-	34,914.95
Trade payables	40,062.55	-	-	40,062.55
Other financial liabilities	1,717.25	-	-	1,717.25
	<b>84,843.43</b>	<b>19,974.97</b>	<b>2,900.41</b>	<b>1,07,718.80</b>
<b>Year ended 31-Mar-19</b>				
Non-current borrowings*	11,713.24	23,584.36	-	35,297.60
Finance Lease Obligations (Undiscounted)*	6.76	27.03	2,235.51	2,269.30
Other non current financial liabilities	-	498.66	-	498.66
Current borrowings	42,705.62	-	-	42,705.62
Trade payables	40,901.76	-	-	40,901.76
Other current financial liabilities	2,148.21	-	-	2,148.21
	<b>97,475.59</b>	<b>24,110.05</b>	<b>2,235.51</b>	<b>1,23,821.16</b>

\* including current maturities of non current borrowings and finance lease obligation.

### NOTE 57 : EVENTS AFTER THE REPORTING PERIOD

There are no reportable events that occurred after the end of the reporting period.

### NOTE 58 : AMENDMENTS TO STANDARDS THAT ARE NOT YET EFFECTIVE AND HAVE NOT BEEN ADOPTED BY THE COMPANY

There is no such notification which would have been applicable from April 1, 2020.

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

Place : New Delhi  
Dated : 30th June, 2020

For and on behalf of Board of Directors  
JBM Auto Limited

Surendra Kumar Arya  
Chairman  
DIN 00004626  
Place : New Delhi

Sandip Sanyal  
Executive Director  
DIN 07186909  
Place : Gurugram  
(Haryana)

Vivek Gupta  
Chief Financial Officer  
& Company Secretary  
Place : Gurugram  
(Haryana)

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF JBM AUTO LIMITED

### Report on the Audit of Consolidated Ind AS Financial Statements

#### Opinion

We have audited the accompanying Consolidated Ind AS Financial Statements of **JBM AUTO LIMITED** ("the Parent Company") and its Subsidiary (the Parent and its Subsidiary together referred to as "the Group"), its Associate and Joint Ventures which comprise the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and the notes to Consolidated Ind AS Financial Statements including a summary of the significant accounting policies and other explanatory information in which are included the Returns for the year ended on that date audited by the branch auditors of the Company's branches located at Pune, Maharashtra (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

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 on separate financial statements and on the other financial information of the Subsidiary, Associate and Joint Ventures referred to below in Other Matters Paragraph, the aforesaid Consolidated Ind AS Financial Statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended (the Ind AS) and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its Associate and Joint Ventures as at March 31, 2020, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Ind AS Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
<p><b>Accounting for Business Combination</b></p> <p>During the year 2019-20, the Scheme of Amalgamation of JBM Auto System Private Limited ("earlier Subsidiary Company") and JBM MA Automotive Private Limited ("earlier Associate Company") with JBM Auto Limited has been approved by respective National Company Law Tribunal (NCLT) with Appointed Date April 01, 2017. The Company has filed the copy of Orders with respective Registrar of Companies (ROC) to give effect to the Merger, therefore the Consolidated Ind AS Financial Statements for current year and previous year are prepared for merged entity. Accounting for JBM Auto System Private Limited is done as per Pooling of Interest method given in Ind AS 103 "Business Combination" and Acquisition method of accounting is used for JBM MA Automotive Private Limited given in Ind AS 103</p> <p>Under Acquisition method of Ind AS 103, assets acquired and liabilities assumed have to be fair valued. The valuation of the assets and liabilities involve usage of significant estimates including those relating to future cash flows, short term and long-term growth rate and discounting rate. The management had engaged an external professional services firm in this regard.</p> <p>We identified the accounting of the business combination as a key audit matter because the accounting of such arrangement is complex and involves judgement and assumptions used in determining the accounting thereof.</p>	<p>Principal audit procedures performed: We have performed the following procedures:</p> <p>(i) Obtained and examined the Scheme of Amalgamation.</p> <p>(ii) Assessed the appropriateness of the accounting policy to ensure that the same is in accordance with Ind AS 103.</p> <p>(iii) Evaluated and tested the design of the management's internal control processes around application of the principles of Ind AS 103 and compliance thereto.</p> <p>(iv) Evaluated the appropriateness of the accounting treatment followed by the Company in this regard, with reference to the requirements of the Ind AS 103.</p> <p>Assessed the adequacy of the disclosures made in the Consolidated Ind AS Financial Statements.</p>

Key Audit Matter	Auditor's Response
<p><b>Leases</b></p> <p>Ind AS 116, Leases, is applicable from April 01, 2019 and introduces a new lease accounting model, wherein lessees are required to recognise a right-of-use (ROU) asset and a lease liability in their balance sheet in respect of contracts which qualify as a lease.</p> <p>Ind AS 116, Leases, involves certain key judgements with respect to identification of leases, determination whether there is reasonable certainty that an extension or termination option will be exercised, identification of appropriate discount rate using the interest rate implicit in the lease or lessee's incremental borrowing rate, as applicable, to calculate the lease obligation, measuring any impairment of the 'right of use asset', modification/ termination to the leases etc.</p> <p>The Company has adopted Ind AS 116, Leases, with effect from April 01, 2019 using the modified retrospective method along with transition option to recognise right-of-use assets (RoU) at an amount equal to the lease liability (Refer Note No. 2.3 of the Consolidated Ind AS Financial Statements).</p> <p>The assessment of the impact of transition to Ind AS 116 is significant to our audit as it involves selection of the transition option and identification and processing all relevant data associated with the leases which is complex. Significant judgement is required in the assumptions and estimates made in the measurement of the ROU asset and lease liability. Such assumptions and estimates include assessment of lease term including termination and renewal options, and determination of appropriate discount rates.</p> <p>Based on the above factors, the implementation of the new accounting standard on leases has been identified as a key audit matter.</p>	<p>Principal audit procedures performed: We have performed the following procedures:</p> <p>(i) Assessed the appropriateness of the accounting policy for leases as per relevant accounting standard with special reference to methodology of the selected transition approach to this standard.</p> <p>(ii) Evaluated and tested Company's internal control processes in relation to lease identification, assessment of the terms and conditions of lease contracts and the calculation of the related lease liability and ROU asset.</p> <p>(iii) Evaluated the reasonableness of Company's key judgements and estimates made in preparing the transition adjustments, specifically in relation to the lease term and discount rate.</p> <p>(iv) Testing the completeness and accuracy of underlying lease data and Ind AS 116 adjustments by checking its reconciliation with the number of operating lease contracts and relevant records of the Company.</p> <p>(v) Tested the accuracy and existence of the ROU asset and lease liability recognised on transition by examining the original lease agreements and re- performing the calculations after considering the impact of the variable lease payments, if any.</p> <p>(vi) Assessed the adequacy of the disclosures included in the Consolidated Ind AS Financial Statements.</p>

### Information Other than the Consolidated Ind AS Financial Statements and Auditor's Report Thereon

The Parent Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report and Corporate Governance Report, but does not include the Consolidated Ind AS Financial Statements and our Auditor's Report thereon.

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

In connection with our audit of the Consolidated Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Ind AS Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements

The Parent Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Ind AS Financial Statements in terms of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its Associate and Joint Ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the Companies included in the Group and of its Associate and Joint Venture are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS 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 Parent Company, as aforesaid.

In preparing the Consolidated Ind AS Financial Statements, the respective Board of Directors of the Companies included in the Group and of its Associate and Joint Ventures are responsible for assessing the ability of the Group and of its Associate and Joint Ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group and of its Associate and Joint Ventures are also responsible for overseeing the financial reporting process of the Group and of its Associate and Joint Ventures.

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

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

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

- Identify and assess the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent Company, has adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and of its Associate and Joint Ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its Associate and Joint Ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Ind AS Financial Statements, including the disclosures, and whether the Consolidated Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and of its Associate and Joint Ventures to express an opinion on the Consolidated Ind AS Financial Statements. We are responsible for the direction, supervision and performance of the audit of the Ind AS Financial Statements of such entities included in the Consolidated Ind AS Financial Statements of which we are the Independent Auditors. For the other entities included in the Consolidated Ind AS Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

- We communicate with those charged with governance of the Parent Company and such other entities included in the Consolidated Ind AS Financial Statements of which we are the Independent Auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Ind AS Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

a. We did not audit the financial statements and information of 2 (Two) Branches included in the Standalone Financial Statements of the Parent Company whose financial statements and financial information reflect total assets of Rs. 42,684.83 Lakhs as at 31st March 2020 and total revenue of Rs. 41,738.77 Lakhs for the year ended March 31, 2020, as considered in the Standalone Ind AS Financial Statements. The financial statements and financial information of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors.

Our opinion on the Consolidated Ind AS Financial Statements is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the branch auditors and Financial Statements and Financial Information certified by the Board of Directors.

b. We did not audit the financial statements and information in respect of two Joint Ventures, whose financial statements include the Group's share of net loss of Rs. (32.11) Lakhs and Group's share of total comprehensive income of Rs. (34.43) Lakhs for year ended March 31, 2020 as considered in the Consolidated Financial Statements whose financial statements, other financial information have been audited by their respective independent auditors. The independent auditor's report on the financial statements and financial information of these entities have been furnished to us by the Management and our opinion on the Consolidated Financial Statements in so far as it relates to the amounts and disclosures included in respect of these Joint Ventures and our report in terms of sub-section 3 of section 143 of the Act is based solely on the reports of such auditors.

c. We did not audit the financial statements and information in respect of one subsidiary, whose financial statements include the Group's share of total assets of Rs. 5.00 Lakhs as at March 31, 2020, Group's share of total revenue of Rs. Nil, Group's share of net loss of Rs. (0.13) Lakhs, Group's share of total comprehensive income of Rs. (0.13) Lakhs and Group's share of net cash flows of Rs 5.00 Lakhs for the year ended March 31, 2020, as considered in the Consolidated Ind AS Financial Statements. These financial statements and other financial information are unaudited and 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 amounts and disclosures included in respect of this Subsidiary and our report in terms of sub-section (3) of section 143 of the Act, in so far as it relates to the aforesaid Subsidiary, is based solely on such unaudited financial statements and other financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

d. We did not audit the financial statements and information in respect of one Associate, whose financial statements include the Group's share of net (loss) of Rs. (0.03) Lakhs and Group's share of total comprehensive income of Rs. (0.03) Lakhs for the year ended March 31, 2020, as considered in the Consolidated Financial Statements. These financial statements and other financial information are unaudited and 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 amounts and disclosures included in respect of this 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 Associate, is based solely on such unaudited financial statements and other financial information. In our opinion and according to the information and explanations given to us by the Management, these financial results are not material to the Group.

e. The Consolidated Ind AS Financial Statements for the year from April 01, 2019 to March 31, 2020 include the Group's share of net profit after tax of Rs. 33.77 Lakhs and total comprehensive income of Rs. 32.94 Lakhs for the quarter ended June 30, 2019 in respect of one Joint Venture which was reviewed by other Auditor whose Report 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 amounts and disclosures included in respect of this Joint Venture, is based solely on the Reports of the other Auditors.

Our opinion 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 financial statement / financial information certified by the Management.



### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other Auditors on separate financial statements and the other financial information of such Subsidiary, Associate and Joint Ventures as were audited by other Auditors, as noted in Other Matters paragraph above, 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 other auditors.

c. The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report.

d. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows 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.

e. In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

f. On the basis of the written representations received from the directors of the Parent Company as on March 31, 2020 taken on record by the Board of Directors of the Parent Company and the reports of the other Auditors in respect of the other entities audited by them and the representation received from the management for all entities un-audited, for all the entities incorporated in India, none of the directors of the Group's Companies and of its Associate and Joint Ventures incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

g. With respect to the adequacy of the internal financial controls over financial reporting of the Group and of its Associate and Joint Ventures and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

h. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

Based on our Audit and on the consideration of the reports of the other auditors on separate financial statements of Joint Ventures, we report that the remuneration paid by the Company during the year is in accordance with the provisions of section 197 of the Act. Further, we report that the Subsidiary company, Associate company and Joint Venture companies have not paid any managerial remuneration during the year.

i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the Subsidiary, Associate and joint Ventures, as noted in Other Matters paragraph:

i. The Consolidated Ind AS Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group and of its Associate and Joint Ventures- Refer Note 38 of the Consolidated Ind AS Financial Statements.

ii. The Group and its Associate and Joint Venture Companies did not have any material foreseeable losses 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 Parent Company, its subsidiary, Associate and Joint Venture Companies incorporated in India during the year ended March 31, 2020.

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

Sudhir Chhabra  
Partner  
Membership No. 083762  
UDIN: 20083762AAAAAW6387

Place: New Delhi  
Date: June 30, 2020

## ANNEXURE-A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON CONSOLIDATED IND AS FINANCIAL STATEMENTS OF JBM AUTO LIMITED

(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, 2020, we have audited the internal financial controls over financial reporting of **JBM AUTO LIMITED** (hereinafter referred to as "the Parent Company"), and its Subsidiary Company, its Associate Company 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 Parent Company, its Subsidiary Company, its Associate Company 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 internal financial controls over financial reporting of the Parent, its Subsidiary Company, its Associate Company and its Joint Venture Companies, which are companies incorporated in India, 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 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 internal financial controls system over financial reporting of the Parent Company, its Subsidiary Company, its Associate Company and its Joint Venture Companies, which are companies incorporated in India.

### 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 Parent Company, its Subsidiary Company, its Associate Company 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, 2020, 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 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.

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  
UDIN: 20083762AAAAAW6387

Place: New Delhi  
Date: June 30, 2020

CIN L74899DL1996PLC083073

## Consolidated Balance Sheet as at March 31, 2020

₹ In Lakhs

	Note No.	As at 31st March, 2020	As at 31st March, 2019
<b>I. ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	3(a)	77,189.18	75,330.66
(b) Capital work in progress		4,081.44	4,266.68
(c) Intangible assets	3(b)	8,923.40	8,101.03
(d) Intangible assets under development		4,917.42	2,711.44
(e) Investments accounted for using equity method	5(a)	4,080.54	3,505.26
(f) Financial assets			
(i) Investments	5(b)	1,300.90	1,300.42
(ii) Loans	6	1,655.00	1,421.19
(iii) Other non current financial assets	7	-	156.11
(g) Other non-current assets	8	2,585.16	2,241.97
		<b>1,04,733.04</b>	<b>99,034.76</b>
<b>Current assets</b>			
(a) Inventories	9	29,554.69	28,983.33
(b) Financial assets			
(i) Trade receivables	10	49,459.38	60,961.10
(ii) Cash and cash equivalents	11	2,192.96	1,078.30
(iii) Other bank balances	12	54.67	51.50
(iv) Loans	13	-	300.00
(v) Other current financial assets	14	1,358.30	1,450.33
(c) Other current assets	15	13,545.10	8,733.27
		96,165.10	1,01,557.83
<b>Total Assets</b>		<b>2,00,898.14</b>	<b>2,00,592.59</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	16 (a)	2,364.94	2,039.77
(b) Equity share capital to be issued due to merger	16 (b)	-	325.17
(c) Other equity	17(a)	67,986.79	62,173.77
(i) Equity attributable to the owners of the company		70,351.73	64,538.71
(ii) Non-controlling interests	17(b)	-	-
		70,351.73	64,538.71
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	18	19,671.70	23,675.92
(ii) Other non-current financial liabilities	19	543.46	498.65
(b) Provisions	20	1,067.90	830.46
(c) Deferred tax liability (net)	21	8,791.25	6,954.67
(d) Other non-current liabilities	22	517.13	796.32
		<b>30,591.44</b>	<b>32,756.02</b>

₹ In Lakhs

	Note No.	As at 31st March,2020	As at 31st March, 2019
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	23	34,914.95	42,705.62
(ii) Trade payables	24		
Total Outstanding Dues to Micro and Small Enterprises		666.25	236.44
Total Outstanding Dues of Creditors other than Micro and Small Enterprises		39,396.30	40,665.32
(iii) Other current financial liabilities	25	9,865.93	13,868.21
(b) Other current liabilities	26	14,669.94	5,502.13
(c) Provisions	27	269.81	320.14
(d) Current tax liabilities (net)		171.79	-
		<b>99,954.97</b>	<b>1,03,297.86</b>
<b>Total Equity and Liabilities</b>		<b>2,00,898.14</b>	<b>2,00,592.59</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

Place : New Delhi  
Dated : 30th June, 2020

For and on behalf of Board of Directors  
JBM Auto Limited

Surendra Kumar Arya  
Chairman  
DIN 00004626  
Place : New Delhi

Sandip Sanyal  
Executive Director  
DIN 07186909  
Place : Gurugram  
(Haryana)

Vivek Gupta  
Chief Financial Officer  
& Company Secretary  
Place : Gurugram  
(Haryana)

CIN L74899DL1996PLC083073

## Consolidated Statement of Profit and Loss for the year ended 31st March, 2020

₹ In Lakhs

	Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>I. Revenue from operations</b>	28	1,94,672.97	2,20,695.86
<b>II. Other income</b>	29	1,540.95	2,497.48
<b>III. Total Income (I+II)</b>		<b>1,96,213.92</b>	<b>2,23,193.34</b>
<b>IV. Expenses</b>			
Cost of materials consumed	49	1,39,618.33	1,51,224.34
Changes in inventories of finished goods & work in progress	30	(4,050.36)	3,383.74
Employee benefits expense	31	20,398.64	21,655.37
Finance costs	32	6,426.93	5,939.76
Depreciation and amortization expense	4	7,385.05	7,483.36
Other expenses	33	15,687.62	18,673.03
<b>Total Expenses</b>	34	<b>1,85,466.22</b>	<b>2,08,359.60</b>
<b>V. Profit before share of profit of Joint Ventures/Associate and tax (III-IV)</b>		<b>10,747.70</b>	<b>14,833.74</b>
<b>VI. Add : Share of Profit of Joint Ventures/Associate</b>		<b>17.42</b>	<b>191.23</b>
<b>VII. Profit before tax (V+VI)</b>		<b>10,765.12</b>	<b>15,024.97</b>
<b>VIII. Tax Expense</b>			
(1) Current Tax		1,961.77	4,207.76
(2) Deferred tax (credit)/charge		1,820.56	995.96
(3) Earlier years		60.70	12.14
		<b>3,843.03</b>	<b>5,215.86</b>
<b>IX. Profit after tax for the year (VII-VIII)</b>		<b>6,922.09</b>	<b>9,809.11</b>
<b>X. Other Comprehensive Income</b>	35		
<b>Items that will not be reclassified to Statement of Profit and loss:</b>			
(i) gain/(loss) of defined benefits plans		(3.37)	(83.37)
(ii) Income tax expenses on gain/(loss) on defined benefits plans		0.86	28.64
<b>Total Other Comprehensive Income</b>		<b>(2.51)</b>	<b>(54.73)</b>
<b>XI. Total Comprehensive Income (IX+X)</b>		<b>6,919.58</b>	<b>9,754.38</b>
<b>XII. Profit for the year attributable to:</b>			
Owners of the Company		6,922.09	9,809.11
Non Controlling interest		-	-
<b>XIII. Other comprehensive income for the year attributable to:</b>			
Owners of the Company		(2.51)	(54.73)
Non Controlling interest		-	-



		Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>XIV.</b>	<b>Total Comprehensive Income for the year attributable to:</b>			
	Owners of the Company		6,919.58	9,754.38
	Non Controlling interest		-	-
<b>XV.</b>	<b>Earnings per equity share: (Face Value of ₹ 5/-each)</b>	36		
	(1) Basic		14.63	20.74
	(2) Diluted		14.63	20.74

**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

Place : New Delhi  
Dated : 30th June, 2020

For and on behalf of Board of Directors  
JBM Auto Limited

Surendra Kumar Arya  
Chairman  
DIN 00004626  
Place : New Delhi

Sandip Sanyal  
Executive Director  
DIN 07186909  
Place : Gurugram  
(Haryana)

Vivek Gupta  
Chief Financial Officer  
& Company Secretary  
Place : Gurugram  
(Haryana)

CIN L74899DL1996PLC083073

## Consolidated Statement of Changes in Equity for the year ended 31st March, 2020

## A Equity Share capital

₹ In Lakhs

	Balance as at 01st April 2018	Changes in equity share capital during the year	Balance at the end of 31st March 2019	Changes in equity share capital during the year	Balance at the end of 31st March 2020
Equity Share Capital	2,039.77	-	2,039.77	325.17	2,364.94
Equity share capital to be issued due to merger	325.17	-	325.17	(325.17)	-
	2,364.94	-	2,364.94	-	2,364.94

\* Equity share capital issued pursuant to merger

## B Other Equity

₹ In Lakhs

	General Reserve	Retained Earnings	Capital Reserve on Merger	Securities Premium	Capital Redemption Reserve	Total attributable to the owner of the Company
<b>Balance as at 01.04.2018</b>	<b>2,988.31</b>	45,015.46	(14.47)	4,629.97	-	<b>52,619.27</b>
Profit for the year	-	9,809.11	-	-	-	9,809.11
Previous year adjustments*	-	4.21	-	-	-	4.21
Other comprehensive income/(loss) for the year	-	(54.73)	-	-	-	(54.73)
Dividends distributed during the year (including CDT)	-	(983.62)	-	-	-	(983.62)
Impact on account of adoption of Ind AS 115	-	779.53	-	-	-	779.53
<b>Balance as at 31.03.2019</b>	<b>2,988.31</b>	<b>54,569.96</b>	<b>(14.47)</b>	<b>4,629.97</b>	-	<b>62,173.77</b>
Profit for the year	-	6,922.09	-	-	-	6,922.09
Other comprehensive income/(loss) for the year	-	(2.51)	-	-	-	(2.51)
Dividends distributed during the year (including CDT)	-	(1,106.57)	-	-	-	(1,106.57)
Transfer from retained earnings to Capital Redemption Reserve	-	(500.00)	-	-	500.00	-
<b>Balance as at 31.03.2020</b>	<b>2,988.31</b>	<b>59,882.97</b>	<b>(14.47)</b>	<b>4,629.97</b>	<b>500.00</b>	<b>67,986.79</b>

\* ₹ 4.21 lakhs relates to previous year tax of joint venture company.

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

Place : New Delhi  
Dated : 30th June, 2020

For and on behalf of Board of Directors  
JBM Auto Limited

Surendra Kumar Arya  
Chairman  
DIN 00004626  
Place : New Delhi

Sandip Sanyal  
Executive Director  
DIN 07186909  
Place : Gurugram  
(Haryana)

Vivek Gupta  
Chief Financial Officer  
& Company Secretary  
Place : Gurugram  
(Haryana)

CIN L74899DL1996PLC083073

## Consolidated Cash Flow Statement for the year ended 31st March 2020

₹ In Lakhs

		For the year ended March 2020		For the year ended March 2019	
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES :</b>				
	Profit before tax		10,765.12		15,024.97
	Adjustments for :				
	Depreciation and amortisation expense	7,385.05		7,483.36	
	Unrealised Exchange loss/(Gain) (Net)	36.10		95.09	
	Finance costs	6,426.93		5,939.76	
	Interest income	(144.07)		(129.24)	
	Share in Profit of Joint Venture/Associate	(17.42)		(191.23)	
	Grant Income	(81.93)		(79.32)	
	(Profit)/Loss on sale of Property plant and equipment (net)	(44.53)		31.19	
	Deferred Income on deferred component of financial instrument	(451.12)		(393.45)	
	Rental Income	(108.27)		(26.39)	
	Bad Debts/Provision for Doubtful Debts	-		25.33	
			<b>13,000.74</b>		<b>12,755.10</b>
	<b>Operating profit before working capital changes</b>		<b>23,765.86</b>		<b>27,780.07</b>
	Adjustments for :				
	Trade and other receivables	7,203.60		(14,736.24)	
	Inventories	(571.36)		(2,692.26)	
	Trade and other liabilities	8,684.66	15,316.90	8,756.89	(8,671.61)
	<b>Cash generated from operations</b>		<b>39,082.76</b>		<b>19,108.46</b>
	Income tax paid (Net)	(2,101.35)	(2,101.35)	(3,906.46)	(3,906.46)
	<b>Net Cash flow from operating activities</b>		<b>36,981.41</b>		<b>15,202.00</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>				
	Purchase of property, plant & equipment and intangible assets (including CWIP and intangible assets under development)	(12,623.74)		(17,592.28)	
	Proceeds from sale of property, plant and equipment and intangible asset	517.34		396.16	
	Loan given	(50.00)		(1,100.00)	
	Loan received Back	300.00		-	
	Interest received	144.07		129.24	
	Rental income	108.27		26.39	
	Proceeds from Sale of Investment	-		54.96	
	Purchase of Shares/Investment	(694.71)		(901.00)	
	<b>Net Cash used in Investing Activities</b>		<b>(12,298.77)</b>		<b>(18,986.53)</b>

C.	CASH FLOW FROM FINANCING ACTIVITIES			
	Repayment of Financial Liability (Preference Share)	(3,000.00)		-
	Repayment of non current borrowings	(13,439.17)		(9,728.72)
	Proceeds from non current borrowings	7,869.00		10,371.61
	Increase/(Decrease) in current borrowings(net)	(7,790.67)		10,448.72
	Finance cost paid	(6,100.57)		(5,462.09)
	Dividend/dividend tax paid	(1,106.57)		(983.62)
	<b>Net Cash flow from/(used in) Financing Activities</b>		<b>(23,567.98)</b>	<b>4,645.90</b>
	<b>Net Increase/(Decrease) in Cash and cash equivalents</b>		<b>1,114.66</b>	<b>861.37</b>
	<b>Cash and cash equivalents at the beginning of the year (Refer Note No. 11)</b>		<b>1,078.30</b>	<b>216.93</b>
	<b>Cash and cash equivalents at the end of the year (Refer Note No. 11)</b>		<b>2,192.96</b>	<b>1,078.30</b>

## Notes:

- 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"
- Trade and other receivables includes loans and advances.
- 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 . The required disclosure is made below.

	As at 01st April 2019	Recognised During the Year	Cash flows	Acquisition/Foreign exchange movement/ Fair value changes	31st March 2020
Borrowings- Non Current	35,297.60	-	(8,570.17)	424.10	27,151.53
Borrowings- Current	42,705.62	-	(7,790.67)	-	34,914.95
Lease liabilities	98.32	585.59	(83.78)	68.72	668.85
	<b>78,101.54</b>	<b>585.59</b>	<b>(16,444.62)</b>	<b>492.82</b>	<b>62,735.33</b>

- 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

Place : New Delhi  
Dated : 30th June, 2020

For and on behalf of Board of Directors  
JBM Auto Limited

Surendra Kumar Arya  
Chairman  
DIN 00004626  
Place : New Delhi

Sandip Sanyal  
Executive Director  
DIN 07186909  
Place : Gurugram  
(Haryana)

Vivek Gupta  
Chief Financial Officer  
& Company Secretary  
Place : Gurugram  
(Haryana)

## NOTES FORMING PART OF CONSOLIDATED 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, 2020 were approved by the Board of Directors and authorize for issue on June 30, 2020.

### 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.

#### 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, 2020.

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.

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

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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.

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.



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Particulars of Subsidiary, Joint Ventures and Associate consolidated				
S No.	Name of the Company	Relationship	Country of Incorporation	% Holding as on 31 March 2020
<b>Subsidiary</b>				
1.	MH Ecolife Emobility Private Limited	Subsidiary	India	99.98
<b>Joint Ventures</b>				
1.	JBM Ogihara Automotive India Limited	Joint Venture	India	51
2.	JBM Ogihara Die Tech Private Limited	Joint Venture	India	51
3.	JBM Solaris Electric Vehicles Private Limited	Joint Venture	India	79.9
4.	Indo Tooling Private Limited	Joint Venture	India	50
<b>Associate</b>				
1.	VT Emobility Private Limited	Associate	India	26

## 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 net of returns, cash discount, trade allowances, sales incentives and value added taxes. 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 entity and specific criteria have been met for each of the Company's activities as described below.

#### Sale of Products

Revenue from contracts with customers is recognized on transfer of control of promised goods to a customer at an amount that reflects the consideration to which the Group is expected to be entitled to in exchange for those goods or services.

#### Sale of Services

Revenue from services are recognized as related services are performed.

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Company performs;
2. The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Group's performance does not create an asset with an alternative use to the Group and an entity has an enforceable right to payment for performance completed to date.

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

#### 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

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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

Effective April 1, 2019, the Group has adopted Ind AS 116 "Leases" and applied to all lease contracts existing on the date of initial application, using the modified retrospective method along with transition option to recognise right-of-use assets (RoU) at an amount equal to the lease liability. Accordingly, comparatives for previous year ended March 31, 2019 have not been retrospectively adjusted.

#### The Group as lessor

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

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases. When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from 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 Group's expected inflationary cost increases, such increases are recognised in the period in which such benefits accrue.

The Group did not make any adjustments to the accounting for assets held as a lessor as a result of adopting the new lease standard.

#### The Group as lessee (Till 31st March, 2019)

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 policy on borrowing costs.

Rental expense from 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 lessee (With effect from April 1, 2019)

The Group assesses whether a contract contains a lease, at inception of a contract. At the date of commencement of the lease, the Group recognises a 'right-of-use' asset and a corresponding liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease

Right-of-use asset are measured at cost comprising the following:

- the amount of initial measurement of liability
- any lease payments made at or before the commencement date less the incentives received
- any initial direct costs, and
- restoration costs

They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use asset are depreciated over the shorter of asset's useful life and the lease term on a straight-line basis. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Lease liabilities measured at amortised cost include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the rate of interest implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in the similar economic environment with similar terms, security and conditions.

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract in accordance with Ind AS 116 and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

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 the statement of profit and loss, unless they are directly attributable to qualifying assets. Variable lease payments are recognised in the statement of profit and loss in the period in which the condition that triggers those payments that occur.

### Lease liabilities

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

## 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.

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.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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.

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, Employees' Pension 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.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### 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.

### 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 had 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:

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Property, plant and equipment	Useful lives based on technical evaluation
Plant & equipment	15 - 20 years
Pallets, tools & dies	8 - 15 years
Furniture and fixtures	3 - 10 years
Vehicles	3 - 8 years
Office equipment	3 - 5 years
Finance Leasehold land	Over the remaining period of lease

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.

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 had 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 OEM 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.



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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.

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.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Other business combinations, involving entities or businesses are accounted for using acquisition method.

### 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.

#### (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.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### (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.

### (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 115, 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.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### 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.

#### (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.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### (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.

### 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.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### 2.17 Dividends

Final dividends on shares are recorded on the date of approval by the shareholders of the Company.

### 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 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

Particulars	₹ In Lakhs									
	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment (Including Computer System)	Total (A)	Leasehold land (Right of Use Assets)	Total (B)	TOTAL ASSETS (A+B)
<b>Gross Block</b>										
<b>As at April 01, 2018</b>	<b>254.93</b>	<b>15,675.02</b>	<b>53,314.11</b>	<b>246.56</b>	<b>391.07</b>	<b>801.41</b>	<b>70,683.11</b>	<b>9,131.02</b>	<b>9,131.02</b>	<b>79,814.13</b>
Additions	118.34	3,356.09	10,523.73	108.06	131.83	139.53	14,377.58	83.25	83.25	14,460.84
Disposals	-	-	(451.01)	-	(14.13)	(1.85)	(466.99)	-	-	(466.99)
- Other (See Note 3)	-	-	-	-	-	-	-	(156.11)	(156.11)	(156.11)
<b>As at March 31, 2019</b>	<b>373.27</b>	<b>19,031.11</b>	<b>63,386.84</b>	<b>354.63</b>	<b>508.78</b>	<b>939.08</b>	<b>84,593.71</b>	<b>9,058.16</b>	<b>9,058.16</b>	<b>93,651.87</b>
Additions	-	1,073.20	5,775.28	21.41	383.33	57.08	7,310.30	1,134.86	1,134.86	8,445.16
Disposals	-	-	(630.71)	(0.40)	(36.66)	(9.60)	(677.37)	-	-	(677.37)
<b>As at March 31, 2020</b>	<b>373.27</b>	<b>20,104.31</b>	<b>68,531.41</b>	<b>375.64</b>	<b>855.44</b>	<b>986.57</b>	<b>91,226.64</b>	<b>10,193.02</b>	<b>10,193.02</b>	<b>1,01,419.67</b>
<b>Accumulated Depreciation</b>										
<b>As at April 01, 2018</b>	-	<b>1,184.72</b>	<b>10,099.09</b>	<b>85.21</b>	<b>72.39</b>	<b>439.42</b>	<b>11,880.83</b>	<b>199.33</b>	<b>199.33</b>	<b>12,080.16</b>
Charged For the period	-	644.73	5,327.99	38.82	68.26	199.08	6,278.88	112.75	112.75	6,391.63
Adjustment on Disposals	-	-	(136.44)	-	(13.01)	(1.13)	(150.58)	-	-	(150.58)
<b>As at March 31, 2019</b>	-	<b>1,829.46</b>	<b>15,290.63</b>	<b>124.03</b>	<b>127.63</b>	<b>637.37</b>	<b>18,009.12</b>	<b>312.08</b>	<b>312.08</b>	<b>18,321.20</b>
Charged For the year	-	712.75	4,975.29	34.49	88.04	146.16	5,956.74	178.87	178.87	6,135.59
Adjustment on Disposals	-	-	(206.68)	(0.02)	(10.68)	(8.93)	(226.32)	-	-	(226.32)
<b>As at March 31, 2020</b>	-	<b>2,542.21</b>	<b>20,059.24</b>	<b>158.50</b>	<b>205.00</b>	<b>774.59</b>	<b>23,739.54</b>	<b>490.95</b>	<b>490.95</b>	<b>24,230.49</b>
<b>Net Block</b>										
<b>As at March 31, 2019</b>	<b>373.27</b>	<b>17,201.65</b>	<b>48,096.20</b>	<b>230.60</b>	<b>381.15</b>	<b>301.71</b>	<b>66,584.59</b>	<b>8,746.09</b>	<b>8,746.09</b>	<b>75,330.66</b>
<b>As at March 31, 2020</b>	<b>373.27</b>	<b>17,562.10</b>	<b>48,472.18</b>	<b>217.14</b>	<b>650.44</b>	<b>211.97</b>	<b>67,487.11</b>	<b>9,702.07</b>	<b>9,702.07</b>	<b>77,189.18</b>

#### Notes

- The lease hold land at Faridabad amounting to ₹ 10.18 lakhs is yet to be registered in the name of the Company. The Company has obtained "no objection certificate" from the lessor to get registration of the same in the name of Company.
- The lease hold land includes land located at Chennai, Sanand and Pune acquired under Business Combination amounting to ₹ 6,332.66 lakhs which are in the name of acquiree companies i.e. JBM Auto System Private Limited and JBM MA Automotive Private Limited.
- Leasehold land included land at Singur amounting to ₹ 156.11 Lakhs has been transferred in Other Non Current Financial Assets during financial year 2018-19 (Refer Note No 7 & 46)
- Certain borrowings of the Company have been secured against Property, Plant and Equipment. (Refer Note No 18 & 23)

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 3(b) : INTANGIBLE ASSETS

₹ In Lakhs

Particulars	Technical Knowhow	Computer Software	Prototype	License Fees	Total
<b>Gross Block</b>					
<b>As at April 01, 2018</b>	<b>791.42</b>	<b>276.72</b>	<b>4,400.26</b>	<b>1,259.73</b>	<b>6,728.13</b>
Additions	-	72.29	4,003.11	-	4,075.40
<b>As at March 31, 2019</b>	<b>791.42</b>	<b>349.01</b>	<b>8,403.37</b>	<b>1,259.73</b>	<b>10,803.53</b>
Additions	119.71	53.82	1,950.04	-	2,123.57
Disposals	-	-	(59.57)	-	(59.57)
<b>As at March 31, 2020</b>	<b>911.13</b>	<b>402.83</b>	<b>10,293.84</b>	<b>1,259.73</b>	<b>12,867.53</b>
<b>Accumulated Amortization</b>					
<b>As at April 01, 2018</b>	<b>432.23</b>	<b>131.07</b>	<b>766.68</b>	<b>280.78</b>	<b>1,610.76</b>
Charged For the year	221.20	84.64	645.50	140.39	1,091.73
<b>As at March 31, 2019</b>	<b>653.43</b>	<b>215.71</b>	<b>1,412.18</b>	<b>421.17</b>	<b>2,702.49</b>
Charged For the year	66.34	90.89	951.55	140.68	1,249.46
On Disposals	-	-	(7.82)	-	(7.82)
<b>As at March 31, 2020</b>	<b>719.77</b>	<b>306.60</b>	<b>2,355.92</b>	<b>561.85</b>	<b>3,944.13</b>
<b>Net Block</b>					
<b>As at March 31, 2019</b>	<b>137.99</b>	<b>133.31</b>	<b>6,991.18</b>	<b>838.56</b>	<b>8,101.03</b>
<b>As at March 31, 2020</b>	<b>191.36</b>	<b>96.24</b>	<b>7,937.92</b>	<b>697.88</b>	<b>8,923.40</b>

## Note 4 : DEPRECIATION AND AMORTIZATION EXPENSE

Particulars	For the Year Ended 31 <sup>st</sup> March 2020	For the Year Ended 31 <sup>st</sup> March 2019
Depreciation/Amortization on Property, Plant and Equipment	6,135.59	6,391.63
Amortization on Intangible Assets	1,249.46	1,091.73
	<b>7,385.05</b>	<b>7,483.36</b>

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ In Lakhs

	As at 31st March,2020	As at 31st March,2019
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**NON CURRENT FINANCIAL ASSETS**  
**(Carried at amortised cost)**
**NOTE 5 (a) : INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD**
**Investment in Equity Instruments**

<b>Associate</b>		
26,000 (P.Y. 31.03.2019 : NIL) Equity Shares of Rs. 10/- each fully paid up of VT Emobility Private Limited	2.57	-
<b>Joint Ventures</b>		
1,11,66,000 (P Y 31.03.2019 : 42,24,900) Equity Shares of Rs. 10/- each fully paid up of JBM Ogihara Die Tech Private Limited	1,125.61	409.95
2,00,000 (P Y 31.03.2019 : 2,00,000) Equity Shares of Rs. 10/ each fully paid up of INDO Toolings Private Limited.	-	-
1,19,84,657(P Y 31.03.2019 : 1,19,84,657) Equity Shares of Rs.10/- each fully paid up of JBM Solaris Electric Vehicles Private Limited	1,003.57	1,131.66
1,12,19,994 (P Y 31.03.2019 : 1,12,19,994) Equity Share of Rs. 10/- each fully paid up of JBM Ogihara Automotive India Limited	1,948.79	1,963.65
	4,080.54	<b>3,505.26</b>
<b>NON CURRENT FINANCIAL ASSETS</b> <b>(Carried at amortised cost, unless stated otherwise)</b>		
<b>NOTE 5 (b): NON-CURRENT INVESTMENTS</b>		
<b>Investment in Equity Shares in others (at fair value through profit and loss)</b>		
2,230 (P.Y : 31.03.2019: 2,100) Equity Shares of Rs.10/- each fully paid of Premchander Wind Farms Private Limited	0.22	<b>0.21</b>
2,123 (P.Y : 31.03.2019: 2,100 ) Equity Shares of Rs.10/- each fully paid of Puvaneswari Enterprises Wind Farms Private Limited	0.21	0.21
2,260 (PY 31.03.2019 : NIL ) Equity Shares of Rs.10/- each fully paid of AFCM Wind Farms Private Limited	0.23	-
1,220 (PY 31.03.2019 : NIL) Equity Shares of Rs.10/- each fully paid of Sarojarajan Green Energy Private Limited	0.12	-
1,220 (PY 31.03.2019 : NIL) Equity Shares of Rs.10/- each fully paid of AJSM Green Energy Private Limited	0.12	-
1,00,00,000 (P.Y. 31.03.2019 : 1,00,00,000) Equity Shares of Rs.10/- each of Yorozu JBM Automotive Tamil Nadu Private limited	1,000.00	1,000.00
<b>Investment in Preference Shares in others (at fair value through Profit and Loss)</b>		
2,40,000 (P.Y: 31.03.2019 : 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
Aggregate amount of unquoted investment	<b>1,300.90</b>	<b>1,300.42</b>
Aggregate amount of impairment in value of investments	<b>1,300.90</b>	<b>1,300.42</b>

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ In Lakhs

	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
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**NOTE 6 : LOANS****(Unsecured, Considered good)**

Security deposits	805.00	621.19
Loan to Joint Venture company *	850.00	800.00
	<b>1,655.00</b>	<b>1,421.19</b>

\*Refer Note No. 54

**NOTE 7 : OTHER NON CURRENT FINANCIAL ASSETS****(Unsecured, considered good)**

Recoverable from Government Department*	-	156.11
	-	<b>156.11</b>

\*Refer Note No 46

**NOTE 8 : OTHER NON CURRENT ASSETS****(Unsecured, considered good)**

Money deposited Under Protest	156.06	62.50
Capital advance	829.31	359.86
Prepaid rent	28.24	557.04
Advance income tax (net of provision)	1,571.55	1,262.57
	<b>2,585.16</b>	<b>2,241.97</b>

**NOTE 9 : INVENTORIES****(Carried at lower of cost and net realisable value)**

Raw materials	15,637.77	19,595.53
Raw materials in transit	660.78	357.11
Work in process (WIP)	10,410.28	6,295.78
Finished Goods	662.42	726.56
Stores, spares & consumables	2,084.34	1,873.64
Scrap	99.10	134.71
	<b>29,554.69</b>	<b>28,983.33</b>

- The mode of valuation of inventory has been stated in Note No. 2.10
- Certain borrowings of the Company have been secured against inventories (Refer Note No. 18 & 23)
- The cost of inventories recognised as an expense during the year is ₹ 1,39,034.82 lakhs (P.Y ₹ 1,59,293.89 lakhs)

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ In Lakhs

<b>CURRENT FINANCIAL ASSETS</b> (Carried at amortised cost, unless stated otherwise)	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
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### NOTE 10 : TRADE RECEIVABLE (Unsecured)

- Considered good	49,459.38	60,961.10
- Considered doubtful	44.96	44.96
	<b>49,504.34</b>	61,006.06
Less: Provision for doubtful debts	44.96	44.96
	<b>49,459.38</b>	60,961.10

- Certain borrowings of the Company have been secured against Receivables (refer note no 18 & 23)
- Debts amounting to ₹ 173.73 lakhs (PY: ₹ 129.41 lakhs) is due by private companies in which director is a director or a member.
- Amount due from related parties ₹ 1,294.33 (PY ₹ 1,020.67 lakhs)

### NOTE 11 : CASH AND CASH EQUIVALENTS

Cash in hand	23.50	16.77
Balances with banks		
- In Current account	2,169.46	1,061.53
	<b>2,192.96</b>	<b>1,078.30</b>

### NOTE 12 : OTHER BANK BALANCES

In Fixed Deposit account more than 3 months original Maturity but less than 12 month maturity	31.58	29.69
Margin money with Bank	-	0.90
Balances with banks		
- In Unpaid Dividend account	23.09	20.91
	<b>54.67</b>	<b>51.50</b>

### NOTE 13 : LOANS (Unsecured and Considered good)

Inter corporate loan	-	300.00
	-	300.00

### NOTE 14 : OTHER CURRENT FINANCIAL ASSETS (Unsecured, considered good)

Claim receivable (Refer Note No. 47)	1,105.00	1,105.00
Insurance claim receivable	-	51.20
Hedging gain recoverable (carried at fair value through Profit or loss)	-	91.68
Royalty receivable	38.95	28.26
Other financial assets	214.35	174.19
	<b>1,358.30</b>	1,450.33

### NOTE 15 : OTHER CURRENT ASSETS (Unsecured, considered good)

Subsidy receivable	2,092.57	1,655.02
Balance with statutory/government authorities	1,090.64	771.23
Sales Tax/VAT recoverable	4.10	4.03
Advance to suppliers	2,785.52	3,126.21
Contract Assets	7,265.85	2,904.46
Other assets	306.41	272.32
	<b>13,545.10</b>	<b>8,733.27</b>

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ In Lakhs

<b>NOTE 16(a) : EQUITY SHARE CAPITAL</b>	<b>As at 31<sup>st</sup> March, 2020</b>	<b>As at 31<sup>st</sup> March, 2019</b>
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**A. Authorised**

25,20,00,000 (P.Y.: 31.03.2019: 8,00,00,000) Equity Shares of ₹ 5 /- each	12,600.00	4,000.00
1,00,00,000 (P.Y.: 31.03.2019: 1,00,00,000) Preference Shares of ₹ 10/- each	1,000.00	1,000.00
	<b>13,600.00</b>	<b>5,000.00</b>

**B. Issued, Subscribed and Fully Paid Up**

4,72,98,853 (Y.E. 31.03.2019-4,07,95,364) Equity Shares of Rs. 5/- each fully paid up	2,364.94	2,039.77
	<b>2,364.94</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	4,07,95,364	4,07,95,364
Add: issued/cancelled during the year	65,03,489	-
Number of equity shares outstanding at the end of the year	4,72,98,853	4,07,95,364

\* Pursuant to merger of JBM Auto System Private Limited ("Subsidiary Company") and JBM MA Automotive Private Limited ("Associate Company") with JBM Auto Limited the Company has issued 65,03,489 equity shares

**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 ,2020**

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 (b) : EQUITY SHARE CAPITAL TO BE ISSUED DUE TO MERGER**

₹ In Lakhs

Equity share capital to be issued due to merger *	-	325.17
	-	325.17

\* Pursuant the Scheme of Amalgamation of JBM Auto System Private Limited ("Subsidiary Company") and JBM MA Automotive Private Limited ("Associate Company") with JBM Auto Limited as approved by Hon'ble National Company Law Tribunal, New Delhi Bench vide its order dated 14th June 2019 & the Hon'ble National Company Law Tribunal, Mumbai Bench vide its order dated 25th October, 2019 read with corrigendum Order dated 17.12.2019 with the Appointed Date of 01.04.2017. The Company has filed the copy of orders with respective Registrar of Companies (ROC) on 01.01.2020 to give effect to the Merger, and accordingly 65,03,489 shares issued which are effective from 01.04.2017.



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 17 : OTHER EQUITY

₹ In Lakhs

	General Reserve	Retained Earnings	Capital Reserve on merger	Securities Premium	Capital Redemption Reserve	Total attributable to the owner of the Company
<b>Balance as at 01.04.2018</b>	2,988.31	45,015.46	(14.47)	4,629.97	-	52,619.27
Profit for the year	-	9,809.11	-	-	-	9,809.11
Previous year adjustments*	-	4.21	-	-	-	4.21
Other comprehensive income/(loss) for the year	-	(54.73)	-	-	-	(54.73)
Dividends distributed during the year (including CDT)	-	(983.62)	-	-	-	(983.62)
Impact on account of adoption of Ind AS 115	-	779.53	-	-	-	779.53
<b>Balance as at 31.03.2019</b>	<b>2,988.31</b>	<b>54,569.96</b>	<b>(14.47)</b>	<b>4,629.97</b>	<b>-</b>	<b>62,173.77</b>
Profit for the year	-	6,922.09	-	-	-	6,922.09
Other comprehensive income/(loss) for the year	-	(2.51)	-	-	-	(2.51)
Dividends distributed during the year (including CDT)	-	(1,106.57)	-	-	-	(1,106.57)
Transfer from retained earnings to Capital Redemption Reserve	-	(500.00)	-	-	500.00	-
<b>Balance as at 31.03.2020</b>	<b>2,988.31</b>	<b>59,882.97</b>	<b>(14.47)</b>	<b>4,629.97</b>	<b>500.00</b>	<b>67,986.79</b>

\* ₹ 4.21 lakhs relates to previous year tax of joint venture company.

During FY20, the Company has paid dividend of ₹ 2.25/- per share (PY ₹ 2 per share) (on fully paid-up equity share of ₹ 5 each) amounting to ₹ 1106.57 lakhs (PY ₹ 983.62 lakhs) (including dividend distribution tax thereon of ₹ 188.68 lakhs (PY ₹ 167.71 lakhs)

The Board at its meeting held on June 30th, 2020 has recommended a dividend @ 35% i.e. ₹ 1.75 /- per share (on fully paid up equity share of ₹ 5/-each) for the year ended 31st March 2020. This equity dividend is subject to approval by shareholders at the Annual General Meeting. The total estimated equity dividend to be paid is ₹ 827.73 Lakhs.

<b>NOTE 17(b) : NON-CONTROLLING INTERESTS</b>	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Non-controlling interests	-	-

### NON CURRENT FINANCIAL LIABILITIES (Carried at amortised cost, unless stated otherwise)

#### NOTE 18 : NON CURRENT BORROWINGS

<b>A. Term Loan from banks (Secured)</b>			
	In Foreign Currency	-	1,697.07
	In Rupee*	16,361.47	17,333.97
	Vehicle Loans**	224.65	-
<b>B. Term loan From Others (Secured)***</b>			
	In Rupee	7,968.49	11,093.75
		24,554.61	30,124.79
	Less: Current Maturities of term loans	8,024.25	8,633.24
		<b>16,530.36</b>	<b>21,491.55</b>
<b>C. Finance lease obligations (unsecured)</b>		<b>668.85</b>	<b>98.32</b>
<b>D. Liability component of financial instruments (unsecured)</b>		<b>2,596.91</b>	<b>5,172.81</b>
		<b>3,265.76</b>	<b>5,271.13</b>
	<b>Less:</b>		
	Current maturities of finance lease obligations	84.42	6.76
	Current maturities of liability component of financial instruments	40.00	3,080.00
		<b>124.42</b>	<b>3,086.76</b>
		<b>3,141.34</b>	<b>2,184.37</b>
		<b>19,671.70</b>	<b>23,675.92</b>

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

\*Term loan of ₹ 1,667.00 (P.Y ₹ 2,222.22) lakhs is secured by Exclusive charge on Plant and Machinery of the borrower with a minimum asset cover of 1.50X.

Term loan of ₹ 4,536.00 lakh (P.Y ₹ NIL ) is secured by First Pari Passu Charge on the movable fixed assets of the Chakan, Pune plant of the Group both present & future.

Second Pari-passu charge on the current assets of the Chakan, Pune plant of the Group both present & future.

Term loan of ₹ 1,558.25 lakhs (P.Y ₹ 2,180.50 lakhs) is secured by First Pari Passu Charge on the movable fixed assets of the Chakan, Pune plant of the Group both present & future.

Second Pari-passu charge on the current assets of the Chakan, Pune plant of the Group both present & future. First Pari Passu Charge on the immovable fixed assets of the Group being factory land and building situated at C-1/2, MIDC, Chakan - Talegaon Raod, Chakan, Pune - 410501"

Term loan of ₹ 4.968.00 lakhs (P.Y ₹ 3,800.00 lakhs) is secured by First Pari Passu Charge on the movable fixed assets of the Chakan, Pune plant of the Group both present & future.

Second Pari-passu charge on the current assets of the Chakan, Pune plant of the Group both present & future. First Pari Passu Charge on the immovable fixed assets of the Group being factory land and building situated at C-1/2, MIDC, Chakan - Talegaon Raod, Chakan, Pune - 410501"

Term loan of ₹ 1,111.11 lakhs (P.Y ₹ 2,051.68 Lakhs) is secured by exclusive charge on machinery funded by bank. Asset cover of 1.5x to be maintained

Term loan of ₹ 1,000.00 lakhs (P.Y ₹ 5000.00 lakhs) is secured by Pari Passu charge on Movable Fixed Assets of the Group with a minimum asset cover of 1.30X.

Term loan of ₹ 1,427.62 lakhs (P.Y ₹ 791.67 lakhs) is secured by Primary-First Pari passu Charge on all movable and immovable fixed assets of the Group C-1/2, MIDC, Chakan - Talegaon Raod, Chakan, Pune - 410501 (both present and future)(excluding those exclusively charge to other lenders).

Collateral-Second Pari Passu Charge on current assets of the Chakan, Pune plant of the Group (both present and future)

Term loan of ₹ 93.49 lakhs (P.Y ₹ 375.00 lakhs) is secured by First charge on pari passu basis along with DBS (for its ECB) on the immovable assets of the Group's plant located at Plot No RNS-1, Renault & Nissan Suppliers Park, SIPCOT Industrial Growth Centre, Oragadam, Tamil Nadu.

First charge on Pari Passu basis along with DBS ( for its ECB) and Indusind Bank ( for TL of INR 450 mio) and HDFC Bank ( for TL of INR 400 mio), on the movable assets ( except those exclusively charge to term lenders and ford India) of the Group's Plant located at Plot No RNS-1, Renault & Nissan Suppliers Park, SIPCOT Industrial Growth Centre, Oragadam, Tamil Nadu.

First Charge on the movable assets ( except those exclusively charged to Term Lenders and Ford India) of the Group's MM Nagar Plant Located at 1 Ford Suppliers Park, S.P Koil post, Chengalpattu Taluk, Kanchipuram - 603204 ( Tamilnadu).

First Charge on the movable assets ( except those exclusively charged to Term Lenders and Ford India) of the Group's plant located at Hosur - Plot No. 31, SIPCOT Industrial Complex, Phase - I, Mookandpilli, Hosur - 635126, Tamil Nadu.

Term loan of ₹ NIL (P.Y ₹ 156.25lakhs) is secured by Primary-First Pari passu Charge on entire movable and immovable fixed assets of Indore Unit located at plot no 157 E sec -3 , pithampur 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 Group both present and future situated at faridabad, Indore and Greater Noida

Term loan of ₹ NIL (P.Y ₹ 250.00 lakhs) is secured by First Pari passu Charge on both movable and immovable fixed assets of the Group at (both present and future).

Second Pari Passu charge on the entire current assets of the Group both present and future.

Term loan of ₹ NIL (P.Y ₹ 506.65 lakhs) is secured by First Pari passu Charge on both movable and immovable fixed assets of the Group at Indore , Greater Noida and Faridabad Plant (both present and future).

Second Pari Passu charge on the entire current assets of the Group both present and future situated at faridabad, Indore and Greater Noida"

\*\* Secured by hypothecation of respective vehicle financed

\*\*\* Term loan of ₹ 3,750.00 lakhs (P.Y ₹ 5,000.00 lakhs) has Pari Passu charge on Movable Fixed Assets of the Group with a minimum asset cover of 1.30X.

Term loan of ₹ 3,593.49 lakhs (P.Y ₹ 4,843.75 lakhs) is secured by Pari Passu charge on Movable & immovable Fixed assets of the Group on MM Nagar, Orgadum (Tamil nadu) with Minimum assets cover of 1.3x

Term loan of ₹ 6,25.00 lakhs (P.Y ₹ 1,250.00 lakhs) is secured by Exclusive charge on Plant and Machinery of the borrower with a minimum asset cover of 1.50X.

Second pari passu charge on all the current assets of the sanand unit of the borrower, both Present and future."

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### Maturity Profile

Term of Repayment of Loan	Balance as at 31.03.2020 ₹ in lakhs	No of Yearly/ Quarterly/Monthly Instalments	Balance installment as at 31.03.2020	Rate of Interest
Term Loan from Banks	1,667.00	18 Quartely	12	MCLR Linked rate
Term Loan from Banks	4,536.00	18 Quartely	18	MCLR Linked rate
Term Loan from Banks	1,558.25	16 Quartely	10	MCLR Linked rate
Term Loan from Banks	4,968.00	16 Quartely	15	MCLR Linked rate
Term Loan from Banks	1,111.11	18 Quartely	8	MCLR Linked rate
Term Loan from Banks	1,000.00	17 Quartely	15	MCLR Linked rate
Term Loan from Banks	1,427.62	24 Quartely	15	MCLR Linked rate
Term Loan from Banks	93.49	16 Quartely	1	MCLR Linked rate
<b>Total</b>	<b>16,361.47</b>			
Term Loan from Others	3,750.00	16 Quartely	12	MCLR Linked rate
Term Loan from Others	1,718.49	17 Quartely	12	MCLR Linked rate
Term Loan from Others	1,875.00	17 Quartely	13	MCLR Linked rate
Term Loan from Others	625.00	16 Quartely	4	MCLR Linked rate
<b>Total</b>	<b>7,968.49</b>			

Vehicle Loan from bank are payable in 60 monthly equal installments respectively from the date of disbursements carrying interest rate @ 8.55% per annum

There have been no breach of covenants mentioned in the loan agreements during the reporting periods.

₹ In Lakhs

	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019

### NOTE 19 : OTHER NON CURRENT FINANCIAL LIABILITIES

Payable for Capital Goods	543.46	498.65
	<b>543.46</b>	<b>498.65</b>

### NOTE 20 : PROVISIONS

Provision for employee benefits	1,067.90	830.46
	<b>1,067.90</b>	<b>830.46</b>

### NOTE 21 : DEFERRED TAX LIABILITY (NET)

#### Deferred tax liability

Related to property, plant and equipment and intangible assets	11,491.17	9,654.16
IND AS 115 application	478.06	-
<b>Total (A)</b>	<b>11,969.23</b>	<b>9,654.16</b>
<b>Deferred tax asset</b>		
Provision for doubtful debts	(15.71)	(15.71)
Claim under Section 43B of Income Tax Act 1961	(594.18)	(490.40)
<b>Total (B)</b>	<b>(609.89)</b>	<b>(506.11)</b>
<b>Total (A+B)</b>	<b>11,359.35</b>	<b>9,148.05</b>
MAT Credit available	(2,568.10)	(2,193.38)
<b>Deferred tax liability / (asset) (net)</b>	<b>8,791.25</b>	<b>6,954.67</b>

Deferred tax liability & deferred tax asset has been offset as they relate to the same government taxation laws.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Major components of deferred tax liability/(asset) arising on account of temporary difference are as follows:

₹ In Lakhs

	As at 01.04.2019	Movement during the year	As at 31.03.2020
Related to property, plant and equipment and intangible assets	9,654.16	1,837.01	11,491.17
IND AS 115 application	-	478.06	478.06
Provision for doubtful debts	(15.71)	-	(15.71)
Claim under Section 43B of Income Tax Act, 1961	(490.40)	(103.78)	(594.18)
MAT Credit available	(2,193.38)	(374.72)	(2,568.10)
<b>Deferred Tax Expense</b>		<b>1,836.58</b>	
<b>Net deferred tax liability</b>	<b>6,954.67</b>		<b>8,791.25</b>

	As at 01.04.2018	Movement during the year	As at 31.03.2019
Related to property, plant and equipment and intangible assets	8,567.35	1,086.80	9,654.16
Provision for doubtful debts	(6.79)	(8.92)	(15.71)
Claim under Section 43B of Income Tax Act, 1961	(365.32)	(125.08)	(490.40)
MAT Credit available	(3,094.63)	901.25	(2,193.38)
<b>Deferred Tax Expense</b>		<b>1,854.06</b>	
<b>Net deferred tax Liability</b>	<b>5,100.61</b>		<b>6,954.67</b>

₹ In Lakhs

	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019

### NOTE 22 : OTHER NON CURRENT LIABILITIES

Deferred component of financial instruments	143.91	341.17
Deferred Government Grant	373.22	455.15
	<b>517.13</b>	<b>796.32</b>

### CURRENT FINANCIAL LIABILITIES (Carried at amortised cost)

#### NOTE 23 : CURRENT BORROWINGS\*

<b>A. Loan repayable on demand from banks (secured)*</b>		
Cash credit	5,289.36	4,949.20
<b>B. Other loans from banks (secured)*</b>		
Working capital demand loans	19,800.00	22,666.80
Suppliers credit	2,404.69	-
Buyers credit	1,674.25	3,441.39
	<b>29,168.30</b>	<b>31,057.39</b>
<b>C. Loan repayable on demand from banks (unsecured)</b>		
Bill Discounting /PO Financing	5,746.65	11,648.23
	<b>5,746.65</b>	<b>11,648.23</b>
	<b>34,914.95</b>	<b>42,705.62</b>

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

\*Secured by hypothecation on pari passu interse between banks by way of First Pari Passu Charge on Current Assets of the Company both present and future. Second Pari Passu Charge on Movable Fixed Assets of the Company both present and future. (Excluding those have exclusive charge to the term lenders)

There have been no breach of covenants mentioned in the loan agreements during the reporting periods.

₹ In Lakhs

	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
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### NOTE 24 : TRADE PAYABLES\*

Total Outstanding Dues to Micro and Small Enterprises	666.25	236.44
Total Outstanding Dues of Creditors other than Micro and Small Enterprises	39,396.30	40,665.32
	<b>40,062.55</b>	<b>40,901.76</b>

\* Refer Note No. 48

### NOTE 25 : OTHER CURRENT FINANCIAL LIABILITIES

Current Maturities of liability component of financial instruments	40.00	3,080.00
Current maturities of finance lease obligations	84.42	6.76
Current maturities of term loans	8,024.25	8,633.24
Interest accrued but not due on borrowings	212.52	293.25
Interest accrued and due on borrowings	0.08	1.41
Unpaid/unclaimed dividend	23.09	20.91
Payable for capital goods	499.28	927.12
Employee related Liabilities	776.91	711.21
Security Deposits	205.38	194.31
	<b>9,865.93</b>	<b>13,868.21</b>

### NOTE 26 : OTHER CURRENT LIABILITIES

Deferred Income on financial instruments	196.72	368.66
Statutory dues payable	1,403.32	1,364.08
Advance from Customers	12,699.16	3,446.43
Deferred Govt Grant	81.93	81.93
Others (including advance from employees for vehicles)	288.81	241.03
	<b>14,669.94</b>	<b>5,502.13</b>

### NOTE 27 : PROVISIONS

Provision for employee benefits	269.81	320.14
	<b>269.81</b>	<b>320.14</b>

	For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019
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### NOTE 28 : REVENUE FROM OPERATIONS\*

Sale of products	1,76,494.31	1,96,555.72
Sale of services	4,336.78	4,115.82
Other operating revenue	13,841.88	20,024.32
	<b>1,94,672.97</b>	<b>2,20,695.86</b>

\* Refer Note No. 52

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ In Lakhs

	For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019
<b>NOTE 29 : OTHER INCOME</b>		
Interest on security and other deposits *	144.07	129.24
Royalty	65.79	118.51
Subsidy	513.00	1,437.85
Profit on sale of property plant and equipment (net)	44.53	-
Deffered Income on deferred component of financial instruments	369.20	393.45
Rental Income	108.27	26.39
Miscellaneous income	296.09	392.04
	<b>1,540.95</b>	<b>2,497.48</b>
*In relation to financial assets classified at amortised cost	144.07	129.24

**NOTE 30 : CHANGES IN INVENTORIES OF FINISHED GOODS & WORK IN PROGRESS**

<b>Opening inventories:</b>		
Work in Progress (including in transit material)	6,295.78	9,687.35
Finished goods	726.56	718.73
	<b>7,022.34</b>	<b>10,406.08</b>
<b>Less : Closing inventories :</b>		
Work in Progress (including in transit material)	10,410.28	6,295.78
Finished goods	662.42	726.56
	<b>11,072.70</b>	<b>7,022.34</b>
<b>Increase/ (Decrease) in finished goods &amp; work in progress</b>	<b>(4,050.36)</b>	<b>3,383.74</b>

**NOTE 31 : EMPLOYEE BENEFITS EXPENSE**

Salaries & wages	19,534.34	20,459.87
Contribution to provident and other funds	884.15	878.94
Staff welfare expense	1,237.22	1,594.71
	<b>21,655.71</b>	<b>22,933.52</b>
Less: Transferred to Project Commissioned /Under Commissioning	1,257.07	1,278.15
	<b>20,398.64</b>	<b>21,655.37</b>

**NOTE 32 : FINANCE COSTS**

Interest on borrowings	6,041.90	5,845.18
Interest on liability component of financial instruments	538.96	497.80
Interest- others	137.27	119.54
Other borrowing cost	136.61	35.92
Exchange difference regarded as an adjustment to borrowings costs	42.61	-
	<b>6,897.35</b>	<b>6,498.44</b>
Less: Transferred to Project Commissioned /Under Commissioning	470.42	558.68
	<b>6,426.93</b>	<b>5,939.76</b>
In relation to financial liabilities classified at amortised cost	6,580.86	6,342.98

The weighted average rate for capitalisation of interest relating to general borrowings was approximately 9.85 % and 9.32% for the years ended March 31, 2020 and 2019, respectively.



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ In Lakhs

	For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019
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**NOTE 33 : OTHER EXPENSES**

Stores consumed	1,357.24	1,974.29
Manufacturing expenses	4,247.07	4,207.82
Power & fuel	3,353.14	3,963.78
Packing materials consumed	503.02	716.35
Rent (including land lease rent)	200.17	266.09
Rates & taxes	332.13	224.30
Insurance	99.41	69.17
Repair & maintenance:		
Machinery	1,606.59	1,995.17
Buildings	116.35	179.50
Others	587.90	775.26
Loss on sale of property, plant and equipment (net)	-	31.19
Provision for bad and doubtful debts	-	25.33
Freight and forwarding charges	1,809.87	2,349.16
Exchange fluctuation (net)	60.01	73.65
Royalty	53.60	155.48
Other administrative expenses	2,219.57	1,949.80
	<b>16,546.07</b>	<b>18,956.34</b>
Less: Transferred to Project Commissioned /Under Commissioning	858.45	283.31
	<b>15,687.62</b>	<b>18,673.03</b>

**NOTE 34 : INCOME TAX EXPENSE**

<b>(a) Income tax expense recognised in Statement of Profit and Loss</b>		
Current tax In respect of current year	1,961.77	4,207.76
Minimum Alternate Tax credit entitlement	(392.18)	11.53
Deferred tax In respect of current year	2,212.74	984.43
Earlier years	60.70	12.14
	<b>3,843.03</b>	<b>5,215.86</b>
<b>(b) Income tax expense recognised in Other Comprehensive Income</b>		
Income tax expense/(income) on Remeasurement of Defined Benefit Obligations	(0.86)	(28.64)
	<b>(0.86)</b>	<b>(28.64)</b>
	<b>3,842.17</b>	<b>5,187.22</b>

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ In Lakhs

	For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019
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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:

	10,765.12	15,024.97
<b>Profit before tax</b>		
At country's statutory income tax rate (C Y : MAT , PY : Normal Tax Rate)	17.47%	34.94%
<b>Computed tax expense</b>	<b>1,880.88</b>	<b>5,250.33</b>
Tax Effect of :		
Effect of disallowance and allowances	80.88	(1,042.57)
Current Tax Provision (A)	1,961.77	4,207.76
MAT Credit entitlement (B)	(392.18)	11.53
Deferred Tax Expense		
Incremental Deferred Tax Liability on account of Property, Plant and Equipment and Intangible assets	1,838.45	1,074.68
Incremental Deferred Tax Assets / liabilities on account of Temporary Allowances/ Dis Allowances under income Tax Act , 1961	374.29	(90.25)
<b>Deferred Tax Expense (c )</b>	<b>2,212.74</b>	<b>984.43</b>
Adjustment in respect to taxes earlier years (D)	60.70	12.14
<b>Total tax expense recognised in Statement of Profit and Loss (A+B+C+D)</b>	<b>3,843.03</b>	<b>5,215.86</b>

## NOTE 35 : OTHER COMPREHENSIVE INCOME

Items that will not be reclassified to profit or loss		
(i) Gains/(losses) on defined benefits plans	(3.37)	(83.37)
(ii) Income tax expense on gain/(loss) on defined benefit plan	0.86	28.64
	<b>(2.51)</b>	<b>(54.73)</b>

## NOTE 36 : 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:

	For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019
Profit after tax attributable to owners of the company (₹ in Lakhs)	6,922.09	9,809.11
-Weighted Average Number of Equity Shares (Outstanding during the year)*	4,72,98,853	4,72,98,853
-Face Value of share (₹)	5.00	5.00
Basic Earning per share (Amount in ₹)	14.63	20.74
Diluted Earning per share (Amount in ₹)	14.63	20.74

\* includes 65,03,489 shares issued pursuant to Merger

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 37 : a) DETAILS OF GROUP COMPANIES

S.No	Name of the company	Relationship	Country of Incorporation	Percentage of ownership	
				As at 31.03.2020	As at 31.03.2019
1	MH Ecolife Emobility Private Limited (w.e.f 23.01.2020)	Subsidiary	India	99.98%	-
2	JBM Ogihara Automotive India Limited	Joint Venture	India	51.00%	51.00%
3	JBM Solaris Electric Vehicles Private Limited	Joint Venture	India	79.90%	79.90%
4	Indo Toolings Private Limited	Joint Venture	India	50.00%	50.00%
5	JBM Ogihara Die Tech Private Limited	Joint Venture	India	51.00%	51.00%
6	VT Emobility Private Limited (w.e.f 21.01.2020)	Associate	India	26.00%	-

Note : Joint Ventures and Associate are consolidated as per the Equity Method.

#### b) Non Controlling Interests (NCI)

The Company has a subsidiary company, MH Ecolife Emobility Private Limited, which is not material to the Group.

#### 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

Particulars	Joint Ventures				Associate
	JBM Ogihara Die Tech Private Limited	JBM Ogihara Automotive India Limited	JBM Solaris Electric Vehicles Private Limited	Indo Toolings Private Limited	VT Emobility Private Limited *
<b>As at 31st March 2020</b>					
<b>Current Assets</b>					
- Cash and Cash Equivalents	37.40	168.76	14.37	81.23	10.00
- Other Assets	989.57	1,182.64	580.72	3,026.71	-
<b>Total Current Assets (A)</b>	<b>1,026.97</b>	<b>1,351.40</b>	<b>595.10</b>	<b>3,107.93</b>	<b>10.00</b>
<b>Total Non - Current Assets (B)</b>	<b>3,221.60</b>	<b>4,249.66</b>	<b>2,625.17</b>	<b>206.75</b>	<b>-</b>
<b>Current Liabilities</b>					
- Financial Liabilities (Excluding Trade and other payables and Provisions)	72.90	482.71	1,079.63	1,055.52	-
- Other Liabilities	483.66	931.27	34.57	1,926.75	0.10
<b>Total Current Liabilities ( C)</b>	<b>556.56</b>	<b>1,413.98</b>	<b>1,114.20</b>	<b>2,982.27</b>	<b>0.10</b>
<b>Non-Current Liabilities</b>					
- Financial Liabilities (Excluding Trade and other payables and Provisions)	1,466.65	344.97	850.00	-	-
- Other Liabilities	18.28	192.01	-	100.64	-
<b>Total Non-Current Liabilities (D)</b>	<b>1,484.93</b>	<b>536.98</b>	<b>850.00</b>	<b>100.64</b>	<b>-</b>
<b>Net Assets (A+B-C-D)</b>	<b>2,207.08</b>	<b>3,650.10</b>	<b>1,256.07</b>	<b>231.77</b>	<b>9.90</b>

\* Became Associate w.e.f 21st January 2020

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ In Lakhs

Particulars	Joint Ventures				Associate
	JBM Ogihara Die Tech Private Limited	JBM Ogihara Automotive India Limited	JBM Solaris Electric Vehicles Private Limited	Indo Toolings Private Limited	VT Emobility Private Limited *
<b>As at 31st March 2019</b>					
<b>Current Assets</b>					
- Cash and Cash Equivalents	8.66	0.73	0.05	29.66	-
- Other Assets	155.87	2,036.85	517.53	2,638.32	-
<b>Total Current Assets(A)</b>	<b>164.53</b>	<b>2,037.58</b>	<b>517.58</b>	<b>2,667.98</b>	-
<b>Total Non - Current Assets(B)</b>	<b>1,218.16</b>	<b>4,382.20</b>	<b>2,392.25</b>	<b>778.63</b>	-
<b>Current Liabilities</b>					
- Financial Liabilities (Excluding Trade and other payables and Provisions)	571.40	855.73	663.55	471.85	-
- Other Liabilities	7.48	1,352.59	29.79	1,991.10	-
<b>Total Current Liabilities(C)</b>	<b>578.88</b>	<b>2,208.32</b>	<b>693.34</b>	<b>2,462.95</b>	-
<b>Non-Current Liabilities</b>					
- Financial Liabilities (Excluding Trade and other payables and Provisions)	-	331.53	800.00	893.70	-
- Other Liabilities	-	200.69	-	45.64	-
<b>Total Non-Current Liabilities(D)</b>	-	<b>532.23</b>	<b>800.00</b>	<b>939.34</b>	-
<b>Net Assets (A+B-C-D)</b>	<b>803.82</b>	<b>3,679.24</b>	<b>1,416.49</b>	<b>44.32</b>	-

\* Became Associate w.e.f 21st January 2020

## Reconciliation to carrying amounts:

<b>As at 31st March 2020</b>					
Opening Net Assets	803.82	3,679.24	1,416.49	44.32	-
Equity share capital issued during the year	1,361.00	-	-	-	10.00
Profit / (Loss) for the year	42.26	(28.63)	(160.42)	192.09	(0.10)
Other Comprehensive Income	-	(0.49)	-	(4.64)	-
<b>Closing Net Assets</b>	<b>2,207.08</b>	<b>3,650.12</b>	<b>1,256.07</b>	<b>231.77</b>	<b>9.90</b>
Equity Component of preference share capital		-	-	(312.95)	-
<b>Total</b>	<b>2,207.08</b>	<b>3,650.12</b>	<b>1,256.07</b>	<b>(81.18)</b>	<b>9.90</b>
Group's Share in %	51.00%	51.00%	79.90%	50.00%	26.00%
Group's Share in Rs.	1,125.61	1,861.56	1,003.57	(40.59)	2.57
Loss adjusted with advance to supplier	-	-	-	40.59	-
Add: Goodwill	-	87.24	-	-	-
<b>Carrying Amount of Investment</b>	<b>1,125.61</b>	<b>1,948.79</b>	<b>1,003.57</b>	-	<b>2.57</b>

\* Became Associate w.e.f 21st January 2020

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ In Lakhs

Particulars	Joint Ventures				Associate
	JBM Ogihara Die Tech Private Limited	JBM Ogihara Automotive India Limited	JBM Solaris Electric Vehicles Private Limited	Indo Toolings Private Limited	VT Emobility Private Limited *
<b>As at 31st March 2019</b>					
<b>Opening Net Assets</b>	-	<b>3,396.81</b>	<b>565.08</b>	<b>(61.18)</b>	-
Equity share capital issued during the year	828.41	-	899.00	-	-
Profit / (Loss) for the year	(24.59)	282.38	(47.59)	105.98	-
Previous year Adjustments	-	8.24	-	-	-
Other Comprehensive Income	-	(8.19)	-	(0.47)	-
<b>Closing Net Assets</b>	<b>803.82</b>	<b>3,679.24</b>	<b>1,416.49</b>	<b>44.32</b>	-
Unrealised Profit on Property, Plant & Equipment	-	-	-	-	-
Equity Component of preference share capital	-	-	-	(312.95)	-
<b>Total</b>	<b>803.82</b>	<b>3,679.24</b>	<b>1,416.49</b>	<b>(268.63)</b>	-
Group's Share in %	51.00%	51.00%	79.90%	50.00%	-
Group's Share in ₹	<b>409.95</b>	1,876.41	1,131.66	(134.31)	-
Loss adjusted with advance to supplier	-	-	-	134.31	-
Add: Goodwill	-	87.24	-	-	-
<b>Carrying Amount of Investment</b>	<b>409.95</b>	<b>1,963.65</b>	<b>1,131.66</b>	-	-

\* Become Associate w.e.f 21st January 2020

## d) Summarised Statement of Profit and Loss

₹ In Lakhs

Particulars	Joint Ventures				Associate
	JBM Ogihara Die Tech Private Limited	JBM Ogihara Automotive India Limited	JBM Solaris Electric Vehicles Private Limited	Indo Toolings Private Limited	VT Emobility Private Limited *
<b>For the year ended 31st March 2020</b>					
Revenue (Gross)	1,390.77	8,033.17	3,601.77	3,621.48	-
Interest Income	1.42	36.97	0.55	18.30	-
Depreciation and Amortisation	102.81	362.87	155.35	23.78	-
Interest expense	13.26	104.33	52.00	78.24	-
Profit or loss from continuing operations	53.70	(28.55)	(160.42)	265.59	(0.10)
Income tax expenses	11.44	0.08	-	73.51	-
<b>Other comprehensive income</b>	-	<b>(0.49)</b>	-	<b>(4.64)</b>	-
<b>Total Comprehensive income</b>	<b>42.26</b>	<b>(29.12)</b>	<b>(160.42)</b>	<b>187.45</b>	<b>(0.10)</b>

\* Become Associate w.e.f 21st January 2020

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ In Lakhs

Particulars	Joint Ventures				Associate
	JBM Ogihara Die Tech Private Limited	JBM Ogihara Automotive India Limited	JBM Solaris Electric Vehicles Private Limited	Indo Tooling Private Limited	VT Emobility Private Limited *
<b>For the year ended 31st March 2019</b>					
Revenue (Gross)	-	12,618.68	-	3,984.49	-
Interest Income	-	-	0.1	69.11	-
Depreciation and Amortisation	-	431.71	12.62	18.20	-
Interest expense	-	121.45	-	103.12	-
Profit or loss from Continuing operations	(24.59)	325.61	(47.59)	151.59	-
Income tax expenses	-	43.23	-	45.60	-
<b>Other Comprehensive income</b>	-	<b>(8.19)</b>	-	<b>(0.47)</b>	-
<b>Total Comprehensive income</b>	<b>(24.59)</b>	<b>274.19</b>	<b>(47.59)</b>	<b>105.51</b>	-

\* Become Associate w.e.f 21st January 2020

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 Vehicles Private Limited
3	JBM Ogihara Die Tech Private Limited

## NOTE 38 : CONTINGENT LIABILITIES AND COMMITMENTS

## A Contingent liabilities

(Claims against the Group not acknowledged as debts)

₹ In Lakhs

Particulars	31-Mar-20	31-Mar-19
a Income Tax Matters*	5,936.61	490.97
b Excise, Customs and Service Tax Matters**	845.51	1,602.34
c Sales Tax and VAT Matters	5.51	12.21
d Provident Fund Matters #	233.89	233.89
e Other money for which the Group is contingently liable	7.65	7.65
f MIDC Demand for Delayed Interest & Differential Land Premium ^	131.65	131.65

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.

\* Includes demand received from Ld Assessing Officer for the block assessment done under section 153A / 143(3) of the Income Tax Act for the AY 2008-09 to 2018-19 amounting to ₹ 5445.64 Lakhs. An appeal has been filed by the Company before the Honble Commissioner of Income Tax (A) for the same. The Company has been advised that the said demand is not tenable and likely to be deleted and no liability is envisaged against the Company. Accordingly no provision is considered necessary.

\*\* Against this, an amount of Rs. 21.76 Lakhs (P.Y. Rs. 85.72 Lakhs) has been deposited.

# Against this, an amount of Rs. 93.56 lakhs (PY Nil) has been deposited.

^ Against this, an amount of Rs. 83.25 Lakhs (PY Rs. 83.25 Lakhs) has been deposited.

## B. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)	31-Mar-20	31-Mar-19
Property, Plant and Equipment	2,517.11	1,113.47



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### C. Other Commitments

₹ In Lakhs

Particulars	31-Mar-20	31-Mar-19
Letter of credit issued by bankers and outstanding	2,482.69	2,039.63
Bank Guarantees	30.00	30.00

**D. Other Pending Litigation:** The Company has filed legal suit against one of the customer for recovery of dues amounting to Rs. 340.80 Lakhs(including damage charges). The matter is pending before Hon'ble commercial court at Ahmedabad. The Company expects to recover the same.

### CONTINGENT LIABILITIES AND COMMITMENTS OF ASSOCIATE/JOINT VENTURES

#### A. Contingent liabilities

(Claims against the Company not acknowledged as debts)

Particulars	31-Mar-20	31-Mar-19
A. Income Tax matters	4.39	4.39

#### B. Commitments

**"Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)"**

	31-Mar-20	31-Mar-19
Property, Plant and Equipment	79.44	609.77

### NOTE 39 : Auditor's Remuneration (Excluding GST)

Statutory Auditors	31-Mar-20	31-Mar-19
A) Statutory Audit Fees	38.60	38.50
B) Tax Audit Fees	9.20	9.20
C) Taxation Matters	4.77	5.00
D) Other Services	9.45	9.84
E) Reimbursement of expenses	1.53	3.80

### NOTE 40 : DISCLOSURE REQUIRED UNDER SECTION 186(4) OF COMPANIES ACT, 2013

The details of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

Details of Investment made by the Company are as follows:

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 Ogihara Die Tech Private Limited	Equity	69,41,100	694.11	51% of Equity Shares
2	MH Ecolife Emobility Private Limited	Equity	50,000	5.00	99.98% of Equity Shares
3	VT Emobility Private Limited	Equity	26,000	2.60	26% of Equity Shares

Details of loans given by the Company are as follows:

S.No.	Name of Party	Relationship	Amount (₹ in Lakhs)	O/S Balance as on 31-03-2020 (₹ in lakhs)	Purpose
1	JBM Solaris Electric Vehicles Private Limited	Joint Venture	50.00	850.00	Business Expansion

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 41 : 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.

The Group has three principal operating and reporting segments; viz.

#### Primary Segment Reporting

A. Primary business segments of the group are as under :

- Sheet Metal Components, Assemblies & Sub-assemblies (Component Division)** : Engaged in the business of manufacturing of automobiles parts for commercial and passenger vehicles.
- Tool, Dies & Moulds (Tool Room Division)** : Segment manufactures dies for the sheet metal segment or sells dies.
- OEM 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 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
<b>Segment Revenue from Operation</b>		
A) Component Division	1,45,531.68	1,93,118.39
B) Tool Room Division	25,261.94	15,499.64
C) OEM Division	23,899.40	12,050.24
D) Others	59.95	59.87
<b>Total</b>	<b>1,94,752.97</b>	<b>2,20,728.14</b>
Less : Intersegment revenue	80.00	32.29
<b>Net Segment revenue from operations</b>	<b>1,94,672.97</b>	<b>2,20,695.86</b>
<b>Unallocated Income :</b>		
Interest Income	144.07	129.24
Other Income	1,396.88	2,368.25
<b>Total Revenue as per Statement of Profit and Loss</b>	<b>1,96,213.92</b>	<b>2,23,193.34</b>
<b>Segment Results</b>		
<b>Profit before tax and finance cost from each segment</b>		
A) Component Division	8,461.02	15,071.35
B) Tool Room Division	6,901.62	4,703.15
C) OEM Division	984.49	(467.87)
D) Others	827.50	1,466.87
<b>Total</b>	<b>17,174.63</b>	<b>20,773.50</b>
Less : Finance Cost	6,426.93	5,939.76
<b>Profit before share of profit of Joint Ventures/Associates</b>	<b>10,747.70</b>	<b>14,833.74</b>
Add: Share of Profit of Joint Ventures/Associates	17.42	191.23
<b>Profit before tax</b>	<b>10,765.12</b>	<b>15,024.97</b>
less: Tax Expenses	3,843.03	5,215.86
<b>Profit after tax</b>	<b>6,922.09</b>	<b>9,809.11</b>

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ In Lakhs

Particulars	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
<b>Segment Depreciation</b>		
A) Component Division	5,822.12	6,243.73
B) Tool Room Division	147.46	143.25
C) OEM Division	1,405.96	1,086.31
D) Other/Unallocable	9.51	10.07
<b>Total</b>	<b>7,385.05</b>	<b>7,483.36</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 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
A) Component Division	1,32,501.28	1,39,266.35
B) Tool Room Division	30,965.19	28,407.96
C) OEM Division	32,989.54	25,518.08
D) Others	4,442.13	7,400.20
<b>Total</b>	<b>2,00,898.14</b>	<b>2,00,592.59</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 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
A) Component Division	57,449.00	61,991.55
B) Tool Room Division	23,894.06	15,620.78
C) OEM Division	15,831.70	14,682.67
D) Others	4,212.10	6,699.54
<b>Total</b>	<b>1,01,386.87</b>	<b>98,994.55</b>
E) Unallocable		
Deferred Government grant	455.14	537.08
Deferred component of financial liability	340.63	709.83
Non-current borrowings	27,820.37	35,395.92
Others	543.40	416.50
<b>Total</b>	<b>1,30,546.41</b>	<b>1,36,053.88</b>

# Disclosure for disaggregation of revenue and segment revenue are given on similar parameters.

As per Indian Accounting Standard 108 - Operating Segments, the Group 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 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
Customer 1 #	28,667.14	40,111.05
Customer 2 #	28,554.14	35,065.31

**NOTE 42 : EXPENDITURE INCURRED BY IN HOUSE RESEARCH & DEVELOPMENT CENTRE APPROVED BY DEPARTMENT OF SCIENTIFIC AND INDUSTRIAL RESEARCH ON SCIENTIFIC RESEARCH DURING THE YEAR IS AS UNDER:**

₹ In Lakhs

Particulars	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
Revenue Expenditure	2,108.14	1568.68
Capital Expenditure	117.96	103.63
<b>Total</b>	<b>2,226.10</b>	<b>1672.31</b>

**NOTE 43 : DISCLOSURE RELATING TO CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE**

₹ In Lakhs

Particulars	31-Mar-20	31-Mar-19	
<b>(i) Gross amount required to be spent by the group during the year</b>	224.88	217.74	
<b>(ii) Amount spent during the year ending on March 31, 2020:</b>	<b>In cash</b>	<b>Yet to be paid in cash</b>	<b>Total</b>
1. Construction / acquisition of any asset	-	-	-
2. On purposes other than (i) above			
– Others (Skill Development Centre)*	228.49	-	228.49
<b>(iii) Amount spent during the year ending on March 31, 2019:</b>			
1. Construction / acquisition of any asset			
2. On purposes other than (i) above	-	-	-
– Others (Skill Development Centre)*			
– Suman Nirmal Minda Charitable Trust	132.56	-	132.56
	89.00	-	89.00

\* 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.

**NOTE 44 : DURING THE YEAR, THE FOLLOWING EXPENDITURE HAS BEEN CAPITALIZED IN OEM DIVISION:**

₹ In Lakhs

Nature of expenses	Capitalized from opening CWIP	Capitalized from C Y Expenses	Total Capitalized
Manpower Cost	439.33 (1,235.65)	431.70 (532.36)	871.02 (1,768.01)
Finance Cost	157.25 (249.55)	95.63 (144.34)	252.87 (393.90)
Other Expenses	438.80 (17.74)	300.60 (3.93)	739.40 (21.67)
<b>Total</b>	<b>1,035.38 (1,502.94)</b>	<b>827.92 (680.63)</b>	<b>1,863.30 (2,183.58)</b>

Note: Figures in brackets represents previous year's amounts

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

**NOTE 45 :** During the quarter, the Company has invested ₹ 2.60 lakhs in equity shares of VT EMOBILITY PRIVATE LIMITED being 26% stake and ₹ 5.00 lakhs in equity shares of MH ECOLIFE EMOBILITY PRIVATE LIMITED being 99.98% stake in the company.

**NOTE 46 :** The Group was allotted plot no. A-4, measuring 10 acres of land situated at P.S. Singur, Dist. Hooghly, comprised within TATA Small Car Project vendor park on lease for a period of 90 Years for manufacturing of components, spare parts, aggregates etc. vide allotment letter dated 14.05.2007 from the West Bengal Industrial Development Corporation Limited(WBIDC).The Group had paid the lease premium amounting to ₹ 150.00 lakhs on 14.05.2007 (Receipt No. 2870 dated 14.05.2007 issued by West Bengal Industrial Development Corporation Limited.) On 31.08.2016, the Hon'ble Supreme Court of India in the case of Kedar Nath Yadav Vs. State of West Bengal & Others has quashed the land acquisition by West Bengal Government from farmers. In view of above order, Supreme Court held that land allotted by WBIDC to TATA Motors and its vendors become infructuous. Subsequent to the above decisions of Supreme Court, the allotment of land to us has also become infructuous. Now in FY20 the Group has received the lease premium amounting to ₹ 150.00 lakhs (dated 11.07.2019) from the West Bengal Industrial Development Corporation Limited.

**NOTE 47 :** Claim receivable represents ₹ 1,105 lakhs (P.Y. ₹1,105 lakhs) receivable from one of the customer against the claim made for compensation, on account of loss for the underutilisation of resources due to less volume purchase 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-20	31-Mar-19
(i)	the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	666.25	236.44
(ii)	the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	Nil	Nil
(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
(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	Nil	Nil
(v)	the amount of interest accrued and remaining unpaid at the end of each accounting year	Nil	Nil
(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	Nil	Nil

The above disclosure has been determined to the extent such parties have been identified on the basis of information available with the Group.

**NOTE 49 :** Cost of materials consumed has been computed by adding purchase to the opening stock and deducting closing stock.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 50 : DETAIL OF SHAREHOLDERS HOLDING MORE THAN 5% EQUITY SHARE CAPITAL

Name of Shareholders	31-Mar-20		31-Mar-19	
	No. of shares	% holding	No. of shares	% holding
<b>Equity shares of ₹ 5 each fully paid up</b>				
SMC Credit Limited	76,97,299	16.27	75,70,260	18.56
A to Z Securities Limited	55,23,160	11.68	41,90,160	10.27
Zeal Impex & Traders Private Limited	40,18,968	8.5	40,18,968	9.85
Amity Infotech Private Limited	40,00,000	8.46	40,00,000	9.81
JBM Builders Private Limited	30,30,832	6.4	30,30,832	7.43
Shuklamber Exports Limited	34,24,824	7.24	34,24,824	8.39
NAP Investment & Leasing Private Limited	22,74,616	4.81	22,74,616	5.58
ANS Holding Private Limited	41,65,996	8.81	20,58,996	5.05

### NOTE 51 : LEASES

#### GROUP AS LESSEE

The Company's leases primarily consists of leases for land. Generally, the contracts are made for fixed periods and does not have a purchase option at the end of the lease term.

₹ In Lakhs

#### (i) Amounts recognised in the Balance Sheet

The balance sheet shows the following amounts relating to the leases:	31-Mar-20	31-Mar-19
Right-of-use assets:		
Land	9,702.07	8,746.09
<b>Total</b>	<b>9,702.07</b>	<b>8,746.09</b>

Additions to the Right-of-use asset during the year were ₹ 1134.86 Lakhs

#### (ii) Maturity analysis of lease liabilities:

Lease liabilities (Discounted Cash Flows)	31-Mar-20	31-Mar-19
Current	84.42	6.76
Non-Current	584.42	91.56
<b>Total</b>	<b>668.85</b>	<b>98.32</b>

<b>Maturity analysis-Contractual Undiscounted Cash Flows</b>	<b>31-Mar-20</b>	<b>31-Mar-19</b>
Within one year	84.42	6.76
Later than one year but less than five years	344.24	27.03
Later than five years	2,900.41	2,235.51
<b>Total</b>	<b>3,329.07</b>	<b>2,269.30</b>

#### (iii) Amounts recognised in the statement of profit and loss

The statement of profit and loss shows the following amounts relating to leases:	31-Mar-20	31-Mar-19
Depreciation charge of right-of use assets (land)	178.87	112.75
Interest expense on lease liabilities (included in finance cost)	68.10	9.98
Expense relating to short term and low value leases (included in other expense)	200.17	266.09

The total cash outflow for leases for the year ended 31 March, 2020 were ₹ 83.78 Lakhs



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### (iv) Extension and termination option

Extension and termination options are included in some of the leases executed by the company. These are used to maximise operational flexibility in terms of managing the assets used in company's operations. Generally, these options are exercisable mutually by both the lessor and the lessee.

(v) There are no restrictions imposed by the lease agreements. There are no contingent rents. The operating lease agreements are renewable on a periodic basis. Some of these lease agreements have price escalation clause.

(vi) Incremental borrowing rate of 10.5% p.a has been applied for measuring the lease liability at the date of initial application.

(vii) The Group has sub-leased part of land. Income from sub-leasing right-of-use assets id Rs. 108.27 lakhs (PY Rs. 26.39 lakhs).

### NOTE 52 : REVENUE FROM CONTRACTS WITH CUSTOMERS

(a) Revenue from contracts with customers disaggregated based on nature of product or services

₹ In Lakhs

Particular	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
<b>Revenue from Sale of Product</b>		
Components	1,29,060.33	1,70,955.95
Tool & Dies	24,654.39	14,641.29
Buses	22,779.59	10,958.48
Others	-	-
	<b>1,76,494.31</b>	<b>1,96,555.72</b>
<b>Revenue from Sale of Services</b>		
Components	2,701.82	2,234.49
Tool & Dies	561.99	807.60
Buses	1,072.97	1,073.72
Others	-	-
	<b>4,336.78</b>	<b>4,115.82</b>
<b>Other operating Revenue</b>		
Components	13,689.53	19,895.65
Tool & Dies	45.56	50.75
Buses	46.84	18.04
Others	59.95	59.87
	<b>13,841.88</b>	<b>20,024.32</b>
<b>Total</b>	<b>1,94,672.97</b>	<b>2,20,695.86</b>

(b) The table below represents summary of contract assets and liabilities relating to contracts with customers:

	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
Receivables	49,459.38	60,961.10
Contract assets	7,265.85	2,904.46
Contract liabilities*	11,965.53	2,942.12

\*Included in advance from customers.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Movement of contract liability for the period given below :

₹ In Lakhs

Particulars	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
Contract liability at the beginning	2,942.12	1,016.06
Add / (less)		
Consideration received during the year as advance	11,950.53	2,927.12
Revenue reconised from contract liability	(2,927.12)	(1,001.06)
Contract liability at the end	11,965.53	2,942.12

Payment is received in advance towards contract entered with customers and is recognised as a contract liability. As and when the performance obligation is met, the same is recognised as revenue

(c) The amounts receivable from customers become due after expiry of credit period which ranges from 30 to 180 days. There is no significant financing component in any transaction with the customers.

(d) Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product in component division is satisfied at a point in time or over the period of time depending upon nature of contract.

Revenue from Tooling Business is recognized over time by measuring progress towards satisfaction of performance obligation and it determined that the input method is the best method for measuring progress of the tooling development because there is a direct relationship between the Group's effort (i.e., costs incurred) and the transfer of tooling to the customer. The Group recognises revenue on the basis of the total costs incurred relative to the total expected costs to complete the tool.

Revenue from OEM Division (Sale of Buses) is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of Bus in OEM division is satisfied at a point in time or over the period of time depending upon nature of contract.

(e) The Group provides agreed upon performance warranty for selected range of products. The amount of liability towards such warranty is immaterial.

(f) The transactions price allocated to the performance obligations relating to tool development (unsatisfied or partially satisfied) is ₹ 19,141.55 lakhs ( PY ₹ 6441.58 lakhs). The Group expects to recognise revenue related to unsatisfied obligation within one year from the reporting period.

(g) The Group does not have any significant adjustment between the control price and the revenue recognized in Statement of Profit and Loss.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 53 : EMPLOYEE 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.

#### Disclosure of gratuity

##### (i) Amount recognised in the Statement of Profit and Loss is as under:

₹ In Lakhs

Description	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
Current service cost	166.16	143.42
Net interest cost	42.86	26.06
Past service cost	-	-
<b>Amount recognised in the Statement of Profit and Loss</b>	<b>209.02</b>	<b>169.48</b>

##### (ii) Amount recognised in Other Comprehensive Income is as under:

₹ In Lakhs

Description	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
Actuarial loss/(gain) recognised during the year		
- Change in demographic assumptions	8.47	12.95
- Change in financial assumptions	51.91	51.01
- Experience variance (i.e. actual experience vs assumptions)	(50.15)	50.08
Return on plan assets, excluding amount recognised in net interest expenses	(10.33)	(36.70)
<b>Amount recognised in the Other Comprehensive Income</b>	<b>(0.10)</b>	<b>77.34</b>

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(iii) Movement in the Present Value of Defined Benefit Obligation recognised in the Balance Sheet is as under:

₹ In Lakhs

Description	31-Mar-20	31-Mar-19
<b>Present value of defined benefit obligation as at the beginning of the year</b>	<b>1,102.61</b>	<b>844.10</b>
Current service cost	166.16	143.42
Interest cost	83.46	64.19
Actuarial loss/(gain) recognised during the year		
Change in demographic assumptions	8.47	12.95
change in financial assumptions	51.91	51.01
experience variance (i.e. actual experience vs assumptions)	(50.15)	50.08
Benefits paid	(77.37)	(63.14)
Past service cost	-	-
<b>Present value of defined benefit obligation as at the end of the year</b>	<b>1,285.10</b>	<b>1,102.61</b>

(iv) Movement in the plan assets recognised in the Balance Sheet is as under:

₹ In Lakhs

Description	31-Mar-20	31-Mar-19
<b>Fair Value of plan assets at beginning of year</b>	<b>537.55</b>	<b>501.29</b>
Interest income plan assets	40.60	38.13
Actual company contributions	30.12	11.12
Return on plan assets, excluding amount recognised in net interest expense	10.33	36.70
Benefits paid	(46.09)	(49.69)
<b>Fair Value of plan Assets at the end of the year</b>	<b>572.52</b>	<b>537.55</b>

(v) Major categories of plan assets:

Asset Category	31-Mar-20	31-Mar-19
Insurer Managed Funds	100%	100%

(vi) Analysis of amounts recognised on other comprehensive (income)/loss at period end:

₹ In Lakhs

Description	31-Mar-20	31-Mar-19
Amount recognized in OCI, beginning of period		
Actuarial (gain)/loss on arising from change in demographic assumption	8.47	12.95
Actuarial (gain)/loss on arising from change in financial assumption	51.91	51.01
Experience variance (i.e. actual experience vs assumptions)	(50.15)	50.08
Return on plan assets (excluding interest)	(10.33)	(36.70)
<b>Total remeasurement recognized in OCI</b>	<b>(0.10)</b>	<b>77.34</b>
<b>Amount recognized in OCI, end of Period</b>	<b>(0.10)</b>	<b>77.34</b>

(vii) Reconciliation of Balance Sheet Amount

₹ In Lakhs

Description	31-Mar-20	31-Mar-19
Present value of obligation	1285.10	1102.61
Fair value of plan assets	572.52	537.55
Surplus/(Deficit)	(712.58)	(565.06)
Effect of assets ceiling, if any	-	-
<b>Net assets/(liability)</b>	<b>(712.58)</b>	<b>(565.06)</b>

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### (viii) Current / Non-Current Bifurcation

₹ In Lakhs

Description	31-Mar-20	31-Mar-19
Current Benefit Obligation	173.95	207.40
Non - Current Benefit Obligation	1111.16	895.22
<b>(Asset)/Liability Recognised in the Balance Sheet</b>	<b>1,285.10</b>	<b>1,102.61</b>

### (ix) Actuarial assumptions

Description	31-Mar-20	31-Mar-19
Discount rate	6.35%	7.5% to 7.6%
Future basic salary increase	0% For first year and 5% thereafter	4% to 6%
Expected rate of interest on plan assets	7.55-7.60%	7.60-7.70%
Mortality (% of IALM 06-08)	100.00%	100.00%
Normal retirement age	"Vijay Kumar Bhalla - 65 Years Other Employees - 58 Years"	"Vijay Kumar Bhalla - 65 Years Other Employees - 58 Years"
Attrition/withdrawal rate (per annum)	8.00%	5% to 8%

### (x) Maturity Profile of Defined Benefit Obligation

₹ In Lakhs

Expected Cash Flow over the next (Valued on undiscounted basis)	31-Mar-20
1 year	173.95
2 year	112.79
3 year	121.47
4 year	126.29
5 year	126.81
6 to 10 years	555.28
More than 10 years	1083.92

### (xi) Sensitivity analysis for gratuity liability

₹ In Lakhs

Description	31-Mar-20	31-Mar-19
Defined Benefit Obligation (Base)	1,285.10	1,102.61
<b>Defined Benefit Obligation - change in discount rate</b>		
- Discount rate increase by 1.00 %	1,193.68	1,025.81
- Discount rate decrease by 1.00 %	1,389.45	1,190.25
<b>Defined Benefit Obligation - change in salary rate</b>		
- Salary rate increase by 1.00 %	1,388.46	1,188.49
- Salary rate decrease by 1.00 %	1,192.15	1,025.92

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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 Group is expected to contribute Rs 889.77 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	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
Current service cost	129.12	90.63
Past service cost	-	-
Interest cost	43.08	33.65
Actuarial loss/(gain) recognised during the year		
-Change in demographic assumptions	(0.64)	7.06
-Change in financial assumptions	15.67	24.77
-Experience variance (i.e. actual experience vs assumptions)	24.39	114.65
<b>Amount recognised in the Statement of Profit and Loss</b>	<b>211.62</b>	<b>270.77</b>

#### (ii) Movement in the liability recognised in the Balance Sheet is as under:

₹ In Lakhs

Description	31-Mar-20	31-Mar-19
Present value of defined benefit obligation as at the start of the year	569.39	453.43
Current service cost	129.12	90.63
Past service cost	-	-
Interest cost	43.09	33.65
Actuarial loss/(gain) recognised during the year	-	-
Change in demographic assumptions	(0.64)	7.06
change in financial assumptions	15.67	24.77
experience variance (i.e. actual experience vs assumptions)	24.39	114.65
Benefits paid	(155.87)	(154.81)
<b>Present value of defined benefit obligation as at the end of the year</b>	<b>625.15</b>	<b>569.39</b>

#### (iii) Current / Non-Current Bifurcation

₹ In Lakhs

Description	31-Mar-20	31-Mar-19
Current benefit obligation	95.27	96.60
Non - current benefit obligation	529.87	472.80
<b>(Asset)/Liability Recognised in the Balance Sheet</b>	<b>625.14</b>	<b>569.39</b>



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### (iv) Sensitivity analysis

₹ In Lakhs

Description	31-Mar-20	31-Mar-19
Present Value of Obligation (Base)	625.14	569.39

Description	31-Mar-20	31-Mar-19
<b>Present Value of Obligation - change in discount rate</b>		
- Discount rate increase by 1.00 %	582.98	532.93
- Discount rate decrease by 1.00 %	673.11	610.84
<b>Present Value of Obligation - change in salary rate</b>		
- Salary rate increase by 1.00 %	673.60	609.89
- Salary rate decrease by 1.00 %	581.81	533.18

### (v) Actuarial assumptions

Description	31-Mar-20	31-Mar-19
Discount rate	6.35%	7.5% to 7.6%
Future basic salary increase	0% For first year and 5% thereafter	4% to 6%
Normal retirement age	"For Vijay Kumar Bhalla -65 years For Others - 58 Years "	"For Vijay Kumar Bhalla -65 years For Others - 58 Years "
Mortality (% of IALM 06-08)	100.00%	100.00%
Attrition turnover/withdrawal rate	8.00%	5% to 8%

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 Fund, Super Annuation Fund and Other Plans. The contributions are normally based upon a proportion of the employee's salary.

The Group has recognized the following amounts in the Statement of Profit and Loss :

₹ In Lakhs

Description	31-Mar-20	31-Mar-19
Employer's Contribution to Provident and Pension fund*	570.98	560.49
Employer's Contribution to Employee State insurance*	46.31	69.03
Employer's Contribution to Labour Welfare fund*	2.58	1.32

\* included in contribution to provident & other funds under employee benefit expenses (Refer Note No 31).

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 54 : RELATED PARTY DISCLOSURES :

The list of related parties as identified by the management is as under:

Associate	- VT Emobility Private Limited (w.e.f 21.01.2020)
Joint Ventures	- JBM Ogihara Automotive India Limited - JBM Ogihara Die Tech Private Limited - JBM Solaris Electric Vehicle Private Limited - INDO Toolings Private Limited
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 -JBM MA Automotive Private Limited Employees Group Gratuity Trust

₹ In Lakhs

Particulars	FY20	FY19	FY20	FY19	FY20	FY19
	Associates/Joint Ventures		Key Management personnel		Gratuity Trust	
<b>Sale of Goods</b>						
JBM Ogihara Automotive India Limited	-	39.57	-	-	-	-
JBM Solaris Electric Vehicles Private Limited	3,410.39	-	-	-	-	-
INDO Toolings Private Limited	10.43	20.83	-	-	-	-
JBM Ogihara Die Tech Private Limited	128.39	189.29	-	-	-	-
<b>Total</b>	<b>3549.21</b>	<b>249.69</b>		-	-	-
<b>Sale of Capital Goods</b>						
JBM Solaris Electric Vehicle Private Limited	-	224.68	-	-	-	-
INDO Toolings Private Limited	-	3.11	-	-	-	-
JBM Ogihara Die Tech Private Limited	4.60	-	-	-	-	-
<b>Total</b>	<b>4.60</b>	<b>227.79</b>	-	-	-	-
<b>Other Income</b>						
JBM Ogihara Automotive India Limited	65.79	118.51	-	-	-	-
JBM Solaris Electric Vehicles Private Limited	500.75	479.37	-	-	-	-
<b>Total</b>	<b>566.54</b>	<b>597.88</b>	-	-	-	-
<b>Purchase of Goods</b>						
INDO Toolings Private Limited	1,914.41	1,386.02	-	-	-	-
JBM Ogihara Die Tech Private Limited	879.56	2.83	-	-	-	-
<b>Total</b>	<b>2,793.97</b>	<b>1,388.85</b>	-	-	-	-
<b>Others Expenses</b>						
INDO Toolings Private Limited	24.93	-	-	-	-	-
JBM Ogihara Die Tech Private Limited	51.25	-	-	-	-	-
JBM Solaris Electric Vehicles Private Limited	88.50	-	-	-	-	-
<b>Total</b>	<b>164.69</b>	-	-	-	-	-

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ In Lakhs

Particulars	FY20	FY19	FY20	FY19	FY20	FY19
	Associates/Joint Ventures		Key Management personnel		Gratuity Trust	
<b>Others Expenses Reimbursed</b>						
JBM Solaris Electric Vehicles Private Limited	-	54.91	-	-	-	-
JBM Ogihara Die Tech Private Limited	33.40	13.09	-	-	-	-
<b>Total</b>	<b>33.40</b>	<b>68.00</b>	-	-	-	-
<b>Other Reimbursement</b>						
JBM Solaris Electric Vehicles Private Limited	-	106.59	-	-	-	-
<b>Total</b>	-	<b>106.59</b>	-	-	-	-
<b>Contribution to Gratuity Scheme Trust</b>						
JBM Auto Group Gratuity Scheme Trust	-	-	-	-	30.00	11.00
JBM Auto System Private Limited Group Gratuity Scheme Trust	-	-	-	-	0.12	0.12
<b>Total</b>	-	-	-	-	<b>30.12</b>	<b>11.12</b>
<b>Rent Income</b>						
JBM Solaris Electric Vehicles Private Limited	27.00	25.54	-	-	-	-
JBM Ogihara Die Tech Private Limited	81.27	0.85	-	-	-	-
<b>Total</b>	<b>108.27</b>	<b>26.39</b>	-	-	-	-
<b>Interest Income on Inter Corporate Loan</b>						
JBM Solaris Electric Vehicles Private Limited	81.97	63.01	-	-	-	-
<b>Total</b>	<b>81.97</b>	<b>63.01</b>	-	-	-	-
<b>Investment/Share application money given</b>						
JBM Solaris Electric Vehicles Private Limited	-	477.67	-	-	-	-
VT Emobility Private Limited	2.60	-	-	-	-	-
JBM Ogihara Die Tech Private Limited	694.11	422.49	-	-	-	-
<b>Total</b>	<b>696.71</b>	<b>900.16</b>	-	-	-	-
<b>Inter Corporate Loan Given</b>						
JBM Solaris Electric Vehicles Private Limited	50.00	800.00	-	-	-	-
<b>Total</b>	<b>50.00</b>	<b>800.00</b>	-	-	-	-
<b>Remuneration paid to KMP's and their relatives</b>						
Mr. Sandip Sanyal	-	-	46.83	46.64	-	-
Mr. Vivek Gupta	-	-	42.08	42.76	-	-
<b>Total</b>	-	-	<b>88.91</b>	<b>89.40</b>	-	-

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ In Lakhs

Particulars	FY20	FY19	FY20	FY19	FY20	FY19
	Associates/Joint Ventures		Key Management personnel		Gratuity Trust	
<b>Receivables/(Payable)</b>						
JBM Ogihara Automotive India Limited	139.49	111.65	-	-	-	-
JBM Solaris Electric Vehicles Private Limited	1,004.28	623.50	-	-	-	-
INDO Toolings Private Limited	(386.82)	11.54	-	-	-	-
JBM Ogihara Die Tech Private Limited	(5.07)	200.19	-	-	-	-
<b>Total</b>	<b>751.88</b>	<b>946.88</b>	-	-	-	-
<b>Inter Corporate Loan Receivables</b>						
JBM Solaris Electric Vehicles Private Limited	850.00	800.00	-	-	-	-
<b>Total</b>	<b>850.00</b>	<b>800.00</b>	-	-	-	-
<b>Advance Recoverable</b>						
JBM Auto Group Gratuity Scheme Trust	-	-	-	-	14.51	71.94
<b>Total</b>	-	-	-	-	<b>14.51</b>	<b>71.94</b>
<b>Dividend Paid</b>						
Mr. Vivek Gupta	-	-	0.01	0.01	-	-
<b>Total</b>	-	-	<b>0.01</b>	<b>0.01</b>	-	-

Remuneration paid to KMP's and their relatives*	Mr. Sandeep Sanyal		Mr. Vivek Gupta	
	FY20	FY19	FY20	FY19
(a) short-term employee benefits;	39.42	40.10	46.83	46.64
(b) other long-term benefits;	2.66	2.66	-	-
<b>Total</b>	<b>42.08</b>	<b>42.76</b>	<b>46.83</b>	<b>46.64</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 (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 2020, the group has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2019: 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.

## 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 31 <sup>st</sup> March 2020	As % of consolidated net assets	Year Ended 31 <sup>st</sup> March 2020	Amount (In lakhs)	Year Ended 31 <sup>st</sup> March 2020	Amount (In lakhs)	Year Ended 31 <sup>st</sup> March 2020	Amount (In lakhs)
<b>Parent</b>								
JBM Auto Limited	99.18		100.37	6,947.43	(2.88)	0.07	100.40	6,947.50
<b>Subsidiaries</b>								
MH Ecolife Pvt Ltd	0.01		(0.00)	(0.13)	-	-	(0.00)	(0.13)
<b>Non-Controlling Interest</b>								
MH Ecolife Emobility Private Limited (w.e.f 23.01.2020)	-		-	-	-	-	-	-
<b>Associate (Investment as per equity method)</b>								
VT Emobility Private Limited (w.e.f 21.01.2020)	0.00		(0.00)	(0.03)	-	-	(0.00)	(0.03)
<b>Joint Ventures (Investment as per equity method)</b>								
JBM Ogihara Automotive Private Limited	2.77		(0.21)	(14.60)	10.18	(0.26)	(0.21)	(14.86)
JBM Solaris Electric Vehicles Private Limited	1.43		(1.85)	(128.17)	-	-	(1.85)	(128.17)
INDO Toolings Private Limited	-		1.39	96.04	92.70	(2.32)	1.35	93.72
JBM Ogihara Die Tech Private Limited	1.60		0.31	21.55	-	-	0.31	21.55
<b>Total</b>	<b>104.98</b>		<b>100.00</b>	<b>6,922.09</b>	<b>100.00</b>	<b>(2.51)</b>	<b>100.00</b>	<b>6,919.58</b>
<b>Less: Adjustment arising out of consolidation</b>	<b>(4.98)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(0.00)</b>	<b>-</b>
<b>Total</b>	<b>100.00</b>		<b>100.00</b>	<b>6,922.09</b>	<b>100.00</b>	<b>(2.51)</b>	<b>100.00</b>	<b>6,919.58</b>

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ 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 31 <sup>st</sup> March 2020	Amount (In lakhs)	Year Ended 31 <sup>st</sup> March 2020	Amount (In lakhs)	Year Ended 31 <sup>st</sup> March 2020	Amount (In lakhs)	Year Ended 31 <sup>st</sup> March 2020	Amount (In lakhs)
	As % of consolidated net assets		As % of consolidated profit & loss		As % of consolidated other comprehensive income		As % of consolidated Total comprehensive income	
<b>Parent</b>								
JBM Auto Limited	99.06	63,930.42	98.51	9,662.72	91.96	(50.33)	138.92	9,612.39
<b>Joint Ventures (Investment as per equity method)</b>								
JBM Ogihara Automotive Private Limited	3.04	1,963.65	1.47	144.01	7.63	(4.18)	2.02	139.83
JBM Solaris Electric Vehicle Private Limited	1.75	1,131.66	(0.39)	(38.08)	-	-	(0.55)	(38.08)
Indo Tooling Private Limited	-	-	0.54	52.99	0.43	(0.24)	0.76	52.75
JBM Ogihara Die Tech Private Limited	0.64	409.95	(0.13)	(12.54)	-	-	(0.18)	(12.54)
<b>Total</b>	<b>104.50</b>	<b>67,445.67</b>	<b>100.00</b>	<b>9,809.11</b>	<b>100.00</b>	<b>(54.73)</b>	<b>100.00</b>	<b>9,754.38</b>
<b>Less: Adjustment arising out of consolidation</b>	<b>(4.50)</b>	<b>(2,906.96)</b>	<b>(0.00)</b>	<b>(0.00)</b>	<b>0.00</b>	<b>-</b>	<b>0.00</b>	<b>(0.00)</b>
<b>Total</b>	<b>100.00</b>	<b>64,538.71</b>	<b>100.00</b>	<b>9,809.11</b>	<b>100.00</b>	<b>(54.73)</b>	<b>100.00</b>	<b>9,754.38</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.

#### Judgements

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:

#### Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on lease-by-lease basis. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods reassessed to ensure that the lease term reflects the current economic circumstances.

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

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

#### (ii) 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 53.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### (iii) 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.

### (iv) 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 judgment 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.

### (v) 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.

### (vi) 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.

### (vii) 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.

### (viii) 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 : BUSINESS COMBINATION

#### (a) Scheme of Amalgamation

In their meeting held on 01/03/2018, the Board of Directors of the Group had 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 ("the Group") from Appointed Date 01/04/2017. The Hon'ble National Company Law Tribunal, New Delhi Bench has approved the Scheme of Amalgamation of JBM Auto System Private Limited with JBM Auto Limited vide its order dated 14/06/2019. The Hon'ble National Company Law Tribunal, Mumbai Bench has pronounced its Order approving the Scheme of Amalgamation of JBM MA Automotive Private Limited with the JBM Auto Limited on 25/10/2019 read with corrigendum Order dated 17/12/2019. The Company has filed the copy of orders with respective Registrar of Companies (ROC) on 01/01/2020 to give effect to the Merger. As Merger is effective from 01/01/2020, therefore the financial statements for current period are prepared for merged entity and number for corresponding year have been reproduced accordingly.

#### (b) Nature of Business of Acquiree Company

Both JBM Auto System Private Limited and JBM MA Automotive Private Limited are the companies incorporated in India and are engaged business of manufacturing of sheet metal components, welding assemblies, chassis suspension parts and other related parts for automobile industry.

#### (c) Major Rationale for Business Combination:

- (i) The Group's business is likely to benefit from lower cost of funds, given the strong credit rating of the Group.
- (ii) Cash flow of the merged Group can be meaningfully leveraged towards nurturing the Group with future growth opportunities.

#### (d) Method of Accounting

Accounting for merger is done in accordance with Ind AS 103 "Business Combination" as follows:

**JBM Auto System Private Limited:** As JBM Auto System Private Limited was a Subsidiary Company of JBM Auto Limited (i.e. business combination of entities under common control), its accounting is done as per Pooling of Interest method given in Appendix C of Ind AS 103. Under pooling of interest method, the assets and liabilities are reflected at their carrying amounts. No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee. The identity of the reserves are preserved and appearing in the financial statements of the Company in the same form in which they appeared in the financial statements of the JBM Auto System Private Limited.

**JBM MA Automotive Private Limited:** Accounting is done as per Acquisition Method given under Ind AS 103. Under Acquisition Method, at the acquisition date, the identifiable assets acquired and liabilities assumed are recognised at their acquisition date fair values. However, deferred tax has been recognised in accordance with Ind AS 12 "Income Taxes". The consideration transferred for the business combination is measured at fair value at acquisition date.

#### (e) Consideration transferred

##### In respect of JBM MA Automotive Private Limited:

Each shareholder of JBM MA Automotive Private Limited has received 3 shares of JBM Auto Limited for 100 shares held in JBM MA Automotive Private Limited.

Description	JBM MA Automotive Private Limited
Equity Shares Issued (No.)	9,13,488
Fair Value per share (in Rs.)	511.84
Fair Value of consideration (equity shares) (₹ In Lakhs)	4,675.64

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### In respect of JBM Auto System Private Limited:

Each shareholder of JBM Auto System Private Limited has received 86 shares of JBM Auto Limited for 100 shares held in JBM Auto System Private Limited.

Description	JBM Auto System Private Limited
Equity Shares Issued (No.)	55,90,001
Nominal Value per share (in Rs.)	5.00
Nominal Value of shares issued (equity shares) (₹ In Lakhs)	279.50

### (f) Assets and Liabilities recognised

Assets and liability that have been recognised as a result of the business combination are as follows:

₹ In Lakhs

Particulars	JBM Auto System Private Limited “(Pooling of Interest Method) (At Book Value)”	JBM MA Automotive Private Limited “(Acquisition Method) (At Fair Value)”
<b>Assets</b>		
<b>Non Current Assets</b>		
a. Property, plant and equipment	30,377.93	18,133.62
b. Capital work in progress	26.32	579.89
c. Intangible assets	26.35	11.73
d. Financial assets		
i. Investments	1,319.49	-
ii. Loans	249.66	-
iii. Other non-current financial assets	-	50.46
e. Other non-current assets	1,433.91	-
	<b>33,433.66</b>	<b>18,775.70</b>
<b>Current Assets</b>		
a. Inventories	9,483.35	5,132.75
b. Financial assets		
i. Trade receivable	15,487.45	7,552.49
ii. Cash and cash equivalents	189.10	18.88
iii. Other bank balances	8.56	-
iv. Other current financial assets	6.52	-
c. Current tax assets	-	79.60
d. Other current assets	5,922.85	1,305.08
	<b>31,097.83</b>	<b>14,088.80</b>
Assets held for sale	110.93	-
<b>Total Identifiable Assets (A)</b>	<b>64,642.42</b>	<b>32,864.50</b>
<b>Other Equity</b>	<b>21,335.26</b>	-

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ In Lakhs

Particulars	JBM Auto System Private Limited “(Pooling of Interest Method) (At Book Value)”	JBM MA Automotive Private Limited “(Acquisition Method) (At Fair Value)”
<b>Liabilities</b>		
<b>Non Current Liabilities</b>		
a. Financial liabilities		
i. Borrowings	5,755.47	2,544.97
b. Provisions	172.82	86.49
c. Deferred tax liability (net)	2,051.21	330.31
d. Other non-current liability	9.91	3,932.88
	<b>7,989.41</b>	<b>6,894.65</b>
<b>Current Liabilities</b>		
a. Financial liabilities		
i. Borrowings	14,184.16	3,430.05
ii. Trade payables	14,858.14	6,428.50
iii. Other current financial liability	3,169.10	2,592.31
b. Other current liability	556.63	3,787.35
c. Provisions	60.72	46.86
	<b>32,828.75</b>	<b>16,285.07</b>
<b>Total Identifiable Liability (B)</b>	<b>62,153.42</b>	<b>23,179.73</b>
<b>Net assets acquired (A-B)</b>	<b>2,489.00</b>	<b>9,684.78</b>

**Fair Valuation methodology:** Fair valuation of Property, Plant and Equipment has been determined with the use of external fair valuation expert. Approach used by valuation expert for valuation of land involves usage of rates provided by the Government. Depreciated rate of construction for valuation of building. Valuation approach for other property, plant and equipment involves various techno commercial factors- like inflation, depreciation, improvement/obsolescing and availability of the buyer at arm's length to arrive the valuation.

**Acquired Receivables:** The gross contractual amounts and fair value of Trade and Other receivables is same. None of the trade and other receivables is credit impaired and it is expected that full contractual amounts will be recovered.

### (g) Capital Reserve / Bargain Purchase Gain

#### In respect of JBM MA Automotive Private Limited:

The excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities is recognised as Goodwill. Any shortfall is considered as Bargain Purchase. Bargain purchase has been recognised directly in Other Equity (Capital Reserve). Bargain purchase arising out of acquisition has been determined as follows:

₹ In Lakhs

Particulars	JBM MA Automotive Private Limited
Consideration Transferred (i.e. Shares of JBM Auto Limited issued to holders of JBM MA Automotive Private Limited)	4,675.64
Add: Acquisition Date (i.e. April 01, 2017) fair Value of shares held by JBM Auto Limited in JBM MA Automotive Private Limited	4,287.29
Less: Net assets acquired	(9,684.78)
<b>Capital Reserve/Bargain Purchase Gain (i)</b>	<b>(721.85)</b>

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Gain on bargain purchase resulted from combination of Group's unique position to complement JBM MA Automotive Private Limited's business portfolio, its potential ability to manage and grow the business through synergies which gave us sufficient purchasing power to achieve a beneficial transaction.

### In respect of JBM Auto System Private Limited:

Capital Reserve has been computed as follows :

₹ In Lakhs

Particulars	JBM Auto System Private Limited
Equity share capital issued	279.50
Cancellation of Investments of JBM Auto Limited in JBM Auto System Private Limited	2,945.82
Less: Net assets acquired	(2,489.00)
<b>Capital Reserve (Debit Balance) (ii)</b>	<b>736.32</b>
<b>Net Capital Reserve on Merger (i) + (ii)</b>	<b>14.47</b>

### (h) Business combination achieved in stages:

Prior to Business Combination, the Group had 50% share in JBM MA Automotive Private Limited (i.e. Business combination achieved in stages) therefore the Group has remeasured at fair value its previously held interest as on Appointed Date (i.e. April 01, 2017) in JBM MA Automotive Private Limited and recognised the same during 2017-18.

₹ In Lakhs

Particulars	JBM Auto System Private Limited
Fair Value of previously held interest	4,287.29
Carrying Value of previously held interest	3,044.96
<b>Gain on re-measurement of Previously held interest</b>	<b>1,242.33</b>

### (i) Acquisition Related Costs:

The Company has incurred, acquisition related costs amounting to Rs. 60.44 Lakhs. These costs have been included in below expenses in Statement of Profit and Loss.

₹ In Lakhs

Particulars	FY18	FY19	FY20	Total
Legal & professional charges	7.43	24.23	5.47	37.14
Rate & taxes	-	0.07	23.24	23.31
<b>Total</b>	<b>7.43</b>	<b>24.30</b>	<b>28.71</b>	<b>60.44</b>



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 58 : 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.

Particulars	₹ In Lakhs	
	31-Mar-20	31-Mar-19
Net debt	60,542.37	77,023.25
Total equity	70,351.73	64,538.71
<b>Net debt to equity ratio (times)</b>	<b>0.86</b>	<b>1.19</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, 2020		
	Level 1	Level 2	Level 3
Investment in Equity Shares in others	-	-	1,000.90
Investment in Preference Shares in others	-	-	300.00

Financial assets at fair value through profit and loss	Fair value as at March 31, 2019		
	Level 1	Level 2	Level 3
Investment in Equity Shares in others	-	-	1,000.42
Investment in Preference Shares in others	-	-	300.00

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 2020, 31 March 2019 are as shown below:

Description	Valuation technique	Significant unobservable inputs	Sensitivity
Investment in Equity shares	DCF method	"Risk adjusted discount Rate: 31st March 2020: 11.65% 31st March 2019: 10.85%"	" 1% Increase/(Decrease) in discount rate would result in (decrease)/ increase in fair value by: 31st March 2020: Rs. (132.00) Lakhs/ Rs. 175.00 Lakhs 31st March 2019: Rs.(130.00) Lakhs/ Rs. 176.00 Lakhs "
Investment in Preference shares	Dividend Yield & NAV Method	"Discount Rate (G-Sec): 31st March 2020: 6.64% 31st March 2019: 7.35% "	" 1% Increase/(Decrease) in discount rate would result in (decrease)/increase in fair value by: 31st March 2020: Rs. (10.75) Lakhs/ Rs. 5.52 Lakhs 31st March 2019: Rs. (6.86) Lakhs/ Rs. 7.58 Lakhs "

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### Reconciliation of movement in fair value of equity and preference shares:

₹ In Lakhs

Particulars	Investment in Equity shares	Investment in preference shares
<b>As at 1 April 2018</b>	<b>1,054.96</b>	<b>300.00</b>
Investment made during the year	0.42	-
Investment sold during the year	(54.96)	-
Gain/(loss) on change in fair value recognised in Profit and Loss	-	-
<b>As at 31 March 2019</b>	<b>1,000.42</b>	<b>300.00</b>
Investment made during the year	0.48	-
Investment sold during the year	-	-
Gain/(loss) on change in fair value recognised in Profit and Loss	-	-
<b>As at 31 March 2020</b>	<b>1,000.90</b>	<b>300.00</b>

### C. Categories of financial instruments

#### FINANCIAL ASSETS\*

##### Financial assets measured at amortised cost

₹ In Lakhs

Particulars	As at 31 <sup>st</sup> March 2020		As at 31 <sup>st</sup> March 2019	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Loans (Non-current)	1,655.00	1,655.00	1,421.19	1,421.19
Other non-current financial assets	-	-	156.11	156.11
Trade receivables	49,459.38	49,459.38	60,961.10	60,961.10
Cash and cash equivalents	2,192.96	2,192.96	1,078.30	1,078.30
Other bank balances	54.67	54.67	51.50	51.50
Loans (current)	-	-	300.00	300.00
Other current financial assets	1,358.30	1,358.30	1,358.65	1,358.65
<b>Total financial assets measured at amortised cost - (i)</b>	<b>54,720.31</b>	<b>54,720.31</b>	<b>65,326.85</b>	<b>65,326.85</b>

##### Financial assets measured at FVTPL

₹ In Lakhs

Particulars	As at 31 <sup>st</sup> March 2020		As at 31 <sup>st</sup> March 2019	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Investment in equity shares in others	1,000.90	1,000.90	1,000.42	1,000.42
Investment in preference shares in others	300.00	300.00	300.00	300.00
Hedging gain recoverable	-	-	91.68	91.68
<b>Total financial assets measured at FVTPL - (ii)</b>	<b>1,300.90</b>	<b>1,300.90</b>	<b>1,392.10</b>	<b>1,392.10</b>
<b>Total financial assets (i) + (ii)</b>	<b>56,021.21</b>	<b>56,021.21</b>	<b>66,718.95</b>	<b>66,718.95</b>

\* Does not include investments in Subsidiary, Joint ventures and Associate which are measured at cost as per IND AS 27.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### Financial liabilities measured at amortised cost

₹ In Lakhs

Particulars	As at 31 <sup>st</sup> March 2020		As at 31 <sup>st</sup> March 2019	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Non-current borrowings*	27,820.37	27,820.37	35,395.92	35,395.92
Other non-current financial liabilities	543.46	543.46	498.65	498.65
Current borrowings	34,914.95	34,914.95	42,705.62	42,705.62
Trade payables	40,062.55	40,062.55	40,901.76	40,901.76
Other current financial liabilities	1,717.25	1,717.25	2,148.21	2,148.21
<b>Total financial liabilities measured at amortised cost</b>	<b>1,05,058.58</b>	<b>1,05,058.58</b>	<b>1,21,650.17</b>	<b>1,21,650.17</b>

\* including current maturities of non-current borrowings

Carrying value of loan, 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

There have been no transfer among levels during the year

### 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).

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Foreign currency exposure that have not been hedged by derivative instrument are given below.

Liabilities/Assets	Foreign Currency (in lakhs)		INR Equivalent (in lakhs)	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
<b>Liabilities</b>				
USD	16.10	28.91	1,213.60	1,999.95
JPY	111.82	41.67	77.88	26.05
SEK	1.56	1.70	11.90	12.69
EURO	2.39	2.23	198.41	173.48
CNY	25.23	-	268.49	-
<b>Assets</b>				
USD	21.89	4.22	1,650.35	292.07
EURO	13.00	4.39	1,079.51	340.81
CNY	0.46	0.29	4.86	2.95

### Foreign currency sensitivity analysis

The following tables demonstrate the sensitivity to a reasonably possible change in USD, EURO, SEK, CNY and JPY exchange rates, with all other variables held constant. The impact on the 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:

₹ In Lakhs

Particulars	Depreciation in INR		Appreciation in INR	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
<b>Payables</b>				
USD /INR	(60.68)	(100.00)	60.68	100.00
JPY/INR	(3.89)	(1.30)	3.89	1.30
SEK/INR	(0.59)	(0.63)	0.59	0.63
EURO/INR	(9.92)	(8.67)	9.92	8.67
CNY/INR	(13.42)	-	13.42	-

Particulars	Depreciation in INR		Appreciation in INR	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
<b>Receivables</b>				
USD /INR	82.52	14.60	(82.52)	(14.60)
EURO/INR	53.98	17.04	(53.98)	(17.04)
CNY/INR	0.24	0.15	(0.24)	(0.148)

## 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

#### 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

	Increase/decrease in basis points	Effect on profit before tax
<b>31-Mar-20</b>		
Borrowings	+50	(296.22)
Borrowings	-50	296.22
<b>31-Mar-19</b>		
Borrowings	+50	(355.67)
Borrowings	-50	355.67

### 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-20</b>				
Non-current borrowings*	8,064.25	19,087.27	-	27,151.53
Finance Lease Obligations (Undiscounted)*	84.42	344.24	2,900.41	3,329.07
Other non current financial liabilities	-	543.46		543.46
Current borrowings	34,914.95	-	-	34,914.95
Trade payables	40,062.55	-	-	40,062.55
Other financial liabilities	1,717.25	-	-	1,717.25
	<b>84,843.43</b>	<b>19,974.97</b>	<b>2,900.41</b>	<b>1,07,718.80</b>
<b>As at 31-Mar-19</b>				
Non-current borrowings*	11,713.24	23,584.36	-	35,297.60
Finance Lease Obligations (Undiscounted)*	6.76	27.03	2,235.51	2,269.30
Other non current financial liabilities	-	498.66	-	498.66
Current borrowings	42,705.62	-	-	42,705.62
Trade payables	40,901.76	-	-	40,901.76
Other current financial liabilities	2,148.21	-	-	2,148.21
	<b>97,475.59</b>	<b>24,110.05</b>	<b>2,235.51</b>	<b>1,23,821.15</b>

\* including current maturities of non current borrowings and finance lease obligation.

**NOTE 59 : EVENTS AFTER THE REPORTING PERIOD**

There are no reportable events that occurred after the end of the reporting period.

**NOTE 60 : AMENDMENTS TO STANDARDS THAT ARE NOT YET EFFECTIVE AND HAVE NOT BEEN ADOPTED BY THE COMPANY**

There is no such notification which would have been applicable from April 1, 2020.

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

Place : New Delhi  
Dated : 30th June, 2020

For and on behalf of Board of Directors  
JBM Auto Limited

Surendra Kumar Arya  
Chairman  
DIN 00004626  
Place : New Delhi

Sandip Sanyal  
Executive Director  
DIN 07186909  
Place : Gurugram  
(Haryana)

Vivek Gupta  
Chief Financial Officer  
& Company Secretary  
Place : Gurugram  
(Haryana)

**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	MH Ecolife Emobility 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	5.00
4	Reserves and Surplus	(0.13)
5	Total Assets	5.00
6	Total Liabilities	0.13
7	Investments	0.00
8	Turnover	0.00
9	Profit before Taxation	(0.13)
10	Provision for Taxation	0.00
11	Profit after Taxation	(0.13)
12	Proposed Dividend	0.00
13	% of Shareholding	99.98%

\* Become Subsidiary w.e.f 23rd January 2020

**1. Names of subsidiaries which are yet to commence operations - MH Ecolife Emobility Private Limited****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				Associate
	JBM Ogihara Die Tech Private Limited	JBM Ogihara Automotive India Limited	JBM Solaris Electric Vehicles Private Limited	INDO Toolings Private Limited	VT Emobility Private Limited
1. Latest Audited Balance Sheet	31.03.2020	31.03.2020	31.03.2020	31.03.2020	31.03.2020
2. Shares of Associate/Joint Ventures held by the Company on the year end					
a) No. of shares	1,11,66,000	1,12,19,994	1,19,84,657	2,00,000	26,000
b) Amount of Investment in Joint venture & Associate	1,116.60	1,122.00	1,198.46	20.00	2.60
c) Extent of holding %	51.00%	51.00%	79.90%	50.00%	26.00%
3. Description how there is Significant Influence	As per JV Agreement	As per JV Agreement	As per JV Agreement	As per JV Agreement	Note-1
4. Reason why the Associate/Joint Venture is not consolidated	NA	NA	NA	NA	NA
5. Net worth attributable to Shareholding as per latest audited Balance Sheet	1,125.61	1,861.55	1,003.57	40.58	2.57
6. Profit / Loss for the year*					
1. Considered in Consolidation	21.55	(14.85)	(128.17)	93.73	(0.03)
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  
Chairman  
DIN 00004626  
Place: New Delhi

Sandip Sanyal  
Executive Director  
DIN 07186909  
Place: Gurugram (Haryana)

Vivek Gupta  
Chief Financial Officer  
& Company Secretary  
Place: Gurugram  
(Haryana)

Place : New Delhi  
Dated : 30th June, 2020



## 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@jbmgrou.com  
www.jbmgrou.com

## CORPORATE OFFICE:

JBM Auto Limited  
Plot No. 9, Institutional Area  
Sector -44, Gurugram-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.

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-3 Plot No. AV-13  
Ford supplier park, BOL,  
Industrial Estate, GIDC  
Sanand-II-382170 (Gujrat)

Plot No. SP-891,  
Pathredi Industrial Area,  
Bhiwadi - 301707,  
Dist. Alwar ,Rajasthan.

Plot No. 157-E, Sector-3,  
Pithampur Industrial Area - 454775,  
Dist. Dhar , Indore (M.P.)

Plot No. 80, Sector-3,  
Pithampur industrial Area - 454775,  
Dist. Dhar, Indore (M.P)

Plot -1 Survey No 113 /2A  
Village Harnia Khedi,  
Opp Veterinary College AB Road,  
Tehsil MHOW, Indore -453446(MP)

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-1 C-1/2 MIDC,  
Chakan Telegaon Road,  
Chakan, Pune -410501(maharashtra)

MVML Vendor Park  
Plot No. A-1/6,  
410501, Pune  
Maharashtra

Plot-1 Building No .06  
Onsite supplier park,  
Toyota Kirloskar motors pvt ltd,  
Plot no 1 Bidadi Industrial area  
Ramnagaram -562109 (karnataka)

Plot No. 118, Sector - 59,  
HSIDC, Industrial Estate,  
Ballabgarh - 121004,  
Faridabad, Haryana

A-4, Industrial Estate,  
Kosi Kotwan,  
Dist. Mathura, Uttar Pradesh.

Plot No. 5, Sector-31,  
Kasna Industrial Area  
Greater Noida-201306, Uttar Pradesh.  
Ph. : +91-120-4522500, 2341417, 2341429,  
Fax : +91-120-2341423.

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