

Ref. No. JBML/SE/2017-18/47

Date: 11<sup>th</sup> September, 2018

BSE Limited Phiroz Jeejeebhoy Towers Dalal Street, Mumbai – 400001  Scrip Code: 520066	The National Stock Exchange of India Ltd. Exchange Plaza, 5 <sup>th</sup> Floor, Plot No. C/1, G- Block, Bandra Kurla Complex, Bandra (E) Mumbai – 400051 Scrip Code: JAYBARMARU
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**Sub: Regulation- 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015- Submission of Annual Report for the Financial Year ended 31<sup>st</sup> March, 2018- Jay Bharat Maruti Limited**

Dear Sir,

In compliance of the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith the Annual Report of Jay Bharat Maruti Limited for the financial year ended 31<sup>st</sup> March, 2018 containing:

- a) Audited Financial Statements i.e. Balance Sheet as at 31<sup>st</sup> March, 2018 and Statement of Profit & Loss for the year ended on that date
- b) Cash Flow Statement
- c) Auditors' Report
- d) Notice
- e) Directors' Report
- f) Management Discussion and Analysis Report and
- g) Corporate Governance Report



Works :

Plant I : Plot No. 5, MSIL, Joint Venture Complex, Gurgaon-122 015 (Haryana) T. +91 124 4887200 F: +91 124 4887300  
Plant II : Vill. & Post - Mohammadpur Narsinghpur, Sector-36, Gurgaon-122 001 (Haryana) T: +91 124 4275126-27, F: +91 124 4935332  
Plant III : Plot No. 15&22, Sector-3A, Maruti Supplier Park, IMT Manesar, Gurgaon-122 051 (Haryana) T: +91 99991 90423, 9899079952  
Plant IV : Plot No. 322, Sector -3, Phase-II, GWC, Bawal - 123501 (Haryana) T:+91 8221004201, 8221004203  
Regd. Office :  
601, Hemkunt Chambers, 89, Nehru Place, New Delhi - 110 019 T: +91 11 26427104-06, F: +91 11 26427100  
CIN : L29130DL1987PLC027342

The enclosed Annual report of the Company was duly approved and adopted as per the provisions of the Companies Act, 2013 in the 31<sup>st</sup> Annual General Meeting of the Company held on 4<sup>th</sup> September, 2018 at Air Force Auditorium, Subroto Park, New Delhi-110010.

You are requested to please take the same in your record.

Thanking you,

Yours faithfully,

**For Jay Bharat Maruti Limited**

 For Jay Bharat Maruti Limited

**(Ravi Arora)**

Company Secretary

Company Secretary

Encl.: As above



**GROWTH AND  
EXPANSION**

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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. Jay Bharat Maruti 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.

# GROWTH AND EXPANSION

Time is never constant and so is evolution and if tandem between both is established on a common ground; the result of such rhythmic combination is exemplified by Jay Bharat Maruti Limited. The organization has successfully surpassed the 3-decade milestone and this feat has been a result of consolidating a grounded approach of 'Growth driven by a foundation of experiential knowledge and Expansion using the corporate art of quick adaptability to technology and innovation'.

Growth And Expansion of Jay Bharat Maruti Limited has been achieved by repeatedly re-examining the sense of purpose in the business, aligning business dealing on ethics and strengthening the process and system to fulfil the purpose of being a conscious vendor to its partner.

Jay Bharat Maruti Limited (JBML) the forerunner of the JBM Group has continued its path of 'Growth And Expansion and this has been attributed because of carefully selected, trained and nurtured intellectual capital, engineering design services to compliment vendor relations, high quality precision product delivery using state-of-the-art technology and continuous improvement in manufacturing automation. These are the attributes that have created a foundation for growth and space for expansion.

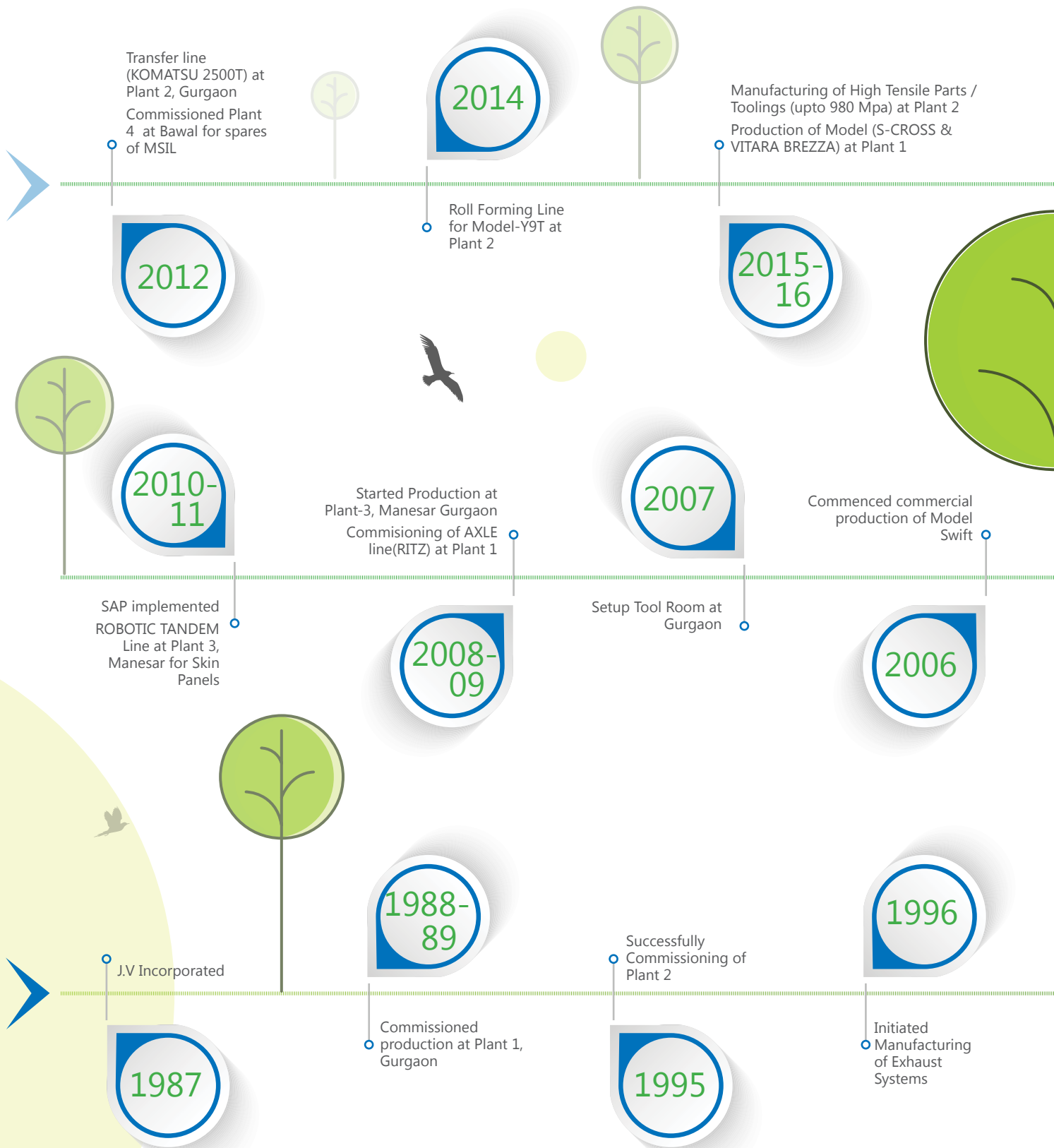
Our journey of metamorphosis has been made possible due to the conscientiousness in our actions; integrating and upgrading to latest technology for product development for a consistent manufacturing evolution. Employing innovation in design, with technology enhancing the overall output has spurred our phenomenal growth, which has been both dramatic and incremental. This in turn has created the scale for expansions into business horizons to tap newer opportunities.

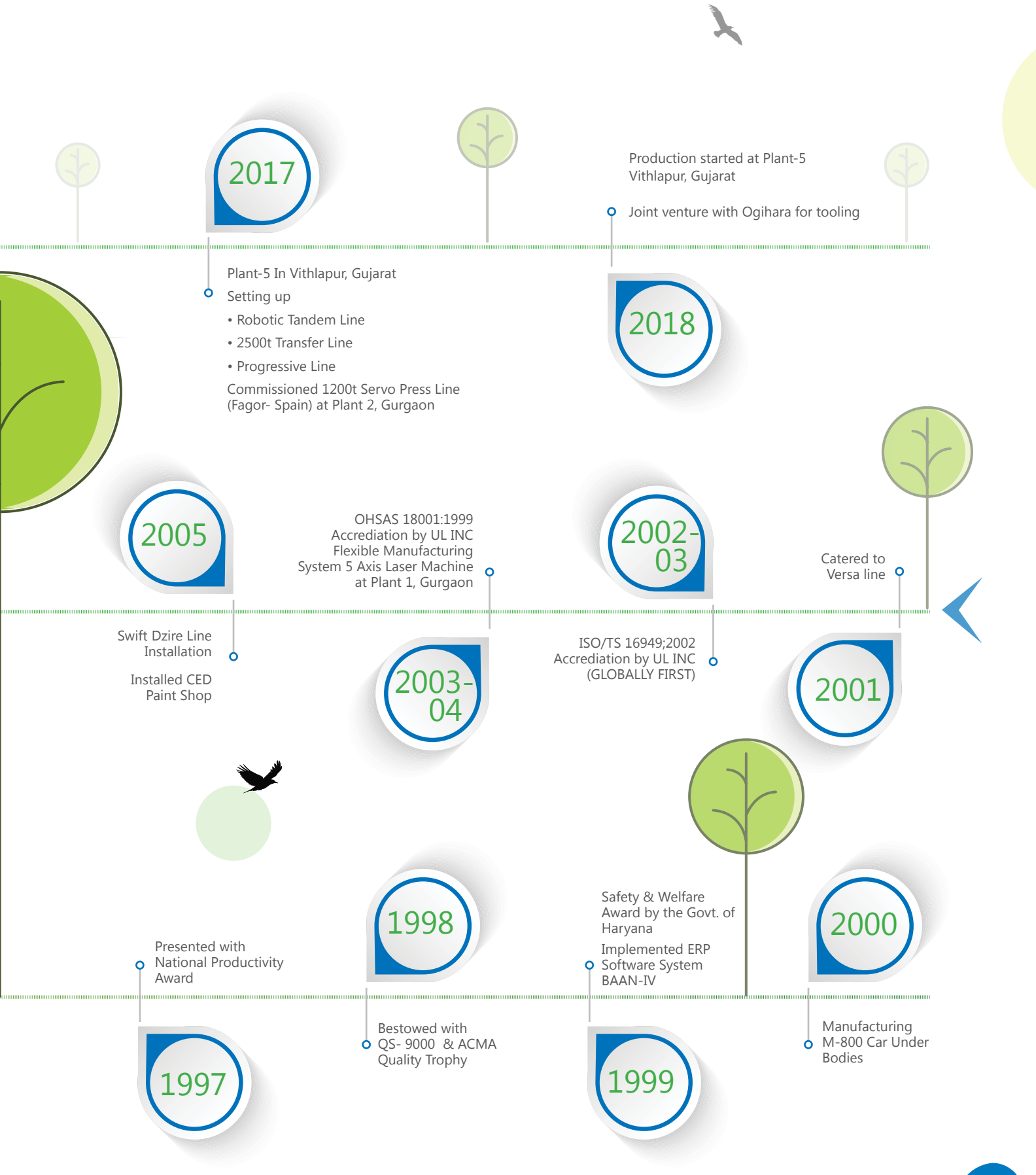
With a right mix of intent, ability and opportunity and thereby leveraging the foundation on which Jay Bharat Maruti Limited has been built on; the organization has been able to fundamentally transform and bridge technology evolution to tap opportunity. Assimilating technology and innovation within the business process has garnered the credibility Jay Bharat Maruti Limited enjoys with its business association with Maruti Udyog Limited.

The organization continues to take mindful steps toward continuously shaping its infrastructure to achieve a healthy growth trajectory and create expansive business agility.



# OUR MILESTONES





2017

Production started at Plant-5  
Vithlapur, Gujarat

Joint venture with Ogihara for tooling

Plant-5 In Vithlapur, Gujarat

Setting up

- Robotic Tandem Line
- 2500t Transfer Line
- Progressive Line

Commissioned 1200t Servo Press Line  
(Fagor- Spain) at Plant 2, Gurgaon

2018

2005

OHSAS 18001:1999  
Accreditation by UL INC  
Flexible Manufacturing  
System 5 Axis Laser Machine  
at Plant 1, Gurgaon

2002-03

Catered to  
Versa line

Swift Dzire Line  
Installation

Installed CED  
Paint Shop

2003-04

ISO/TS 16949:2002  
Accreditation by UL INC  
(GLOBALLY FIRST)

2001

1998

Presented with  
National Productivity  
Award

Safety & Welfare  
Award by the Govt. of  
Haryana  
Implemented ERP  
Software System  
BAAN-IV

2000

1997

Bestowed with  
QS- 9000 & ACMA  
Quality Trophy

1999

Manufacturing  
M-800 Car Under  
Bodies



## FROM THE CHAIRMAN'S DESK

### Dear Shareholders,


Synergies in relationships create value and a symbiotic approach is essential to create a win - win result. A cohesive organization has been our guiding principle that formed Jay Bharat Maruti Ltd.'s FY17-18 mission of 'Growth & Expansion'.

With consistent growth over the years, India is the fastest growing G20 economy today. Increasing investments and exports, aptly supported by the smooth implementation of the new Goods and Services Tax (GST), have been the major growth engines. With capacity utilization rising, corporate earnings recovering and the recapitalization of public banks, investment has revived. Private consumption has suffered from the confidence and employment shocks associated with demonetization. However, recovery is underway as depicted by the rebound in vehicle sales. Our Government's dual objective of bringing the unorganized sectors into the tax compliant mainstream and propelling the benefits of economic growth to larger sections of our society have strengthened the foundation of a new India that is already on its way towards a sustained economic growth in the coming decades.

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

Fiscal 2017- 2018 was a year of growth driven by a founding principle of being responsible, dynamic, efficient, transparent and reliable. The Indian automobile industry grew by 14.81% to reach 29.07 million vehicles. The passenger vehicle segment recorded an annual growth of 7.87%, riding on a robust growth of 20.97% in the demand of utility vehicles. Moreover, the sale of commercial vehicles and two wheelers grew by 21.13% and 14.79%, respectively. The overall automobile exports in FY17-18 registered a growth of 16.38%, backed by strong growth of 20.51% in 2 wheeler and 40.74% in 3 wheeler vehicles segments. According to ACMA,





The highlights of the year have been start of production at your company's state of the art plant in Vithalapur, Gujarat which is catering to the requirements of Suzuki Motor Corporation. JBML also entered into a strategic joint venture with Ogihara with an objective of strengthening our tooling capabilities. Your company's performance has been driven by a double digit growth in revenues by 13.48% at Rs. 17340.21 million. EBIDTA witnessed a remarkable jump of 18.39% from Rs 1345.22 million in FY17 to Rs 1592.58 million in FY18. The EBIDTA margin in FY18 increased to 9.26% from 8.8%. The net profit for the year stood at Rs 588.91 million, as against Rs 537.74 million in FY17.

the Indian Auto Components Industry would grow to US\$ 100 billion by 2020, backed by strong exports estimated to be of US\$ 80-100 billion by 2026, from the current US\$ 11.2 billion. With this as its core we were able to deliver quality products to our partners, driven by our efficiency in design and advanced automation.

I am glad to report a double digit growth in your company's revenues by 13.48% at Rs. 17340.21 million. EBIDTA witnessed a remarkable jump of 18.39% from Rs 1345.22 million in FY17 to Rs 1592.58 million in FY18. The EBIDTA margin in FY18 increased to 9.26% from 8.8%. Your company's net profit for the year stood at Rs 588.91 Million, as against Rs 537.74 million in FY17.

The highlight of the year has been start of production at your company's state of the art plant in Vithalapur, Gujarat which is catering to the requirements of Suzuki Motor Corporation. JBML also entered into a strategic joint venture with Ogihara with an objective of strengthening our tooling capabilities. The year has been satisfying for us all at Jay Bharat Maruti Ltd, and we intend to continue with our mission of creating value for all stakeholders by focusing on our strengths and delivering synergistic congruence to grow and expand.


To conclude, I would like to formally thank our partner Maruti Suzuki India Ltd for their continued patronage on our delivery prowess. 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 shareholders. Your faith and trust in our capabilities keeps motivating us to evolve higher and stronger.

Finally, I would like to end this note by quoting Benjamin Franklin,

"Without continual growth and progress, such words as improvement, achievement, and success have no meaning."

**Thank You and Jai Hind.**

**Surendra Kumar Arya**  
Chairman



# FINANCIAL HIGHLIGHTS

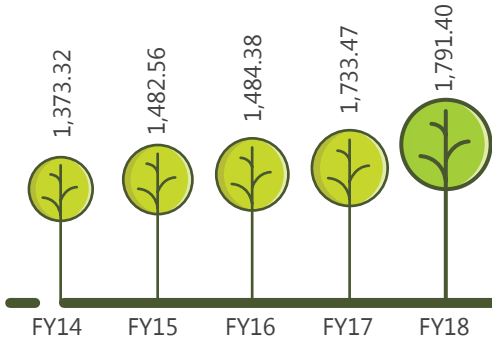
₹ In Crore

Particulars	2013-14	2014-15	2015-16	2016-17	2017-18
Revenue from operations	1,370.68	1,475.16	1,480.60	1,732.05	1,787.79
Less Excise Duty	159.10	181.03	178.68	205.42	57.38
Net Sales	1,211.58	1,294.14	1,301.92	1,526.63	1,730.41
Other Income	2.64	7.40	3.78	1.42	3.61
Total Income	1,373.32	1,482.56	1,484.38	1,733.47	1,791.40
EBIDTA	108.83	112.78	120.87	134.52	159.26
Financial Charges	21.58	21.33	22.14	18.30	20.12
Depreciation - Fixed Assets	45.54	38.20	39.02	41.43	49.10
Profit Before Tax (excluding exceptional Item)	41.71	53.25	59.71	74.79	90.04
Exceptional Item	14.41	-	-	-	-
Profit Before Tax	27.30	53.25	59.71	74.79	90.04
Tax	10.79	13.27	19.90	21.02	31.15
Profit After Tax	16.51	39.98	39.81	53.77	58.89
Share Capital	10.83	10.83	10.83	10.83	10.83
Reserve & Surplus	161.47	196.26	241.90	293.63	349.42
Net Worth	172.30	207.09	252.72	304.46	360.25
Inventory/Net Turnover (Times)	12.25	10.33	9.72	13.34	8.55

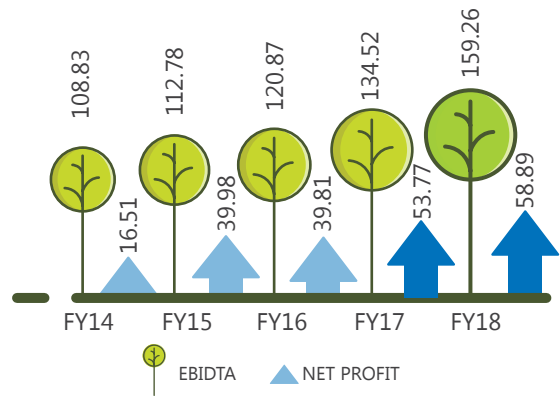
Key Indicators					
EBIDTA/Net Sales (%)	8.98	8.71	9.28	8.81	9.20
PBT/Net Sales (%)	2.25	4.11	4.59	4.90	5.20
PAT/Net Sales (%)	1.36	3.09	3.06	3.52	3.40
RONW (PAT/Net Worth) (%)	9.59	19.31	15.75	17.66	16.35
Earning Per Share (₹)	7.63	18.47	18.39	24.84	27.20
Cash Earning Per Share (₹)	28.66	36.11	36.41	43.97	49.88
Dividend Per Share (₹)	1.25	2.00	2.00	2.50	2.50
Book Value per Share (₹)	79.58	95.65	116.73	140.63	166.40
Price/Earning Ratio (Times)	8.24	7.33	6.82	17.02	13.71
Market price of share as on 31 <sup>st</sup> March' (₹)*	62.90	135.30	125.35	422.75	372.95
Market Capitalisation (₹ in crores)	136.18	292.92	271.38	915.25	807.44
Proposed Dividend (₹ in crores)	2.71	4.33	4.33	5.41	5.41
Corporate Dividend Tax (₹ in crores)	0.46	0.87	0.88	1.10	1.10
"Dividend Payout Ratio(%) (including Dividend Distribution Tax)"	19.20	12.99	13.09	12.11	11.06

Note:  
\* as per NSE prices

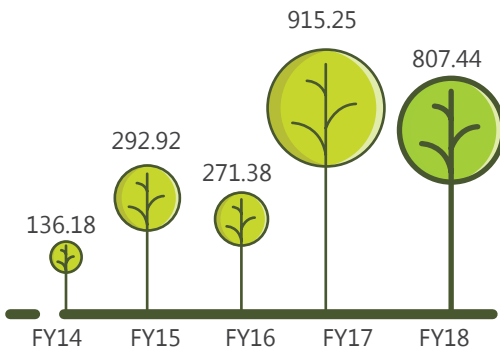
**Total Income (₹ In Crore)**



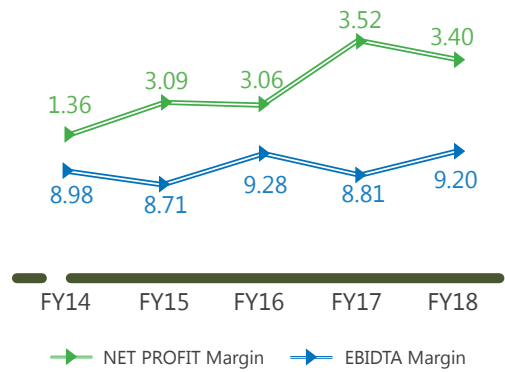
**EBITDA and Net Profit (₹ In Crore)**



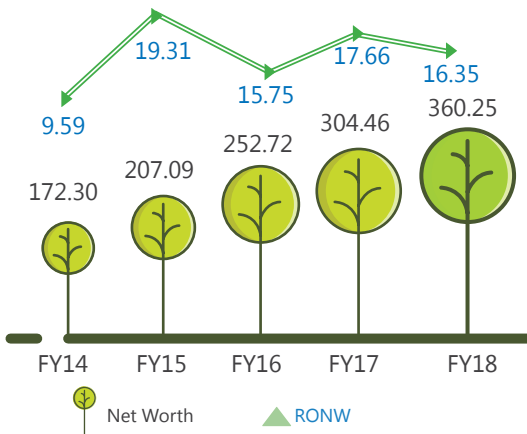
**Market Capitalisation (₹ In Crore)**



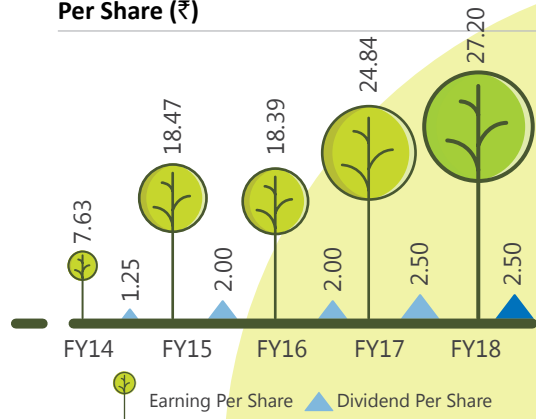
**Profitability Margin (₹ In Crore)**



**Net Worth and RONW (₹ In Crore)**



**Earning Per Share and Dividend Per Share (₹)**



# JAY BHARAT MARUTI LTD. IN BRIEF



Jay Bharat Maruti Limited (JBML), founded in 1986, in collaboration with Maruti Suzuki India Limited (MSIL), is the leading manufacturer of key auto components and assemblies such as BIW parts, exhaust systems, fuel fillers (fuel pipe), and suspension parts for passenger cars. Our five state-of-the-art manufacturing plants, located in Gurgaon, Bawal, Manesar (Haryana) and Gujarat are well equipped with advanced production lines to develop products of highest quality.

## 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.

## Mission

To make JBML a synonym for a world-class organization, excelling in sheet metal technologies.

**1700+**

core turnover

**5**

state-of-the-art  
manufacturing  
facilities

**720**

components/assemblies  
produced

## Values

**Integrity & Ethics:** By having the conscience to be honest and sincere, resulting in appropriate conduct without being overseen.

**Ownership & Commitment:** By feeling a sense of accountability towards all tasks undertaken and taking complete responsibility for the outcomes.

**Respect & Teamwork:** By fostering trust among people and an appreciation for diversity of ideas, thereby harnessing the potential of individuals and

channeling it to accomplish greater group goals.

**Customer Trust & Delight:** By meeting commitments, being sensitive to customer needs and addressing matters with clarity and speed.

**Safe & Green:** By being, in all our actions, a conscientious corporate citizen who prioritizes the safety of its people, protects the environment and contributes to the wellbeing of the society.

## Driving ahead through robust operational facilities

- Stamping, Welding, Fuel Pipe Manufacturing, Die Manufacturing, Painting and Plating
- Press Shop - 20T to 2500T Presses - Standalone, Hydraulic Robotic, Automated and Transfer Press Lines. Die Design Development and Manufacturing CNC Machines – Die Spotting, Assembly - Trial and TPMs
- Weld Shop - MIG / MAG Welding - Manual Robotic, Spot Welding - SSW, PSW, IT Gun, MSW, Robotic Projection Welding - MSW, PSW, SSW, and Laser Cutting Rules
- Coordinating measuring rules and other quality Control/assurance related equipment
- Die manufacturing for large panels
- Fuel pipe manufacturing machines
- Others - World-class Paint and Plating shops



5800

workforce

140,000

total supply of parts

IATF-16949:2016,  
ISO 14001:2015,  
OHSAS 18001:2007

system quality certifications

# KEY CATEGORIES

## Superior product portfolio

- Sheet Metal Components & Assemblies
- Welded Assemblies
- Exhaust Systems
- Fuel Fillers (Fuel pipe)
- Axles
- Tools & Dies



# ALLIANCES & PARTNERSHIPS

## In partnership with leading global companies to deliver market-leading innovation

- SNIC Co. Ltd., Japan
- Daiwa Excel, Japan
- Yorozu Corporation, Japan
- Futaba Industrial Co., Japan
- Okamoto Press Co. Ltd., Japan
- Ogihara Thailand Co. Ltd.



# AWARDS AND ACCOLADES

## A TESTIMONY TO OUR OPERATIONAL EXCELLENCE

### 2015-16

- ▶ Certificate for Yield Improvement
- ▶ Certificate for Superior Performance in the field of Focused Model Cost Reduction

### 2016-17

- ▶ Certificate of appreciation in the field of yield improvement
- ▶ Certificate of appreciation in tooling localisation
- ▶ Certificate of appreciation in the field of Design & Development

### 2017-18

- ▶ Certificate of Appreciation in the field of VA-VE
- ▶ Certificate of Appreciation for Gujarat Localization
- ▶ Certificate of Appreciation in the field of Tooling Localization

### 2014-15

- ▶ Certificate for Yield Improvement

### 2013-14

- ▶ Certificate of Tier-2 Up-gradation
- ▶ Certificate for Yield Improvement

### 2012-13

- ▶ Gold Trophy for overall performance
- ▶ Shield for Yield Improvement

### 2009-10

- ▶ Trophy for Value Analysis and Value Engineering (VA VE)
- ▶ Trophy for Manufacturing Excellence Awards

### 2010-11

- ▶ Certificate for Incoming Quality Improvement
- ▶ Certificate for VA VE
- ▶ Trophy for HR initiative
- ▶ Trophy for Audit Rating

### 2011-12

- ▶ Silver Shield for overall performance
- ▶ Shield for Spare Delivery
- ▶ Shield for Special Support
- ▶ Certificate for 'VA VE'
- ▶ Certificate for 'Capacity Enhancement'

### 2008-09

- ▶ Vendor Performance Award for Car Scheme
- ▶ Vendor Performance Award for MPS
- ▶ Shield for Tier-2 Up-gradation
- ▶ Shield for Yield Improvement (1.1.1)

### 2007-08

- ▶ Yield Improvement Trophy
- ▶ Significant Achievement in Business Excellence - CII Exim Bank

### 2006-07

- ▶ Significant Achievement in Business Excellence - CII Exim Bank
- ▶ Yield Improvement Trophy -MSIL
- ▶ Overall Excellence Shield – MSIL



## CORPORATE SOCIAL RESPONSIBILITY

Our Corporate social responsibility (CSR) activities revolve around the ethos of consistent socio-economic progress along with a focus on creating a sustainable business blueprint that puts emphasis on environmental sustainability. We have persistently worked towards economic empowerment of the rural communities wherein we have provided economic independence to the rural populace and improved their infrastructure through our community outreach programs. By way of our contribution to Shri Madhav Jan Sewa Nyas, Moga Devi Minda Charitable Trust, Neel Foundation, we have been promoting education and women empowerment by establishing public libraries, organising medical relief camps and healthcare programmes for them. Besides, we regularly lend our support to the NGOs who are actively involved in imparting education to the underprivileged and are investing their time and resources in character building, improving health and hygiene of people and sports. The Company has also collaborated with Jal Vayu Sanrakshan Samiti for the plantation of new trees to ensure environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water. On the healthcare front, we have organized several in-house blood donation camps to help children suffering from Thalassemia. We have

also extended our help to distressed people and communities who have been victims of natural calamities by donating to the Red Cross Foundation.

Our belief system strongly promulgates ethical value system, therefore, we have produced and promoted moral and motivational CD's for distribution to various Schools and Institutions that will, in turn, instill moral values in the younger generation. We are steadfast in following our social and environmental ethos and our business development will be pursued in such a manner that it will continue to support inclusive growth, social equity, and environmental sustainability, which, in turn, will help create value for all our stakeholders.

### Following are some of our committed efforts in this direction:

- We manage our operational activities effectively to minimise any adverse impact on the environment, general health and safety.
- We constantly frame and implement effective environment conservation policies.
- We have a Health and Safety Management Team that regularly monitors, set and reviews our environment health and safety objectives and targets.
- We constantly endeavour to reduce waste through implementing an effective waste recycling process within our manufacturing operations





**Mr. S. K. Arya**  
Chairman &  
Managing Director



**Mr. Rajiv Gandhi**  
Director



**Mr. D. P. Agarwal**  
Director



**Mr. U. C. Agarwal**  
Director



**Mr. Nishant Arya**  
Director



**Ms. Esha Arya**  
Director



**Mr. Achintya Karati**  
Director



**Mr. Virender Ganda**  
Director\*

\* upto 16 January 2018

# CORPORATE INFORMATION

## President & CFO

Mr. Anand Swaroop

## Company Secretary & Compliance Officer

Mr. Ravi Arora

## Joint Venture Partner

Maruti Suzuki India Limited

## Statutory Auditors

Sahni Natarajan and Bahl  
(Chartered Accountants)

## Internal Auditors

Mehra Goel & Co.  
(Chartered Accountants)

## Registrar & Share Transfer Agent

MCS Share Transfer Agent Ltd.

## Bankers

- Canara Bank • CTBC Bank Ltd • DBS Bank • HDFC Bank • HSBC Bank • ICICI Bank Ltd. • IDFC Bank
- Kotak Mahindra Bank Ltd. • MUFG Bank Ltd • Standard Chartered Bank • Yes Bank Ltd.

## DIRECTORS' REPORT

To the Members,

Your Directors are pleased to present the Thirty First Annual Report on business and operations of your Company together with the Audited Financial Statement for the Financial Year ended 31<sup>st</sup> March, 2018.

### 1. FINANCIAL RESULTS

The Company's financial performance, for the year ended 31<sup>st</sup> March, 2018 is summarized below: (₹ in Million)

Particulars	2017-18	2016-17
Total Income	17914.02	17334.71
Earnings before interest, depreciation, tax and amortization (EBIDTA)	1592.58	1,345.22
Finance Cost	201.19	182.98
Depreciation	491.03	414.30
Profit Before Tax	900.36	747.93
Tax Expense	311.46	210.19
<b>Profit after Tax</b>	<b>588.91</b>	537.74
<b>Retained Earnings</b>		
Balance at the beginning of the Year	2592.30	2108.14
Profit for the Year	5,88.91	537.74
Other Comprehensive Income arising from remeasurement of defined benefit Obligation	(0.86)	(1.47)
Payment of dividend on equity shares	(54.13)	(43.30)
Corporate Dividend Tax paid	(11.02)	(8.81)
Balance at the end of the year	3115.20	2592.30

### 2. FINANCIAL HIGHLIGHTS

Your Company recorded total Revenue of ₹ 17,340.21 million (net of excise) during the financial year 2017-18 as compared to ₹ 15,280.48 million in the previous year, an increase of 13.48%. The EBIDTA has gone up by 18.39% during the financial year 2017-18 due to strong operational performance. The Profit Before Tax for the financial year 2017-18 amounts to ₹ 900.36 million as against ₹ 747.93 million for the previous year, showing an increase of 20.38%. The profit after tax has gone up in the financial year 2017-18 to ₹ 588.91 million as compared to ₹ 537.74 million in the previous year showing an increase of 9.52%. The reason for lower increase in Profit After Tax is due to non-availability of tax benefit under section 32AC of Income Tax Act in the current year.

### 3. DIVIDEND AND APPROPRIATION

#### (A) Dividend

Your Directors have recommended a dividend of ₹ 2.50 (i.e.50%) per equity share for the financial year ended 31<sup>st</sup> March, 2018, amounting to ₹ 54.13 Million (inclusive of Corporate Dividend Tax of ₹ 11.02 Millions). The dividend payout is subject to approval of members at the ensuing Annual General Meeting.

The dividend will be paid to members whose name appear in the Register of Members as on 27<sup>th</sup> August, 2018 and in respect of shares held in dematerialized form, it will be paid to members whose name are furnished by National Securities Depository Limited and Central Depository Services (India) Limited, as beneficial owners as on that date.

#### (B) Appropriation

During the financial year 2017-18, an amount of ₹ Nil was transferred to the General Reserve from the Profits of the Company.

#### 4. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

#### 5. CREDIT RATING

ICRA has assigned its credit rating of A1+ for short term instruments which is the highest rating for credit quality and the rating for long term debt Instruments is AA- and indicating the outlook on the long term rating as "Stable".

#### 6. QUALITY

Your Company has implemented International Quality Management System based on the requirement of IATF 16949:2016. The Company has established, implemented and is maintaining an Information Security Management System. During the year, ISO 14001 surveillance was carried out by M/s American System Registrar, LLC and the auditors recommended the continuation of the ISO 14001. Apart from the above, your Company is also OHSAS-18001:2007 and ISO-14001:2015 certified.

#### 7. HUMAN RESOURCES

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

#### 8. FIXED DEPOSITS

During the year under review, the Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 and as such, no amount of principal or interest was outstanding on the date of the Balance Sheet.

#### 9. DIRECTORS AND KEY MANAGERIAL PERSONNEL

##### **Directors**

Mr. Nishant Arya (DIN : 00004954) will retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. The Board of Directors recommend his re-appointment. A brief profile and other details as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided in the notice of 31<sup>st</sup> Annual General Meeting of the Company.

Mr. Virender Ganda (DIN 01013057), Independent Director of the Company had resigned from the Directorship of the Company with effect from 16th January, 2018.

The company has appointed Mr. Dhanendra Kumar, recommended by nomination and remuneration committee, as an additional Director and Independent Director of the Company in the Board Meeting held on 16th July, 2018 in place of Mr. Virender Ganda. An appropriate observation in this regard is given by Secretarial Auditor in its report dated 16th July, 2018.

##### **Key Managerial Personnel**

There is no change in the Key Managerial Personnel of the Company during the year 2017-2018.

#### 10. DECLARATION OF INDEPENDENT DIRECTORS

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

The terms of appointment of Independent Directors may be accessed on the Company's website at the link: <http://www.jbmgroupp.com/pdf/T&C%20Appointment%20of%20Independent%20Director/Jay-Bharat-Maruti-Ltd-terms-conditions-of-appointment-of-Independent-Directors.pdf>

## 11. PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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.

## 12. REMUNERATION POLICY

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

## 13. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134 of the Companies Act, 2013, it is hereby confirmed that:

- (a) in the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2018, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2018 and of the profit of the Company for the year ended on that date;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared the annual accounts on a 'going concern' basis;
- (e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## 14. MEETINGS OF THE BOARD

Four meetings of the Board of Directors were held during the year. For details of the meeting of the Board, please refer to the Report on Corporate Governance. The intervening gap between two Board Meetings did not exceed 120 days.

## 15. AUDIT COMMITTEE

The Audit Committee comprises three Independent Directors & one Non-Executive Director namely Mr. U. C. Agarwal as Chairman, Mr. D. P. Agarwal, Mr. Achintya Karati and Mr. Nishant Arya as members. The powers and role of the Audit Committee are included in the Report on Corporate Governance. All the recommendations made by the Audit Committee were accepted by the Board.

## 16. CORPORATE GOVERNANCE

As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the detailed report on corporate governance is given separately and forms part of the Annual Report and the certificate obtained from M/s Dhananjay Shukla & Associates, Company Secretaries regarding compliance of the conditions of corporate governance is attached to the said report.

## 17. RELATED PARTY TRANSACTIONS

All Related Party Transactions entered during the year were in the ordinary course of business and on arm's length basis.

Omnibus approval is obtained from the Audit Committee for the related party transactions which are foreseen and repetitive in nature. A statement of all related party transactions are placed before the Audit Committee on quarterly basis for review.

The Policy on '**materiality of and dealing with related party transactions**', as approved by the Board may be accessed on the Company's website at the link: [http://www.jbmggroup.com/pdf/policies/JBML\\_Policy%20for%20determination%20of%20Materiality%20of%20Event%20or%20information.pdf](http://www.jbmggroup.com/pdf/policies/JBML_Policy%20for%20determination%20of%20Materiality%20of%20Event%20or%20information.pdf)

The detail particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC-2 is attached herewith and marked as **Annexure –III**.

## 18. CORPORATE SOCIAL RESPONSIBILITY

In compliance of the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has constituted a Corporate Social Responsibility Committee ('CSR Committee'). The detailed terms of reference of the Corporate Social Responsibility Committee is provided in the Report on Corporate Governance. In pursuit of the responsibilities entrusted to the CSR Committee, a policy on Corporate Social Responsibility has been prepared and approved by the Board which may be accessed on the Company's website at the link: <http://www.jbmggroup.com/pdf/policies/CSR-policy.pdf>

Annual Report on CSR activities of the Company in format prescribed in Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached herewith and marked as **Annexure –IV**.

## 19. RISK MANAGEMENT

The Board of Directors has constituted Risk Management Committee to identify elements of risk in different areas of operations. The Company has developed and implemented a risk management policy for identifying the risk associated with business of the Company and measures to be taken to mitigate the same. The details of Risk Management Committee are included in the Report on Corporate Governance.

## 20. INTERNAL FINANCIAL CONTROLS

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

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

The Company has appointed M/s Mehra Goel & Co., Chartered Accountants, New Delhi as Internal Auditors to carry out Internal Audits. The Internal Auditors' Reports are regularly reviewed by the Senior Management and the Audit Committee of the Board for its implementation and effectiveness.

## 21. AUDITORS AND AUDITORS' REPORT

### (a) Statutory Auditors

M/s Sahni Natarajan & Bahl (Firm Registration No. 002816N), Chartered Accountants, New Delhi had been appointed as Statutory Auditors of the Company in the 30th Annual General Meeting of the Company held on 18<sup>th</sup> August, 2017 to hold office from the conclusion of 30th Annual General Meeting until the conclusion of 35<sup>th</sup> Annual General Meeting.

Further, the Report given by the Statutory Auditors M/s Sahni Natarajan & Bahl (Firm Registration No. 002816N), Chartered Accountants, New Delhi on the financial statement of the Company is part of the Annual Report. The notes on the financial statement referred to in the Auditors Report are self-explanatory and do not call for any further comments. There has been no qualification, reservation or adverse remark or disclaimer in their Report.

**(b) Secretarial Auditors**

Pursuant to provisions of Section 204 of the Companies Act, 2013, the Company had appointed M/s Dhananjay Shukla & Associates, Company Secretaries, Gurgaon, Haryana as its Secretarial Auditors to conduct secretarial audit of the Company for the financial year 2017-18. The Report given by the Secretarial Auditors is annexed as **Annexure-V** and forms an integral part of this Report. There is no qualification or adverse remark in the report.

**22. AWARDS AND ACCOLADES**

- Your Company has been recognized for the superior performance in the field of Support for Gujarat Localization for the year 2017-18 by Maruti Suzuki (India) Limited.
- Your Company has been recognized for the superior performance in the field of Tooling Localization for the year 2017-18 by Maruti Suzuki (India) Limited.
- Your Company has been recognized for the superior performance in the field of VA-VE for the year 2017-18 by Maruti Suzuki (India) Limited.

**23. I. COMMISSIONING OF NEW PLANT AT VITHALAPUR, GUJARAT**

Your Company's Plant established at Vithlapur in Gujarat, is now operational and is catering to the needs of M/s Suzuki Motor Gujarat Private Limited. The plant has state of the art facilities with special focus on automation so as to achieve consistent quality and productivity. The probability of Human error has significantly reduce by Automation. The new Plant facility includes automated transfer press line, robotic tendem press line, Progressive press line, robotic welding line and CED paint shop.

The Phase-II of expansion at the new plant is also underway so as to increase the capacity to cater to 5,00,000 numbers of vehicles of M/s Suzuki Motor Gujarat Private Limited.

**II. ESTABLISHMENT OF NEW TOOL ROOM JOINT VENTURE WITH M/S OGIHARA THAILAND CO. LTD**

Your Company is expanding its tooling manufacturing capacity and has obtained Know how for localizing High tensile dies and critical BIW parts. The Company is setting up a new tool room in association with M/s Ogihara (Thailand) Co. Ltd and M/s JBM Auto Limited for manufacturing of press stamping dies including Ultra High Tensile and critical BIW Dies. A new joint venture Company named M/s JBM Ogihara Die Tech Private Limited is incorporated. The tool room will be situated at Greater Noida in Uttar Pradesh and is expected to be operational by next financial year. The tool room will work for localization of imported tooling.

**24. VIGIL MECHANISM/ WHISTLE BLOWER POLICY**

The Company promotes ethical behaviour in all its business activities and has put in place a vigil mechanism for Directors, Employee and other person dealing with the Company for reporting illegal or unethical behaviour, actual or suspected fraud or violation of the company's Code of Conduct. The mechanism provides for adequate safeguards against victimization of Directors, employees or other persons who avail of the mechanism. In exceptional cases, Directors and employees have direct access to the Chairman of the Audit Committee.

The Vigil Mechanism (Whistle Blower Policy) is available on the Company's website, which may be accessed at the link: [http://www.jbmgroup.com/pdf/policies/JBML\\_Whistle-Blower-Policy.pdf](http://www.jbmgroup.com/pdf/policies/JBML_Whistle-Blower-Policy.pdf)

**25. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The details of investments made by the Company are given in the notes to the financial statement. During the year under review, the Company has neither given loans, guarantee nor provided any security to anyone.

**26. MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY**

No material changes have occurred and commitments made, affecting the financial position of the Company between the end of the financial year of the Company i.e. 31<sup>st</sup> March, 2018 and the date of this Report i.e. 16<sup>th</sup> July, 2018.

## 27. DETAIL OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

None of the Company has become or ceased to become the subsidiary, joint venture or associate of the Company during the Financial Year 2017-18.

## 28. DETAILS OF SIGNIFICANT AND MATERIAL ORDER

No significant and material order have been passed by any regulator or court or tribunal impacting the going concern status or future operations of the Company.

## 29. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are provided in **Annexure - VI** to this Report.

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

The Company promotes a healthy and congenial working environment irrespective of gender, caste, creed or social class of the employees and value every individual and committed to protect the dignity and respect of every individual.

The Company has always endeavored for providing a better and safe environment free of sexual harassment at all its work places.

During the year under review, no cases of sexual harassment against women employees at any of its work place were filed under Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## 31. EXTRACT OF ANNUAL RETURN

The extract of Annual Return in Form MGT -9 as required under Section 134(3)(a) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is given in **Annexure - VII** to this Report.

## 32. EMPLOYEES STOCK OPTION PLANS /SCHEMES

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

## 33. 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.

### 34. ACKNOWLEDGEMENT

Your Directors acknowledge the continued assistance, guidance and Co-operation received from Maruti Suzuki India Limited, Suzuki Corporation Limited (Japan), Suzuki Motor Gujarat Private Limited and all its other technical partners.

Your Directors also wish to express their sincere appreciation for the assistance and co-operation received from the Banks, State Government and Central Government authorities, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services rendered by all the employees of the Company.

**For and on behalf of the Board of Directors**

Place: Gurugram  
Date: 16<sup>th</sup> July, 2018

Sd/-  
**S. K. Arya**  
Chairman & Managing Director  
DIN: 00004626



**ANNEXURE – I****POLICY FOR SELECTION OF DIRECTORS AND DETERMINING DIRECTORS' INDEPENDENCE****1. Introduction**

- 1.1 Jay Bharat Maruti Limited (JBML) believes that an enlightened Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance. Towards this, JBML ensures constitution of a Board of Directors with an appropriate composition, size, diversified expertise and experience and commitment to discharge their responsibilities and duties effectively.
- 1.2 JBML recognizes the importance of Independent Directors in achieving the effectiveness of the Board. JBML aims to have an optimum combination of Executive, Non-Executive and Independent Directors.

**2. Scope and Exclusion**

- 2.1 This Policy sets out the guiding principles for the Nomination and Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as Independent Directors of the Company.

**3. Definition**

- 3.1 "**Director**" means a Director appointed to the Board of a Company.
- 3.2 "**Nomination and Remuneration Committee**" means the committee constituted by JBML's Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 3.3 "**Independent Director**" means a Director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**4. Policy****4.1 Qualifications and criteria**

- 4.1.1 The Nomination and Remuneration Committee and the Board, shall review on an annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience that are relevant for the Company's operations.
- 4.1.2 In evaluating the suitability of individual Board members, the Nomination and Remuneration Committee may take into account factors such as:
- General understanding of the Company's business and social perspective;
  - Educational and professional background
  - Standing in the profession;
  - Personal and professional ethics, integrity and values;
  - Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.
- 4.1.3 The proposed appointee shall also fulfill the following requirements:
- Shall possess a Director Identification Number;
  - Shall not be disqualified under the Companies Act, 2013;
  - Shall give his/her written consent to act as a Director;
  - Shall endeavour to attend all Board Meetings and wherever he is appointed as a Committee Member, the Committee Meetings;
  - Shall abide by the Code of Conduct established by the Company for Directors and Senior Management Personnel;

- Shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
- Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other relevant laws.

4.1.4 The Nomination and Remuneration Committee shall evaluate each individual with the objective of having a group that best enables the success of the Company's business.

#### 4.2 Criteria of Independence

4.2.1 The Nomination and Remuneration Committee shall assess the independence of Directors at the time of appointment / re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interests or relationships are disclosed by a Director.

4.2.2 The criteria of independence, as laid down in Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as under:

An Independent Director in relation to a Company, means a Director other than a Managing Director or a Whole-Time Director or a Nominee Director –

- a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- b. (i) who is or was not a promoter of the Company or its holding, subsidiary or associate company;  
(ii) who is not related to promoters or Directors in the company, its holding, subsidiary or associate company;
- c. who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- d. none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or Directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- e. who, neither himself nor any of his relatives—
  - (i) holds or has held the position of a Key Managerial Personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
  - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of -
    - (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
    - (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
  - (iii) holds together with his relatives two per cent or more of the total voting power of the company; or
  - (iv) is a Chief Executive or Director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company; or
  - (v) is a material supplier, service provider or customer or a lessor or lessee of the company.

- f. shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, corporate social responsibility or other disciplines related to the Company's business.
- g. shall possess such other qualifications as may be prescribed, from time to time, under the Companies Act, 2013.
- h. who is not less than 21 years of age.

4.2.3 The Independent Directors shall abide by the "Code for Independent Directors" as specified in Schedule IV to the Companies Act, 2013.

### **4.3 Other Directorships / Committee Memberships**

- 4.3.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their Directorships in other listed public limited companies in such a way that it does not interfere with their role as Directors of the Company. The Nomination and Remuneration Committee shall take into account the nature of and the time involved in a Director's service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.
- 4.3.2 A Director shall not serve as Director in more than 20 companies of which not more than 10 shall be Public Limited Companies.
- 4.3.3 A Director shall not serve as an Independent Director in more than 7 Listed Companies and not more than 3 Listed Companies in case he is serving as a Whole-time Director in any Listed Company.
- 4.3.4 A Director shall not be a member in more than 10 Committees or act as Chairman of more than 5 Committees across all companies in which he holds Directorships. For the purpose of considering the limit of the Committees, Audit Committee and Stakeholders' Relationship Committee of all Public Limited Companies, whether listed or not, shall be included and all other companies including Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 shall be excluded.

## REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

### 1. Introduction

- 1.1 Jay Bharat Maruti Limited (JBML) recognizes the importance of aligning the business objectives with specific and measurable individual objectives and targets. The Company has therefore formulated the remuneration policy for its Directors, Key Managerial Personnel and other employees keeping in view the following objectives:
- 1.1.1 Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate, to run the company successfully.
- 1.1.2 Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.
- 1.1.3 Ensuring that remuneration involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

### 2. Scope and Exclusion:

- 2.1 This Policy sets out the guiding principles for the Human Resources, Nomination and Remuneration Committee for recommending to the Board the remuneration of the Directors, Key Managerial Personnel and other employees of the Company.

### 3. Definition:

- 3.1 **“Director”** means a Director appointed to the Board of the Company.
- 3.2 **“Key Managerial Personnel”** means
- (i) the Managing Director or the Chief Executive Officer or the Manager;
  - (ii) the Whole-time director;
  - (iii) the Company secretary;
  - (iv) the Chief Financial Officer; and
  - (v) such other officer as may be prescribed under the Companies Act, 2013
- 3.3 **“Nomination and Remuneration Committee”** means the committee constituted by JBML's Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchanges.

### 4. Policy:

#### 4.1 Remuneration to Executive Directors and Key Managerial Personnel

- 4.1.1 The Board, on the recommendation of the Nomination & Remuneration Committee, shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits approved by the shareholders.
- 4.1.2 The Board, on the recommendation of the Nomination & Remuneration Committee, shall also review and approve the remuneration payable to the Key Managerial Personnel of the Company.
- 4.1.3 The remuneration structure to the Executive Directors and Key Managerial Personnel shall include the following components:
- (i) Basic Pay;
  - (ii) Perquisites and Allowances;
  - (iv) Commission (applicable in case of Executive Directors);

- (v) Retiral benefits;
- (vi) Performance Bonus;

## 4.2 **Remuneration to Non-Executive Directors**

- 4.2.1 The Board, on the recommendation of the Nomination & Remuneration Committee, shall review and approve the remuneration payable to the Non- Executive Directors of the Company within the overall limits approved by the shareholders.
- 4.2.2 Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof.

## 4.3 **Remuneration to other employees**

- 4.3.1 Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

## FORM No. AOC -2

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act 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 arm's length transaction under third proviso thereto.**

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

Sl. No.	Name(s) of the related party	Nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions'	Date of approval by the Board/ Audit Committee	Amount paid as advances, if any	Date on which the special resolution was passed in General meeting as required under first proviso to section 188
<b>NOT APPLICABLE</b>									

**2. Details of material contracts or arrangements or transactions at Arm's length basis.**

Sl. No.	Name (s) of the related party	Nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date of approval by the Board / Audit Committee	Amount paid as advances, if any
1	Maruti Suzuki India Ltd.	Associate Company	Sale, Purchase or Supply of goods or Materials	Ongoing Transactions	Transactions in the ordinary course of business which are based on transfer pricing guidelines	19.04.2017	Nil
2	Neel Metal Products Ltd.	Public Company in which Director is a director Holding more than 2% of its paid up share capital	Sale, Purchase or Supply of goods or Materials	Ongoing Transactions	Transactions in the ordinary course of business which are based on transfer pricing guidelines	19.04.2017	Nil

## ANNEXURE - IV

## Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2017-18

1.	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.	As per Section - Corporate Social Responsibility in Directors' Report.	
2.	Composition of the CSR Committee	i.	Mr. U. C. Agarwal, Chairman
		ii.	Mr. D. P. Agarwal, Member
		iii.	Ms. Esha Arya, Member
3.	Average net profit of the Company for last three financial years	₹ 6,027.40 Lakhs	
4.	Prescribed CSR Expenditure (two per cent of the amount mentioned in item 3 above)	₹ 120.55 Lakhs	
5.	Details of CSR spent during the financial year:		
a.	Total amount to be spent for the financial year	₹ 121.93 Lakhs	
b.	Amount unspent, if any	NIL	
c.	Manner in which the amount spent during the financial year	As per detail given below	

## Detail of amount spent on CSR activities during the financial year 2017-18:

Sl. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs (1) Local area or other  (2) Specify the State and District where projects or programs was undertaken	Amount outlay (budget) project or program wise  (₹ in Lakhs)	Amount spent on the projects or programs Sub heads: (1) Direct Expenditure on the project or programs (2) Overheads:  (₹ in Lakhs)	Cumulative expenditure up to the reporting period i.e. FY2017-18  (₹ in Lakhs)	Amount spent: Direct or through implementing agencies
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	Promoting women empowerment by establishing institutions and Medical relief to the people	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.	Local Area	75.00	75.00	75.00	Through Implementing Agency:-Shri Madhav Jan Sewa Nyas
2	Medical and Healthcare programmes and women empowerment	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.	Local Area	25.00	25.00	25.00	Through Implementing Agency :- Moga Devi Minda Charitable Trust

3.	Production & promotion of CDs on moral value/motivation education for distribution at various schools and institutions	Promoting Education	Local Area	16.82	16.82	16.82	Direct
4.	Plantation of Trees :	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water	Local Area	5.00	5.00	5.00	Through Implementing Agency :-Jal Vayu Sanrakshan Samiti
5.	<b>Community Development:</b>	<ul style="list-style-type: none"> <li>• Promoting Education</li> <li>• Establishment of Public Libraries</li> <li>• Setting up of old age homes</li> <li>• Protection of National Heritage</li> </ul>	In Panchkula district of Haryana	0.11	0.11	0.11	Through implementing agency :- Neel Foundation

**6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report- NA**

As a responsible corporate citizen, the Company has been implementing societal activities as per prescribed schedule VII of the Companies Act, 2013. Additionally, the Company has spent an amount above 2% of the average net profits of the last three financial years, which is eligible under the CSR rules and will continue to increase this in a step up manner with plans for 2% CSR spend in 2018-19.

**7. Responsibility Statement**

The Responsibility Statement of the Corporate Social Responsibility (CSR) Committee of the Board of Directors of the Company is reproduced below:

The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with the CSR objectives and Policy of the Company.

**Sd/-**  
**S. K. Arya**  
 Chairman & Managing Director  
 DIN: 00004626

**Sd/-**  
**U. C. Aggarwal**  
 Chairman, CSR Committee  
 DIN: 00012468



## ANNEXURE - V

## FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2018

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

To,

The Members,  
**M/s Jay Bharat Maruti Limited**  
 Regd. Office:-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 Jay Bharat Maruti 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 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 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March 2018 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;
  - a. 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 Borrowings **(No event took place under this Act during Audit period)**;
- iv. 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, 2009 **(No event took place under this Regulation during Audit period)**;
  - d. The Securities and Exchange Board of India (Share based Employees Benefit) Regulation,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 **(No event took place under this Regulation during Audit period )**;
  - 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,1998**(No event took place under this Regulation during Audit period)**;

- v. There were no specific laws applicable to the Company by virtue of the Company being engaged in the business of auto ancillary/components manufacturing, as informed by the management of the Company, during the period under audit.

We have also examined 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.

During the period under audit, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc.

**We further report that-**

The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors, Independent Directors and Women Director. The changes in the composition of 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 resignation of Shri Virender Ganda, Independent Director w.e.f 16th January 2018, the number of Independent Directors have come down to three from required four Independent Directors. The Company, through written representation, has informed us that the company took necessary steps to identify and appoint to fill the vacancy of Independent Director and the Nomination and Remuneration committee of the company has recommended Mr. Dhanendra Kumar (DIN:05019411) in its meeting held on 16th July 2018, to the Board of Directors for his appointment as Independent Director. The Board has appointed Mr. Dhanendra Kumar (DIN: 05019411) as Independent Director in its Board Meeting held on 16th July 2018.

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

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 no dissenting views were there 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 in respect of applicable laws , rules, regulations and guidelines etc.

**We further report that** during the audit period the Company has undertaken no activities having a major bearing on the Company's Affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc.

For Dhananjay Shukla & Associates  
Company Secretaries

Date: 16th July 2018  
Place: Gurugram

Sd/-  
Dhananjay Shukla  
Proprietor  
FCS-5886, CP No. 8271

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.

**Enclosure: Annexure-A**

**'Annexure-A'**

To,  
The Members,  
M/s Jay Bharat Maruti Limited  
Regd. Office:-601, Hemkunt Chambers,  
89, Nehru Place,  
New Delhi-110019

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company. We have not examined the compliance by the company with applicable financial laws like Direct and Indirect Tax Laws, since the same has been subject to review by the Statutory and other Audit and by other designated professionals.
4. Where ever 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 check basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Dhananjay Shukla & Associates  
Company Secretaries

Date: 16th July 2018  
Place: Gurugram

Sd/-  
Dhananjay Shukla  
Proprietor  
FCS-5886, CP No. 8271

## 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

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

- (a) AC Drive provided in paint shop on Oven Exit Blower and canopy entry blower to reduce energy consumption when oven door is closed.
- (b) AC Drive provided in Paint shop on Oven Main Blower to reduce energy consumption when oven door is open.
- (c) Interlock provided in paint shop so that KOD Degreasing Pump is off when no basket in KOD and Degreasing Tank. Frequency of oven blower also reduced from 50 HZ to 40 HZ.
- (d) Interlock provided at the scrap conveyor so that it will be off during die change.
- (e) Three phase Fan (750 watt & 550 watt) replaced with single phase Fan (180 watt & 100 watt) as per cooling air requirement.
- (f) Reduction of compressed air by 100 CFM by change in pipeline layout in Exhaust and Axle Line.
- (g) Installation of LED Light in PDI Area and inspection table in place of conventional lights.

#### (ii) Steps taken by the Company for utilizing alternate source of energy

Installation of solar systems for using solar energy which will be a low cost source of energy and beneficial for eco system for its new plant at Vithlapur, Gujarat.

#### (iii) Capital Investment on energy conservation equipments

All energy conservation measures have been taken by process optimization without any major capital investment.

### B. Technology absorption

#### (i) Efforts made towards technology absorption

- (a) To meet the business requirements, the Company has imported and absorbed the Japanese Technology for production of Rear Axle for new models of MSIL. Welding process designing, line layout is finalized by the Company under guidance of Yorozu Corporation, Japan. Complete manufacturing, installation and fine tuning of the line is done by local team.
- (b) To meet the stringent quality requisites for Rear axles in new models, Company has introduced a state of art MIG welding technology "Active – Tawers series Robot by Panasonic", the Key features includes – High operating speed of the order 100 cm / min In comparison to 50 cm/ min in conventional robot, without sacrificing – Weld penetration and generates very low spatters - at New Wagonr rear axle line - J3.
- (c) MIG-Weld bead analysis by " Online checking through vision camera ", to prevent the poor weld parts to escape to next weld station - at Ignis rear axle line - J1.

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

- (a) The above projects helped us in reduction of development time and subsequent reduction in investment.
- (b) Saving of foreign exchange due to localization of 'Rear Axle production line'.

- (c) Tawers series has a direct impact on productivity improvement with a great control on Weld quality.
- (d) Introducing Vision camera for weld analysis, is a good initiative to keep a check on weld quality output and control the NG parts to Outflow.
- (e) PRESS SHOP FAGOR (SPAIN) make SERVO lead press installed in J2 plant for following advantages
  - i). More flexibility for draw operations of typical parts as slide speed can be controlled at various stages of single cycle.
  - ii) No flywheel, clutch & brake and related controls. Less maintenance & ease in operation.
  - iii) Latest technology in stamping for better draw quality, longer die life, lesser noise during operation & lesser power consumption.

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

Detail of Technology Imported	Technology Imported from	Year of Import	Whether the Technology been fully absorbed
For Manufacturing of Rear Axle of Baleno Model of MSIL	Yorozu Corporation, Japan	2015-16	Yes
For Manufacturing of Rear Axle of New Swift Dzire Model of MSIL	Yorozu Corporation, Japan	2016-17	Yes
For manufacturing of Rear Axle of New Swift Dzire Model of MSIL	Yorozu Corporation, Japan	2017-18	Yes

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

Sl. No.	Particulars	(₹ in Million)
(a)	Capital	Nil
(b)	Revenue	6.41
	<b>Total:</b>	<b>6.41</b>

(v) **Foreign Exchange Earnings and Outgo**

Particulars	(₹ in Million)
Foreign exchange earned in terms of actual inflow	Nil
Foreign exchange outgo in terms of actual outflow	76.25

## FORM NO. MGT 9

## EXTRACT OF ANNUAL RETURN AS ON FINANCIAL YEAR ENDED ON 31.03.2018

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

## I. REGISTRATION &amp; OTHER DETAILS:

1	CIN	L29130DL1987PLC027342
2	Registration Date	19 <sup>th</sup> March, 1987
3	Name of the Company	Jay Bharat Maruti Limited
4	Category/Sub-category of the Company	Public Company
5	Address of the Registered office & contact details	601, Hemkunt Chambers, 89, Nehru Place, New Delhi – 110019 E-mail: jbml.investor@jbmgroupp.com Ph. 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, 1 <sup>st</sup> Floor, Okhla Industrial Area, Phase -I, New Delhi – 110020 Ph. 011-41609386; 41406149; 41709885

## 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	64.74%
2	Real Axle	29301	25.89%

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

Sl. No.	Name and Address of the Company	CIN / GIN	Holding / Subsidiary/ Associates	% of Share held	Applicable Section
1.	Maruti Suzuki India Limited	L34103DL1981PLC011375	Associates	29.28	2(6)

## 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 [As on 1 <sup>st</sup> April, 2017]				No. of Shares held at the end of the year [As on 31 <sup>st</sup> March, 2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter's</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	3162950	-	3162950	14.61	3162950	-	3162950	14.61	0.00
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	9516350	-	9516350	43.95	9516350	-	9516350	43.95	0.00
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A)</b>	<b>12679300</b>	<b>-</b>	<b>12679300</b>	<b>58.56</b>	<b>12679300</b>	<b>-</b>	<b>12679300</b>	<b>58.56</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	698540	3400	701940	3.24	108485	3400	111885	00.52	(84.06)
b) Banks / FI	4529	1200	5729	0.03	1459	1200	2659	00.01	(53.58)
c) Central Govt	200	-	200	0.00	98405	-	98405	00.45	49102.5
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	10100	1000	11100	0.05	16103	1000	17103	00.08	54.08
g) FIs	8582	2000	10582	0.05	19513	1600	21113	00.10	99.51
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>721951</b>	<b>7600</b>	<b>729551</b>	<b>3.37</b>	<b>243965</b>	<b>7200</b>	<b>251165</b>	<b>1.16</b>	<b>(65.71)</b>
<b>2. Non-Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	3792336	668404	4460740	20.60	3955981	668400	4624381	21.35	3.66
ii) Overseas	-	-	-	-	-	-	-	-	-
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto ₹. 2 lakh	2042665	466852	2509517	11.59	2556322	351232	2907554	13.43	15.86
ii) Individual shareholders holding nominal share capital in excess of ₹.2 lakh	1034694	48800	1083494	5.00	963827	48800	1012627	4.68	(6.54)
<b>c) Others (specify)</b>									
NBFCs Registered with RBI	-	-	-	-	175	-	175	0.00	.00
Non Resident Indians	105398	82000	187398	0.86	125198	49600	174798	0.82	(6.72)
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	<b>6975093</b>	<b>1266056</b>	<b>8241149</b>	<b>38.07</b>	<b>7601503</b>	<b>1118032</b>	<b>8719535</b>	<b>40.28</b>	<b>5.80</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>7697044</b>	<b>1273656</b>	<b>8970700</b>	<b>41.44</b>	<b>7845468</b>	<b>1125232</b>	<b>8970700</b>	<b>41.44</b>	<b>0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>20376344</b>	<b>1273656</b>	<b>21650000</b>	<b>100</b>	<b>20524768</b>	<b>1125232</b>	<b>21650000</b>	<b>100</b>	<b>0</b>

**(B) Shareholding of Promoters-**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year [As on 1 <sup>st</sup> April, 2017]			Shareholding at the end of the year [As on 31 <sup>st</sup> March, 2018]			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Maruti Suzuki India Limited	6340000	29.28	-	6340000	29.28	-	-
2	ANS Holding Pvt. Ltd.	2029000	9.37	-	2029000	9.37	-	-
3	Sanjay Singhal	1900400	8.78	-	1900400	8.78	-	-
4	JBM Industries Ltd.	616000	2.85	-	616000	2.85	-	-
5	Sanjay Singhal (HUF)	500000	2.31	-	500000	2.31	-	-
6	Shrey Singhal	445600	2.06	-	445600	2.06	-	-
7	Super Auto Industries (P) Ltd.	324000	1.50	-	324000	1.50	-	-
8	A To Z Securities Ltd.	207350	0.96	-	207350	0.96	-	-
9	Surendra Kumar Arya	177350	0.82	-	177350	0.82	-	-
10	Neelam Arya	106800	0.49	-	106800	0.49	-	-
11	Surendra Kumar Arya (HUF)	28800	0.13	-	28800	0.13	-	-
12	Nishant Arya	4000	0.02	-	4000	0.02	-	-
	<b>Total:</b>	<b>12679300</b>	<b>58.56</b>	<b>-</b>	<b>12679300</b>	<b>58.56</b>	<b>-</b>	<b>-</b>

**(C) Change in Promoters' Shareholding:**

Sl. No.	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.17 to 31.03.18)	
		No. of shares at the beginning (01.04.2017) / end of the year (31.03.2018)	% of total Shares of the Company				No. of shares	% of total Shares of the Company
<b>NIL</b>								



**(D) Shareholding Pattern of top ten Shareholders:**  
**(Other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	Name	Shareholding	Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.17 to 31.03.18)			
		No. of shares at the beginning (01.04.2017) / end of the year (31.03.2018)	% of total Shares of the Company			No. of shares % of total shares of the company			
1.	Focal Leasing & Credits Ltd.	981336	4.53	01.04.2017		981336 4.53			
		981336	4.53	31.03.2018	-				
2.	SMC Credits Ltd.	822800	3.80	01.04.2017		822800 3.80			
		822800	3.80	31.03.2018	-				
3.	Shuklamber Exports Ltd.	800452	3.70	01.04.2017		800452 3.70			
		800452	3.70	31.03.2018	-				
4.	Amity Infotech Pvt. Ltd.	615965	2.85	01.04.2017		615965 2.85			
		615965	2.85	31.03.2018	-				
5.	Pine Consultant Pvt. Ltd.	600800	2.78	01.04.2017		600800 2.78			
		600800	2.78	31.03.2018	-				
6.	Kedar Dattatraya Borgaonkar	429788	1.99	01.04.2017		429788 1.99			
				07.04.2017	-4136		Sale	425652	1.97
				14.04.2017	2500		Purchase	428152	1.98
				05.05.2017	-1250		Sale	426902	1.97
				08.09.2017	14048		Purchase	440950	2.04
				01.12.2017	16000		Purchase	456950	2.11
		456950	2.11	31.03.2018		456950 2.11			
7.	Super Auto Industries Pvt. Ltd.	199662	0.92	01.04.2017		191662 0.89			
				21.07.2017	-8000		Sale	191662	0.89
				31.03.2018				191662	0.89
8.	A.S. Lamba	180000	0.83	01.04.2017		174000 0.80			
				14.04.2017	-200		Sale	179800	0.83
				21.04.2017	200		Purchase	180000	0.83
				28.04.2017	-700		Sale	179300	0.83
				05.05.2017	-700		Sale	178600	0.82
				07.07.2017	500		Purchase	179100	0.83
				14.07.2018	2000		Purchase	181100	0.84
				18.08.2017	900		Purchase	182000	0.84
				27.10.2017	-300		Sale	181700	0.84
				10.11.2017	-1100		Sale	180600	0.83
				17.11.2017	-1600		Sale	179000	0.83
				24.11.2017	-3000		Sale	176000	0.81
				01.12.2017	-1000		Sale	175000	0.81
				08.12.2017	-1000		Sale	174000	0.80
				15.12.2017	-1000		Sale	173000	0.80
				05.01.2018	2000		Purchase	175000	0.81
				09.03.2018	-1000		Sale	174000	0.80
		174000	0.80	31.03.2018		174000 0.80			

Sl. No.	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.17 to 31.03.18)	
		No. of shares at the beginning (01.04.2017) / end of the year (31.03.2018)	% of total Shares of the Company				No. of shares	% of total shares of the company
9.	D. Srimathi	116146	0.54	01.04.2017				
				09.06.2017	2500	Purchase	118646	0.55
				12.01.2018	871	Purchase	119517	0.55
		119517	0.55	31.03.2018			119517	0.55
10.	Kedar Dattatraya Borgaonkar	153706	0.71	01.04.2017				
				07.04.2017	-8559	Sale	145147	0.67
				14.04.2017	-2500	Sale	142647	0.66
				05.05.2017	-9330	Sale	133317	0.62
				12.05.2017	-14525	Sale	118792	0.55
				19.05.2017	-400	Sale	118392	0.55
				04.08.2017	-2500	Sale	115892	0.54
				15.09.2017	-9501	Sale	106391	0.49
				06.10.2017	-2621	Sale	103770	0.48
				13.10.2017	-54	Sale	103716	0.48
		103716	0.48	31.03.2018			103716	0.48
11.	L and T Mutual Fund Trustee Ltd-L and T India Value Fund	690654	3.19	01.04.2017				
				26.05.2017	15757	Purchase	706411	3.26
				30.06.2017	10000	Purchase	716411	3.31
				07.07.2017	-36293	Sale	680118	3.14
				14.07.2017	-26585	Sale	653533	3.02
				21.07.2017	-148980	Sale	504553	2.33
				28.07.2018	-11044	Sale	493509	2.28
				04.08.2017	-17293	Sale	476216	2.20
				18.08.2017	-27816	Sale	448400	2.07
				13.10.2017	-178589	Sale	269811	1.25
				02.02.2018	-21263	Sale	248548	1.15
				16.02.2018	-6306	Sale	242242	1.12
		97563	0.45	31.03.2018	-144589	Sale	97653	0.45

**(E) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Surendra Kumar Arya				
	At the beginning of the year	177350	0.82		
	Sale/Purchase during the year	-	-		
	At the end of the year	177350	0.82	177350	0.82
2	Nishant Arya				
	At the beginning of the year	4000	0.02		
	Sale/Purchase during the year	-	-		
	At the end of the year	4000	0.02	4000	0.02
3	Anand Swaroop				
	At the beginning of the year	2000	0.01		
	Sale/Purchase during the year	-	-		
	At the end of the year	2000	0.01	2000	0.01

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

(₹ in Million)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	2,553.58	-	-	2,553.58
ii) Interest due but not paid	2.37	-	-	2.37
iii) Interest accrued but not due	5.81	-	-	5.81
<b>Total (i+ii+iii)</b>	<b>2,561.76</b>	<b>-</b>	<b>-</b>	<b>2,561.76</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	430.27	-	-	430.27
* Reduction	-	-	-	-
<b>Net Change</b>	<b>430.27</b>	<b>-</b>	<b>-</b>	<b>430.27</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	2983.85	-	-	2983.85
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	13.93	-	-	13.93
<b>Total (i+ii+iii)</b>	<b>2,997.78</b>	<b>-</b>	<b>-</b>	<b>2,997.78</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Million)

S.No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		<b>Mr. S. K. Arya Chairman &amp; Manag- ing Director</b>				
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	19.55	-	-	-	19.55
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3.96				3.96
	(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...	17.54	-	-	-	17.54
5	Others, please specify	-	-	-	-	-
	<b>Total (A)</b>	<b>41.05</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41.05</b>
	Ceiling as per the Act	₹ 43.94 Million (being 5% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)				

### B. Remuneration to other Directors

(₹ in Million)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
1	<b>Independent Directors:</b>	<b>Mr. U.C. Agarwal</b>	<b>Mr. D.P. Agarwal</b>	<b>Mr. Achintya Karati</b>	<b>Mr. Virender Ganda</b>	
	Fee for attending board /committee meetings	0.18	-	0.14	0.02	0.34
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	<b>0.18</b>	<b>-</b>	<b>0.14</b>	<b>0.02</b>	<b>0.34</b>
2	<b>Other Non-Executive Directors</b>	<b>Mr. Nishant Arya</b>	<b>Ms. Esha Arya</b>	<b>Mr. Rajiv Gandhi</b>		
	Fee for attending board /committee meetings	0.12	-	0.08		0.20
	Commission	-	-	-		-
	Others, please specify	-	-	-		-
	<b>Total (2)</b>	<b>0.12</b>	<b>-</b>	<b>0.08</b>		<b>0.20</b>
	<b>Total (B)=(1+2)</b>	<b>0.30</b>	<b>-</b>	<b>0.22</b>		<b>0.54</b>
	<b>Total Managerial Remuneration*</b>					<b>41.59*</b>
	Overall Ceiling as per the Act	₹ 9.27 Million (Being 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)				

\* Total Remuneration to the Chairman and Managing Director and other Directors (being the Total of A and B)

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

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

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

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)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			<b>NIL</b>		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### A. ECONOMIC SYNOPSIS

#### I. GLOBAL ECONOMY

As per the IMF, the World growth strengthened in 2017-18 to 3.9 %, with a notable rebound in global trade as compared to 3.5% in 2016-17. The Growth was driven by an investment recovery in advanced economies, continued strong growth in emerging Asia, a notable upswing in emerging Europe, and signs of recovery in several commodity exporters.

Growth in advanced economies increased slightly to 2.5% in 2018 as compared to 2.0% in 2017, as central banks gradually remove their post-crisis accommodation and as an upturn in investment levels off. Growth in emerging market and developing economies as a whole stood to 4.9% in 2018 against 4.5% in 2017, as activity in commodity exporters continues to recover.

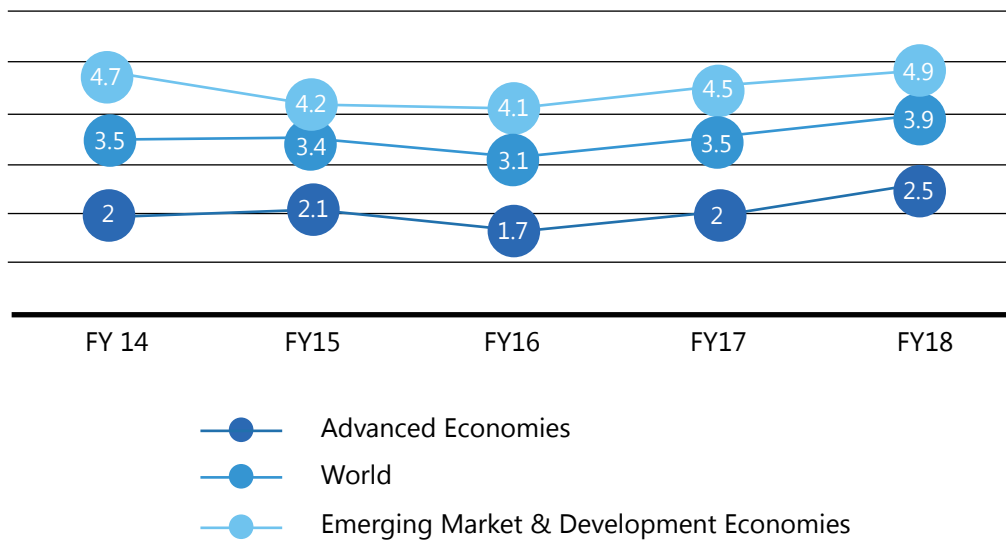
Global GDP growth reached to 4.5% in 2018 as against 3.5% in 2017, the strongest annual expansion since 2011. Growth is expected to remain strong in 2019 but moderate slightly to 3.0%.

The pickup in growth has been broad-based. World trade has grown strongly in the 4<sup>th</sup> quarter of 2017, well supported by a pick-up in investment in advanced economies and increased manufacturing output in Asia. For the year 2018 and 2019 forecast horizon, the upward revision to the global outlook results mainly from Advanced Economies where growth is now expected to exceed 2 percent.

The US tariff and tax policy changes are expected to stimulate growth and positively impact the Country, However, the punitive tariffs on Chinese imports to the US, has caused dramatic increase in the price of metals like Steel and Aluminium. While the direct impact on the global economy may not be substantial, but it could adversely affect the driving forces behind global economic growth and dampen investor confidence.

The global economy is experiencing a cyclical recovery, reflecting a rebound in investment, manufacturing activity, and trade. This improvement comes against the backdrop of benign global financing conditions, generally accommodative policies, rising confidence, and firming commodity prices.

### World Economic Growth



(Source IMF)

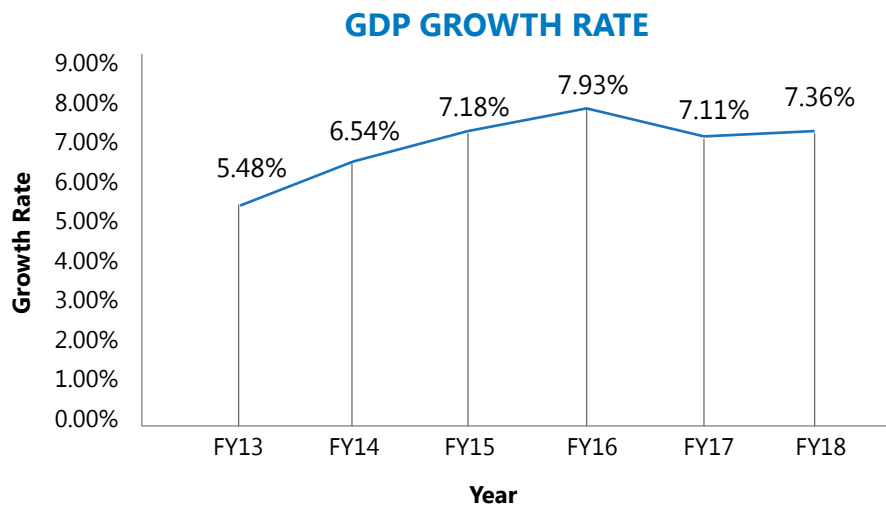
## II. INDIAN ECONOMY

The International Monetary Fund (IMF) is projecting an acceleration for the Indian economy, with the GDP growth of 7.11% in 2016-17 scaling up to 7.36% in 2017-18 and projected to reach 7.8% for 2018-19, potentially making India the world's fastest growing large economy. The growth in 2016-17 was hampered by disruptions associated with the demonetisation introduced in November, 2016, while 2017-18 included the transition costs related to the launch of Goods and Services Tax (GST). With the structural reforms in place, the economy is expected to move to a higher growth trajectory for 2018-19 and beyond.

The second advance estimate of National Income released by the Central Statistical Organisation (CSO) of the Government of India on 28 February, 2018 has pegged India's real GDP growth for 2017-18 (or FY2018) at 6.6% — which represents a deceleration of 50 basis points compared to 7.1% of the previous year. The results are qualitatively similar when national income is measured in terms of gross value added (GVA) at constant prices. CSO estimates real GVA growth for FY2018 at 6.4% versus 7.1% in FY2017.

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organization (CSO) and International Monetary Fund (IMF) and it is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships.

India's gross domestic product (GDP) at constant prices grew to 7.36 per cent in 2018 as per the Central Statistics Organization (CSO) as compared to 7.11 percent in 2017.



(Source: CSO)

India's labour force is expected to touch 160-170 million by 2020, based on 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 were US\$ 422.53 billion in the week up to March 23, 2018, according to data from the RBI. The tax collection figures between April 2017- February 2018 show an increase in net direct taxes by 19.5 per cent year-on-year and an increase in net direct taxes by 22.2 per cent year-on-year.

As on 2018, India has retained its position as the third largest startup base in the world with over 4,750 technology startups, with about 1,400 new start-ups being founded in 2016, according to a report by NASSCOM.

India's gross domestic product (GDP) is expected to reach US\$ 6 trillion by FY27 and achieve upper-middle income status on the back of digitization, globalization, favourable demographics, and reforms. With the improvement in the economic scenario, there have been various investments in various sectors of the economy.

India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behaviour and expenditure pattern, according to a Boston Consulting Group (BCG) report; and is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by the year 2040, according to a report by Price Waterhouse Coopers

According to Department of Industrial Policy and Promotion (DIPP), the total FDI investments in India during April-December 2017 stood at US\$ 35.94 billion, indicating that government's effort to improve ease of doing business and relaxation in FDI norms is yielding results.

## B. INDIAN AUTOMOTIVE INDUSTRY

The Indian automotive industry is the 7<sup>th</sup> largest in the world. As per Society for Indian Automobile Manufacturers (SIAM) the industry produced a total 29,075,605 vehicles including Passenger Vehicles, Commercial Vehicles, Three Wheelers, Two Wheelers and Quadricycle in April-March 2018 as against 25,320,967 in April-March 2017, registering a growth of 14.81 percent over the same period last year.

The major highlight of the India Automotive Industry is as:

- The Automotive Component Industries revenue growth is expected to touch the 7 year high in FY19, to clock 10-12% CAGR from FY18-FY20.
- The Operating margin of the Industry is expected to remain stable at 12-13% over the medium term, on the ground of better volumes and raw materials pass-through clause to support healthy cash generation.
- The Investment in the sector over the next two years is expected to remain high of around ₹ 100-Rs.110 BN led by growing demand and regulatory imperatives.
- The Credit profile will sustain to improvement over near to medium term.

Auto industry is said to be the engine of growth in most developed countries, including in China and India today. Indian Automobile industry which was at its nascent stage at the beginning of the 21<sup>st</sup> century has now become a huge industry that contributes majorly to growth and development of Indian Economy. As per the current statistics, the Auto Industry's turnover is estimated to be equivalent to:

- 7.1% of overall GDP
- About 26% of Industry GDP
- About 49% of manufacturing GDP

## C. THE AUTOMOBILE PRODUCTION, DOMESTIC SALES AND EXPORTS

Sl. No.	Category	Production			Domestic Sales			Exports		
		FY 2017 (In MN)	FY 2018 (In MN)	% Growth	FY 2017 (In MN)	FY 2018 (In MN)	% Growth	FY 2017 (In MN)	FY 2018 (In MN)	% Growth
1	Passenger Vehicle	3.80	4.01	5.53	3.05	3.29	7.87	0.76	0.75	-1.32
2	Commercial Vehicle	0.81	0.89	9.88	0.71	0.86	21.13	0.11	0.10	-9.09
3	Three Wheelers	0.78	1.02	30.77	0.51	0.64	25.50	0.27	0.38	40.74
4	Two Wheelers	19.93	23.15	16.16	17.59	20.19	14.79	2.34	2.82	20.51
	Total	25.32	29.07	14.81	21.86	24.98	69.29	3.48	4.05	16.38

### CURRENT SCENARIO

The Indian Automotive sector has ended the first quarter of 2018-19 with a robust double-digit growth of 18.1 percent across segments. Passenger Vehicles clocked a strong growth of 19.91 percent at 8,73,501 units with the highest growth posted by Vans at 27.29 percent with domestic sales of 55,078 units. Utility Vehicles recorded a 23.22 percent uptick at 2,34,876 units with Cars registering a 17.98 percent with sales of 5,83,547 units.

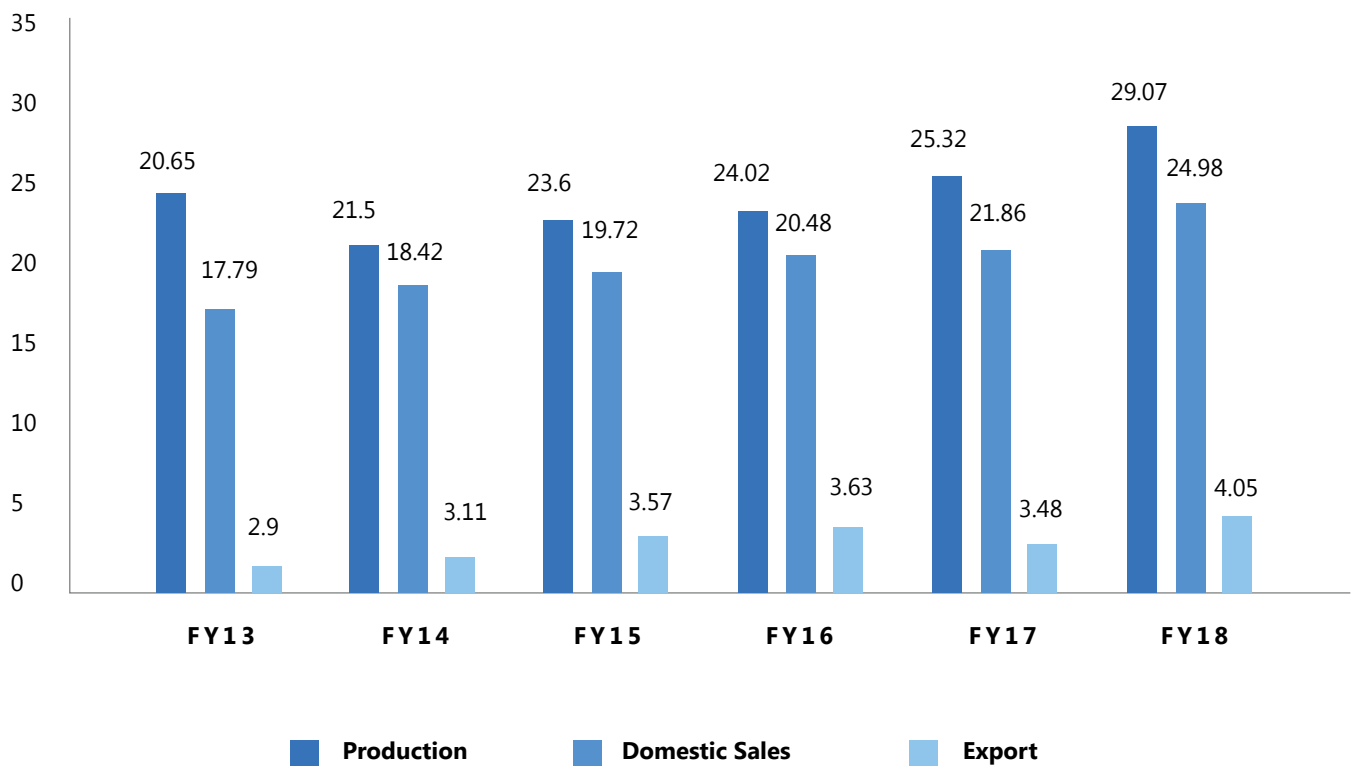
Commercial Vehicles were up 51.55 percent at 2,30,095 units with the Medium & Heavy Commercial Vehicle segment growing 83.59 percent to 89,027 units with Light Commercial Vehicles experiencing an upswing of 36.51 percent at 1,41,068 units.

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

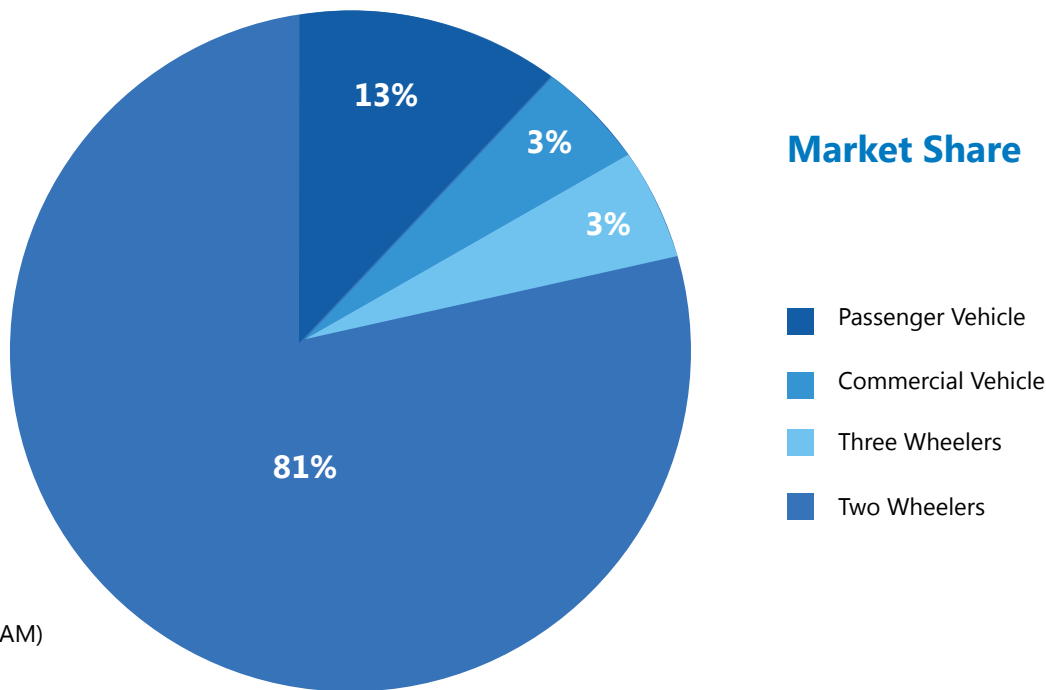


Segment	Domestic Sales April-June		% Change
	2017-18	2018-19	
Total Passenger Vehicle	728,483	873,501	19.91
Total Commercial Vehicle	151,831	230,095	51.55
Total Two-Wheelers	4,897,622	5,677,343	15.92
Total Three-Wheelers	104,976	161,673	54.01
<b>Grand total of all categories</b>	<b>5,882,912</b>	<b>6,942,612</b>	<b>18.01</b>

### Automobile Trends



(Source: SIAM)



(Source: SIAM)

**D. ADOPTION AND IMPACT OF ELECTRIC VEHICLES ON INDIA'S AUTOMOTIVE INDUSTRY:**

The transition to Electric Vehicle in India will be gradual and in a phased manner as it has started late on the electrification path and needs a strong policy to catch-up and move rapidly towards the stated goal of hundred percent pure electric technology regime. There are challenges in availability of affordable models along with adequate infrastructure. With increasing urbanization, comes environmental challenges due to high levels of vehicle emissions. To combat this, governments across the world have announced regulations on emissions and efficiency that are expected to become stringent with time. In the case of India, crude oil imports account for a significant portion of the current account deficit and also create dependence on certain global regions to meet fuel needs of the Country.

For Auto Component manufacturers, adapting to EV technology is unlikely to impact business and credit profile in medium terms:

- Growth opportunities in certain product categories like batteries, starters and other electrical parts.
- Manufactures of Engine components and transmission parts like clutches and gear assemblies are planning to diversify into other component segments over long term.

Pure electric vehicle penetration currently remains quite low in India, ~0.1% in PVs, ~0.2% in 2Ws and practically nil for commercial vehicles due to several reasons including significant affordability gap and low level of consumers' acceptance (i.e. lack of demand), low level of electric vehicle manufacturing activities (i.e. lack of supply), lack of comparable products (especially in the 2W category), non-existent public charging infrastructure etc. Electrification emerges, as an increasingly attractive avenue of exploration, and e-mobility, or the "electrification of the automotive powertrain" in the form of EVs (e.g., battery-powered electric vehicles, hybrid electric vehicles, plug-in hybrid electric vehicles) could be the way forward. As per a NITI Aayog report, India could save 64 percent of energy demand for road transport and 37 percent of carbon emissions by 2030 by pursuing a shared, electric and connected mobility future.

The automotive industry is already feeling the effects of electrification or e-mobility, both globally and in India (Exhibit 3).

This trend could impact the automotive industry in different ways. It could cause overlaps in the value chain, affect the cost structure and render a few components obsolete. For example, electrification will gradually drive down demand for core value components like engines and transmission. This might push OEMs and suppliers to explore options beyond their traditional means of value addition. Uncharted areas like e-motors and battery services or packaging will emerge as more relevant and attractive. This could create an overlap between OEMs and suppliers, making it important for them to identify a collaborative model.

## E. MEETING THE BS VI CHALLENGE

The Homologation of BS-VI vehicles is slated to commence by the early part of 2020 i.e., April 2020. With the earlier implementation of BS VI norm's it spurred a whirl of activity across the automotive sector and ancillary industries. The major Automotive components segment impacted are the Engine parts & Assembly, Fuel injection System and Exhaust System. The OEMs have been mulling various after-treatment technologies for cleaning tailpipe emissions and working in close sync with their supply chain to design the new components that will be leveraged for meeting the new emission regulations.

The challenge of BS-VI is that each variant will have to undergo changes. For instance, Maruti Suzuki has over 50 variants and it is working on all of them. Moreover, having adequate quantities of the BS-VI fuel in advance for testing and validation will pose a challenge.

The implementation of new emission norms will allow India to save as much as 1 gigatonne of carbon emissions between 2019-2030, and approximately \$60 billion in annual diesel and petrol costs in 2030.

## F. NEW DRIVE REGULATIONS TECHNOLOGY AND INNOVATION ON THE AUTOMOTIVE SEGEMENTS:

The Government has prescribed new drive regulation for the upgradation of technology and innovation of the Automobile Sector as per following details :

Key Regulations	Indicative Time Line	Segment Impacted	Opportunity / Treat
Safety Features in Passenger Vehicles	Features such as Air bags, speed warning system, seat belt, alert system and vehicle reverse-gear sensor technology to be compulsory from July 2019	Electric and Electronic manufacturers and Drive Transmission manufacturers	It is an opportunity for the players largely involved in manufacturing safety systems.
Anti-Lock Brake systems (ABS)/ Combined Braking System (CBS)	ABS and CBS norms to be mandatorily for newly launched vehicles from April, 2019. CBS compulsory for all vehicles below 125cc and ABS compulsory for all vehicles above 125 cc	Brake Assembly and ABS/CBS unit manufacturers	Opportunity for assembly makers, ABS/CBS manufacturers.
V-VMP(Voluntary-Vehicle Fleet Modernisation Programme)	According to the new proposal , V-VMP is applicable to a CV with a life span of 20 years or more	Industry wide impact	Not much impact
National Mission for Electronic Mobility (NEMMP) –FAME (Faster Adoption and Manufacturing of Hybrid and Electric Vehicles)	The Union Cabinet is expected to approve proposal to entail financial support of Rs.93.81 billion for next 5 years.  Subsidy: Buses-Rs.72 Lakhs to Rs.1 Crore, Taxi-Rs.1.24 Lakhs and Autorickshaw-Rs.37,000 to Rs.61,000.  Proposal to give capital investment subsidy of 20-25% to manufacturers of Electric Vehicle Components such as motor drive powertrain, etc.	Battery manufacturers, Engine Manufacturers, Engine part like integrated starter generator	Opportunity for OEM's particularly in Bus segment, 3W segment as well as component manufacturers supplying Batteries and Electric Motors for EVs'.

[Source - CRISIL]

## G. INDIAN AUTO COMPONENTS INDUSTRY

The auto component industry is likely to grow at 10-12 per cent annually in the long term on rising rural income, higher disposable income and continued infrastructure activity. According to ICRA, a long-term compounded annual growth rate (CAGR) of 10-12 per cent for the industry (auto component) is expected and Operating margins for the industry are expected to be strong at 14 per cent for FY19. Riding strong volume growth across automotive segments, especially in the automotive original equipment (OEM manufacturers, the Indian auto component industry grew by 13 per cent during FY18, as per the ICRA report. The domestic aftermarket segment (barring battery and tyres) witnessed flattish revenue growth during FY18 as goods and services tax (GST) implementation impacted the dealer-distributor supply chain. The tyre and battery segment witnessed healthy replacement demand during FY18, with truck and bus (T&B) tyre replacement demand growing during FY18, post over three years of muted demand.

The Indian auto-components market contributes almost seven per cent to India's GDP and employs as many as 19 million people. The auto components sector has been observing robust growth, and turnover is anticipated to reach US\$ 200 billion by FY26 from US\$ 43.5 billion in FY17. India's exports of auto components could account for as much as 26 per cent of the market by 2021. Growth of the domestic auto components industry is expected to reach 13-15 per cent in FY18 on the back of high growth expectation in domestic passenger vehicles (PV) and two-wheelers (2W) segments.

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

As per Automobile Component Manufacturers Association (ACMA) forecasts, automobile component exports from India are expected to reach US\$ 70-billion by 2026 from US\$ 10.9 billion in FY17. The Indian auto component industry aims to achieve US\$ 200 billion in revenues by 2026.

The market size for auto component sector increased by 11.5 per cent reaching to US\$ 43.5 billion in FY17 from US\$ 39 billion in FY16. Revenues have risen from US\$ 26.5 billion in FY08 to US\$ 43.5 billion in FY17 at a CAGR of 5.66 per cent during FY08-17.

## H. OPPORTUNITIES AND THREATS/ CHALLENGES TO INDIAN AUTOMOTIVE INDUSTRY

### OPPORTUNITIES

1. **Brighter Road Ahead:** The Indian automotive sector has ended the first quarter of 2018-19 with a robust double-digit growth of 18.1percent across segments. Therefore, the road ahead for the entire FY 2018-19 seems to be brighter and wider.
2. **Strong growth:** The demand for vehicles is increasing due to rising income, middle class, and a young population. Domestic sales of passenger vehicles expected to increase at a CAGR of 12.87 per cent between 2016-26. Utility vehicle sales increased 19.95 per cent year-on-year in April-November 2017.
3. **Automotive Mission Plan:** 2016-26 shows clear vision of government. The government aims to develop India as a global manufacturing centre.
4. **Introducing fuel-efficient vehicles:** Optimization of fuel-driven combustion engines and cost efficiency programs are good opportunities for the automobile market. Emerging markets will be the main growth drivers for a long time to come, and hence fuel efficient cars are the need of the hour.
5. **Strategic Alliances:** Making strategic alliances can be a smart strategy for Automobile companies. By using specialized capabilities & partnering with other companies, they can differentiate their offerings.
6. **Changing lifestyle & customer groups:** Three powerful forces are rolling the auto industry. Shift in consumer demand, expanded regulatory requirements for safety and fuel economy, and the increased availability of data and information. Also with the increase in nuclear families there has been increase in demand of two-wheelers & compact cars and this will grow further.
7. **Market expansion:** Entering new markets like Asian & BRIC nations will result in upsurge in demand of vehicles. After these markets, other markets are likely to emerge soon.
8. **OEM priorities:** Given the increase in electronic content, OEMs need to collaborate with suppliers and experts outside the traditional auto industry. Accomplishing this will require changes in the way OEMs function. OEMs will be looking to their top suppliers to co-invest in new global platforms & this will be the driving force in the future

## CHALLENGES FOR THE AUTO INDUSTRY

1. **Intense Competition:** Presence of such a large number of players in the Automobile industry results into extensive competition, every company eating into others share leaving little scope for new players.
2. **Volatility in the fuel Prices:** At least for the passenger segment fluctuations in the fuel prices remains the determining factor for its growth.
3. **Sluggish Economy:** Macroeconomic uncertainty, Recession, un-employment etc. are the economic factors which will daunt the automobile industry for a long period of time.
4. **High fixed cost and investment in R & D:** Due to the fact that mature markets are already overcrowded, industry is shifting towards emerging markets by building R & D centers in these markets. But the ROI out of these decisions is yet to be capitalized.
5. **Cars recalled:** Controversies relating to recalling vehicles on account of some technical dis-functionality or non-abidance to govt. led rules is becoming very common.
6. **Bargaining power of consumers:** Over the last 3-4 decades the automobile market has shifted from demand to supply market. Availability of large number of variants, Stiff competition between them, and long list of alternatives to choose from has given power to customers to choose whatever they like.
7. **Government Regulations:** Growth rate of Automobile industry is in the hands of the government due to regulations like GST, no entry of outside vehicles in the state, decreasing number of validity of registration period & volatility in the fuel prices. These factors always affect the growth of the industry.

## I. FINANCIAL REVIEW

Your Company recorded total Revenue of ₹ 17,340.21 million (net of excise) during the financial year 2017-18 as compared to ₹ 15,280.48 million in the previous year, an increase of 13.48%. The EBIDTA has gone up by 18.39% during the financial year 2017-18 due to strong operational performance. The Profit Before Tax for the financial year 2017-18 amounts to ₹ 900.36 million as against ₹ 747.93 million for the previous year, showing an increase of 20.38%. The profit after tax has gone up in the financial year 2017-18 to ₹ 588.91 million as compared to ₹ 537.74 million in the previous year showing an increase of 9.52%. The reason for lower increase in Profit After Tax is due to non-availability of tax benefit under section 32AC of Income Tax Act in the current year.

Inspite of significant increase in investment for its new plant in Vithlapur at Gujarat for Suzuki Motor Gujarat Private Limited, your company is able to maintain its financial cost and debt within control by prudent financial and cash flow management.

The FY 2018 was the best year for MSIL inspite of Demonetization and GST and it achieved double digit growth continuously from the last 4 years. The Japanese car maker also increased its market share to 52.54 percent in Q1 FY18, compared to 50.43% in the same period of Q1 FY17.

The market capitalization of the Company as on 31st March, 2018 stood at ₹ 8,118.75 million. Your Company's financial performance is in line with MSIL.

The performance of the Company for the financial year 2018 vis-à-vis previous financial year 2017 is as under:

(₹ in Lakhs)			
PARTICULARS	FY2018	FY2017	CHANGE (%)
Gross Sales	170610.25	167595.60	1.80
Other Operating Income	8168.54	5609.70	45.61
Other Income	361.43	141.75	154.98
<b>TOTAL INCOME</b>	<b>179140.22</b>	<b>173347.05</b>	<b>3.34</b>
<b>EXPENSE</b>			
Material cost	134009.44	120069.03	11.61
Excise Duty	5738.08	20542.24	-72.07
Changes in Inventory of Finished Goods, Work-in-progress	(1214.26)	(219.52)	453.14
Employee Benefit Expense	12264.91	9652.80	27.06
Finance Cost	2011.87	1829.83	9.95
Depreciation and Amortization cost	4910.29	4143.06	18.52
Other Expense	12416.25	9850.30	26.05
<b>TOTAL EXPENSE</b>	<b>170136.58</b>	<b>165867.73</b>	<b>2.57</b>
<b>PROFIT BEFORE TAX</b>	<b>9003.64</b>	<b>7479.32</b>	<b>20.38</b>

TAX EXPENSE	3114.58	2101.91	48.18
PROFIT AFTER TAX	5889.06	5377.41	9.51
Total Comprehensive Income for the period (Net of Tax)	340.91	317.52	7.37
Total Comprehensive Income for the period [Comprising profit/(loss) for the period (after tax) and other comprehensive income (net of tax)]	6229.97	5694.93	9.40
Earnings Per Share	27.20	24.84	9.50

## Financial Performance Ratios

(As a percentage of Total Income)

PARAMETERS	FY18	FY17	CHANGE(%)
Material Cost	76.58%	78.43%	-1.85
Employee Cost	7.07%	6.32%	0.75
Manufacturing, Administrative and other Expense	7.16%	6.45%	0.71
Financial Charges	1.16%	1.20%	-0.04
Depreciation	2.83%	2.71%	0.12
EBITDA	9.18%	8.80%	0.38
Profit Before Tax	5.19%	4.89%	0.30
Profit After Tax	3.40%	3.52%	-0.12
Debt Service Coverage	3.00	1.98	51.51
Interest Coverage	5.48	5.09	7.66

### (+) indicates increase (-) indicates decrease

The Company has successfully implemented GST across all its units on the same very day of its coming into effect. Your Company feels proud to announce that it was among one of the few first Vendor of M/s Maruti Suzuki India Limited to issue a GST compliant invoice.

The Company has a inbuilt Centre of Excellence(COE) which acts as an advisory body and keeps educating the officials with the updates and developments under GST for uniform updation.

The Integrity, Safety, Quality (ISQ) practices and Technology Innovation & People (TIP) are the pillars for the comprehensive success of your Company.

The rise in sales has been due to various factors such as higher infrastructure spending, rising disposable income, new launches and rural demand. Passenger vehicles including passenger cars have seen the fastest sales

## J. QUALITY

The Company lays significant importance to quality across all operations, products and processes as an endeavour towards excellence. The Company has developed an inherent system coupled with process improvement to maintain Zero defect supplies to its customer.

Further MSIL has developed an integrated system of comprehensive assessment based on 10 pillars for its vendors. These ten pillars help the vendors in overall improvement. Your company has incorporated all the parameters of this assessment process in its periodical review and is working extensively to achieve and maintain green status. The company's manufacturing excellence department has been entrusted task to monitor and provide support across all the departments to achieve the parameters of Comprehensive Assessment.

These ten pillars of assessment are :-

- Manufacturing & Testing Facilities;
- Manufacturing Process Control;
- Maintenance Capability;
- Human Resource Development;
- Tier-2 Management;
- Top Management Focus on Excellence;
- Safety Management;

- h) Scale & Capability for future investment;
- i) Risk Management;
- j) Product Design & development;

The Company at regular intervals does the tooling refurbishment and monitors the life of the tools by following an IT base tool monitoring system.

## **K. SAFETY**

The Company has a Safety Policy which is Committed to provide a safe working environment with a focus on "Safety Culture Building" by maintaining a number of Safety Management Systems to manage the risk and as a result reduction in number of incidents and injuries.

The Company's philosophy on safety is articulated through these principles:

- Make Safety the first priority;
- All accidents are preventable;
- Safety is everyone's responsibility;
- Prevention is better than cure;

The Company is following the above philosophy in its operations. The Company has conducted safety assessment of all its plants with a specific focus on Fire safety and time bound action planned have been devised. Regular Safety Audit is being done at all its units and a safety monitoring Committee strictly monitors the actions at regular intervals with an aim of Zero Tolerance for Safety and Zero Accidents.

## **L. ENERGY CONSERVATION & ENVIRONMENT SENSITIVITY**

Your Company is making sustainable efforts to cut down the energy cost. The Company has installed the solar panels at the roof of its Plant situated in Vithlapur at Gujarat. The installation of the roof top panels generates 1.15 million units resulting in the savings of ₹ 79.95 Lakhs per year.

## **M. NEW PLANTS**

### **GUJARAT PLANT**

Your Company's Plant established at Vithlapur in Gujarat, is now operational and is catering to the needs of M/s Suzuki Motor Gujarat Private Limited. The plant has state of the art facilities with special focus on automation so as to achieve consistent quality and productivity. The probability of Human error has significantly reduce by Automation. The new Plant facility includes automated transfer press line, robotic tendem press line, Progressive press line, robotic welding line and CED paint shop.

The Phase-II of expansion at the new plant is also underway so as to increase the capacity to cater to 5,00,000 numbers of vehicles of M/s Suzuki Motor Gujarat Private Limited.

### **TOOL ROOM**

Your Company is expanding its tooling manufacturing capacity and has obtained Know how for localizing High tensile dies and critical BIW parts. The Company is setting up a new tool room in association with M/s Ogihara (Thailand) Co. Ltd and M/s JBM Auto Limited for manufacturing of press stamping dies including Ultra High Tensile and critical BIW Dies. A new joint venture Company named M/s JBM Ogihara Die Tech Private Limited is incorporated. The tool room will be situated at Greater Noida in Uttar Pradesh and is expected to be operational by next financial year. The tool room will work for localization of imported tooling.

## **N. WORKING CAPITAL MANAGEMENT**

The Company adopts prudent working capital management practices and does adequate planning for managing its day to day requirement of funds. The Company has tied up with banks for various working capital facilities. The funds from banks are borrowed primarily at base rate & Marginal Cost Lending Rate (MCLR). The Company has also floated Commercial Paper (Credit Rating A1+) to reduce its borrowing cost. The Company also gives enormous importance to timely receivables, realizations

and maintaining a low level of inventory, considering the JIT supply to customers, which helps in reducing the working capital requirement. Besides, the Company has departmental budget systems, wherein the requirement of each department is chalked out in advance and planning is done to make funds available in a timely manner. The Company continues to maintain its short term and long term credit rating to A1+ and AA- from ICRA respectively.

## O. OUTLOOK

With the world leaning towards electric vehicles, India too is gearing up for the new change. India has been an outperformer among the leading global automobile markets in 2017. India ranks 4th in the global automobile market after the US, China and Japan. The local 2-wheeler market was estimated to cross the 20-mn-unit mark in 2017. The sales grew 14% which was backed by the increase in rural demand. The good monsoon season is believed to be the major influencer in the strong demand in the rural market.

The commercial segment saw a boom in the growth with a sale of 8.8 lakh units thereby witnessing a growth of 23% from its previous peak. The passenger vehicle segment is expected to have expanded 8% with sales of about 3.3mn units. According to data from OICA, a global dealer body, with sales of 32,27,701 units, India emerged as the 4th largest market for passenger vehicle sales globally.

(Source: the Economic Times)

Today's world is unimaginable without automobiles. They are especially essential to the working population. Automobiles are complex, sophisticated machines which require regular mechanical and electrical service, replacement parts, paint, cleaning, stereo system installations and more. The automotive aftermarket provides these parts and services, and largely flourishes during economic uncertainty.

Additionally, there are many technological advances like live traffic updates, smart routing and tracking, roadside assistance in case of an accident, automatic toll transactions, automatic parking / parking management and much more. So, over the next decade, we can expect that internet-connected car technologies and self-directed vehicles are set to stir up yet another revolution in the automotive sector.

At this point, there aren't enough electric vehicles and they are too expensive to have a large influence on car market, but the forecast of the future car market is that the cost of owning an electrical car will be equal or below that of driving a car powered by fuel by the mid of 2020s.

The Indian Auto Components industry is preparing itself to meet the tough challenge of the electrification of the vehicles and is all set to become the third largest Auto Components Industry by 2025.

## P. RISK AND CONCERNS

To reduce Quality risk, the Company has skilled workforce who are provided with job skill enhancement training. The Company regularly interacts with its suppliers and supervises by conducting periodical audit in their plants and ensures that the raw materials as well as the process meet out the Quality Standards.

On the advice of Risk Management Committee, the Company reviewed its risk library. One of the risks the Company identified is the risk of inadequate management of knowledge. The Company generates critical knowledge as part of its operation and its people possess valuable experience.

Following are some of the major risks that surrounds the auto industry:

1. **Rising Fuel Prices:** Slowdown in economic growth and rise in fuel prices will impact demand for new vehicles. The heavy trucks segment to remain down as high running cost due to expensive diesel and poor freight rates.
2. **Regulation:** Big swings in regulation could create pressure for automotive makers to rethink their supply base and manufacturing locations on quite a short notice.  
  
**Mitigation Measure:** Although your Company does not have any control over this risk, we focus on process improvement in manufacturing and administration to build a sturdy future while increasing business competence.
3. **Quality:** Quality compromise could lead to loss of customer loyalty.



**Mitigation Measure:** To reduce quality risk, our skilled workforce is provided job skill enhancement training. We regularly interact with suppliers and supervises by conducting periodical audit in their plants. This helps ensure that the raw materials as well as the processes meet the quality standards.

4. **Consumer Demand:** India being a country where majority of the population belongs to middle class which is starting to buy cars and the industry is looking for ways to satisfy that demand. The difficulty in this game is that consumer tastes are fickle.
5. **High interest rates:** The automotive industry of India continues to face high interest rates, which could affect your Company. This could lead to possible risks that could arise due to stoppage of production of uncertain results of settlement negotiations leading to unpredictable cost structure.

**Mitigation measure:** Your Company has partnered with banks where most of its loan are procured at floating interest rate for taking the advantage of lower interest rate. Further, the Company has floated Commercial Paper to bring its borrowing cost below the bank rate of interest.

6. **Credit and default risk:** The receivables of your Company could rise owing to the prevailing liquidity tightness and subdued consumer demand.

**Mitigation measure:** Your Company closely monitors these risks and strives hard to take appropriate and timely action.

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

**Mitigation measure:** Working closely with customers, your Company develops products to best meet customer requirements. We retain and motivate best talent through a focussed employee development program, which helps us stay competitive. Further, your Company continues investing in advanced technologies and upgrades production processes regularly to maintain the competitive edge.

8. **Manufacturing inputs and cost inflation:** Inflation has a direct impact on raw material cost. Thus, any significant upward movement in inflation can lead to rise in raw material prices.

**Mitigation measure:** Any increase/decrease in raw material costs is passed on to the customers by your Company. Further, your Company follows a strict budgetary control regime for cost reduction and stronger control of operating expenses.

9. **Currency depreciation:** These include risks owing to potential change in foreign currency rates in relation to INR.

**Mitigation measure:** Your Company's prudent management takes appropriate steps for Hedging foreign currency risks.

10. **Technology:** Technology obsolescence could lead to loss in market share.

**Mitigation Measure:** The Company have consistently delivered cutting edge technology products owing to the joint venture and association with the global majors, this mitigating the risk and being a front runner in the market.

## **Q. INTERNAL CONTROL SYSTEMS, INTERNAL AUDIT AND ITS ADEQUACY**

Your Company has an adequate system of internal controls in place. It has documented policies and procedures covering all financial and operating functions. These controls have been designed to provide a reasonable assurance with regard to maintaining of proper accounting controls for ensuring reliability of financial reporting, monitoring of operations, and protecting assets from unauthorized use. The Company has continued its efforts to align all its processes and controls with global best practices.

Given the nature of business and size of operations, your Company has designed a proper and adequate internal control system to ensure:

- a) maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b) that transactions are recorded as necessary to permit preparation of 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;
- c) prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements;

Your Company has complied with the specific requirements as laid out under Section 134(5)(e) of the Companies Act, 2013 which calls for establishment and implementation of an Internal Financial Control framework that supports compliance with requirements of the Act in relation to the Directors' Responsibility Statement.

The Company's Internal Audit is carried out by an efficient Chartered Accountants firm from New Delhi – M/s Mehra Goel & Co., Internal Auditors of the Company. Moving on, the counter measures (if any) to strengthen the internal controls are also taken in this regard. Further, the suggestions made by Internal Auditor are reviewed and considered by Audit Committee on a quarterly basis for improvement of internal controls and systems within the Company.

## **R. HUMAN RESOURCE**

For your company the people are the biggest assets and for the all round development of its employees at all levels, robust training in career growth is provided at regular intervals. To maintain discipline, your Company instituted a code of conduct outlining policies concerning various stakeholders. These policies include items concerning issues such as working hours, wages, human treatment, prohibition of discrimination, protection of privacy, concern for the human rights of the foreign nationals, trainees and operators.

An Innovation Meet (I-Meet) is conducted every year to foster a culture of innovation at workplace. Various engagement activities like Sports Week, Annual Day and other similar events are organised for employee welfare and motivation. The Company have present employee workforce of 5800 in numbers.

Regular training programs are organised to keep the employees updated in their respective spheres of work field, further enhancing their skill levels. This initiative ensures improved performance, disciplined processes with better practices, which culminates into high-quality end products resulting in customer satisfaction. Your Company imparts training to all fresh recruits to ensure that they work in sync to achieve our goal and be a part of our journey to take the organisation to new heights. Recruiting, retaining and motivating the best talent in the industry, ensuring their development is one of the foremost challenges in today's business environment.

Your Company also focuses on grooming the existing talent base, to enable them to take positions of greater responsibility within the organisation. All the new recruits are trained to become socially, professionally and culturally integrated.

Our employees are also an integral part of a corporate social responsibility programmes. We, at JBML nurture innovative thought processes and culture and this is the theme of our people engagement initiatives. In line with this, your Company have a strong thrust 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. All employees are made aware of and have access to the central database of HR policies covering all aspects of welfare, benefits and administration. This leadership development programs aims at helping our employees grow into a dynamic force of worldclass leaders while nurturing the culture of high-performance and high-quality in line with the articulated Vision of our organization's success.

## S. AWARDS AND ACCOLADES;

Your Company's performance in the areas of Gujarat Localization, Tooling Localization and VA-VE have been recognized by M/s Maruti Suzuki India Limited (MSIL) in its Vendor conference held on 3rd May, 2018 at Abu Dhabi. MSIL has given Certificates of appreciation in the respective field to your company as ;

- Certificate for the superior performance in the field of Support for Gujarat Localization for the year 2017-18.



- Certificate for the superior performance in the field of Tooling Localization for the year 2017-18.



- Certificate for the superior performance in the field of VA-VE for the year 2017-18.



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

Your Company strives hard to maintain the highest standards to preserve and protect the environment along with the able support of its suppliers, customers, and stakeholders. Moreover, this is a major step of the Company towards enhancing the health and safety of its employees and communities. The focus of your Company hinges around environmental protection and occupational health and safety, as it strives for continuous improvement in all these parameters. Your Company conducts periodic drills, safety, health awareness through competitions, campaigns, and events to ensure preparedness for emergencies. Your Company is committed to ensure continuous improvement in its ISO-14001:2015 and OHSAS-18001:2007 systems through periodic audits by the American Systems Registrar (USA). Your Company's quality management system is certified against ISO/TS 16949:2016 (Quality Management System) standard.

## U. ROAD AHEAD

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

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

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

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

### **Disclaimer :-**

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

## REPORT ON CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is the application of best management practices, continued compliances of law and adherence to highest ethical standards to achieve the objectives of the Company of enhancing stakeholder's value and its own image. A good Corporate Governance framework incorporates a system of robust checks and balances between Key players, namely the Board, the Management, Auditors and Stakeholders.

Jay Bharat Maruti Limited remains resolute in its commitment to conduct business in accordance with the highest ethical standards and sound Corporate Governance practices. The Company strongly believes that sound, robust and unambiguous system of Corporate Governance practices go a long way in retaining investor trust and preserving the interest of all existing as well as prospective Stakeholder.

Jay Bharat Maruti Limited ("Jay Bharat Maruti" or the "Company") is committed to conduct its business in compliance of the applicable laws, rules and regulations and with the highest standards of business ethics. We, at Jay Bharat Maruti, believe that good Corporate Governance is a key contributor to sustainable corporate growth and creating superior value for our stakeholders. It is primarily concerned with transparency, accountability, fairness, professionalism, social responsiveness, complete disclosure of material facts and independence of Board. Jay Bharat Maruti endeavours its best to constantly comply with these aspects in letter and spirit.

### 2. BOARD OF DIRECTORS

#### (a) Composition of the Board

The Company has an optimum combination of Executive, Non-Executive and Independent Directors to ensure the independent functioning of the Board.

Further, the Board fulfills the key functions as prescribed under Regulation 17(1) of SEBI (LODR) Regulations, 2015.

As on 31st March, 2018, the total strength of the Board of Directors of the Company is Seven (7) Directors (i.e. Four Promoter Directors and Three Independent Directors) comprising of an Executive Chairman, one Non-Executive Nominee Director representing Maruti Suzuki India Limited (MSIL), two Non-Executive Directors and three Non-Executive Independent Directors. One of the Non-Executive Director is a Women Director. All the Non-Executive Independent Directors of the Company satisfy the criteria of independence as defined under the provisions of the Companies Act, 2013 and the SEBI Listing Regulations.

During the year, the total number of Independent Directors is half of the total strength of the Board due to the resignation of Mr. Virendra Ganda, Independent Director of the Company with effect from 16th January, 2018. Further, the Company has appointed Mr. Dhanendra Kumar as an Independent Director of the Company with effect from 16<sup>th</sup> July, 2018 in place of Mr. Virendra Ganda and meeting the requirement of relating to composition of the Board under clause 17 of the SEBI (LODR) Regulations, 2015.

The Non-Executive Directors including Independent Directors bring statutory and wider perspective in the Board's deliberations and decisions.

In accordance with the requirement of Regulation 27(2) of SEBI (LODR) Regulations, 2015, the company submits to the stock exchanges a quarterly compliance report on Corporate Governance in the prescribed format within fifteen days from the close of the quarter. The said report is duly signed by compliance officer of the Company.

In Compliance with Section 165(1) of Companies Act, 2013 and Regulation 25(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, none of the Director of the Company is a director on the board of more than 20 Companies (including 10 Public Limited Companies) or acts as an Independent Director in more than 7 Listed Companies.

The composition of Board of Directors as on 31st March, 2018, their attendance at the Board Meetings held during the Financial Year 2017-18, attendance in the last Annual General Meeting and also the other Directorship and Membership/ chairmanship of the Board Committees are as follows:

The details of the attendance of the Directors and other relevant information as required under schedule V of the SEBI (LODR) Regulations, 2015.

Sl. No.	Name of Directors	Relationship with other directors	Category	No. of meetings attended (Total Meetings held : 4)	Attendance at the last AGM held on 18th August, 2017	No. of Directorship(s)		No. of Committee(s)*	
						Public	Private	Member	Chairman
1	Mr. S.K Arya (DIN : 00004626)	Father of Mr. Nishant Arya & Ms. Esha Arya	Chairman & Managing Director	4	Yes	9	9	1	1
2	Mr. Nishant Arya (DIN : 00004954)	Son of Mr. S.K Arya and brother of Ms. Esha Arya	Non-Executive Director	3	Yes	9	5	1	-
3	Ms. Esha Arya (DIN : 00004836)	Daughter of Mr. S.K Arya and Sister of Mr. Nishant Arya	Non-Executive Director	2	No	3	-	-	-
4	Mr. Rajiv Gandhi** (DIN : 07231734)	NIL	Non-Executive Director	4	Yes	1	-	-	-
5	Mr. U.C Aggarwal (DIN : 00012468)	NIL	Non-Executive - Independent Director	4	Yes	1	-	1	1
6	Mr. D.P Agarwal (DIN : 00084105)	NIL	Non-Executive - Independent Director	2	Yes	5	-	-	2
7	Mr. Achintya Karati (DIN : 00024412)	NIL	Non-Executive - Independent Director	3	Yes	7	2	-	-
8	Mr. Virendra Ganda# (DIN : 01013057)	NIL	Non-Executive - Independent Director	1	No	-	-	-	-

\* Committee means Audit Committee and Stakeholders Relationship Committee

\*\* Nominee Director of M/s Maruti Suzuki India Limited.

# Mr. Virendra Ganda has resigned w.e.f. 16th January, 2018.

#### (b) Board Meetings

Four meetings of the Board of Directors of the Company were held during the year viz. on 19th April, 2017; 18th July, 2017; 2nd November, 2017 and 16th January, 2018. The Board meets at least once in a quarter with a time gap of not more than one hundred and twenty days between two consecutive meetings. Agenda papers were circulated to the Directors in advance for each meeting. All relevant information as required under Schedule II of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 were placed before the Board from time to time.

#### (c) Independent Directors

The Company has 4 Independent Directors having expertise in their respective field/profession. None of the Independent Directors are Promoter of the Company or its associate Company. They do not have any pecuniary relationship with the Company, its associate Company or their Promoters, Directors, or Senior Management Personnel and do not hold two percent or more of the total voting power in the Company.

All Independent Directors, at the first meeting of the Board in which they participate and thereafter at the first meeting of the Board in every financial year, gives a declaration that they meet the criteria of independence as required under Section 149(7) of the Companies Act, 2013. All Independent Directors maintain their limits of Directorships as required under Regulation 25 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. The terms and conditions of their appointment have been disclosed on the website of the Company.

**(d) Separate meeting of Independent Directors**

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on March 16, 2018 without the attendance of non-independent directors and members of the management to review the performance of Non-independent Directors (including the Chairman) and the Board as a whole. All Independent Directors were present in the meeting.

The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and it’s Committees which is necessary to effectively and reasonably perform and discharge their duties.

The Independent Directors found the performance of Non-Independent Directors (including Chairman) and the Board as well as flow of information between the Management and the Board to be satisfactory.

**(e) Familiarization Programme**

The Board members are provided with necessary documents, brochures, reports and internal policies to enable them to familiarize with the Company’s procedure and practices.

Further, on an ongoing basis as a part of Agenda of Board / Committee Meetings, presentations are regularly made to the Independent Directors on various matters inter-alia covering the Company’s business and operations, industry and regulatory updates, strategy, finance, risk management framework, role, rights, responsibilities of the Independent Directors under various statutes and other relevant matters. The details of the familiarization Programme for Directors are available on the Company’s website under the web link: <http://www.jbmgroup.com/pdf/Familizaration-Programmes-for-Independent-Directors/Familiarization%20programme-17-18.pdf>

**3. CODE OF CONDUCT**

The Company has in place a comprehensive Code of Conduct (the Code) applicable to the Directors and Senior Management Personnel. The Code gives guidance and support needed for ethical conduct of business and compliance of law. The Code reflects the value of the Company. The Code has been circulated to all concerned and the same is posted on the website of the Company which may be accessed at the web link: <http://www.jbmgroup.com/pdf/code-of-conduct/pdf/CoC-BM-&-SMP.pdf>

Pursuant to Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Chairman & Managing Director of the Company has confirmed the compliance with the Code by all the members of the Board and Senior Management.

**4. AUDIT COMMITTEE**

The Company has a qualified and independent Audit Committee. During the year under review, there is no change in the composition of Audit Committee. The composition, quorum, powers, role and scope are in accordance with Section 177 of the Companies Act, 2013 and the provisions of Regulation 18 of the Listing Regulations. The Audit Committee functions in accordance with its terms of reference that defines its authority, responsibility and reporting function. Mr. U.C. Agarwal, Independent Director is the Chairman of the Audit Committee. The other members of the Audit Committee includes Mr. Nishant Arya, Non-Executive Director, Mr. D.P. Aggarwal and Mr. Achintya Karati, Independent Directors of the Company.

**Meetings and Attendance record during the year :**

Sl. No.	Name	Category	Designation	Attendance (No. of meeting held : 4)	Date of Audit Committe Meeting
1.	Mr. U.C Agarwal	Independent	Chairman	4	19.04.2017
2.	Mr. D.P Agarwal	Independent	Member	2	18.07.2017
3.	Mr. Achintya Karati	Independent	Member	3	02.11.2017
4.	Mr. Nishant Arya	Non Executive	Member	3	16.01.2018

The Chairman & Managing Director, President & CFO and the representative of the Statutory Auditors and Internal Auditors are invitees to the Audit Committee meetings. Mr. Ravi Arora, Company Secretary of the Company is the Secretary of the Audit Committee.

Mr. U. C. Agarwal, Chairman of the Audit Committee attended the last Annual General Meeting to answer the shareholders’ queries.



**(a) Terms of Reference**

The Audit Committee inter-alia performs the functions of approving Annual Internal Audit Plan, review of financial reporting system, internal controls system, discussion on financial results, interaction with Statutory and Internal Auditors, one-on-one Meeting with Statutory and Internal Auditors, recommendation for the appointment of Statutory Auditor and their remuneration, recommendation for the appointment and remuneration of Internal Auditors, Review of Business Risk Management Plan, Management Discussions and Analysis, Review of Internal Audit Reports and significant related party transactions as per the provisions of section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. In fulfilling the above role, the Audit Committee has powers to investigate any activity within its terms of reference, to seek information from employees and to obtain outside legal and professional advice. The role of the audit committee includes the following:

- i. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- ii. Recommendation to the Board for appointment, remuneration and terms of appointment of auditors of the Company;
- iii. Approval of payment to statutory auditors for any other services rendered by the Statutory Auditors;
- iv. Reviewing, with the management, the annual financial statements and Auditor's Report thereon before submission to the board for approval, with particular reference to:
  - (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - (b) Changes, if any, in accounting policies and practices and reasons for the same;
  - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) Significant adjustments made in the financial statements arising out of audit findings;
  - (e) Compliance with listing and other legal requirements relating to financial statements;
  - (f) Disclosure of any related party transactions;
  - (g) Modified opinion(s) in the draft audit report;
- v. Reviewing, with the management, the quarterly / annual financial statements before submission to the board for approval;
- vi. 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 utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- vii. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- viii. Approval or any subsequent modification of transactions of the Company with related parties;
- ix. Scrutiny of inter-corporate loans and investments;
- x. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
- xi. Evaluation of internal financial controls and risk management systems;
- xii. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
- xiii. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

- xiv. Discussion with the Internal Auditors of any significant findings and follow up there on;
- xv. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- xvi. Discussion with the 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;
- xvii. To look into the reasons for substantial defaults in the payment to the Depositors, Debenture Holders, Shareholders (in case of non-payment of declared dividends) and Creditors;
- xviii. To review the functioning of the whistle blower mechanism;
- xix. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- xx. Carrying out any other function as is mentioned in the terms of reference of the audit committee.

## 5. NOMINATION AND REMUNERATION COMMITTEE

The Board has framed the Nomination and Remuneration policy, which is generally in line with the existing industry practice and applicable laws. There is no change in constitution of Nomination and Remuneration Committee during the year. No meeting of Nomination and Remuneration Committee were held during the year. The Composition of Nomination and Remuneration Committee is in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

### (a) Composition, Category and Attendance record during the year

The composition of Nomination and Remuneration Committee, category and record of attendance is given below:

Sl. No.	Name	Category	Designation	Attendance (No. of meeting held : NIL)	Date of Nomination and Remuneration Committee Meeting
1.	Mr. U.C Agarwal	Independent	Chairman	-	No Meeting held during the year
2.	Mr. D.P Agarwal	Independent	Member	-	
3.	Mr. Achintya Karati	Independent	Member	-	
4.	Mr. Nishant Arya	Non Executive	Member	-	

### (b) Terms of reference:

The Nomination and Remuneration Committee assist the Board in overseeing the method, criteria and quantum of compensation for Directors and senior management based on their performance and defined assessment criteria. The Committee formulates the criteria for evaluation of the performance of Independent Directors & the Board of Directors; identifying the persons who are qualified to become Directors, and who may be appointed in senior management and recommend to the Board their appointment and removal. The power, role, responsibilities and terms of reference of the Nomination and Remuneration Committee are as prescribed under Section 178 of the Companies Act, 2013 and also as provided in Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mr. Ravi Arora, Company Secretary of the Company is Secretary of the Nomination and Remuneration Committee.

### (c) Role of Nomination and Remuneration Committee

The role of Nomination and Remuneration committee includes the following:

- i. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees;
- ii. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- iii. Devising a policy on diversity of Board of Directors;

- iv. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
- v. Advise to the Board whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- vi. To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- vii. To perform such other functions as may be necessary or appropriate for the performance of its duties.

## (d) Detail of remuneration and sitting fee paid to Directors during the Financial Year 2017-18

Remuneration paid to the Chairman & Managing Director		Sitting Fees paid to Non-Executive Directors			No. of equity share held	
Particulars	Amount (₹ in Lacs)	Name of Directors	Meetings (₹ in Lacs)			
			Board	Committee	Total	
Salary & Allowances	195.54	Mr. U.C Agarwal	0.80	1.00	1.80	-
Other Perquisites	39.58	Mr. D.P Agarwal <sup>1</sup>	-	-	-	-
Commission	175.41	Mr. Rajiv Gandhi <sup>2</sup>	0.80	-	0.80	-
Contribution to Provident Fund*	12.51	Mr. Nishant Arya	0.60	0.60	1.20	4,000
	-	Mr. Achintya Karati	0.60	0.80	1.40	-
	-	Ms. Esha Arya <sup>3</sup>	-	-	-	-
	-	Mr. Virender Ganda <sup>#</sup>	0.20	-	0.20	-
<b>Total</b>	<b>423.04</b>	<b>Total</b>	<b>3.00</b>	<b>2.40</b>	<b>5.40</b>	<b>4,000</b>

\* Contribution to PF do not included in computation of overall managerial remuneration.

# Mr. Virendra Ganda has resigned w.e.f. 16th January, 2018.

1. Fee was waived w.e.f. 14th July 2005;

2. Fee was paid in the name of MSIL, being its nominee director.

3. Fee was waived w.e.f. 20th April, 2016

## 6. STAKEHOLDERS' RELATIONSHIP COMMITTEE

(a) **Composition:** The Stakeholders Relationship Committee comprises of the following Directors:

Sl. No.	Name	Category	Designation
1	Mr. U.C Agarwal	Independent	Chairman
2	Mr. S.K. Arya	Executive	Member
3	Mr. D.P Agarwal	Independent	Member

Mr. Ravi Arora, Company Secretary of the Company is the Secretary of the Stakeholders' Relationship Committee. The constitution of the Stakeholders' Relationship Committee and terms of reference are as prescribed under Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(b) **Scope of the Committee:**

- i. The Committee investigates and resolves shareholders' grievances relating to transfer, transmission, dematerialization and re-materialization of shares, issue of duplicate share certificates, non-receipt of annual report, non-receipt of declared dividend and other matters relating to the shareholders/investors.
- ii. In order to provide efficient and timely services to investors, the Committee has delegated the power of approval of issue of duplicate / split/ consolidation of share certificate, transfer of shares, transmission of shares, dematerialization / re-materialization of shares not exceeding 5,000 equity shares per transaction to the President & CFO and the Company Secretary severally.
- iii. The Committee meets for transfer of shares beyond the above limit/ transmission of shares/ issue of duplicate share certificate(s) in case of loss of share certificate(s)/split up of shares/re-materialization of shares and for any other grievances on need basis.
- iv. The details of correspondence of shareholders/SEBI/Stock Exchanges or any other authority are being provided to the Committee along with MIS and all complaints are responded by the Company / Registrar & Share Transfer Agent appropriately.
- v. The Company has obtained the following certificates/ Reports from Practicing Company Secretary:
  - (a) Certificate for compliance of share transfer formalities by the Company pursuant to Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on half-yearly basis;
  - (b) Reconciliation of Share Capital Report for reconciliation of the share capital of the Company pursuant to SEBI's circular on quarterly basis.
- vi. The dividend request / dividend warrant revalidation, dematerialization/ re-materialization of Shares and other requests of shareholders are generally processed on weekly basis or at an earlier date on need basis.

(c) **Name and address of Compliance Officer:**

Mr. Ravi Arora,  
 Company Secretary & Compliance Officer  
 Plot No.9, Institutional Area  
 Sector - 44, Gurgaon -122 003  
 Haryana.  
 Ph.: 0124 - 4674500 – 50;  
 Fax: 0124 - 4674559  
 E-mail: jbml.investor@jbmgrou.com ; ravi.arora@jbmgrou.com

(d) **Prevention of insider trading**

The Securities and Exchange Board of India (SEBI) vide its notification No. LAD-NRO/GN2014-15/21/85 dated 15th January, 2015 has put in place a new framework for prohibition of Insider Trading in securities and to strengthen the legal framework thereof. This new regulation of SEBI under the above notification has become effective from 15th May, 2015. Accordingly, the Board at

its meeting held on 16th April, 2015 has formulated a 'Code of internal procedure and conduct for regulating, monitoring and reporting of trading by insiders' in compliance of Regulations 8 and 9 of the SEBI (Prohibition of Insider Trading) Regulations, 2015 for regulating, monitoring and reporting of Trading of Shares by Insiders.

The Code lays down guidelines, procedures to be followed and disclosure to be made while dealing with the shares of the Company and cautioning them of its consequences of non-compliance. The said code may be accessed on the Company's website at the link: <http://www.jbmgroup.com/pdf/policies/JBML-Insider-Trading-Policy.pdf>

**(e) Shareholders grievances / complaints received and resolved during the year**

(i).	Number of shareholders complaints received during the year	6
(ii)	Number of complaints not resolved to the satisfaction of shareholders	Nil
(iii)	Number of complaints pending at the end of the year	Nil

**(f) Registrar and Share Transfer Agent (RTA)**

The Company has appointed M/s MCS Share Transfer Agent Limited as Registrar and Share Transfer Agent (RTA) to take care of share transfer related matters, dematerialization / re-materialization of Shares, etc. Investor may contact the RTA at the below mentioned address:

MCS Share Transfer Agent Limited  
 (Unit: Jay Bharat Maruti Limited)  
 F-65, 1st Floor, Okhla Industrial Area  
 Phase - I, New Delhi-110020  
 Tel.: 011-41609386; 41406149; 41709885  
 Fax: 011-41709881  
 E-mail: admin@mcsregistrars.com; helpdeskdelhi@mcsregistrars.com

## 7. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Corporate Social Responsibility Committee was constituted by the Board on 16th April, 2014 in compliance with the provisions of the Companies Act, 2013.

The Corporate Social Responsibility Committee consist of three Directors and it will meet as when required. Mr. U.C. Agarwal, Independent Director is the Chairman of the Committee, Mr. D.P. Agarwal, Independent Director and Ms. Esha Arya, Non-Executive Director are the members of the Committee of the Company. During the year, one (1) meeting of the committee was held on 19th April, 2017.

**(a) Composition and Category**

Sl No.	Name	Category	Designation
1.	Mr. U.C. Agarwal	Independent	Chairman
2.	Mr. D.P. Agarwal	Independent	Member
3.	Ms. Esha Arya	Non-Executive	Member

**(b) Role & Responsibilities**

The role of the CSR Committee includes the following:

- i. Formulate and recommend to the Board, Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013 and the Rules made thereunder.
- ii. Recommend the amount of expenditure to be incurred on the activities under Corporate Social Responsibilities.
- iii. Monitor Corporate Social Responsibility Policy of the Company.
- iv. To carry out all other duties as may be required under the Companies Act, 2013 and rules made thereunder.

The Corporate Social Responsibility Committee has adopted a Corporate Social Responsibility Policy which is posted on the website of the Company. The same may be accessed at the web link: <http://www.jbmgroup.com/pdf/policies/CSR-policy.pdf> The Corporate Social Responsibility Report for the year ended 31st March, 2018 is given in the Directors' Report

## 8. RISK MANAGEMENT COMMITTEE

### Composition of the Risk Management Committee:

- i. Mr. S. K. Arya, Chairman
- ii. Mr. Nishant Arya, Member
- iii. Mr. Anand Swaroop, Member

The prime responsibility of the Risk Management Committee is to implement and monitor the risk management plan and policy of the Company.

The role and responsibilities of the Committee includes the following:

- i. Framing of Risk Management Plan and Policy
- ii. Develop, implement and maintain a sound system of Risk Management
- iii. Assess and recommend to the Board acceptable level of risk.
- iv. Execute such other related functions as it may deem fit.
- v. Monitoring of Risk Management Plan and Policy

## 9. GENERAL BODY MEETINGS

### I. DETAILS OF LAST THREE ANNUAL GENERAL MEETINGS (AGMs):

Financial Year	Date & Time of AGM	Venue	Special Resolution passed
2016-17	18 <sup>th</sup> August, 2017 At 10:30 A.M.	Air Force Auditorium, Subroto Park, New Delhi - 110010	No Special Resolution was passed during the year.
2015-16	3 <sup>rd</sup> September, 2016 At 12: 45 P.M.	Air Force Auditorium, Subroto Park, New Delhi - 110010	Authority to Board of Directors to borrow money not exceeding Rs 600 Crores
2014-15	24 <sup>th</sup> August, 2015 At 11:00 A.M.	Air Force Auditorium, Subroto Park, New Delhi - 110010	Approval of Material Related Party Transactions

- II. No resolution was either required or passed through postal ballot in last year 2017-18.
- III. As on date of this report, no resolution is proposed through postal ballot in this year;

## 10. DISCLOSURES

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

During the period under review, the Company had made material transaction with Maruti Suzuki India Ltd. and Neel Metal Products Ltd. The Company's major related party transactions are generally with these two Companies.

None of the transactions with any of related parties were in conflict with the Company's interest. All related party transactions are made on an arm's length basis and in the ordinary course of business. The Audit Committee is informed about all the related party transaction undertaken by the Company.

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

There have been no instances of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchange(s) or SEBI or any Statutory Authority on any matter related to capital markets during last three years.

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

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil mechanism and Whistle Blower Policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The reportable matters may be disclosed to ombudsperson through letter/ e-mail, telephonically or in person. The employees may also report to the Chairman of the Audit Committee. The Whistle Blower Policy has been posted on the website of the Company and the same can be accessed at the web link: [http://www.jbmgroup.com/pdf/policies/JBML\\_Whistle-Blower-Policy.pdf](http://www.jbmgroup.com/pdf/policies/JBML_Whistle-Blower-Policy.pdf)

**d) Compliance with the Accounting Standards**

The financial statements are prepared in accordance with Indian Accounting Standards (Ind-AS) as prescribed under section 133 of the Companies Act, 2013 read with the Rule 3 of the Companies ( Indian Accounting Standards) Rules, 2015 and Companies ( Indian Accounting Standards) Amendment Rules,2016.

**e) Code of Conduct**

The Company has a Code of Conduct for its Board and Senior Management Personnel (as per Code of Corporate Governance), which is available on the Company's website. The Company has obtained a compliance certificate from all concerned.

**f) Compliance with mandatory requirements and non-mandatory requirements**

i. The Company is complying with all the mandatory requirements and partly complies with non-mandatory requirements such as:

- (a) reimbursement of expenses to Non-Executive Chairman;
- (b) remuneration committee of all Independent & Non-Executive Directors;
- (c) though half yearly results with summary of significant events in the last six-months are not sent to each shareholder, however the quarterly results are posted on the websites of the Company, the Stock Exchanges and also published in the newspapers;
- (d) The financial statements of the Company are without qualification.

**g) web link where policy for determining 'material' subsidiaries is disclosed**

As on 31s March, 2018, the Company has no subsidiary and therefore requirement for policy for determining 'material' subsidiaries is not applicable on the Company

**h) web link where policy on dealing with Related party transactions**

<http://www.jbmgroup.com/pdf/policies/JBML-Policy-on-Related-Party-Transaction.pdf>

**i) Discretionary requirements as specified in PART E of Schedule II**

The Company has not adopted the discretionary requirements during the year 2017-2018 as specified in Part E of schedule II.

**j) Compliance with Corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46**

The Company has complied with the regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 except in the case of composition of the Board of Directors of the company wherein after resignation of Shri Virender Ganda, Independent Director w.e.f 16th January 2018, the number of Independent Directors have come down to three from required four independent Directors. However, after resignation of Shri Virender Ganda, Independent Director w.e.f 16th January 2018, the number of Independent Directors have come down to three from required four Independent Directors. The Company, through written representation, has informed us that the company

took necessary steps to identify and appoint to fill the vacancy of Independent Director and the Nomination and Remuneration committee of the company has recommended Mr. Dhanendra Kumar (DIN:05019411) in its meeting held on 16th July 2018, to the Board of Directors for his appointment as Independent Director. The Board has appointed Mr. Dhanendra Kumar (DIN: 05019411) as Independent Director in its Board Meeting held on 16th July 2018.

## 11. MEANS OF COMMUNICATION

The Company publishes unaudited quarterly/half yearly financial results reviewed by auditor and audited annual financial results in newspapers. The said results are also informed to the Stock Exchanges where the shares of the Company are listed. The quarterly & half yearly results are not being sent separately to any of the shareholder. The results are usually published in Business Standard (English & Hindi Edition), Financial Express (English Edition) and Jansatta (Hindi Edition). The Company also issues news releases on significant corporate decisions/ activities and posts them on the website.

The financial results of the Company are displayed on the website of the Company i.e., [www.jbmgroupp.com](http://www.jbmgroupp.com). The Company does not make presentations for institutional investors or to the analysts.

### 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.

### Corporate Filing and Dissemination System (Corp-filing) & NEAPS (NSE Electronic Application Processing System)

All disclosures and communications to BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) are filed electronically through Corp-filing and NEAPS respectively. The disclosures are also mailed to the exclusive e-mail IDs of these Stock Exchanges.

### Exclusive e-mail ID for Investors

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

## 12. ROLE OF COMPANY SECRETARY IN OVERALL GOVERNANCE PROCESS

The Company Secretary plays a key role in ensuring that the Board (including committees thereof) procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and Senior Management for effective decision-making at the meetings. The Company Secretary is primarily responsible to assist and advise the Board in the conduct of affairs of the Company, to ensure compliance with the applicable statutory requirements and Secretarial Standards, to provide guidance to Directors and to facilitate convening of meetings. He interfaces between the management and regulatory authorities for governance matters.

## 13. MANAGEMENT DISCUSSION & ANALYSIS REPORT

Management Discussion & Analysis report has been given separately in the Annual Report.

## 14. GENERAL SHAREHOLDER INFORMATION

### (i) Annual General Meeting

Date and Time	:	4th September, 2018 at 10:30 A.M.
Venue	:	Air Force Auditorium, Subroto Park, New Delhi - 110 010

### (ii) Financial year

Financial reporting for the Financial Year 2017-18:

1st quarter ended 30th June, 2017	:	July, 2017
2nd quarter ended 30th September, 2017	:	October, 2017
3rd quarter ended 31st December, 2017	:	January, 2018
Year ended 31st March, 2018	:	April, 2018



**(iii) Date of Book Closure**

29th August, 2018 to 4th September, 2018 (both days inclusive).

**(iv) Dividend Payment Date**

The dividend, if declared, will be paid within 30 days from the date of Annual General Meeting.

**(v) Listing on Stock Exchanges**

The equity shares of the Company are listed and traded on the following Stock Exchanges:

SL No.	NAME & ADDRESS OF STOCK EXCHANGES	STOCK/SCRIP CODE
1.	<b>BSE Limited ("BSE")</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001 Tel. No. 022-22721233/34, Fax: 022-22721919	520066
2.	<b>National Stock Exchange of India Limited ("NSE")</b> Exchange Plaza, 5th Floor, Plot No.- C/1, G-Block, Bandra Kurla Complex, Bandra (E), Mumbai-400051, Tel.: 022-26598100-14, Fax : 022-26598120	JAYBARMARU

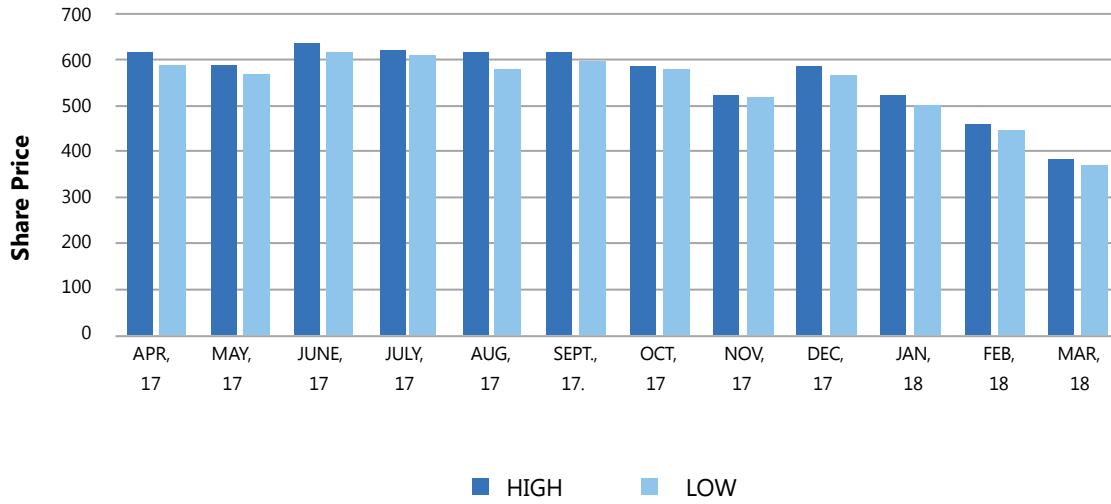
ISIN No. for CDSL and NSDL: **INE 571B01028**

The Annual listing fee for the financial year 2018-19 has been paid by the Company to BSE and NSE and the Annual Custodian Fee has been paid to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for the financial year 2018 -19.

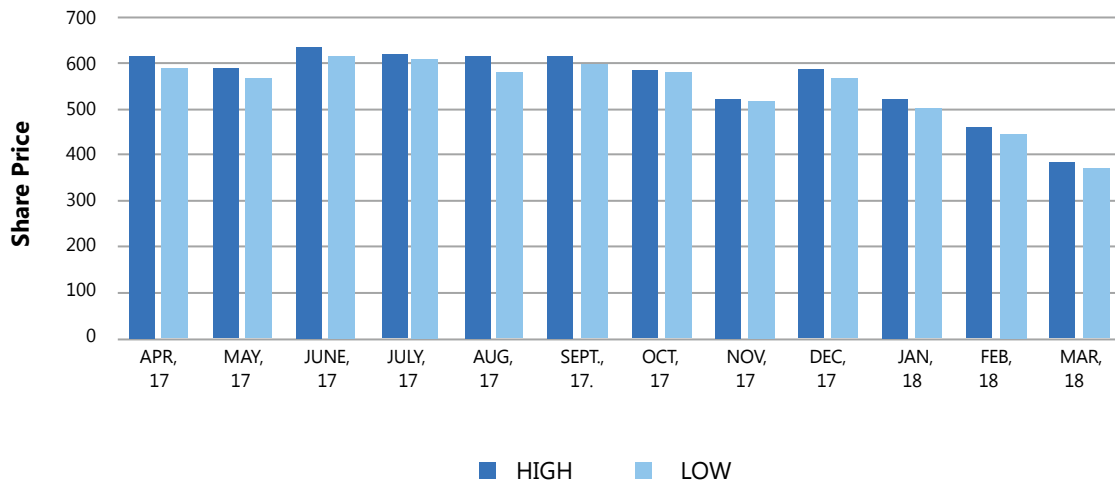
**15. STOCK MARKET DATA****(a) Share Price Movement: The monthly High/Low Prices and Volume during the financial year 2017-18:**

Months.	BSE Limited ("BSE")			National Stock Exchange of India Ltd. ("NSE")		
	High (₹)	Low (₹)	Volume (Nos.)	High (₹)	Low (₹)	Volume (Nos.)
April, 2017	617.95	589.15	15303523	617.00	588.50	68887057
May, 2017	594.00	573.50	3482619	594.00	571.35	14780749
June, 2017	638.00	621.00	3554586	638.15	619.05	21811219
July, 2017	625.00	610.35	6172102	625.00	612.00	25117819
August, 2017	615.80	584.45	15634410	615.90	580.00	61678780
September, 2017	620.00	600.65	7077331	619.95	596.55	20464729
October, 2017	591.75	551.30	7660395	592.00	580.00	22422153
November, 2017	526.05	517.45	1429023	526.00	518.00	8068551
December, 2017	587.20	567.00	5758190	587.10	565.35	23084588
January, 2018	522.05	508.00	3800837	524.00	505.00	14157049
February, 2018	465.55	452.55	846763	466.25	450.05	8359471
March, 2018	392.00	368.15	7108744	391.00	373.00	52233635

### MONTHLY HIGH & LOW AT BSE LTD.



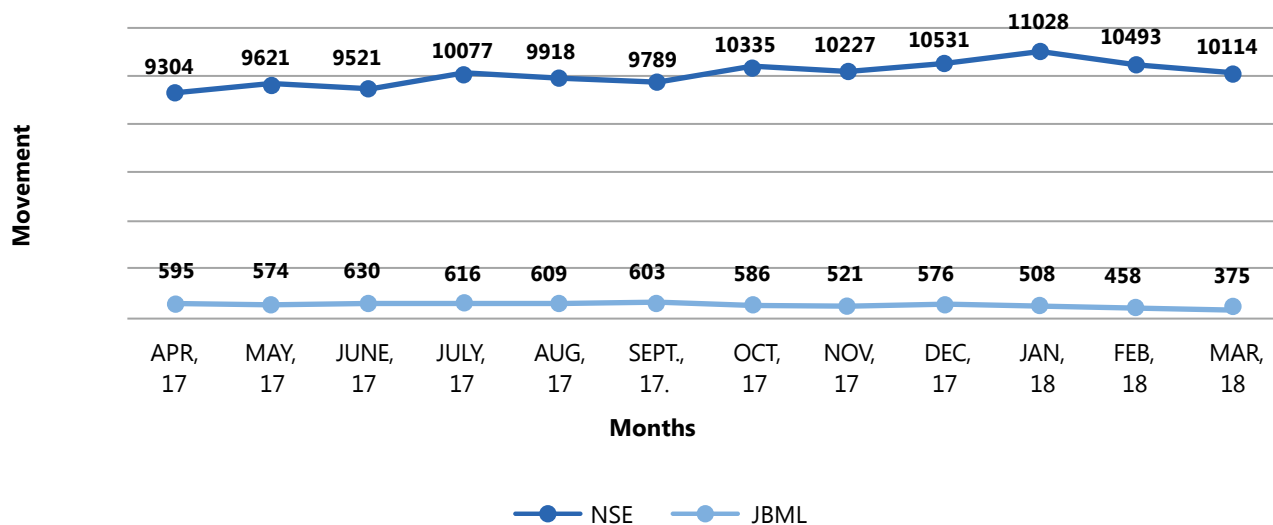
### MONTHLY HIGH & LOW AT NSE LTD.



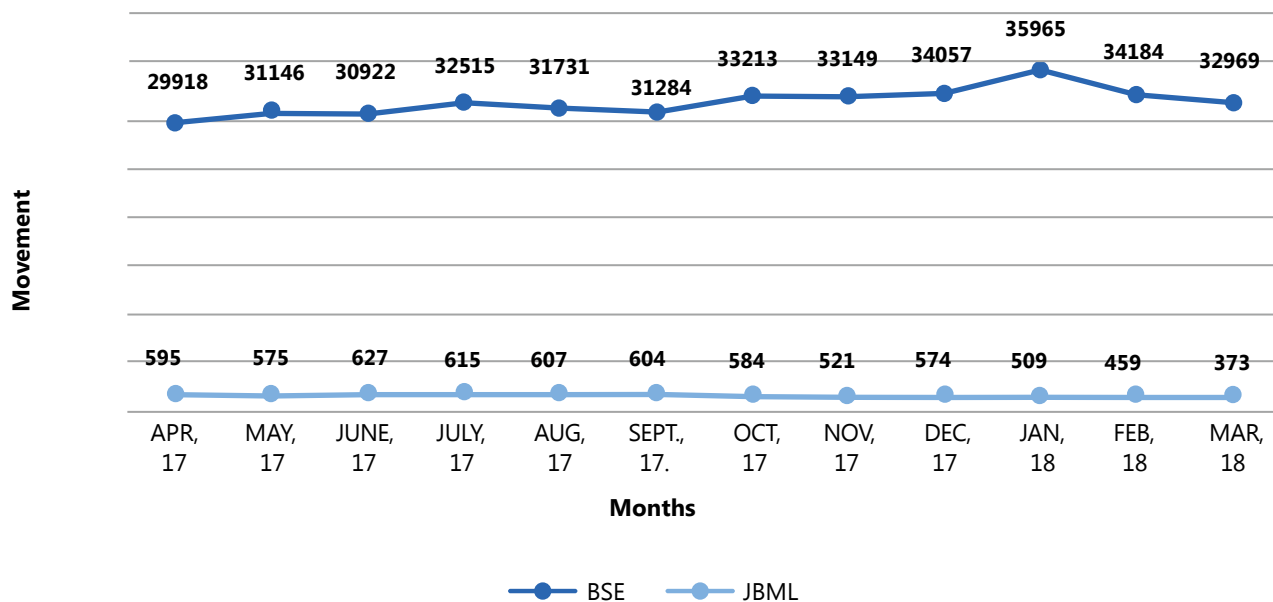
(b) Performance in comparison to broad base indices during FY 2017 -18:

A comparison of monthly closing share price at BSE and NSE with monthly closing BSE Sensex & NSE Nifty (S & P CNX Nifty) are as follows:

### Comparison of share price of JBML with NSE Nifty



### Comparison of share price of JBML with BSE Sensex



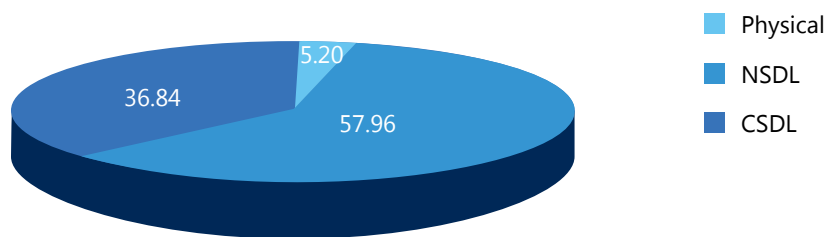
(c) Distribution of Shareholding as on 31st March, 2018

Category (Share)	Shareholders		Shares	
	Numbers	Percentage (%)	Numbers	Percentage (%)
1 - 500	16465	93.94	1408004	6.50
501 - 1000	538	3.07	422574	1.95
1001 - 2000	538	1.65	453685	2.10
2001 - 3000	74	0.42	187043	0.86
3001 - 4000	47	0.27	170294	0.79
4001 - 5000	15	0.08	68890	0.32
5001 - 10000	45	0.26	336174	1.55
10001 - 50000	29	0.17	687773	3.18
50001 - 100000	5	0.03	409065	1.89
100001 & above	20	0.11	17506498	80.86
<b>Total</b>	<b>17527</b>	<b>100.00</b>	<b>2,16,50,000</b>	<b>100.00</b>

d) Category of shareholders holding shares in Company as on 31st March, 2018

Category	No. of shareholder	Percentage(%)	Shares held	Percentage(%)
Physical	2,502	14.28	1125232	5.20
NSDL	9,091	51.87	12548910	57.96
CDSL	5,934	33.85	7975858	36.84
<b>Total</b>	<b>17,527</b>	<b>100</b>	<b>21650000</b>	<b>100</b>

### SHAREHOLDING PATTERN



The shares of the Company are available for trading with both the depositories namely National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

The name and addresses of the depositories are as under:

<b>National Securities Depository Limited</b>	<b>Central Depository Services (India) Limited</b>
Trade World, 4th Floor Kamala Mills Compound Senapathi Bapat Marg Lower Parel, Mumbai - 400013 Tel. No. 022 -24994200 Fax No. 022 - 24976351 E Mail : info@nsdl.co.in	Phiroze Jeejeebhoy Towers, 28th Floor, Dalal Street, Mumbai – 400023 Tel No. 022 - 22723333; Fax: 022 - 22723199 / 22722072 E-Mail: investor@cdslindia.com; helpdesk@cdslindia.com

(e) **Valuation of Shares:** The closing price of the Company's share as on 31st March, 2018 on the Stock Exchanges are given below:

Sl. No.	Name of the stock exchanges	Share price
1	BSE Limited ("BSE")	₹ 372.95
2	National Stock Exchange of India Ltd. ("NSE")	₹ 374.65

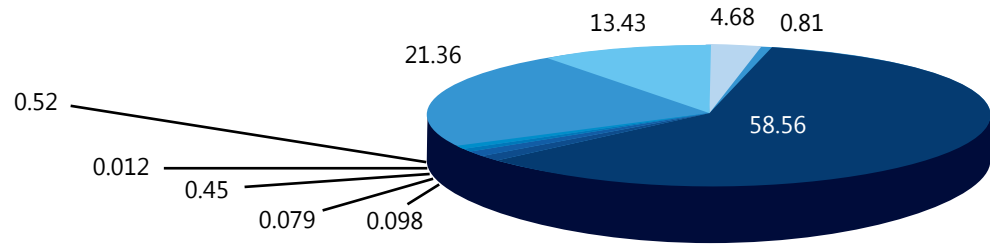
(f) **Market Capitalization:** Based on the closing quotation of Rs. 372.95 as on 31st March, 2018 at BSE, market capitalization of the Company was ₹ 80,743.675 Lakhs.

(g) **Shareholding Pattern as on 31<sup>st</sup> March, 2018**

Category Code	Category of Shareholders	No. of shares	Percentage (%)
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>		
1	Indian	12,679,300	58.56
2	Foreign	-	-
	<b>Sub Total(A):</b>	<b>12,679,300</b>	<b>58.56</b>
<b>(B)</b>	<b>Public Shareholding</b>		
<b>1</b>	<b>Institutions</b>		
a	Mutual Funds/ UTI	111885	0.52
b	Financial Institutions / Banks	2659	0.01
c	Central Government/ State Government(s) (IEPF)	98405	0.45
d	Insurance Companies	17103	0.08
e	Foreign Portfolio Investors	21113	0.10
	<b>Sub-Total (B)(1)</b>	<b>251165</b>	<b>1.16</b>
<b>2</b>	<b>Non-Institutions</b>		
(a)	Bodies Corporate	4624381	21.36
(b)	Individual shareholders holding nominal share capital up to Rs 2 lakh	2907554	13.43
(c)	Individual shareholders holding nominal share capital in excess of Rs. 2 lakh.	1012627	4.68
(d)	NBFCs registered with RBI	175	0.00
(e)	NRI with & without REPAT	174798	0.81
	<b>Sub-Total (B)(2):</b>	<b>8719535</b>	<b>40.28</b>
	<b>Total Public Shareholding (B)(1)+(B)(2):</b>	<b>8970700</b>	<b>41.44</b>
	<b>Grand Total:</b>	<b>2,16,50,000</b>	<b>100.00</b>

## SHAREHOLDING PATTERN

- Promoter
- Mutual Funds/UTI
- Financial Institutions/Banks
- Central Government/State Government(s)
- Insurance Companies
- Foreign Portfolio Investors
- Bodies Corporate
- Individual shareholders holding nominal share capital upto Rs 2 Lakh
- Individual shareholders holding nominal share capital in excess of Rs 2 Lakh
- NBFCs registered with RBI
- NRI with & without REPAT



### h) Outstanding GDR/ADR/warrants or any other convertible instruments

The Company has no outstanding GDR/ADR/Warrants or any other convertible Instruments as on 31st March, 2018.

## 16. UNPAID / UNCLAIMED DIVIDEND OF THE COMPANY FOR PREVIOUS YEARS

As per Section 123 of the Companies Act, 2013, the Company is required to transfer the balance amount of dividends remaining unpaid/unclaimed for a period of 7 years from the due date to the Investor Education Protection Fund (IEPF) set up by the Central Government. Given below are the tentative due dates for transfer of unpaid/unclaimed dividends to IEPF by the Company. It is important to note that no claim shall lie against the Company or IEPF, once amount is transferred to IEPF.

Financial Year	Rate of Dividend	Proposed date for transfer to IEPF
2010-11	40%	17th September, 2018
2011-12	30%	20th September, 2019
2012-13	30%	18th September, 2020
2013-14	25%	18th September, 2021
2014-15	40%	23rd September, 2022
2015-16	40%	2nd October, 2023
2016-17	50%	23rd September, 2022

## 17. PLANT LOCATION:

- Plant - I** : Plot No. 5, Maruti Joint Venture Complex, Gurgaon -122015, Haryana.
- Plant - II** : Sector 36, Mohammadpur Jharsa, Near Khandsa Village, Gurgaon -122001, Haryana.
- Plant - III** : Plot No. 15 & 22, Sector 3A, Maruti Supplier Park, IMT Manesar, Gurgaon -122050 Haryana.
- Plant - IV** : Plot No. 322, Sector -3, Phase - II, Bawal -123501, Haryana.
- Plant-V** : Survey No.62, Paiki, 6 & 7, GIDC Extension Road, Village, Vithlapur, Taluka Mandal, District Ahmedabad Gujarat -382130

**18. ADDRESSES:**

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

<p><b>Mr. Ravi Arora</b>  <b>Company Secretary</b>          Jay Bharat Maruti Limited,          Plot No. 9, Institutional Area.          Sector -44, Gurgaon, Haryana -122 003.          Tel.: 0124 - 4674500, Fax: 0124 - 4674599  <b>E-mail:</b> ravi.arora@jbmgroup.com          jbml.investor@jbmgroup.com</p>	<p><b>MCS Share Transfer Agent Limited</b>  <b>(Unit: Jay Bharat Maruti Limited)</b>          F - 65,1st Floor          Okhla Industrial Area, Phase - I          New Delhi-110 020.          Tel.: 011-41609386, 41406149, 41709885          Fax: 011-41709881  <b>E-mail:</b> admin@mcsregistrars.com          helpdeskdelhi@mcsregistrars.com</p>
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**19. WEBSITE:**

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

- Quarterly/Half Yearly/ Annual Financial Results
- Shareholding Pattern
- Corporate disclosures made to the Stock exchanges
- Unpaid Dividend
- Various Policies, etc.

**20. 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.

**NOTE:**

*The details are given purely by way of Information. Members may make their own Judgement and are further advised to seek independent guidance before deciding on any matter based on the information given therein. Neither the Company nor its officials would be held responsible.*

## CODE OF CONDUCT COMPLIANCE CERTIFICATE FOR FY 2017-18

To the best of my knowledge and belief and information available with me, I hereby declare that all the Board Members and Senior Management Personnel of M/s Jay Bharat Maruti Limited have complied with the Code of Conduct during the financial year 2017-18 (as applicable on them).

**Date: 16th April, 2018**  
**Place: Gurugram (Haryana)**

**(S.K. Arya)**  
**Chairman & Managing Director**  
**DIN: 00004626**

### CEO AND CFO CERTIFICATION

The Board of Directors  
Jay Bharat Maruti Limited  
601, Hemkunt Chambers  
89, Nehru Place  
New Delhi 110019

16th April, 2018

#### **Sub: Annual Certificate of Compliance for FY 2017-18**

Sir,

We, S. K. Arya, Chairman & Managing Director and Anand Swaroop, President & CFO of the Company hereby states that:

- a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2018 and 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 statements that might be misleading;
  - ii) these statements together present a true and fair view of the Company's affairs 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 for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take 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; and
  - 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.

Thanking you,

**(S. K. Arya)**  
**Chairman & Managing Director**  
**DIN : 00004626**

**(Anand Swaroop)**  
**President & CFO**

**Place: Gurugram(Haryana)**



**CERTIFICATE ON CORPORATE GOVERNANCE**

To,

**The Members of M/s Jay Bharat Maruti Limited**

We have examined the compliance of conditions of Corporate Governance by M/s Jay Bharat Maruti Limited ('the Company'), for the year ended 31st March, 2018 as stipulated under Regulations 17 to 27, Regulation 46 and Paragraph 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. Our examination was limited to the review of procedures and implementation thereof, as 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 under Regulations 17 to 27, Regulation 46 and paragraph C, D and E of Schedule V of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. However, after resignation of Shri Virender Ganda, Independent Director w.e.f 16th January 2018, the number of Independent Directors have come down to three from required four Independent Directors. The Company, through written representation, has informed us that the company took necessary steps to identify and appoint to fill the vacancy of Independent Director and the Nomination and Remuneration committee of the company has recommended Mr. Dhanendra Kumar (DIN:05019411) in its meeting held on 16th July 2018, to the Board of Directors for his appointment as Independent Director. The Board has appointed Mr. Dhanendra Kumar (DIN: 05019411) as Independent Director in its Board Meeting held on 16th July 2018.

We further state that such compliance 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**

Sd/-  
Dhananjay Shukla  
Proprietor  
FCS-5886, CP No. 8271

Date:16th July 2018  
Place: Gurugram

## INDEPENDENT AUDITOR'S REPORT

To

The Members Of Jay Bharat Maruti Limited

### Report on the Ind AS Financial Statements

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

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

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

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

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

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

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

### Opinion

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

### Other Matter

The comparative financial information of the Company for the year ended March 31, 2017 included in these Ind AS financial statements are based on the previously issued statutory financial statements for the year ended March 31, 2017 prepared in accordance with the Ind AS which were audited by the predecessor auditor who expressed an unmodified opinion vide their report dated April 19, 2017.

The financial results of the Company for the quarter ended June 30, 2017, prepared in accordance with Ind AS were reviewed by another firm of chartered accountants who issued their unmodified conclusion, vide their report dated July 18, 2017.

Our opinion is not qualified in respect of these matters.

**Report on Other Legal and Regulatory Requirements**

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

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

**Sd/-**  
**Sudhir Chhabra**  
**Partner**  
**Membership No. 083762**

**Place: Gurugram**  
**Date: April 16, 2018**

## ANNEXURE-A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON FINANCIAL STATEMENTS OF JAY BHARAT MARUTI 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:
- The Company has maintained proper records showing the full particulars including quantitative details and situation of fixed assets.
  - 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. According to the information and explanations given to us by the management, no material discrepancies have been noticed on such verification.
  - 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.
- (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 was no material discrepancies noticed on physical verification of inventories as compared to the book records.
- (iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or securities to the parties covered under section 185 and 186 of the Act during the year except loan to employees as a part of the condition of service.
- (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 not applicable to the Company.
- (vi) According to the information and explanations given to us, the maintenance of the cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Accordingly, the provision of clause 3(vi) of the order is not applicable to the Company.
- (vii) In respect of the statutory and other dues:
- 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, 2018 for a period of more than six months from the date they became payable.
  - In our opinion and according to the information and explanations given to us, disputed demand for Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Goods and Services Tax which have not been deposited with relevant authorities as on March 31, 2018 are given as under:

S. No.	Name of Statue	Nature of Dues	Amount due (net of deposit *) ( ₹ In Lakhs)	Year to which amount relates	Forum where dispute is pending
1	The Central Excise Act, 1944	Excise Duty (Interest on Supplementary Bill)	115.48	FY 2001-2007, 2007-2009	Supreme Court
2	Finance Act, 1994	Service Tax	1.53	FY 2011-2016	CGST-Appeal-Gurugram

\*Total amount deposited in respect of disputed Service Tax demands is ₹ 1.42 Lakhs.

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

Sd/-  
**Sudhir Chhabra**  
Partner  
Membership No. 083762

Place: Gurugram  
Date: April 16, 2018

## ANNEXURE-B TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of **JAY BHARAT MARUTI LIMITED** ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over 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. 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 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 Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- a. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b. provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- c. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

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

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

### Opinion

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

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

Sd/-  
**Sudhir Chhabra**  
Partner  
Membership No. 083762

Place: Gurugram  
Date: April 16, 2018

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2018**

₹ In Lakhs

	Note No.	As at March 31, 2018	As at March 31, 2017
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	3	62,926.08	44,614.36
(b) Capital work-in-progress	4	9,273.78	6,365.27
(c) Other Intangible Assets	5	295.01	539.14
(d) Financial Assets			
(i) Investments	6	1,511.64	1,162.16
(ii) Loans	7	125.74	119.92
(e) Other non-current assets	8	2,198.06	2,195.68
		<b>76,330.31</b>	<b>54,996.53</b>
<b>Current Assets</b>			
(a) Inventories	9	20,248.51	11,443.99
(b) Financial assets			
(i) Trade Receivables	10	2,811.95	13,317.20
(ii) Cash and Cash equivalents	11	234.02	195.26
(iii) Bank Balances other than (ii) above	12	38.32	35.77
(iv) Other Financial Assets	13	94.65	82.47
(c) Other current assets	14	3,784.82	2,610.35
		<b>27,212.27</b>	<b>27,685.04</b>
<b>TOTAL</b>		<b>103,542.58</b>	<b>82,681.57</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	15	1,082.50	1,082.50
(b) Other Equity	16	34,941.91	29,363.37
		<b>36,024.41</b>	<b>30,445.87</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	17	21,185.39	11,576.87
(b) Provisions	18	953.86	669.26
(c) Deferred Tax liabilities (Net)	19	5,504.87	4,302.05
(d) Other Non-current liabilities	20	265.13	38.47
		<b>27,909.25</b>	<b>16,586.65</b>
<b>Current Liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	21	5,181.30	11,703.34
(ii) Trade Payables	22	18,041.03	18,363.48
(iii) Other Financial Liabilities	23	8,684.99	4,646.81
(b) Other current liabilities	24	7,538.90	783.74
(c) Provisions	25	162.70	151.68
		<b>39,608.92</b>	<b>35,649.05</b>
<b>TOTAL</b>		<b>103,542.58</b>	<b>82,681.57</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  
Registration No. - 002816N

Sudhir Chhabra  
Partner

M.No-083762  
Place: Gurugram (Haryana)  
Date : 16-04-2018

S.K.Arya  
Chairman & Managing Director  
(DIN : 00004626)

Anand Swaroop  
President & CFO

Ravi Arora  
Company Secretary & Compliance Officer  
Memb No. 37075

Nishant Arya  
Director  
(DIN : 00004954)

Sunil Dutt Agrawal  
VP-Finance



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

₹ In Lakhs

	Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
I	Revenue from operations	26	178,778.79	173,205.30
II	Other Income	27	361.43	141.75
III	Total Income (I + II)		179,140.22	173,347.05
IV	Expenses			
	Cost of materials consumed		134,009.44	120,069.03
	Excise Duty	26	5,738.08	20,542.24
	Changes in inventories of finished goods & work in progress	28	(1,214.26)	(219.52)
	Employee benefits expense	29	12,264.91	9,652.80
	Finance costs	30	2,011.87	1,829.83
	Depreciation and amortization expense	31	4,910.29	4,143.06
	Other expenses	32	12,416.25	9,850.30
	Total Expenses (IV)		170,136.58	165,867.73
V	Profit Before Tax (III -IV)		9,003.64	7,479.32
VI	Tax expense:	33		
	(1) Current tax		1,911.38	1,515.82
	Less:- MAT Credit entitlement		(904.40)	(420.15)
			1,006.98	1,095.66
	(2) Deferred tax		2,151.11	1,006.25
	(3) Earlier Years		(43.51)	-
			3,114.58	2,101.91
VII	Profit for the period (V-VI)		5,889.06	5,377.41
VIII	Other Comprehensive Income	34		
(A)	Items that will not be reclassified subsequently to profit or Loss			
	- Remeasurement of the net defined benefit liability/Asset		(13.09)	(22.48)
	- Income Tax effect		4.53	7.78
	- Fair value changes on Investment		349.47	332.22
(B)	Items that will be reclassified subsequently to profit or Loss		-	-
	Total Other Comprehensive Income (A) + (B)		340.91	317.52
IX	Total comprehensive Income( VII+VIII)		6,229.97	5,694.93
X	Earnings per equity share (Face Value of Rs 5 each) :	35		
	(1) Basic		27.20	24.84
	(2) Diluted		27.20	24.84
	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  
Registration No. - 002816N

Sudhir Chhabra  
Partner  
M.No-083762

S.K.Arya  
Chairman & Managing Director  
(DIN : 00004626)

Anand Swaroop  
President & CFO

Nishant Arya  
Director  
(DIN : 00004954)

Sunil Dutt Agrawal  
VP-Finance

Place: Gurugram (Haryana)  
Date : 16-04-2018

Ravi Arora  
Company Secretary & Compliance Officer  
Memb No. 37075

**CASH FLOW STATEMENT FOR THE YEAR 2017-18**

₹ In Lakhs

Particulars	Year ended March 31,2018	Year ended March 31,2017
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit before taxation and extraordinary items</b>	<b>9,003.64</b>	<b>7479.32</b>
Adjustment for		
Depreciation and Amortisation	4,910.29	4,143.06
Interest Expense	2,011.87	1,829.83
Interest Income	(13.20)	(12.85)
Dividend Income	(15.55)	(10.74)
Rental Income	(28.92)	(28.92)
Balances Written Back	(109.44)	(17.34)
Unpaid Exchange fluctuation	88.14	23.73
Profit on sale of Property,Plant and Equipment	(187.62)	(68.43)
Re-measurement loss on defined benefit plans	(13.09)	(14.70)
<b>Operating Profit before working Capital changes</b>	<b>15,646.11</b>	<b>13,322.96</b>
Adjustment for		
Trade and other receivables	9,337.34	(9,849.34)
Inventories	(8,804.53)	1,919.53
Trade and other payables	7,433.90	1,918.39
<b>Cash generated from operating activities</b>	<b>23,612.82</b>	<b>7,311.55</b>
Direct taxes paid	(2,719.64)	(1,556.07)
<b>Net Cash from Operating Activities</b>	<b>20,893.18</b>	<b>5,755.48</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure on property,plant & equipment and intangible assets including capital advances	(22,898.09)	(16,309.88)
Proceeds from sale of property,plant and equipment	289.22	223.62
Purchase of Investments	-	5.98
Rent Received	28.92	28.92
Interest received	13.20	12.85
Dividend received	15.55	10.74
<b>Net cash used in Investing Activity</b>	<b>(22,551.20)</b>	<b>(16,027.77)</b>
	<b>(1,658.03)</b>	<b>(10,272.29)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings	13,745.56	7,535.19
Repayments of Long Term Borrowings	(2,920.86)	(2,485.78)
Short Term Borrowings(Net)	(6,522.05)	7,641.51
Interest Paid	(1,954.44)	(1,854.32)
Dividend Paid	(541.25)	(435.59)
Corporate Dividend Tax	(110.19)	(89.72)
<b>Net Cash Flow from financing activities</b>	<b>1,696.79</b>	<b>10,311.28</b>
<b>Net increase in Cash and Cash equivalents</b>	<b>38.76</b>	<b>38.99</b>
Cash and Cash equivalents (opening balance)	195.26	156.27
Cash and Cash equivalents (closing balance)	234.02	195.26

The accompanying notes are forming part of these financial statements

**Notes:**

- The above Cash Flow Statement has been prepared under the Indirect Method as set out in the IND AS-7 "Statement of Cash Flows".
- During the year the Company spent Rs 121.93 Lakhs (PY Rs 88.71 Lakhs) on CSR Expenses in accordance with the provisions of the Companies Act,2013
- Effective April1,2017,the Company adopted the amendment to Ind AS 7,which require 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 adoption of amendment did not have any material impact on the financial statements.
- Cash and Cash Equivalents include Bank Balances and Cash in Hand ( Refer Note No. 11)
- Figures in bracket represents cash outflow.

As per our report of even date attached

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

Sudhir Chhabra  
Partner

M.No-083762

Place: Gurugram (Haryana)

Date : 16-04-2018

S.K.Arya  
Chairman & Managing Director  
(DIN : 00004626)

Anand Swaroop  
President & CFO

Ravi Arora  
Company Secretary & Compliance Officer  
Memb No. 37075

Nishant Arya  
Director  
(DIN : 00004954)

Sunil Dutt Agrawal  
VP-Finance

## STATEMENT OF CHANGES IN EQUITY

₹ In Lakhs

A Equity Share Capital			
Particulars	Balance as at 01 April 2017	Change in equity share capital during the year	Balance as at 31 March 2018
Equity Share Capital	1,082.50	-	1,082.50

₹ In Lakhs

B Other Equity				
Particulars	Reserves and Surplus		Other Comprehensive Income	Total
	General Reserve	Retained Earnings	Equity Instrument through other Comprehensive Income	
<b>Balance as at 01 April 2016</b>	<b>2,516.75</b>	<b>21,081.43</b>	<b>591.41</b>	<b>24,189.59</b>
Profit for the year	-	5,377.41	-	5,377.41
Remeasurement of defined benefit obligation	-	(14.70)	-	(14.70)
Fair Valuation of Investments	-	-	332.22	332.22
Dividend distributed during the year (Rs 2/- per share)	-	(433.00)	-	(433.00)
Corporate dividend tax	-	(88.15)	-	(88.15)
<b>Balance as at 31 March 2017</b>	<b>2,516.75</b>	<b>25,922.99</b>	<b>923.63</b>	<b>29,363.37</b>
Profit for the year	-	5,889.06	-	5,889.06
Remeasurement of defined benefit obligations (net of income tax)	-	(8.56)	-	(8.56)
Fair valuation of investments	-	-	349.47	349.47
Dividend distributed during the year (Rs 2.50 per share)	-	(541.25)	-	(541.25)
Corporate dividend tax	-	(110.19)	-	(110.19)
<b>Balance as at 31 March 2018</b>	<b>2,516.75</b>	<b>31,152.06</b>	<b>1,273.10</b>	<b>34,941.91</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  
Registration No. - 002816N

Sudhir Chhabra  
Partner  
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Place: Gurugram (Haryana)  
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Sunil Dutt Agrawal  
VP-Finance

# NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

## 1. GENERAL INFORMATION

Jay Bharat Maruti Limited (JBML) ("The Company") is a public limited company incorporated in India, listed on Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The address of its registered office is 601, Hemkunt Chambers, 89, Nehru Place, New Delhi, New Delhi-110019. The Company is a Associate of Maruti Suzuki India Limited. The principal activities of the Company are manufacturing of sheet metal components, rear axle, muffler assemblies, fuel neck and tools & dies for motor vehicles, components and spare parts.

The financial statements for the year ended March 31, 2018 were approved by the Board of Directors and authorize for issue on 16-04-2018.

## NOTE-2 :- SIGNIFICANT ACCOUNTING POLICIES

### 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.

The principal accounting policies are set out below.

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

#### 2.3 Use of Estimates

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

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

#### 2.4 Revenue Recognition

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

#### Sale of goods

Revenue from sales of goods is recognized when the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts, volume rebates & cash discount.

### Income from services

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

### Dividend and interest income

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

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

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

## 2.5 Leases

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

### The Company as lessor

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.

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 as lessee

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

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

Rental expense 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.

## 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 rates at the dates 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).

## 2.7 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.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets are 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 are administered through Trust set up by the LIC. Any shortfall in the size of the fund maintained by the Trust is additionally provided for in profit or loss.

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

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

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

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

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

### Defined contribution plans

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

### Termination Benefits

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

## 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. Freehold land is measured at cost and is not depreciated.

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

### Transition to IND AS

The Company has elected to use a previous GAAP cost (cost less accumulated depreciation and impairment losses (if any)) of an item of property, plant and equipment at, or before, the date of transition to Ind ASs as deemed cost at the date of transition in accordance with accounting policy option available in Ind AS 101

### 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.

Estimated useful life of assets are as follows which is based on technical evaluation of the useful lives of the assets:

Property, plant and equipment	Useful lives based on technical evaluation
Plant & machinery	20 years
Electric Installation	20 years
Factory Building (Including Tube well)	28-29 Years
Vehicles	5 years
Furniture & Fixtures	5 years
Trolleys & Bins (Dies, Fixtures & Special Purpose Machine)	5 years
Dies, Fixtures & Jigs	3-9 years
Computers	3 Years
Office Equipments	5 Years

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

Depreciation is charged on pro-rata basis for assets purchased / sold during the year. Individual assets costing ₹ 5000/- or less are depreciated in full in the year of purchase. Plant & Machinery and other assets the written down value of which at the beginning is the year is ₹ 5000/- or less and ₹ 1000/- or less respectively are depreciated at the rate of 100%.

### Freehold is not amortised.

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.



### Transition to IND AS

The company has elected to use a previous GAAP cost (cost less accumulated depreciation and impairment losses (if any)) of an intangible assets at, or before, the date of transition to Ind ASs as deemed cost at the date of transition in accordance with accounting policy option in Ind AS 101.

### Amortisation methods and useful lives

The Cost of Intangible assets are amortized on a straight line basis over their estimated useful life which is as follows.

Residual Value is considered as Nil in the below cases:

Nature of Assets	Life
Technical knowhow	3 years
Computer software	3 years

The amortisation period and method are reviewed at least 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 or 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 first-in, first-out (FIFO) basis;

**Stores & spares** are recorded at cost on a weighted average cost formula.

**Finished goods and work-in-process** are valued at raw material cost + 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 by discounting the expected future cash flows at a pretax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

Provisions are determined based on best management estimate required to settle the obligation at balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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

### Contingent Liabilities

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

### Contingent Assets

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

## 2.14 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.

### Financial assets

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

### Classification of financial assets

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

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

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

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

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

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

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

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

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

### **2.15 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.

The Company has equity investments in certain entities which are not held for trading. The Company has elected the fair value through other comprehensive income irrevocable option for all such investments. Dividend on these investments are recognised in Statement of Profit & Loss.

### **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.

### **2.16 Trade receivables**

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

### **2.17 Cash and cash equivalents**

In the cash flow statement, cash and cash equivalents includes cash in hand, cheques and balances with bank. 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 are shown within other financial liabilities in the balance sheet and forms part of operating activities in the cash flow statement.

## 2.18 Impairment of Financial Assets:-

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

- financial assets measured at amortised cost
- financial assets measured at fair value through other comprehensive income

Expected credit loss are measured through a loss allowance at an amount equal to :

- the twelve month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within twelve months after the reporting date); or
- full life time expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

### 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.

### 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.

## 2.19 Financial liabilities and equity instruments

### 2.19.1 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.

### 2.19.2 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.

### 2.19.3 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.

#### 2.19.3.1 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.

#### 2.19.3.2 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.

### **2.19.3.3 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.

### **2.19.3.4 Derecognition of financial liabilities**

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

## **2.20 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 & 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.

## **2.21 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.

## **2.22 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 are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

**Level 1** - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

**Level 2** - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

**Level 3** - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above

## **2.22 Earnings Per Share**

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

## **2.23 Rounding of amounts**

All amounts disclosed in the financial statements and the accompanying notes have been rounded off to the nearest lacs as per the requirement of Schedule III of the Companies Act 2013, unless otherwise stated

## **2.24 Dividends**

Final dividends on shares are recorded on the date of approval by the shareholders of the Company.

## **2.25 Royalty**

The Company pays/accrues for royalty in accordance with the relevant licence agreements.

**Note-3: PROPERTY, PLANT AND EQUIPMENT**

₹ In Lakhs

Description	Freehold Land	Leasehold Land	Buildings	Plant and Equipment	Furniture & Fixtures	Office Equipment	Computers & Computer System	Vehicles	Total
<b>Gross Block</b>									
As at 01 April 2016*	334.79	29.16	4,666.62	37,811.93	91.33	101.80	58.08	183.66	43,277.37
Additions	-	-	35.46	9,000.42	6.31	69.35	36.56	79.75	9,227.85
Disposals	-	-	-	(143.28)	-	(0.15)	(1.06)	(28.43)	(172.92)
<b>As at 31 March 2017</b>	<b>334.79</b>	<b>29.16</b>	<b>4,702.08</b>	<b>46,669.07</b>	<b>97.64</b>	<b>171.00</b>	<b>93.58</b>	<b>234.98</b>	<b>52,332.30</b>
Additions	-	-	2,495.46	20,235.10	58.95	82.89	38.97	161.86	23,073.23
Disposals	-	-	-	(167.72)	-	(0.11)	(1.66)	(32.26)	(201.75)
<b>As at 31 March 2018</b>	<b>334.79</b>	<b>29.16</b>	<b>7,197.54</b>	<b>66,736.45</b>	<b>156.59</b>	<b>253.78</b>	<b>130.89</b>	<b>364.58</b>	<b>75,203.77</b>
<b>Accumulated Depreciation</b>									
As at 01 April 2016*	-	2.75	202.80	3,406.56	23.37	20.38	15.24	47.17	3,718.27
Charge for the year	-	26.41	203.13	3,673.09	22.05	24.06	20.87	47.79	4,017.40
Adjustments on sales	-	-	-	(8.63)	-	-	(0.46)	(8.64)	(17.73)
<b>As at 31 March 2017</b>	<b>-</b>	<b>29.16</b>	<b>405.93</b>	<b>7,071.02</b>	<b>45.42</b>	<b>44.44</b>	<b>35.65</b>	<b>86.32</b>	<b>7,717.94</b>
Charge for the year	-	-	227.53	4,297.95	25.54	35.95	24.69	48.25	4,659.91
Adjustments on sales	-	-	-	(75.12)	-	-	(1.02)	(24.02)	(100.16)
<b>As at 31 March 2018</b>	<b>-</b>	<b>29.16</b>	<b>633.46</b>	<b>11,293.85</b>	<b>70.96</b>	<b>80.39</b>	<b>59.32</b>	<b>110.55</b>	<b>12,277.70</b>
<b>Net block as at 31 March 2017</b>	<b>334.79</b>	<b>(0.00)</b>	<b>4,296.15</b>	<b>39,598.05</b>	<b>52.22</b>	<b>126.56</b>	<b>57.93</b>	<b>148.66</b>	<b>44,614.36</b>
<b>Net block as at 31 March 2018</b>	<b>334.79</b>	<b>(0.00)</b>	<b>6,564.08</b>	<b>55,442.60</b>	<b>85.63</b>	<b>173.39</b>	<b>71.57</b>	<b>254.03</b>	<b>62,926.08</b>

# Includes a small portion of Freehold Land of the Company situated at Gurugram is provided on cancellable operating lease.

\* For Property, Plant and Equipemnt charged as security - refer Note No. 17 & 21.

₹ In Lakhs

**Note-4 : CAPITAL WORK IN PROGRESS**

	31-Mar-18	31-Mar-17
<b>Capital Work in Progress*</b>	<b>9,273.78</b>	6,365.27
	<b>9,273.78</b>	6,365.27
* Including Pre-operative expenses ₹ 93.10 Lakhs ( As at Mar 31,2017 ₹ 75.73 Lakhs)		
<b>Pre-operative expense pending allocation :</b>		
<b>Nature of Expense</b>	<b>31-Mar-18</b>	31-Mar-17
Opening Balance	75.73	-
Additions During the Year :		
Salary & Wages	392.77	16.77
Rent Expense	82.78	48.50
Staff Welfare	46.95	2.72
Travelling & Conveyance	56.46	1.26
Rates & Taxes	-	3.51
Other Miscellaneous Expenses	334.48	22.17
Interest Expenses	513.88	
Total	1,503.06	94.93
Less : Capitalised during the year	(1,409.96)	(19.20)
Closing Balance	93.10	75.73

**Note-5 : INTANGIBLE ASSETS**

₹ In Lakhs

	Technical Knowhow	Computer Software	Total
<b>Gross Block</b>			
As at 01 April 2016	347.60	64.52	412.12
Additions	300.01	98.63	398.64
<b>Balance as at 31 March 2017</b>	<b>647.61</b>	<b>163.15</b>	<b>810.76</b>
Additions	-	6.25	6.25
<b>Balance as at 31 March 2018</b>	<b>647.61</b>	<b>169.40</b>	<b>817.01</b>
<b>Accumulated Amortisation</b>			
As at 01 April 2016	112.40	33.57	145.97
Charge for the year	111.50	14.15	125.65
<b>Balance as at 31 March 2017</b>	<b>223.90</b>	<b>47.72</b>	<b>271.62</b>
Charge for the year	190.33	60.05	250.38
<b>Balance as at 31 March 2018</b>	<b>414.23</b>	<b>107.77</b>	<b>522.00</b>
<b>Net book value as at 31 March 2017</b>	<b>423.71</b>	<b>115.43</b>	<b>539.14</b>
<b>Net book value as at 31 March 2018</b>	<b>233.38</b>	<b>61.63</b>	<b>295.01</b>



**FINANCIAL ASSETS**

₹ In Lakhs

<b>Note 6 : INVESTMENTS</b> (in Equity Instruments at Fair Value through Other Comprehensive Income)	Units as at March 31,2018	Units as at March 31,2017	31-Mar-18	31-Mar-17
"In Others"				
<b>Unquoted (Fully paid up)</b>				
- Equity Shares Face value of ₹ 10/- (P.Y ₹ 10/-) each in Nagata India Private Limited	2,085,000	2,085,000	439.39	394.13
<b>Quoted (Fully paid up)</b>				
- Equity Shares Face value of ₹ 5/- (P.Y ₹ 5/-) each in Maruti Suzuki India Limited	11,150	11,150	988.24	671.71
- Equity Shares Face value of ₹ 10/- (P.Y ₹ 10/-) each in Haryana Financial Corporation	19,300	19,300	-	-
- Equity Shares Face value of ₹ 10/- (P.Y ₹ 10/-) each in Canara Bank	31,790	31,790	84.01	96.32
<b>Total Investment</b>			<b>1,511.64</b>	<b>1,162.16</b>
Aggregate Market Value of Quoted Investments			1,072.25	768.03
Aggregate amount of Quoted Investments (At Cost)			30.03	30.03
Aggregate amount of Unquoted Investments			439.39	394.13
Aggregate amount of impairment in value of Investment			-	-

**Note 7 : LOANS (Carried at Amortised Cost)**

₹ In Lakhs

31-Mar-18 31-Mar-17

<b>Unsecured, considered good</b>				
Security Deposits			125.74	119.92
			125.74	119.92

**Note 8 : OTHER NON CURRENT ASSETS**

₹ In Lakhs

31-Mar-18 31-Mar-17

<b>Unsecured, considered good</b>				
Capital Advances			1,029.10	1,814.58
Others			-	24.55
Income Tax Refundable			1,168.96	356.55
			<b>2,198.06</b>	<b>2,195.68</b>

**CURRENT ASSETS**

₹ In Lakhs

<b>Note 9: INVENTORIES</b> (Carried at lower of cost and net realisable value)			31-Mar-18	31-Mar-17
Raw Materials			6,587.76	4,492.32
Raw Materials in Transit			322.08	94.50
Work In Progress			3,150.01	2,510.27
Finished Goods			883.50	361.20
Inventory-Dies			7,482.67	2,397.21
Stores & Spares			1,786.72	1,557.99
Scrap			35.77	30.48
			<b>20,248.51</b>	<b>11,443.99</b>

- Inventories have been secured against certain bank borrowings of the Company as at 31 March 2018 (Refer Note No. 21)
- The cost of inventories recognised as an expense during the year in respect of continuing operations was ₹ 137,255.75 Lakhs (P.Y ₹ 123,645.05 Lakhs)
- The mode of valuation of inventories has been stated in Note No. 2.12 of Accounting Policy

**FINANCIAL ASSETS**

(Carried at Amortised Cost, unless stated otherwise)

	31-Mar-18	31-Mar-17
- Unsecured, considered good	2,811.95	13,317.20
	<b>2,811.95</b>	<b>13,317.20</b>

- Trade receivables have been given as collateral towards borrowings of the Company(refer Note No. 21).
- Includes Amount due from Related Parties (Refer Note No. 45)
- Includes Rs 258.38 lakhs (P.Y Rs 255.75 Lakhs) debts due from Private Company in which Director is a Director or Member

	31-Mar-18	31-Mar-17
<b>Note 11 : CASH AND CASH EQUIVALENTS</b>		
(a) Balances with Banks		
- In Current Account	231.46	192.17
(b) Cash in hand	2.56	3.09
	<b>234.02</b>	<b>195.26</b>

	31-Mar-18	31-Mar-17
<b>Note 12 : BANK BALANCES OTHER THAN ABOVE</b>		
- In Unclaimed Dividend Account	38.32	35.77
	<b>38.32</b>	<b>35.77</b>

	31-Mar-18	31-Mar-17
<b>Note 13 : OTHER FINANCIAL ASSETS</b>		
(Unsecured, considered good)		
Carried at Amortised Cost		
Advances to Employees	62.03	71.89
Others	32.62	-
Carried at Fair Value thorough Profit and Loss		
Hedging Gain Recoverable	-	10.58
	<b>94.65</b>	<b>82.47</b>

	31-Mar-18	31-Mar-17
<b>Note 14 : OTHER CURRENT ASSETS</b>		
(Unsecured, considered good)		
Prepaid Expenses	207.47	487.90
Advances to Suppliers	414.17	391.46
Balance with Statutory/Government Authorities	3,163.18	1,730.99
	<b>3,784.82</b>	<b>2,610.35</b>

	No. of Shares as on 31st Mar 2018	No. of Shares as on 31st Mar 2017	31-Mar-18	31-Mar-17
<b>Note 15 : EQUITY SHARE CAPITAL</b>				
Authorised				
Equity Shares of ₹ 5/- (P.Y ₹ 5/-) each	5,40,00,000	5,40,00,000	2,700.00	2,700.00
Preference Shares of ₹ 10/- (P.Y ₹ 10/-)each	30,00,000	30,00,000	300.00	300.00
			<b>3,000.00</b>	<b>3,000.00</b>
Issued, Subscribed and Fully Paid Up				
Equity Shares of ₹ 5/- (P.Y ₹ 5/-) each	2,16,50,000	2,16,50,000	1,082.50	1,082.50
			<b>1,082.50</b>	<b>1,082.50</b>

**Reconciliation of the number of Equity Shares outstanding**

Particulars	31-Mar-18		31-Mar-17	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	21,650,000	1,082.50	21,650,000	1,082.50
Add: issued/cancelled during the year	-	-	-	-
Balance at the end of the year	21,650,000	1,082.50	21,650,000	1,082.50

**Rights, preferences and restrictions attached to shares**

The Company has one class of equity shares with a par value of ₹ 5/- per share. Each shareholder is eligible for one vote per share held. Each shareholder is having similar dividend rights for each share held. 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.

**Details of Shareholders holding more than 5% of the Equity Share Capital**

Refer Note No. 42

**NOTE 16. OTHER EQUITY**

₹ In Lakhs

Particulars	Reserves and Surplus		Other Comprehensive Income	Total
	General Reserve	Retained Earnings	Equity Instrument through Other Comprehensive Income	
<b>As at April 01, 2016</b>	<b>2,516.75</b>	<b>21,081.43</b>	<b>591.41</b>	<b>24,189.59</b>
Profit for the year	-	5,377.41	-	5,377.41
Remeasurement of defined benefit obligations (net of income tax)	-	(14.70)	-	(14.70)
Fair valuation of investments	-	-	332.22	332.22
Dividend distributed during the year (Rs. 2/- per share)	-	(433.00)	-	(433.00)
Corporate dividend tax	-	(88.15)	-	(88.15)
<b>As at March 31, 2017</b>	<b>2,516.75</b>	<b>25,922.99</b>	<b>923.63</b>	<b>29,363.37</b>
Profit for the year	-	5,889.06	-	5,889.06
Remeasurement of defined benefit obligations (net of income tax)	-	(8.56)	-	(8.56)
Fair valuation of investments	-	-	349.47	349.47
Dividend distributed during the year (Rs. 2.50 per share)	-	(541.25)	-	(541.25)
Corporate dividend tax	-	(110.19)	-	(110.19)
<b>At March 31, 2018</b>	<b>2,516.75</b>	<b>31,152.06</b>	<b>1,273.10</b>	<b>34,941.91</b>

In respect of the year ended March 31, 2018, the Directors propose that a final dividend of 50% i.e ₹ 2.50 per share be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as liability in these financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend to be paid is ₹ 651.44 Lakhs (including corporate dividend tax thereon of ₹ 110.19 Lakhs).

**NON CURRENT LIABILITIES****FINANCIAL LIABILITIES**

(Carried at Amortised Cost, unless stated otherwise)

	31-Mar-18	₹ In Lakhs 31-Mar-17
<b>NOTE : 17 BORROWINGS (Secured)</b>		
<b>Term Loans From Banks</b>		
- In Foreign Currency (Buyers Credit)*	3,811.43	3,936.43
- In Rupee		
- Term Loan *	20,722.50	9,812.50
- Vehicle Loans **	123.23	83.52
	24,657.16	13,832.45
Less:- Current Maturities of Long Term Loans	(3,471.77)	(2,255.58)
<b>Total</b>	<b>21,185.39</b>	<b>11,576.87</b>

\* Secured by first and exclusive charge on the specified Property, Plant and Equipment financed by bank. Property, Plant and Equipment includes specific Buildings, Plant and Equipment, Furniture and Fixtures, Office Equipment, Computers and Computers System so as to provide an asset cover of 1.5 times the loan amount at market valuation & Exclusive Charge on Simpac Press Line.

\*\* Secured by hypothecation of respective vehicle financed.

**Terms of Repayment of Term Loans****I In Foreign Currency**

S. No.	Amount (₹ In Lakhs)	Interest Rate Terms	No. of Equal Quarterly Instalments	Balance No. of Quarterly Instalment as on 31.03.2018	Balance No. of Quarterly Instalment as on 31.03.2017
1	659.32	12 Months USD LIBOR Linked rate	Bullet	Bullet	Bullet
2	3,152.11	6 Months USD LIBOR Linked rate	Bullet	Bullet	Bullet
	3,811.43	<b>Total</b>			

**II In Rupees**

S. No.	Amount (₹ In Lakhs)	Interest Rate Terms	No. of Equal Quarterly Instalments	Balance No. of Quarterly Instalment as on 31.03.2018	Balance No. of Quarterly Instalment as on 31.03.2017
1	750.00	BR Linked Rate	16 with 12 months moratorium	4	8
2	1,312.50	BR Linked Rate	16 with 12 months moratorium	7	11
3	1,250.00	BR Linked Rate	16 with 12 months moratorium	10	14
4	875.00	BR Linked Rate	16 with 12 months moratorium	14	16
5	7,500.00	BR Linked Rate	18 with 18 months moratorium	18	18
6	4,035.00	BR Linked Rate	16 with 24 months moratorium	16	-
7	5,000.00	BR Linked Rate	18 with 6 months moratorium	18	-
	20,722.50	<b>Total</b>			

III Vehicle Loans from banks are payable in 36 monthly equal installments respectively from the date of disbursements carrying interest rate @ 8.76% to 10.75% per annum.

IV There have been no breach of covenants mentioned in the loan agreements during the reporting periods.

₹ In Lakhs

<b>Note 18 : PROVISIONS</b>	<b>31-Mar-18</b>	<b>31-Mar-17</b>
Provision for Employee Benefits		
(a) Provision for Gratuity	456.07	289.71
(b) Provision for Leave Encashment and Compensated Absences	497.79	379.55
	<b>953.86</b>	<b>669.26</b>

₹ In Lakhs

<b>Note 19 : DEFERRED TAX LIABILITIES (Net)</b>	<b>31-Mar-18</b>	<b>31-Mar-17</b>
Major components of deferred tax arising on account of timing differences as at 31 March 2018 are:-		
(i) Deferred Tax Liability		
- Depreciation on fixed assets	7,024.33	5,222.18
- Claim under Sec 43B of Income Tax Act, 1961	1,094.71	597.33
	<b>8,119.04</b>	<b>5,819.51</b>
(ii) Deferred Tax Assets		
- Disallowance under Income Tax Act, 1961	383.09	230.14
- MAT Credit Entitlement	2,231.08	1,287.32
	<b>2,614.17</b>	<b>1,517.45</b>
(iii) Net Deferred Tax liability* (i-ii)	<b>5,504.87</b>	<b>4,302.05</b>

Reconciliation of Deferred Tax Liabilities (Net)	31-Mar-17	Movement during the year	31-Mar-18
<b>Deferred Tax Liability:</b>			
Impact of difference between tax depreciation and depreciation charged for the financial reporting	5,222.18	1,802.15	7,024.33
Claim under Sec 43B of Income Tax Act, 1961	597.33	497.38	1,094.71
<b>Total Deferred Tax Liabilities (A)</b>	<b>5,819.51</b>	<b>2,299.53</b>	<b>8,119.04</b>
<b>Deferred Tax Assets:</b>			
MAT Credit entitlement	1,287.32	943.77	2,231.08
Disallowance under the Income Tax Act, 1961	230.14	152.95	383.09
<b>Total Deferred Tax Assets (B)</b>	<b>1,517.45</b>	<b>1,096.72</b>	<b>2,614.17</b>
<b>Deferred Tax Liability (Net) (A - B)</b>	<b>4,302.05</b>	<b>1,202.81</b>	<b>5,504.87</b>

Reconciliation of Deferred Tax Liabilities (Net)	31-Mar-16	Movement during the year	31-Mar-17
<b>Deferred Tax Liability:</b>			
Impact of difference between tax depreciation and depreciation charged for the financial reporting	4,401.10	821.08	5,222.18
Claim under Sec 43B of Income Tax Act, 1961	257.90	339.43	597.33
<b>Total Deferred Tax Liabilities (A)</b>	<b>4,659.00</b>	<b>1,160.51</b>	<b>5,819.51</b>

<b>Deferred Tax Assets:</b>			
MAT Credit entitlement	743.25	544.07	1,287.32
Disallowance under the Income Tax Act, 1961	236.18	(6.04)	230.14
<b>Total Deferred Tax Assets (B)</b>	<b>979.43</b>	<b>538.02</b>	<b>1,517.45</b>

<b>Deferred Tax Liability (Net) (A - B)</b>	<b>3,679.57</b>	<b>622.48</b>	<b>4,302.05</b>
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\* Deferred Tax Liability and Deferred tax Assets have been offset as they relate to same governing taxation laws.

	₹ In Lakhs	
<b>NOTE 20 : OTHER NON-CURRENT LIABILITIES</b>	<b>31-Mar-18</b>	<b>31-Mar-17</b>
Advances From Customers	265.13	38.47
	<b>265.13</b>	<b>38.47</b>

### **CURRENT LIABILITIES**

**FINANCIAL LIABILITIES (Carried at Amortised Cost, unless stated otherwise)** ₹ In Lakhs

<b>NOTE 21 : BORROWINGS</b>	<b>31-Mar-18</b>	<b>31-Mar-17</b>
<b>Secured*</b>		
<b>Loans Repayable on Demand From Banks</b>		
-Cash Credit	31.30	53.34
<b>Other Loans From Banks</b>		
-Working Capital Demand Loans & Others	5,150.00	11,650.00
	<b>5,181.30</b>	<b>11,703.34</b>

- Secured by first charge on book debts, stock and other current assets of the Company ranking parri passu inter se between the Company's bankers and are further secured by second charge on movable Property, Plant and Equipment of the Company.  
- There have been no breach of covenants mentioned in the loan agreements during the reporting period.

<b>NOTE 22 : TRADE PAYABLES</b>	<b>31-Mar-18</b>	<b>31-Mar-17</b>
Trade Payables (Other than MSME)	18,041.03	18,363.48
(Refer Note No. 40)	<b>18,041.03</b>	<b>18,363.48</b>

	₹ In Lakhs	
<b>NOTE 23 : OTHER FINANCIAL LIABILITIES</b>	<b>31-Mar-18</b>	<b>31-Mar-17</b>
Current Maturities of Long Term Loans (Refer Note No.17)	3,471.77	2,255.58
Interest Accrued but not due on borrowings	139.25	58.09
Interest Accrued and due on borrowings	-	23.73
Payable for Capital Goods	3,428.25	1,123.84
Employees' related Liabilities	385.12	364.17
Unclaimed Dividends	38.31	35.77
Accrual of Expenses	1,143.55	672.14
Others	4.42	32.50
Hedging Gain Payable (carried at fair value through profit and loss)	74.31	81.00
	<b>8,684.99</b>	<b>4,646.81</b>

₹ In Lakhs

<b>NOTE 24 : OTHER CURRENT LIABILITIES</b>	<b>31-Mar-18</b>	<b>31-Mar-17</b>
Statutory Dues Payable	2,214.12	696.41
Advances from Customers	5,233.66	14.32
Other current liabilities (including advance from employees for vehicles)	91.12	73.00
	<b>7,538.90</b>	<b>783.74</b>

₹ In Lakhs

<b>Note 25 : PROVISIONS</b>	<b>31-Mar-18</b>	<b>31-Mar-17</b>
Provision for Employee Benefits		
(a) Provision for Gratuity	74.61	63.59
(b) Provision for Leave Encashment and Compensated Absences	88.09	88.09
	<b>162.70</b>	<b>151.68</b>

₹ In Lakhs

<b>NOTE 26: REVENUE FROM OPERATIONS</b>	<b>31-Mar-18</b>	<b>31-Mar-17</b>
Sale of products (including excise duty)	169,740.80	166,703.33
Sale of services	869.45	892.27
Other operating revenue	8,163.25	5,648.20
Increase/(decrease) in scrap stock	5.29	(38.50)
	<b>178,778.79</b>	<b>173,205.30</b>

Consequent to introduction of Goods and Services Tax (GST) with effect from 1st July,2017 Central Excise , Value Added Tax (VAT) etc. have been subsumed into GST. In accordance with Indian Accounting Standard-18 on Revenue and Schedule III of the Companies Act 2013, unlike Excise Duties, levies like GST, VAT etc. are not part of the Revenue. Accordingly the figures for the periods upto 30th June 2017 are not strictly relatable to those thereafter. The following additional information is being provided to facilitate such understanding.

A. Gross Sales / Income from operations	178,778.79	173,205.30
B. Excise Duty	5,738.08	20,542.24
C. Gross Sales / Income from Operations excluding excise duty (A)-(B)	173,040.71	152,663.06

₹ In Lakhs

<b>Note 27: OTHER INCOME</b>	<b>31-Mar-18</b>	<b>31-Mar-17</b>
Interest Income (calculated using the effective interest method)*	13.20	12.85
Dividend received on investments carried at fair value through Other Comprehensive Income	15.55	10.74
Profit on Disposal of Property, Plant and Equipment (Net)	187.62	68.43
Rent Income	28.92	28.92
Other Non Operating Income	116.14	20.81
	<b>361.43</b>	<b>141.75</b>

\* In relation to Financial Assets classified at Amortised Cost

₹ In Lakhs

**NOTE 28: CHANGES IN INVENTORIES OF FINISHED GOODS and WORK IN PROGRESS**

	31-Mar-18		31-Mar-17	
<b>Work in Progress</b>				
Opening Stock	2,510.27		2,146.58	
Less:- Closing Stock	3,150.01	(639.74)	2,510.27	(363.69)
<b>Finished Goods</b>				
Opening Stock	361.20		521.23	
Less:- Closing Stock	883.50	(522.30)	361.20	160.03
<b>Total</b>		<b>(1,162.04)</b>		<b>(203.66)</b>
Excise Duty on Increase/(Decrease) of Finished Goods		(52.22)		(15.86)
(Increase)/Decrease in stocks		(1,214.26)		(219.52)

₹ In Lakhs

**Note 29: EMPLOYEE BENEFITS EXPENSE**

	31-Mar-18	31-Mar-17
Salaries & Wages	11,162.54	8,805.77
Contribution to Provident and other Funds	451.32	329.82
Staff Welfare	573.86	456.23
Group/Medicaid Insurance	77.19	60.98
	12,264.91	9,652.80

₹ In Lakhs

**NOTE 30: FINANCE COST**

	31-Mar-18	31-Mar-17
<b>(at effective interest rate)</b>		
Interest on Borrowings*	1,933.80	1,814.88
Interest on Others	64.02	6.75
Other Financial Charges	14.05	8.20
	2,011.87	1,829.83

\* In relation to Financial Liabilities classified at Amortised Cost

\*\* The weight average rate for capitalisation of Interest relating to general borrowings is approximately 7.35% for the year ended March 31st 2018.

₹ In Lakhs

**Note 31 : DEPRECIATION AND AMORTISATION EXPENSE**

	31-Mar-18	31-Mar-17
<b>Depreciation/Amortisation on</b>		
Property, Plant and Equipment	4,659.91	4,017.40
<b>Amortisation on</b>		
Intangible Assets	250.38	125.65
	4,910.29	4,143.05



₹ In Lakhs

<b>NOTE 32: OTHER EXPENSES</b>	<b>31-Mar-18</b>	<b>31-Mar-17</b>
Stores Consumed	2,759.73	2,311.85
Power & Fuel	3,662.36	2,933.82
Warranty Claims/Royalty	514.88	686.73
Technical Services	98.45	43.16
Repair & Maintenance		
-Machinery	1,663.26	1,441.12
- Building	40.64	45.66
Rent (including land lease rent)	226.23	167.82
Rates & Taxes	23.49	72.13
Insurance	75.50	66.34
Corporate Social Responsibility Expenditure*	121.93	88.71
Exchange Fluctuation (net)	160.64	86.10
Freight & Forwarding Charges	1,649.40	671.77
Other Miscellaneous Expenses	1,419.74	1,235.09
	<b>12,416.25</b>	<b>9,850.30</b>
* Refer Note No. 39		

₹ In Lakhs

<b>NOTE 33 : INCOME TAX EXPENSE</b>	<b>31-Mar-18</b>	<b>31-Mar-17</b>
<b>(a) Income Tax expense recognised in Statement of Profit and Loss</b>		
Current tax In respect of the current year	1,911.38	1,515.82
Minimum alternate tax credit entitlement	(904.40)	(420.15)
Deferred tax In respect of the current year	2,151.11	1,006.25
Earlier Years	(43.51)	-
	<b>3,114.58</b>	<b>2,101.91</b>
<b>(b) Income Tax on Other Comprehensive Income</b>		
<b>Deferred Tax Benefit</b>		
<b>Arising on income and expenses recognised in Other Comprehensive Income:</b>		
Remeasurement of Defined Benefit Obligations	(4.53)	(7.78)
Total income tax expense recognised in Other Comprehensive Income	<b>(4.53)</b>	<b>(7.78)</b>
	<b>3,110.05</b>	<b>2,094.13</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:

	31-Mar-18	31-Mar-17
<b>Profit before Income Tax</b>	<b>9,003.64</b>	7,479.32
At country's statutory income tax rate of 34.608% (31 March 2017: 34.608%)	<b>3,115.98</b>	2,588.44
Additional deduction for investment allowance under Section 32 AC of the Income tax Act, 1961	-	(454.60)
Adjustments in respect of taxes earlier years	<b>(43.51)</b>	(25.66)
Disallowances	<b>45.96</b>	(7.34)
Allowances	<b>(8.38)</b>	(6.72)
	<b>3,110.05</b>	2,094.13

	₹ In Lakhs	
<b>NOTE 34 : OTHER COMPREHENSIVE INCOME</b>	31-Mar-18	31-Mar-17
<b>(A) Items that will not be reclassified subsequently to profit or loss</b>		
- Re-measurement gains (losses) on defined benefit liability/asset	(13.09)	(22.48)
- Fair value changes on Investment	349.47	332.22
Income tax effect	4.53	7.78
<b>(B) Items that will be reclassified subsequently to profit or loss</b>	-	-
	<b>340.91</b>	317.52

### NOTE 35: EARNING PER SHARE

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

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

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	₹ In Lakhs	
	Year Ended	Year Ended
	31 Mar 2018	31 Mar 2017
Profit After Tax	5,889.06	5,377.41
Weighted average number of equity shares (Outstanding during the year)	21,650,000	21,650,000
-Face Value of share (₹)	5.00	5.00
Basic Earning per share (Amount in ₹)	<b>27.20</b>	24.84
Diluted Earning per share (Amount in ₹)	<b>27.20</b>	24.84

**NOTE 36 : CONTINGENT LIABILITIES AND COMMITMENTS**

₹ In Lakhs

**A Contingent liabilities**

(Claims against the Company disputed and not acknowledged as debts)

Particulars	31-Mar-18	31-Mar-17
a Central Excise	115.48	115.48
b Service tax*	2.95	0.77

\* Against this amount of Rs 1.42 lakhs has been deposited

It is not practicable for the Company to estimate the timings and amount of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

**B Commitments**

Particulars	31-Mar-18	31-Mar-17
Estimated amount of contracts remaining to be executed on capital account and not provided for ( Net of advances).		
Property, Plant and Equipment	3,104.20	7,291.19

**C Other Commitments**

Particulars	31-Mar-18	31-Mar-17
Letter of Credit issued by banks	131.79	2,380.07

**NOTE 37 : AUDITOR'S REMUNERATION (Excluding Service Tax/GST) : -**

Statutory Auditors	31-Mar-18	31-Mar-17
A) Statutory Audit Fees	14.50	14.50
B) Tax Audit Fees	4.75	4.75
C) Taxation Matters*	1.11	8.00
D) Other Services*	5.75	9.90
E) Reimbursement of Expenses	0.51	-

\* Includes Rs 2.17 Lakhs paid to predecessor auditors

**NOTE 38 : SEGMENT INFORMATION**

The Company is primarily engaged in the business of "manufacturing of components" for automobiles for Indian market which is governed by the same set of risks and returns. Hence there is only one business and geographical segment. Accordingly, segment information has not been disclosed. The said treatment is in accordance with guidance principles enunciated in Ind AS 108 "Segment Reporting" as referred to in Companies (Indian Accounting Standards) Rules, 2015

Revenue from transactions with a single external customer amounting to 10 percent or more of the Company's revenue is as follows :

Particulars	31-Mar-18	31-Mar-17
Customer 1 #	142,310.14	153,199.08
Customer 2 #	17,439.65	1,211.63

# The figures for the year ended 31st March 2018 are strictly not relatable to P.Y 31st March 2017 as consequent to introduction of Goods and Services Tax (GST) with effect from 1st July, 2017 Central Excise, Value Added Tax (VAT) etc. have been subsumed into GST. In accordance with Indian Accounting Standard-18 on Revenue and Schedule III of the Companies Act 2013, unlike Excise Duties, levies like GST, VAT etc. are not part of the Revenue.

**NOTE 39 : DISCLOSURE RELATING TO CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE**

In light of section 135 of the Companies act 2013, the Company has incurred expenses on Corporate Social Responsibility (CSR) aggregating to 121.93 Lakhs ( Rs 88.71 Lakhs) for CSR activities carried out during the current year.

Particulars	₹ In Lakhs		
	31-Mar-18	31-Mar-17	
<b>(i) Gross amount required to be spent by the Company during the year</b>	<b>120.55</b>	<b>88.71</b>	
<b>(ii) Amount spent during the year ending on March 31, 2018:</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			
– Shree Madhav Jan Sewa Nyas	75.00	-	75.00
– Moga Devi Minda Charitable Trust	25.00	-	25.00
– Jal Vayu Sanrakshan Samiti	5.00	-	5.00
– Others	16.93	-	16.93
<b>(ii) Amount spent during the year ending on March 31, 2017:</b>			
1. Construction / acquisition of any asset	-	-	-
2. On purposes other than (i) above			
– Neel Foundation	59.00	-	59.00
– Others	29.71	-	29.71

**NOTE 40 : DISCLOSURE UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 (“MSMED ACT, 2006”) IS AS UNDER:**

Particulars	31-Mar-18	31-Mar-17
(i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	Nil	Nil
(ii) the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
(iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	Nil	Nil
(iv) the amount of interest accrued and remaining unpaid at the end of each accounting year	Nil	Nil
(v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23	Nil	Nil

The above disclosure has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

**NOTE 41 : Cost of Materials consumed has been computed by adding purchase to the opening stock and deducting closing stock verified physically by the management.**

## NOTE 42 : DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% EQUITY SHARES IN THE COMPANY

	31-Mar-18		31-Mar-17	
	No. of shares	% holding	No. of shares	% holding
Equity shares of ₹ 5 each fully paid up				
Maruti Suzuki India Limited	6,340,000	29.28	6,340,000	29.28
ANS Holding Private Limited	2,029,000	9.37	2,029,000	9.37
Mr. Sanjay Singhal	1,900,400	8.78	1,900,400	8.78

## NOTE 43 : LEASES

### OPERATING LEASE : COMPANY AS LESSEE

The Company leases mainly office facilities under cancellable operating lease agreements. Minimum lease payments under operating lease are recognized on a straight line basis over the term of the lease. Rent expense for operating leases for the year ended March 31, 2018 and March 31, 2017 was Rs 226.23 Lakhs and Rs 167.82 Lakhs respectively. There are no restrictions imposed by the lease agreements and there are no sub leases. There are no contingent rents. The operating lease agreements are renewable on a periodic basis. Some of these lease agreements have price escalation clause.

### OPERATING LEASE : COMPANY AS LESSOR

The Company has given small portion of freehold land under cancellable operating lease arrangements. Minimum lease rentals under operating leases are recognized on a straight line basis over the term of the lease. Rent income for operating leases for the year ended March 31, 2018 and March 31, 2017 was Rs. 28.92 Lakhs and Rs. 28.92 Lakhs respectively.

## NOTE 44 : EMPLOYMENT BENEFITS

### A Defined Benefit Plans as per Ind AS 19 Employee Benefits: Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. These benefits are funded.

The following tables summaries the components of net benefit expense recognized in the Statement of Profit and Loss and the funded status and amounts recognized in the balance sheet.

These Plans typically expose the Company to actuarial risks such as : Investment risk, Interest rate risk, Longevity risk and Salary risk.

**Investment Risk:** The Probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

**Interest Risk:** The Plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

**Longevity risk :** The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants during employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Salary risk :** The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

**Disclosure of Gratuity****(i) Amount recognised in the Statement of Profit and Loss is as under:**

Description	₹ In Lakhs	
	31-Mar-18	31-Mar-17
Current service cost	68.90	60.15
Interest cost	26.27	19.35
Past Service Cost	70.34	-
Actuarial loss/(gain) recognised during the year	-	-
Expected return on planned assets	-	-
<b>Amount recognised in the Statement of Profit and Loss</b>	<b>165.52</b>	<b>79.50</b>

**(ii) Amount recognised in Other Comprehensive Income is as under:**

Description	31-Mar-18	31-Mar-17
Actuarial loss/(gain) recognised during the year	13.09	22.48
<b>Amount recognised in the Other Comprehensive Income</b>	<b>13.09</b>	<b>22.48</b>

**(iii) Movement in the Present value of Defined Benefit Obligation recognised in the Balance Sheet is as under:**

Description	31-Mar-18	31-Mar-17
<b>Present value of defined benefit obligation as at the start of the year</b>	<b>682.03</b>	<b>593.91</b>
Current service cost	68.90	60.15
Interest cost	50.53	45.73
Actuarial loss/(gain) recognised during the year	5.92	25.03
Benefits paid	(80.08)	(42.80)
Past Service Cost	70.34	-
<b>Present value of defined benefit obligation as at the end of the year</b>	<b>797.65</b>	<b>682.03</b>

**(iv) Movement in the Plan Assets recognised in the Balance Sheet is as under:**

Description	31-Mar-18	31-Mar-17
<b>Fair Value of plan assets at beginning of year</b>	<b>328.73</b>	<b>342.60</b>
Interest income plan assets	24.26	26.38
Actual company contributions	1.22	-
Actuarial gain/(loss) on plan assets	(7.17)	2.55
Benefits paid	(80.08)	(42.80)
<b>Fair Value of Plan Assets at the end of the year</b>	<b>266.96</b>	<b>328.73</b>

The Scheme is funded through an 'Approved Trust'. The Trust has taken a Policy from the Life Insurance Corporation of India (LIC) and the management of the Fund is undertaken by the LIC.

**(v) Major Categories of Plan Assets:**

Asset Category	31-Mar-18	31-Mar-17
Insurer Managed Funds	100%	100%

**(vi) Analysis of amounts recognised in Other Comprehensive Income at Period End:**

Description	31-Mar-18	31-Mar-17
Amount recognized in OCI, beginning of period	32.74	10.26
Actuarial (gain)/loss on arising from change in demographic assumption	-	-
Actuarial (gain)/loss on arising from change in financial assumption	(20.83)	22.86
Actuarial (gain)/loss on arising from experience adjustment	26.75	2.17
Return on plan assets (excluding interest)	7.17	(2.55)
<b>Total remeasurements recognized in OCI</b>	<b>13.09</b>	<b>22.48</b>
<b>Amount recognized in OCI, End of Period</b>	<b>45.83</b>	<b>32.74</b>

(vii) Reconciliation of Balance Sheet Amount	31-Mar-18	31-Mar-17
Balance Sheet (Asset)/Liability, beginning of period	353.30	251.31
Total charge/(credit) recognised in Profit and Loss	165.52	79.50
Total remeasurements recognised in Other Comprehensive Income	13.09	22.48
Actual company contribution	(1.22)	-
Balance Sheet (Asset)/Liability, End of Period	530.68	353.30

(viii) Current / Non-Current Bifurcation	31-Mar-18	31-Mar-17
Current Benefit Obligation	74.61	63.59
Non - Current Benefit Obligation	456.07	289.71
(Asset)/Liability Recognised in the Balance Sheet	530.68	353.30

(ix) Actuarial assumptions	31-Mar-18	31-Mar-17
Description		
Discount rate	7.85%	7.38%
Future basic salary increase	6.00%	6.00%
Expected rate of return on plan assets	7.38%	7.38%
Mortality	As per IALM 06-08	As per IALM 06-08
Employee turnover/withdrawal rate	8.00%	8.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(x) Defined Benefit Obligation by Participant Status	31-Mar-18	31-Mar-17
a. Actives	797.65	682.03
b. Vested Deferreds	-	-
c. Retirees	-	-
<b>Total Defined Benefit Obligation</b>	<b>797.65</b>	<b>682.03</b>

(xi) Sensitivity analysis for Gratuity Liability	31-Mar-18	31-Mar-17
		₹ In Lakhs
<b>Description</b>		
<b>Impact of the change in discount rate</b>		
- Impact due to increase of 1.00 %	(43.81)	(36.19)
- Impact due to decrease of 1.00 %	47.07	37.88
<b>Impact of the change in salary increase</b>		
- Impact due to increase of 1.00 %	40.69	34.40
- Impact due to decrease of 1.00 %	(35.82)	(33.97)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation liability recognised in the Balance Sheet.

The Company is expected to contribute Rs 153.53 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.

(xii) Maturity profile of Defined Benefit Obligation	31-Mar-18	31-Mar-17
<b>Description</b>		
Within next 12 months	77.49	65.89
Between 1-5 years	439.98	364.76
Between 5-10 years	449.53	335.85

**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:

Description	₹ In Lakhs	
	31-Mar-18	31-Mar-17
Current service cost	73.42	53.79
Interest cost	33.74	42.14
Remeasurements	198.13	20.67
<b>Amount recognised in the Statement of Profit and Loss</b>	<b>305.29</b>	<b>116.60</b>

(ii) Movement in the liability recognised in the Balance Sheet is as under:

Description	31-Mar-18	31-Mar-17
Present value of defined benefit obligation as at the start of the year	461.31	580.76
Current service cost	73.42	53.79
Interest cost	33.74	42.14
Actuarial loss/(gain) recognised during the year	198.13	20.67
Benefits paid	(190.34)	(236.05)
<b>Present value of defined benefit obligation as at the end of the year</b>	<b>576.27</b>	<b>461.31</b>

(iii) Current / Non-Current Bifurcation

	31-Mar-18	31-Mar-17
Current Benefit Obligation	78.48	81.77
Non - Current Benefit Obligation	497.79	379.54
<b>(Asset)/Liability Recognised in the Balance Sheet</b>	<b>576.27</b>	<b>461.31</b>

(iv) Sensitivity analysis

Description	31-Mar-18	31-Mar-17
<b>Impact of the change in discount rate</b>		
- Impact due to increase of 1.00 %	(30.23)	(28.81)
- Impact due to decrease of 1.00 %	31.89	30.14
<b>Impact of the change in salary increase</b>		
- Impact due to increase of 1.00 %	24.33	24.10
- Impact due to decrease of 1.00 %	(23.48)	(23.40)

(v) Actuarial assumptions

Description	31-Mar-18	31-Mar-17
Discount rate	7.85%	7.38%
Future basic salary increase	6.00%	6.00%
Expected rate of return on plan assets	N.A	N.A
Mortality	As per IALM06-08	As per IALM 06-08
Employee turnover/withdrawal rate	8.00%	8.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(vi) Defined Benefit Obligation by Participant Status

	31-Mar-18	31-Mar-17
a. Actives	576.27	461.31
b. Vested Deferreds	-	-
c. Retirees	-	-
<b>Total Defined Benefit Obligation</b>	<b>576.27</b>	<b>461.31</b>

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.



**Defined Contribution and Other Plans**

Contributions are made to the Provident Fund, Super Annuation Fund & Other Plans . The contributions are normally based upon a proportion of the employee's salary. The Company has recognized the following amounts in the Statement of Profit and Loss :

Particulars	31-Mar-18	31-Mar-17
Employer contribution to Provident & Pension fund*	254.04	227.22
Employers Contribution to Superannuation Fund*	3.98	4.07
Employers contribution to Employee State insurance *	22.97	13.15
Punjab & Haryana Labour Welfare fund*	1.80	1.77

\* Included in Contribution to Provident and Other Funds Under Employee Benefit Expense (Refer Not No. 29)

**NOTE 45 : RELATED PARTY DISCLOSURES :**

The list of related parties as identified by the management is as under:

Parties in respect of which the Company is an Associate	- Maruti Suzuki India Limited
Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence	- JBM Industries Limited - Neel Metal Products limited - Neel Auto Private Limited - JBM Renewables Private Limited
Other Entities (Fellow Subsidiary of Maruti Suzuki India Limited)	- Suzuki Motor Gujarat Private Limited
Key Management Personnel	- Mr. S.K. Arya, Chairman and Managing Director - Mr. Nishant Arya, Non Executive Director - Ms. Esha Arya, Non Executive Director - Mr. D P. Agarwal, Independent Director - Mr. Rajiv Gandhi, Non Executive Director - Mr. U.C. Agarwal, Independent Director - Mr. Achintya Karati, Independent Director - Mr. Virender Ganda, Independent Director - Mr. Anand Swaroop, President & CFO - Mr. Ravi Arora, Company Secretary
Relative of Key Management Personnel	- Mrs. Neelam Arya, Spouse of Mr. S.K Arya
Post Employment Benefit Plan of the Company	- JBM Group Gratuity Trust

(₹ in Lakhs)								
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
	Parties in respect of which the Company is an Associate and Other Entities		Enterprise over which key management personnel and their relative are able to exercise significance influence & Gratuity Trust		Key Management personnel and their relatives		Total	
<b>Purchase of Capital Goods</b>								
Maruti Suzuki India Limited	-	15.58	-	-	-	-	-	15.58
Neel Metal Products limited	-	-	2,103.65	3,780.51	-	-	2,103.65	3,780.51
JBM Industries Limited	-	-	-	1.15	-	-	-	1.15
<b>Total</b>		15.58	2,103.65	3,781.66	-	-	2,103.65	3,797.25
<b>Sale of Goods (including Excise)#</b>								
Maruti Suzuki India Limited	142,310.14	153,199.08	-	-	-	-	142,310.14	153,199.08
Neel Metal Products limited	-	-	6,333.76	12,152.48	-	-	6,333.76	12,152.48
Neel Auto Private Limited	-	-	445.26	389.69	-	-	445.26	389.69
Suzuki Motor Gujarat Private Limited	17,439.65	1,211.63	-	-	-	-	17,439.65	1,211.63
JBM Industries limited	-	-	2.91	2.55	-	-	2.91	2.55
<b>Total</b>	159,749.80	154,410.71	6,781.94	12,544.72	-	-	166,531.73	166,955.43
<b>Sale of Capital goods (including Excise)</b>								
Maruti Suzuki India Limited	-	37.13	-	-	-	-	-	37.13
Neel Metal Products limited	-	-	2.53	9.17	-	-	2.53	9.17
Neel Auto Private Limited	-	-	-	155.48	-	-	-	155.48
Suzuki Motor Gujarat Private Limited	67.84	-	-	-	-	-	67.84	-
<b>Total</b>	67.84	37.13	2.53	164.64	-	-	70.37	201.77
<b>Other Income</b>								
Maruti Suzuki India Limited	5.09	6.40	-	-	-	-	5.09	6.40
Neel Metal Products limited	-	-	28.92	28.92	-	-	28.92	28.92
<b>Total</b>	5.09	6.40	28.92	28.92	-	-	34.01	35.32
<b>Purchase of the Goods</b>								
Maruti Suzuki India Limited	26,982.22	14,835.84	-	-	-	-	26,982.22	14,835.84
Neel Metal products limited	-	-	64,773.84	60,883.22	-	-	64,773.84	60,883.22
Suzuki Motor Gujarat Private Limited	4.83	-	-	-	-	-	4.83	-
JBM Industries limited	-	-	7,488.56	6,733.00	-	-	7,488.56	6,733.00
<b>Total</b>	26,987.05	14,835.84	72,262.40	67,616.22	-	-	99,249.44	82,452.06
<b>Others Expenses</b>								
Maruti Suzuki India Limited	1,507.31	1,183.97	-	-	-	-	1,507.31	1,183.97
Neel Metal Products limited	-	-	244.13	313.19	-	-	244.13	313.19
Neel Auto Private Limited	-	-	78.10	78.39	-	-	78.10	78.39
Suzuki Motor Gujarat Private Limited	36.64	-	-	-	-	-	36.64	-
JBM Industries limited	-	-	-	0.62	-	-	-	0.62
Mrs. Neelam Arya	-	-	-	-	16.20	16.20	16.20	16.20
<b>Total</b>	1,543.95	1,183.97	322.23	392.20	16.20	16.20	1,882.39	1,592.37
<b>Contribution to Gratuity Trust</b>								
JBM Group Gratuity Trust	-	-	1.22	2.49	-	-	1.22	2.49
<b>Total</b>	-	-	1.22	2.49	-	-	1.22	2.49

<b>Remuneration paid to KMP's and their relatives</b>								0
Mr. S.K Arya	-	-	-	-	423.04	369.08	423.04	369.08
Mr. Anand Swaroop	-	-	-	-	130.86	113.02	113.02	85.08
Mr. Dinesh Kumar	-	-	-	-	-	12.03	12.03	15.77
Mr. Ravi Arora	-	-	-	-	23.21	5.29	5.29	-
<b>Total</b>	-	-	-	-	<b>577.11</b>	<b>499.42</b>	<b>553.39</b>	<b>469.93</b>
<b>Directors Sitting Fees</b>								
Mr. Nishant Arya	-	-	-	-	1.20	1.41	1.20	1.41
Ms Esha Arya	-	-	-	-	-	-	-	-
Mr. D.P. Agarwal	-	-	-	-	-	-	-	-
Maruti Suzuki India Ltd . (Mr. Rajiv Gandhi)	0.80	0.81	-	-	-	-	0.80	0.81
Mr. U.C. Agarwal	-	-	-	-	1.80	1.81	1.80	1.81
Mr. Achintya Karati	-	-	-	-	1.40	1.81	1.40	1.81
Mr. Virender Ganda	-	-	-	-	0.20	0.20	0.20	0.20
<b>Total</b>	<b>0.80</b>	<b>0.81</b>	<b>-</b>	<b>-</b>	<b>4.61</b>	<b>5.23</b>	<b>5.41</b>	<b>6.03</b>
<b>Amount Recoverable</b>								
<b>Trade Recievables</b>								
Maruti Suzuki India Limited	12,274.25	14,393.07	-	-	-	-	12,274.25	14,393.07
Neel Auto Private limited	-	-	35.23	64.85	-	-	35.23	64.85
Suzuki Motor Gujarat Private Limited	2,844.42	795.13	-	-	-	-	2,844.42	795.13
JBM Renewables Private Limited	-	-	57.75	-	-	-	57.75	57.75
<b>Total</b>	<b>15,118.67</b>	<b>14,393.07</b>	<b>92.98</b>	<b>64.85</b>	<b>-</b>	<b>-</b>	<b>15,211.65</b>	<b>15,310.80</b>
<b>Amount Payable</b>								
<b>Trade Payables</b>								
Maruti Suzuki India Limited	11,055.76	4,013.72	-	-	-	-	11,055.76	4,013.72
Mr. S.K Arya (Managerial Remuneration )	-	-	-	-	150.20	119.83	150.20	119.83
Neel Metal Products limited	-	-	4,195.55	8,697.53	-	-	4,195.55	8,697.53
JBM Industries limited	-	-	671.03	891.75	-	-	671.03	891.75
<b>Total</b>	<b>11,055.76</b>	<b>4,013.72</b>	<b>4,866.57</b>	<b>9,589.29</b>	<b>150.20</b>	<b>119.83</b>	<b>16,072.54</b>	<b>13,722.84</b>
<b>Dividend Paid</b>								
Mr. S.K.Arya	-	-	-	-	4.43	3.55	4.43	3.55
Mr. Nishant Arya	-	-	-	-	0.10	0.08	0.10	0.08
Mrs. Neelam Arya	-	-	-	-	2.67	2.14	2.67	2.14
Mr. Anand Swaroop	-	-	-	-	0.05	0.04	0.05	0.04
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7.25</b>	<b>5.80</b>	<b>7.25</b>	<b>5.80</b>

	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
<b>Remuneration paid to KMP's and their relatives*</b>			<b>Mr. S.K. Arya</b>	<b>Mr. Anand Swaroop</b>	<b>Mr. Ravi Arora</b>	
<b>(a) short-term employee benefits;</b>	423.04	369.08	130.86	113.02	23.21	5.29
<b>(b) post-employment benefits;</b>	-	-	-	-	-	-
<b>Total</b>	<b>423.04</b>	<b>369.08</b>	<b>130.86</b>	<b>113.02</b>	<b>23.21</b>	<b>5.29</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.

# The figures for the year ended 31st March 2018 are strictly not relatable to PY 31st March 2017 as consequent to introduction of Goods and Services Tax (GST) with effect from 1st July, 2017 Central Excise , Value Added Tax ( VAT) etc. have been subsumed into GST. In accordance with Indian Accounting Standard-18 on Revenue and Schedule III of the Companies Act 2013, unlike Excise Duties, levies like GST, VAT etc. are not part of the Revenue

#### Terms and conditions of transactions with Related Parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2018, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2017: INR Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

## Note 46 : SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. These include recognition and measurement of financial instruments, estimates of useful lives and residual value of Property, Plant and Equipment and Intangible Assets, valuation of inventories, measurement of recoverable amounts of cash-generating units, measurement of employee benefits, actuarial assumptions, provisions etc.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The Company continually evaluates these estimates and assumptions based on the most recently available information. Revisions to accounting estimates are recognized prospectively in the Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.

### Judgments

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

#### Operating lease commitments – Company as lessor

The Company has entered into leasing arrangements wherein the Company is receiving lease rental income. The Company has determined, based on an evaluation of the terms and conditions of the arrangements e.g. lease term, lease rental income, fair value of the land, transfer / retention of significant risks and rewards of ownership of land determined the lease as operating leases.

#### Operating lease commitments – Company as lessee

The Company has entered into leasing arrangements wherein the Company is required to pay monthly lease rentals. The Company has determined, based on an evaluation of the terms and conditions of the arrangements e.g. lease term, lease rental income, fair value of the land, transfer / retention of significant risks and rewards of ownership of land determined the lease as operating leases.

### Estimates and assumptions

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

#### (i) Gratuity benefits

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexity of the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the interest rates of government bonds, and extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables. Future salary increases and pension increases are based on expected future inflation rates. Further details about the assumptions used, including a sensitivity analysis, are given in Note 44 .

#### (ii) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model based on level-2 and level-3 inputs. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as price estimates, volume estimates, rate estimates etc. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**(iii) Impairment of financial assets**

The impairment provisions for trade receivables are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on the Company's past history and other factors at the end of each reporting period.

**(iv) Estimates related to useful life of tangible assets :**

Depreciation on tangible assets 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 all 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.

**(v) Impairment of Assets**

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

**(vi) Contingent liabilities**

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

**(vii) Taxes**

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

**NOTE 47 : 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 Group monitors its capital using gearing ratio, which is net debt divided to total equity. Net debt includes, Loans and borrowings less cash and cash equivalents.

	(₹ in Lakhs).	
Particulars	31 Mar, 18	31 Mar, 17
Net debt	29604.43	25340.54
Total equity	36024.41	30445.87
Net debt to equity ratio	0.82	0.83

## B. Fair value measurements

The Company uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques:

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

- Level 1: This level includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: This level includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: This level includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The fair value of the financial assets are determined at the amount that would be received to sell an asset in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values: Quoted equity investments: Fair value is derived from quoted market prices in active markets.

Fair value of the Company's financial assets that are measured at fair value on a recurring basis:

There are certain Company's financial assets which are measured at fair value at the end of each reporting period. There have been no transfer among levels during the period. Following table gives information about how the fair values of these financial assets are determined:

(₹ in Lakhs)			
Financial Assets at fair value through OCI	Fair value as at 31-Mar-18		
	Level 1	Level 2	Level 3
Investments in equity instruments	1072.25	439.39	-
Financial Liabilities at fair value through Profit or loss	Fair value as at 31-Mar-18		
	Level 1	Level 2	Level 3
Hedging gain payable	-	74.31	
Financial Assets at fair value through OCI	Fair value as at 31-Mar-17		
	Level 1	Level 2	Level 3
Investments in equity instruments	768.03	394.13	-
Financial Assets at fair value through Profit or loss	Fair value as at 31-Mar-17		
	Level 1	Level 2	Level 3
Hedging gain recoverable	-	10.58	
Financial Liabilities at fair value through Profit or loss	Fair value as at 31-Mar-17		
	Level 1	Level 2	Level 3
Hedging gain payable	-	81.00	-

(₹ in Lakhs)

Particulars	As at 31-Mar-2018		As at 31-Mar-2017	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
Measured at Amortised Cost				
Loans	125.74	125.74	119.92	119.92
Trade Receivables	2,811.95	2,811.95	13,317.20	13,317.20
Cash and Cash Equivalents	234.02	234.02	195.26	195.26
Bank Balances other than Cash and Cash Equivalents	38.32	38.32	35.77	35.77
Other Financial Assets	94.65	94.65	71.89	71.89
<b>Total Financial Assets at Amortised Cost (a)</b>	<b>3,304.69</b>	<b>3,304.69</b>	<b>13,740.04</b>	<b>13,740.04</b>
Measured at Fair Value through Other Comprehensive Income				
Investments	1,511.64	1,511.64	1,162.16	1,162.16
<b>Total Financial Assets at Fair Value through Other Comprehensive Income (b)</b>	<b>1,511.64</b>	<b>1,511.64</b>	<b>1,162.16</b>	<b>1,162.16</b>

<b>Measured at Fair Value through Profit and Loss</b>				
Hedging Gain Recoverable	-	-	10.58	10.58
<b>Total Financial Assets at Fair Value through Profit and Loss (c)</b>	<b>-</b>	<b>-</b>	<b>10.58</b>	<b>10.58</b>
<b>Total Financial Assets (a+b+c)</b>	<b>4,816.33</b>	<b>4,816.33</b>	<b>14,912.78</b>	<b>14,912.78</b>
<b>Financial Liabilities</b>				
<b>Measured at Amortised Cost</b>				
Long-term Borrowings*	24,657.16	24,658.07	13,832.45	13,832.45
Short-term Borrowings	5,181.30	5,181.30	11,703.34	11,703.34
Trade Payables	18,041.03	18,041.03	18,363.48	18,363.48
Other Financial Liabilities	5,138.91	5,138.91	2,310.23	2,310.23
<b>Total Financial Liabilities at Amortised Cost (a)</b>	<b>53,018.40</b>	<b>53,019.31</b>	<b>46,209.50</b>	<b>46,209.50</b>
* including current maturities of long-term borrowings				
<b>Measured at Fair value through Profit and Loss</b>				
Other Financial Liabilities	74.31	74.31	81.00	81.00
<b>Total Financial Liabilities at Amortised Cost (b)</b>	<b>74.31</b>	<b>74.31</b>	<b>81.00</b>	<b>81.00</b>
<b>Total Financial Liabilities (a+b)</b>	<b>53,092.71</b>	<b>53,093.62</b>	<b>46,290.50</b>	<b>46,290.50</b>

The Company enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Cross currency interest rate swaps are valued using valuation techniques which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying commodity. All derivative contracts are fully cash collateralised, thereby eliminating both counterparty and the Company's own non-performance risk.

## D. Financial Risk Management

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

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

- Market risk
- Credit risk; and
- Liquidity risk

### D.1 Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. The 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 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 been hedged by derivative Instrument are given below.

Liabilities/Assets	Foreign Currency (In Lakhs)		INR Equivalent (Lakhs)	
	As at 31-03-2018	As at 31-03-2017	As at 31-03-2018	As at 31-03-2017
<b>Liabilities</b>				
USD	58.48	49.61	3,811.43	3,217.46

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 31-03-2018	As at 31-03-2017	As at 31-03-2018	As at 31-03-2017
<b>Liabilities</b>				
USD	2.63	17.56	171.59	1,138.91
JPY	1,589.18	704.03	977.19	408.27
EURO	3.14	-	253.78	-
<b>Assets</b>				
USD	8.71	3.61	567.93	234.14
Euro	-	5.35	-	370.93

The Company has taken cross currency interest rate swaps to hedge its foreign currency exposures in relation to Foreign Currency Buyer's credits availed by the Company. The Company had negotiated the terms of CCIRS to match the terms of the hedged exposure. Further, the Company has not entered into any derivative or hedging instruments in relation to its foreign currency exposures other than Foreign Currency Buyer's credits.

#### Foreign currency sensitivity analysis

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

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

Particulars	Increase		Decrease	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
<b>Payables</b>				
USD /INR	(8.58)	(20.99)	8.58	20.99
YEN/INR	(48.86)	(20.41)	48.86	20.41
EURO/INR	(12.69)	-	12.69	-
<b>Receivables</b>				
USD /INR	(28.40)	11.71	28.40	(11.71)
EURO/INR	-	18.55	-	(18.55)

#### 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 assets and financial liabilities are detailed in the liquidity risk management section of this note. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. In respect of the Foreign Currency Buyers Credits denominated in US Dollars (USD), the Company is having 6 months Libor linked rate. To mitigate the risk of any adverse interest rate movement, the Company has entered into Cross Currency Interest Rate Swaps (CCIRS) i.e. pay fixed receive variable rate of interest. In the event of any adverse movement of interest rates, the Company is required only to pay the fixed interest eventually thereby offsetting the interest loss from the CCIRS. Accordingly, no sensitivity analysis in respect of such loans is given.

#### Interest rate sensitivity analysis

The sensitivity 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>31 Mar, 18</b>		
INR loans	+50	-129.52
INR loans	-50	129.52
<b>31 Mar, 17</b>		
INR loans	+50	-49.06
INR loans	-50	49.06

#### c) Security Price Risk

The Company is exposed to equity price risks arising from equity investments held by the Company and classified in the balance sheet as fair value through OCI

#### Equity Price Sensitivity Analysis

The Sensitivity Analysis below have been determined based on the exposure to equity price risks at the end of the reporting period.

#### If the equity prices had been 5% higher/lower:

Other comprehensive income for the year ended 31st March 2018 would increase / decrease by ₹ 53.61 lacs (for the year ended 31st March 2017: increase / decrease by ₹ 38.40 lacs) as a result of the change in fair value of equity investment measured at FVTOCI

#### 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 long term borrowings, short term 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.

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

	Less than 1 year	1 to 5 years	> 5 years	Total
<b>Year ended 31-Mar-18</b>				
Long Term Borrowings*	3,471.77	20,763.48	421.91	24,657.16
Short Term Borrowings	5,181.30	-	-	5,181.30
Trade Payables	18,041.03	-	-	18,041.03
Other Financial Liabilities	5,213.22	-	-	5,213.22
	31,907.32	20,763.48	421.91	53,092.71

Year ended 31-Mar-17				
Long Term Borrowings*	2,255.58	11,576.87	-	13,832.45
Short Term Borrowings	11,703.34	-	-	11,703.34
Trade Payables	18,363.48	-	-	18,363.48
Other Financial Liabilities	2,391.23	-	-	2,391.23
				-
	34,713.64	11,576.87	-	46,290.50

\* including current maturities of long-term borrowings

#### NOTE 48 : EVENTS AFTER THE REPORTING PERIOD

There are no reportable events that occurred after the end of the reporting period.

#### NOTE 49 : AMENDMENTS TO STANDARDS THAT ARE NOT YET EFFECTIVE AND HAVE NOT BEEN ADOPTED BY THE COMPANY

##### Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

##### Ind AS 115- Revenue from Contract with Customers:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach).

##### The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company is evaluating the requirements of the amendment and its effect on the financial Statements.

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

S.K.Arya  
Chairman & Managing Director  
(DIN : 00004626)

Nishant Arya  
Director  
(DIN : 00004954)

Sudhir Chhabra  
Partner  
M.No-083762

Anand Swaroop  
President & CFO

Sunil Dutt Agrawal  
VP-Finance

Place: Gurugram (Haryana)  
Date : 16-04-2018

Ravi Arora  
Company Secretary & Compliance Officer  
Memb No. 37075

## 31 मार्च, 2018 की स्थिति अनुसार तुलन पत्र

रु लाख में

विवरण	नोट सं.	31 मार्च, 2018 को	31 मार्च, 2017 को
<b>परिसंपत्तियां</b>			
गैर-चालू परिसंपत्तियां			
(क) संपत्ति, संयंत्र और उपकरण	3	62,926.08	44,614.36
(ख) प्रगति पर पूंजीगत कार्य	4	9,273.78	6,365.27
(ग) अमूर्त परिसंपत्तियां	5	295.01	539.14
(घ) वित्तीय परिसंपत्तियां			
(i) निवेश	6	1,511.64	1,162.16
(ii) ऋण	7	125.74	119.92
(इ) अन्य गैर-चालू परिसंपत्तियां	8	2,198.06	2,195.68
		76,330.31	54,996.53
चालू परिसंपत्तियां			
(क) इन्वेंटरीज	9	20,248.51	11,443.99
(ख) वित्तीय परिसंपत्तियां			
(i) व्यापार प्राप्तियां	10	2,811.95	13,317.20
(ii) नकदी एवं नकदी समकक्ष	11	234.02	195.26
(iii) उपयुक्त (ii) के अलावा बैंक बैलेंस	12	38.32	35.77
(iv) अन्य वित्तीय परिसंपत्तियां	13	94.65	82.47
(ग) अन्य चालू परिसंपत्तियां	14	3,784.82	2,610.35
		27,212.27	27,685.04
<b>कुल</b>		<b>103,542.58</b>	<b>82,681.57</b>
<b>इक्विटी और देनदारियां</b>			
इक्विटी			
(क) इक्विटी शेयर पूंजी	15	1,082.50	1,082.50
(ख) अन्य इक्विटी	16	34,941.91	29,363.37
		36,024.41	30,445.87
देनदारियां			
गैर-चालू देनदारियां			
(क) वित्तीय देनदारियां			
(i) उधार राशियां	17	21,185.39	11,576.87
(ख) प्रावधान	18	953.86	669.26
(ग) आस्थगित कर देनदारियां (निवल)	19	5,504.87	4,302.05
(घ) गैर चालू देनदारियों के अलावा	20	265.13	38.47
		27,909.25	16,586.65
चालू देनदारियां			
(क) वित्तीय देनदारियां			
(i) उधार राशियां	21	5,181.30	11,703.34
(ii) व्यापार देनदारियां	22	18,041.03	18,363.48
(iii) अन्य वित्तीय देनदारियां	23	8,684.99	4,646.81
(ख) अन्य चालू देनदारियां	24	7,538.90	783.74
(ग) प्रावधान	25	162.70	151.68
		39,608.92	35,649.05
<b>कुल</b>		<b>103,542.58</b>	<b>82,681.57</b>
महत्वपूर्ण लेखांकन नीतियां	2		

साथ में दी गई टिप्पणियां इन वित्तीय विवरणों का हिस्सा हैं।  
हमारी सम दिनांकित संलग्न रिपोर्ट के अनुसार

श्री साहनी नटराजन एंड बहल  
चार्टर्ड एकाउंटेंट्स  
पंजीकरण सं. . 002816N

सुधीर छाबड़ा  
पार्टनर  
M.No-083762

स्थान: गुझाग्राम (हरियाणा)  
दिनांक 16.04.2018

एस.के. आर्य  
अध्यक्ष एवं प्रबंध निदेशक  
(DIN 00004626)

आनंद स्वरूप  
अध्यक्ष एवं सीएफओ

रवि अरोड़ा  
कंपनी सचिव एवं अनुपालना अधिकारी  
M. No. 37075

निशांत आर्य  
निदेशक  
(DIN 00004954)

सुनील दत्त अग्रवाल  
उपाध्यक्ष-वित्त

## 31 मार्च, 2018 को समाप्त वर्ष के लिये लाभ हानि का विवरण

रु लाख में

	विवरण	नोट सं.	31 मार्च, 2018 को समाप्त वर्ष के लिये	31 मार्च, 2017 को समाप्त वर्ष के लिये
I	प्रचालनों से राजस्व	26	178,778.79	173,205.30
II	अन्य आय	27	361.43	141.75
III	कुल आय (I + II)		179,140.22	173,347.05
IV	खर्च			
	खपत की गई सामग्रियों की लागत		134,009.44	120,069.03
	उत्पाद शुल्क	26	5,738.08	20,542.24
	तैयार वस्तुओं की मालसूचियों में परिवर्तन और प्रगति अधीन कार्य	28	(1,214.26)	(219.52)
	कर्मचारी लाभ संबंधी व्यय	29	12,264.91	9,652.80
	वित्तीय लागत	30	2,011.87	1,829.83
	मूल्यहलास और परिशोधन व्यय	31	4,910.29	4,143.06
	अन्य खर्च	32	12,416.25	9,850.30
	कुल खर्च (IV)		170,136.58	165,867.73
V	कर पूर्व लाभ (III -IV)		9,003.64	7,479.32
VI	कर संबंधी खर्च:	33		
	(1) चालू कर		1,911.38	1,515.82
	घटाएं:- एमएटी क्रेडिट पात्रता		(904.40)	(420.15)
			1,006.98	1,095.66
	(2) आस्थगित कर		2,151.11	1,006.25
	(3) पूर्ववर्ती वर्ष		(43.51)	-
			3,114.58	2,101.91
VII	अवधि के लिये लाभ (V-VI)		5,889.06	5,377.41
VIII	अन्य समग्र आय	34		
(क)	मदें, जिन्हें बाद में लाभ या हानि में पुनः वर्गीकृत नहीं किया जायेगा			
	- निवल परिभाषित लाभ देनदारियां/परिसंपत्ति का पुनःआकलन		(13.09)	(22.48)
	- आय कर प्रभाव		4.53	7.78
	- निवेश पर उचित मूल्य परिवर्तन		349.47	332.22
(ख)	मदें, जिन्हें बाद में लाभ या हानि में पुनः वर्गीकृत किया जायेगा		-	-
	कुल अन्य समग्र आय (क) (ख)		340.91	317.52
IX	कुल समग्र आय (VII+VIII)		6,229.97	5,694.93
X	प्रति इक्विटी शेयर आय ;अंकित मूल्य रु 5/-प्रत्येक) रु	35		
	(1) बोनस		27.20	24.84
	(2) डाइल्यूटिड		27.20	24.84
	महत्वपूर्ण लेखांकन नीतियां	2		

साथ में दी गई टिप्पणियां इन वित्तीय विवरणों का हिस्सा हैं

हमारी सम दिनांकित संलग्न रिपोर्ट के अनुसार

श्री साहनी नटराजन एंड बहल  
चार्टर्ड एकाउण्टेंट्स  
पंजीकरण सं. - 002816N

सुधीर छाबड़ा  
पार्टनर  
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स्थान: गुरुग्राम (हरियाणा)  
दिनांक 16.04.2018

एस.के. आर्य  
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आनंद स्वरूप  
अध्यक्ष एवं सीएफओ

रवि अरोड़ा  
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M. No. 37075

निशांत आर्य  
निदेशक  
(DIN 00004954)

सुनील दत्त अग्रवाल  
उपाध्यक्ष-वित्त





## REGISTERED OFFICE

### Jay Bharat Maruti Limited

601, Hemkunt Chambers,  
89, Nehru Place, New Delhi-110019.  
Ph. : 91-11-26427104-6  
Fax : 91-11-26427100  
email : corp.communications@jbmgroup.com  
www.jbmgroup.com

## CORPORATE OFFICE

### Jay Bharat Maruti Limited

Plot No. 9, Institutional Area,  
Sector - 44, Gurgaon-122003, Haryana  
Ph. : 91-124-4674500-550  
Fax : 91-124-4674599

## WORKS :

### Jay Bharat Maruti Limited (J1)

Plot No. 5, Maruti Joint Venture Complex,  
Gurgaon-122015, Haryana

### Jay Bharat Maruti Limited (J2)

Sector 36, Mohammadpur Jharsa,  
Near Khandsa Village,  
Gurgaon-122015, Haryana

### Jay Bharat Maruti Limited (J3)

Plot No. 15 & 22, Sector-3A,  
Maruti Supplier Park, IMT Manesar,  
Gurgaon-122015, Haryana

### Jay Bharat Maruti Limited (J4)

Plot No. 322, Sector-3, Phase-II,  
Bawal-123501 (Haryana)

### Jay Bharat Maruti Limited (J5)

Survey No.62, Paiki, 6 & 7,  
GIDC Extension Road, Village,  
Vithlapur, Taluka Mandal,  
District Ahmedabad, Gujarat-382130

## JAY BHARAT MARUTI LIMITED

Registered Office: 601, Hemkunt Chambers,  
89, Nehru Place, New Delhi - 110 019  
CIN: L29130DL1987PLC027342  
E-Mail: Corp@Jbmgroupp.com; Website: www.jbmgroupp.com  
Ph. 011-26427104; Fax: 011-26427100



### NOTICE

*NOTICE* is hereby given that the 31st Annual General Meeting of the members of Jay Bharat Maruti Limited will be held on Tuesday, the 4th September, 2018 at 10:30 A.M. at Air Force Auditorium, Subroto Park, New Delhi-110010 to transact the following business:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the financial statements of the Company for the year ended 31st March, 2018 including the audited Balance Sheet as at 31st March, 2018, the statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint director in place of Mr. Nishant Arya (DIN 00004954) who retires by rotation and being eligible offers himself for re-appointment.

#### SPECIAL BUSINESS:

##### 4. APPOINTMENT OF MR. DHANENDRA KUMAR (DIN: 05019411) AS INDEPENDENT DIRECTOR

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 161 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Dhanendra Kumar (DIN: 05019411) who was appointed as an additional Director with effect from 16th July, 2018 and who holds office up to the date of this Annual General Meeting be and is hereby appointed as an Independent Director of the Company to hold office for a period of 5 (five) consecutive years from 16th July, 2018 to 15th July, 2023, whose office shall not be liable to retire by rotation.”

##### 5. RE-APPOINTMENT OF MR. S.K. ARYA (DIN : 00004626) AS CHAIRMAN & MANAGING DIRECTOR

To consider and if thought fit, to pass with or without modification(s) the following resolution as Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of section 196, 197, 198 and 203 and any other applicable provisions of the Companies Act, 2013 (“The Act”) (including any statutory modification or re-enactments thereof for the time being in force) and subject to the approval of the Central Government, if any required, the re-appointment of Mr. S.K. Arya as Chairman and Managing Director of the Company be and is hereby approved by the Board of Directors for a further period of five (5) years with effect from 10th June, 2018 on the terms and conditions and remuneration as set out below:

#### A) Basic Salary:

12,50,000/- (Rupees Twelve Lakh Fifty Thousand Only) per month in the pay scale of 12,50,000 – 1,50,000 – 18,50,000

**B) Perquisites & Allowances:**

In addition to the basic salary, Mr. S.K. Arya shall be entitled to perquisites like furnished accommodation (including gas, water, electricity etc.) or payment of House Rent Allowance (HRA); House maintenance allowance/ reimbursement; Allowance/ reimbursement for domestic help/ servant(s); Child education allowance/reimbursement; Medical allowance/ reimbursement of actual medical expenses including insurance premium for medical and hospitalization for self and family; Accident/Medical insurance; Leave travel expenses/ or allowance for self, spouse, dependent children and dependent parents; Club fee or any other permissible perquisite.

Apart from the above, he shall also be entitled to the following, which shall not be included in the computation of perquisites for the purpose of calculating the said ceiling of perquisites:

- i. Company's chauffeur driven car(s) for the business of the Company;
- ii. Telephone facility at residence to be used for the business of the Company;
- iii. One month's leave with full salary for every eleven (11) months of service;
- iv. Reimbursement of entertainment/traveling/hotel and other expenses actually and properly incurred for the business of the Company;
- v. Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund;
- vi. Gratuity payable at the rate not exceeding half a month's salary for each completed year of service in the company;
- vii. Encashment of leave at the end of the tenure.

**C) Commission:**

Mr. S.K. Arya shall be entitled to such remuneration as commission not exceeding 2% of Net Profit computed in accordance with the provisions of section 198 of the Companies Act, 2013 in addition to the above salary and perquisites, as may be determined by the Board of Directors of the Company or any Committee thereof at the end of each financial year.

**RESOLVED FURTHER THAT** the overall remuneration payable to Mr. S.K. Arya shall not exceed the maximum permissible limits as prescribed under the Companies Act, 2013, except with the previous approval of the Central Government.

**RESOLVED FURTHER THAT** the perquisites and allowances shall be evaluated as per the provisions of the Income Tax Rules in force from time to time, wherever applicable. In the absence of any such rules, perquisites and allowance shall be evaluated at actual cost.

**RESOLVED FURTHER THAT** Mr. S.K. Arya shall not be liable to retirement by rotation and shall not be entitled to any sitting fee for attending meetings of the Board and/or Committee(s) thereof.

**RESOLVED FURTHER THAT** in case of inadequacy of profits /or no profits in the Company in any financial year, Mr. S.K. Arya shall be paid the remuneration as aforesaid including such amount of commission, as may be decided by the Board of Directors as minimum remuneration with the previous approval of the Central Government, if required and in addition thereto, he shall also be entitled to the following perquisites (not to be included in the computation of the ceiling of the minimum remuneration):

- I. Company's contribution to Provident Fund, Superannuation Fund, Annuity Fund to the extent these singly or put together are not taxable under the Income Tax Act, 1961.
- II. Gratuity payable at the rate not exceeding half-month's salary for each completed year of service in the Company.
- III. Encashment of leave at the end of the tenure.

**RESOLVED FURTHER THAT** the appointment of Mr. S.K. Arya shall be governed by the following additional terms and conditions:

- (a) Nature of appointment: Contractual
- (b) Period of appointment: 5 Years
- (c) Notice Period for separation: Three months
- (d) Other terms and conditions:



The Chairman & Managing Director shall have substantial powers of management, subject to the overall superintendence, control and direction of the Board of Directors

**RESOLVED FURTHER THAT** the Board of Directors or Nomination & Remuneration Committee of the Company be and are hereby authorized to alter/ vary the terms & conditions from time to time as it may deem fit subject to necessary approvals, if any, in accordance with the applicable provisions of the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Board of Directors or Nomination & Remuneration Committee of the Company be and are hereby authorized to do all such acts, deeds or things, as may be required or considered necessary or incidental thereto."

**6. Issue of Non –Convertible Debentures on private placement basis**

To consider and, if thought fit, to pass the following Resolution as **Special Resolution:**

**"RESOLVED THAT** pursuant to provisions of Section 42, 71 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or reenactment thereof, for the time being in force) and any other applicable laws including the SEBI (Issue and Listing of Debt Securities) Regulations, 2008 as amended from time to time and other applicable SEBI regulations and guidelines, if required, the provisions of the Memorandum and Articles of Association of the Company, subject to such other approval(s), consent(s), permission(s) and sanction(s) as may be necessary from the concerned Statutory Authority(ies), the approval of the Members of the Company be and is hereby accorded for borrowing/raising funds not exceeding Rs. 150 Crores (Rupees One Hundred and Fifty Crores only), within the overall borrowing limits of the company as approved by the members from time to time, by issue of unsecured/secured Non –Convertible Debentures through Private Placement in one or more tranches of Non -Convertible Debentures to the eligible investors, on such terms and conditions as may be finalized by the Board or any duly constituted committee or any other authority/officials of the Company authorized by the Board.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby severally authorize Mr. Anand Swaroop, President & CFO and Mr. Ravi Arora, Company Secretary of the Company to determine the terms of the issue, including the class of investors to whom the debentures are to be allotted, the number of the debentures to be allotted in each tranche, issue price, tenor, interest rate premium/discount to the then prevailing market price, appointment of debenture trustees, amount of issue, discount to issue price to a class of debenture holders, listing, issuing any declaration/undertaking etc. which are required to be included in the Private Placement Offer Letter and to also sign the Debenture trust deed, pledge agreement and any other security documents in connection with issue of Non-Convertible Debentures and to do all such acts, things as may be necessary or ancillary or incidental thereto and to execute all such documents as may be necessary for giving effect to the above resolution."

:

**By Order of the Board of Directors  
For Jay Bharat Maruti Limited**

**Place: New Delhi  
Date: 16th July, 2018**

**Ravi Arora  
Company Secretary  
M. No. A37075**

## NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**  
**A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.**
2. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice under Note No. 21. The Company will also send communication relating to remote e-voting which inter alia would contain details of User ID and password.
3. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. A brief resume and other details as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for appointment/reappointment of a director are given in note no. 22 to the notice
5. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
8. (a) The Register of Members and Share Transfer Books will remain closed from **Wednesday, the 29th August, 2018 to Tuesday, 4th September, 2018** (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting and for the ensuing Annual General Meeting.  
(b) The dividend on Equity Shares, if declared at the Meeting, will be paid within a period of 30 days from the date of declaration, to those members, whose names appear in the Register of Members on close of business hours on **Monday, 27th August, 2018**. The dividend is Rs 2.50/- per equity share.
9. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrar and Transfer Agent, MCS Share Transfer Agent Ltd. ("MCS") cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be informed only to the Depository Participant by the members.
10. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat account(s). Members holding shares in physical form are requested to advise any change in their address or bank mandate immediately to the the Company/MCS.
11. The Company has transferred the unpaid or unclaimed dividends declared up to financial years 2009-10 to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of section 125 of the Companies Act and the Investor Education and Protection Fund Authority (Accounting, Audit,

Transfer and Refund) Rules, 2016 and amendments thereof, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on **18th August, 2017** (date of last Annual General Meeting) on the website of the Company ([www.jbmgroup.com](http://www.jbmgroup.com)).

12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat account(s). Members holding shares in physical form can submit their PAN to the Company/MCS.
13. Members seeking further information about the accounts are requested to write to the Company at least 7 days before the date of the meeting so that it may be convenient to get the information ready at the meeting.
14. Pursuant to Section 72 of the Companies Act, 2013, shareholders holding shares in electronic/demat form may file nomination in the prescribed Form SH-13 (in duplicate) with the respective Depository Participant and in respect of shares held in physical form, the nomination form may be filed with MCS Share Transfer Agent Limited.
15. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to MCS Share Transfer Agent Limited, for consolidation into a single folio.
16. Non-Resident Indian Members are requested to inform MCS Share Transfer Agent Limited, immediately of:
  - (a) Change in their residential status on return to India for permanent settlement.
  - (b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
17. Members are requested to furnish or update their e-mail IDs with the Registrar for sending the soft copy of the Notice, Annual Report, remote e-voting ID & Password and all other communications from the Company electronically vide circular no. 17/2011 dated April 21, 2011 and circular no. 18/2011 dated April 29, 2011 issued by the Ministry of Corporate Affairs.
18. Pursuant to the prohibition imposed vide Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI) and the MCA circular, no gifts/coupons shall be distributed at the Meeting.
19. Members may kindly note that bags, eatables, laptops, arms, ammunitions or any other harmful/dangerous objects are not allowed inside the Venue of AGM.
20. Members may also note that the Notice of 31st Annual General Meeting and Annual Report for the year 2017-18 are also available at the Company's website: [www.jbmgroup.com](http://www.jbmgroup.com)
21. **Information and other instructions relating to e-voting are as under:**
  - I. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is pleased to provide remote e-voting facility to the members of the Company to exercise their right to vote in respect of the resolutions to be passed at the 31st Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
  - II. The facility for voting through ballot paper shall be made available at the venue of the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right to vote at the meeting through ballot paper.
  - III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

IV. The remote e-voting period will commence on **Saturday, 1st September, 2018** (9:00 a.m.) and ends on **Monday, 3rd September, 2018** (5:00 p.m.) During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **Tuesday, 28th August, 2018**, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

V. The process and manner for remote e-voting are categorised into two steps which are as under:

**Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2 : Cast your vote electronically on NSDL e-Voting system.**

**Details on Step 1 is mentioned below:**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID  For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID  For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company  For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

- c) How to retrieve your 'initial password'?
- (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
- (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- b) **Physical User Reset Password?"** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

**Details on Step 2 is given below:**

**How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [dshukla.fcs@gmail.com](mailto:dshukla.fcs@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

- VI. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the company as on the cut off date of Tuesday, 28th August, 2018.
- VII. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Tuesday, 28th August, 2018 may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or the Company/RTA.
- However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the toll free no.:1800-222-990.
- VIII. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- IX. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- X. Mr. Dhananjay Shukla (Membership No. FCS 5886) of M/s Dhananjay Shukla & Associates, Company Secretaries has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XI. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be done, allow voting with the assistance of scrutinizer by using "Ballot Paper" for those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XII. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XIII. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.jbmgroup.com](http://www.jbmgroup.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Ltd., Mumbai and the National Stock Exchange of India Ltd., Mumbai.

22. Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a brief profile and other details of Directors eligible for appointment/re-appointment vide item no. 3, 4 & 5 is as follows:

<b>Sl.No.</b>	<b>Particulars</b>	<b>Mr. S.K. Arya</b>	<b>Mr. Nishant Arya</b>	<b>Mr. Dhanendra Kumar</b>
1.	DIN	00004626	00004954	05019411
2.	Date of Birth	10.11.1957	01.11.1986	06.06.1946
3.	Date of appointment	19.03.1987	09.10.2007	16.07.2018
4.	Qualifications	B.Sc(Hons.)	MBA and diploma in Business Development & Strategy	M. Sc(Hons.) B. Sc(Hons.)
5.	Experience in specific functional areas	Having experience of more than 35 years in Automobile and Engineering Industry and also has a dynamic business & leadership skills.	Development of R&D and innovation, Diversification Projects in Renewable energy, Bus Manufacturing, Electric vehicles.	Mr. Dhanendra Kumar has held important positions in the various Ministries of the Government of India and International Institutions.  He was elected as first Chairperson of Competition Commission of India. He has served as an Executive Director at World Bank and as Secretary to Government of India – Ministry of Defence, Ministry of Road Transport and Highways, Ministry of Agriculture.  Presently, providing Consultancy in Anti-Trust matters, M&A, regulatory matters in various fields and policy advice on procedures etc. in investment in various sectors in India.
6.	Directorship held in other listed entities	JBM Auto Limited	JBM Auto Limited	Nil
7.	Membership / Chairmanship of Committees of listed entities (includes only Audit Committee and Stakeholders' Relationship Committee)	Member, Audit Committee, Chairman- Stakeholders' Relationship Committee – JBM Auto Limited	Member, Stakeholders' Relationship Committee – JBM Auto Limited	Nil
8.	Number of Shares held in the Company	1,77,350 Equity Shares	4,000 Equity Shares	Nil
9.	Relationship with any Director(s) of the Company	i. Mr. Nishant Arya, Director, Son ii. Ms. Esha Arya, Director, Daughter	i. Mr. S.K. Arya, Chairman & Managing Director, Father ii. Ms. Esha Arya, Director, Sister	No relationship with any Director(s) of the Company

**By Order of the Board of Directors  
For Jay Bharat Maruti Limited**

**Place: New Delhi  
Date: 16th July, 2018**

**Ravi Arora  
Company Secretary  
M. No. A37075**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("the Act")**

**The following statement sets out all material facts relating to the Special Business mentioned in Item No. 4 to No. 6 of the accompanying notice:**

**TEM NO. 4**

The Board of Directors of the Company had in its meeting held on 16th July, 2018 had appointed Mr. Dhanendra Kumar as an Additional Director with effect from 16th July, 2018 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013.

As per the provisions of Section 161(1) of the Companies Act, 2013, Mr. Dhanendra Kumar holds office of Additional Director only upto the date of forthcoming Annual General Meeting of the Company and being eligible offers himself for re-appointment.

Further, In accordance with the provisions of Section 149, 152 of the Companies Act, 2013, appointment of an Independent Director requires approval of members.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors have proposed the appointment of Mr. Dhanendra Kumar as an Independent Director of the Company.

Mr. Dhanendra Kumar is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

The Company has received a declaration from Mr. Dhanendra Kumar that he meets the criteria of Independence as prescribed both under sub-section (6) of Section 149 of the Act and Clause 16 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015. In the opinion of the Board, Mr. Dhanendra Kumar fulfills the conditions for his appointment as an Independent Director as specified in the Act and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015. Mr. Dhanendra Kumar is independent of the management and possesses appropriate skills, experience and knowledge.

Mr. Dhanendra Kumar is an IAS Retd. officer and former executive Director at World Bank. Mr. Dhanendra Kumar had been appointed as first Chairman of Competition Commission of India. Mr. Dhanendra Kumar has more than 50 years of rich experience in the economic and development infrastructure sectors and served at the various positions in the Ministry of Government.

Keeping in view his vast expertise and knowledge, it will be in the best interest of the Company that Mr. Dhanendra Kumar is appointed as an Independent Director of the Company.

A copy of draft letter of appointment of Mr. Dhanendra Kumar as an Independent Director setting out the terms and conditions is available for inspection by members at the registered office of the Company.

The Board recommend the Resolution set out at Item No. 4 of the accompanying Notice for approval of the shareholders of the Company.

None of the Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution except Mr. Dhanendra Kumar himself.

**ITEM NO. 5**

Mr. S. K. Arya was re-appointed as the Chairman and Managing Director by the Board of Directors of the Company for a period of 5 years w.e.f 10th June, 2013. The said re-appointment and remuneration was approved by the members at the 26th Annual General Meeting held on 19th August, 2013.

The Board of Directors of the Company, in its meeting held on 16th April, 2018, has re-appointed Mr. S.K. Arya as Chairman & Managing Director of the Company for a period of 5 (five) years w.e.f. 10th June, 2018, on the terms and conditions as approved by the Nomination & Remuneration Committee of the Company, subject to the approval of the members at the Annual General Meeting.

Mr. S. K. Arya, aged 60 years, is the promoter of the Company and has been associated with the Company since incorporation. Mr. Arya is actively associated with the automobile industry and under his leadership, the Company has grown manifolds.

Mr. Arya has been awarded with various awards for his immense contribution to the Automotive and Engineering Industry viz: National Unity Award in 1991, Gem of India Award in 1992, Udyog Ratan Award in 1993, Best Entrepreneur for the Year Award in



1994, FIE Foundation Award in 2001 for his tremendous contribution to the engineering industry, Udyog Ratan Award in 2005, Haryana Ratan Award in 2005.

Mr. S. K. Arya is a Member of CII-Northern Region Council and Member of the Executive Committee of ACMA. He has also held Chairmanship of SME Sub-Committee of CII – Northern Region, CII - Haryana State Council in the past and was a Member of PHDCCI Management Committee, Co-Chairman of Haryana Committee of PHDCCI and Chairman of Sheet Metal and Chassis parts panel of ACMA.

With the concerted and untiring efforts of Mr. Arya, the Company got various accolades and recognitions. Mr. S.K. Arya has attended all 4 Board Meetings held during the year 2017-2018.

Mr. S. K. Arya holds Directorship / Chairmanship of other Companies as detailed hereunder:

1	JBM AUTO LIMITED	10	VICHAAR TELEVISION NETWORK LIMITED
2	NEEL METAL PRODUCTS LIMITED	11	ANS HOLDING PRIVATE LIMITED
3	JBM AUTO SYSTEM PRIVATE LIMITED	12	JBM BUILDERS PRIVATE LIMITED
4	JBM INDUSTRIES LIMITED	13	MULTIVISION CONSTRUCTIONS PRIVATE LIMITED.
5	JBM OGIHARA AUTOMOTIVE INDIA LIMITED	14	JBM INTERNATIONAL LIMITED
6	NEEL AUTO PRIVATE LIMITED	15	SATISH BUILDWELL PRIVATE LIMITED
7	AUTOMOTIVE COMPONENT MANUFACTURERS ASSOCIATION OF INDIA	16	SHREEAUMJI REAL ESTATE SEZ PRIVATE LIMITED
8	ARCELOR NEEL TAILORED BLANK PRIVATE LIMITED	17	SHREEAUMJI INFRASTRUCTURE & PROJECTS PRIVATE LIMITED
9	FJM CYLINDERS PRIVATE LIMITED	18	SHREEAUMJI INFRASTRUCTURE PRIVATE LIMITED

He is also Member / Chairman of various committees of the Board in other Companies as detailed hereunder:

POSITION	JBM AUTO LIMITED
Chairman	Stakeholders' Relationship Committee
Member	Audit Committee
Member	Nomination & Remuneration Committee

In compliance with the provisions of Section 196, 197, 198 and 203 and other applicable provisions of the Act, the re-appointment and remuneration of Mr. S. K. Arya as mentioned in Item No. 5 of the Notice convening the Meeting is now being placed before the members in General Meeting for their approval by passing of a special resolution. The Board recommends the resolution for your approval.

None of the Directors of the Company except Mr. S. K. Arya, Mr. Nishant Arya, son of Mr. S.K. Arya and Ms. Esha Arya, Daughter of Mr. S.K. Arya shall be treated as concerned or interested in this resolution except and to the extent they are members in the Company.

#### **ITEM NO. 6**

The members of the Company are hereby informed that the Company had taken an approval of the shareholders for issuing the non-convertible debentures through private placement basis by passing a special resolution through Postal ballot process in the previous year.

Further, as per the provisions of section 42 of the Companies Act, 2013 and the rules made thereunder, special resolution is valid for one year in case of offer or invitation for non-convertible debentures. Since, the Company has not issued the Non-Convertible debentures during the last one year, the validity of the special resolution has expired.

The Company is in the continued process of expansion of its manufacturing capacity of the plant at Vithalapur, Gujarat to cater the requirements of M/s Suzuki Motor Gujarat Private Limited & Maruti Suzuki India Ltd.. The investment for expansion of said Project is being funded through Loans/debts and Internal accruals. In order to meet the additional funds requirements, the Company is exploring options to raise the funds in the form of Unsecured/ Secured Non-Convertible Debentures ('NCDs')/ Bonds on private placement basis.

The Board has at their meeting held on 16th July, 2018, recommended to the shareholders to give their consent to the Board of Directors or any Committee of the Board to borrow and raise funds by issue of NCDs on private placement basis, up to an amount of Rs. 150 Crores [Rupees One Hundred and Fifty Crores Only] under section 42 and 71 read with section 179 of the Companies Act, 2013.

Such issue shall be subject to overall borrowing limits of the Company as approved by the shareholders and will be issued in terms of the provisions of the Act, Articles of Association of the Company and Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and other applicable laws, if required.

Pursuant to sections 42 and 71 of the Act read with rule 14 of the Companies [Prospectus and Allotment of Securities] Rules, 2014, a Company offering or making an invitation to subscribe to NCDs on a private placement basis is required to obtain prior approval of the shareholders by way of a Special Resolution.

For NCDs, it shall be sufficient if the company passes a previous Special Resolution only once in a year for all the offers or invitation for such NCDs during the year. Thus such approval by way of Special Resolution shall be valid for a year for all offers and invitations for such NCDs to be made during the year.

Accordingly, it is proposed to raise funds through Private Placement of NCDs in one or more tranches during a year starting from the date of approval of the Special Resolution by the shareholders of the Company. Such NCDs shall be issued to such person or persons, who may or may not be the members of the Company, as the Board or any duly constituted Committee of the Board or such other authority as may be approved by the Board, may think fit and proper.

The resolution contained in Item No. 6 of the accompanying Notice, accordingly, seek members' approval for raising funds through Private Placement of NCDs in one or more tranches during a year starting from the date of approval of Special Resolution by the members of the Company and authorizing the Board of Directors or any duly constituted Committee of the Board or such other authority as approved or as may be approved by the Board of the Company to complete all the formalities in connection with the issue of NCDs.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested in the proposed resolution.

The Board recommends the resolution as set out in the Notice for your approval as Special Resolution.

**By Order of the Board of Directors  
For Jay Bharat Maruti Limited**

**Place: New Delhi  
Date: 16th July, 2018**

**Ravi Arora  
Company Secretary  
M. No. A37075**

**NOTICE FOR SHAREHOLDERS/INVESTORS FOR UNPAID DIVIDENDS**

- The Shareholders / Investors of Jay Bharat Maruti Limited are notified that in pursuance of the section 124 of the Companies Act, 2013 (the Act) and rules made there under, the Company is required to transfer amount of Dividends that remain unclaimed / unpaid for a period of 7 (seven) years from the date on which they were declared, to the Investor Education and Protection Fund (IEPF) established under Section 125 of the Companies Act, 2013 and rules made there under.
- Dividend declared during the following Financial Years shall fall due for transfer to IEPF on completion of a period of seven years from the respective date of declaration of Dividend. A table containing the due dates for transfer to IEPF for various years is given below for the information of the Shareholders/Investors:

<b>Financial Year</b>	<b>Rate of Dividend</b>	<b>Proposed date for transfer to IEPF</b>
2010-11	40%	17th September, 2018
2011-12	30%	20th September, 2019
2012-13	30%	18th September, 2020
2013-14	25%	18th September, 2021
2014-15	40%	23rd September, 2022
2015-16	40%	02nd October, 2023
2016-17	50%	23rd September, 2024

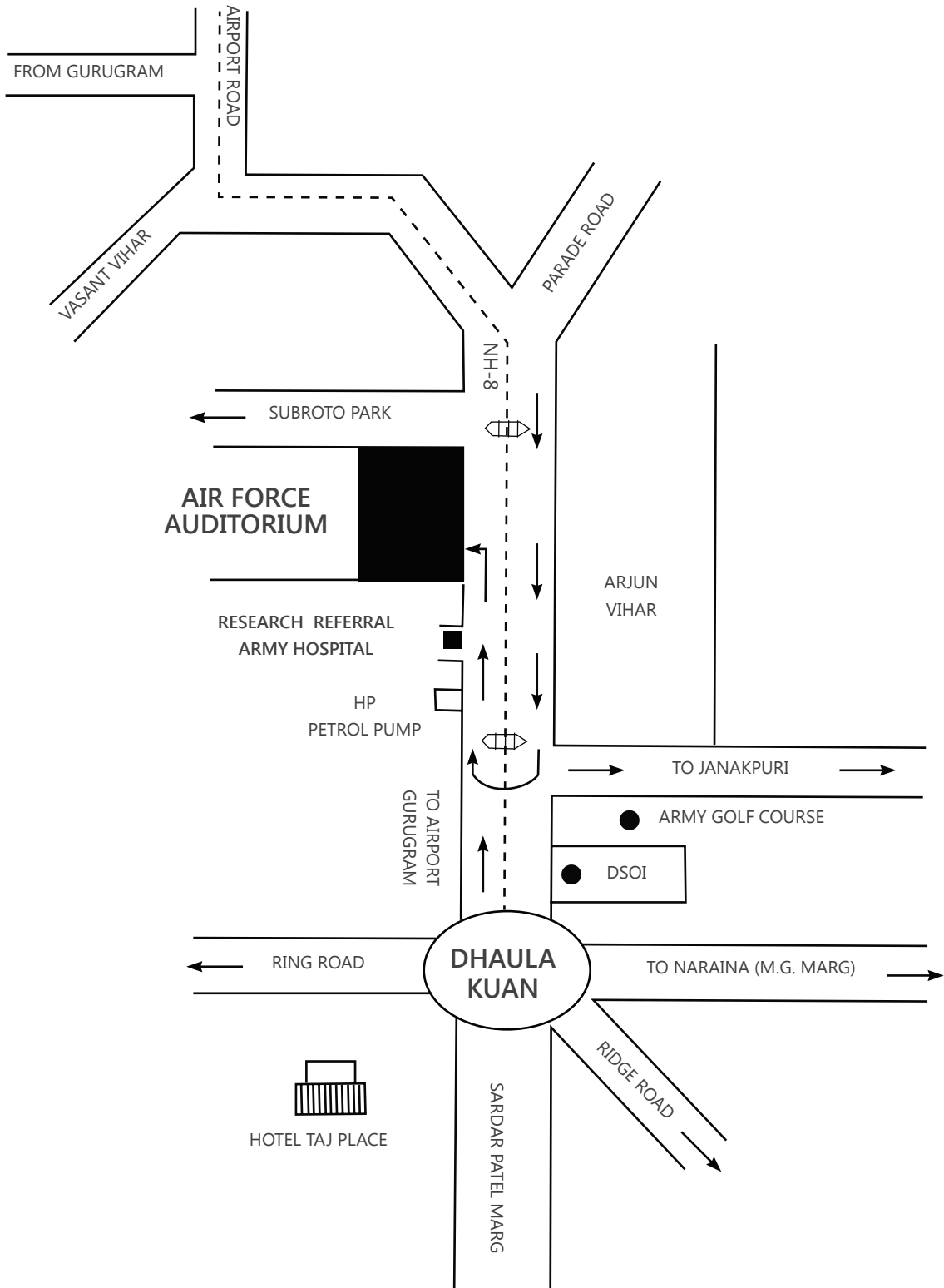
- The shareholders and members of the Company are hereby informed that pursuant to the provisions of section 124 (6) of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 including any amendment and re-enactment thereof, the Company is required to transfer equity shares, in respect of which dividend has not been paid or claimed for seven consecutive years or more, in the name of Investor Education and Protection Fund. In compliance of the said rules, the Company has communicated through letters dated 05th June, 2018 sent by courier to the concerned shareholders at their address registered with the Company/Registrar and Share Transfer Agent Limited (RTA) records, whose shares are liable to be transferred to IEPF Demat Account and also published a notice in the newspapers containing that the names of such shareholders and their folio number or DP ID - Client ID are available on the Company's website i.e., [www.jbmgroup.com](http://www.jbmgroup.com) to claim unclaimed dividend for the Financial year 2010-11 and onwards immediately by making an application to the Company or M/s MCS Share Transfer Agent Limited, RTA of the Company. The Company will transfer the equity shares of the year 2010-11 as per the provisions of section 124 of the Companies Act, 2013.
- Shareholders / Investors who have not encashed their Dividend Warrants, if any, for any of the aforesaid Financial Years, are requested to lodge their claims by quoting their respective Folio No./DP ID/Client ID with Company at the following address:  
  
**Company Secretary**  
**Jay Bharat Maruti Limited**  
**Plot No. 9, Institutional Area**  
**Sector -44, Gurgaon -122003**  
**Haryana**  
**Ph: 0124- 4674500 - 550**  
**Email: ravi.arora@jbmgroup.com, jbml.investor@jbmgroup.com**
- Shareholders are advised to ensure that their claims for unpaid / unclaimed dividend are lodged timely so as to reach the same on or before the date indicated against each year in the table at Sr. No. 2 above. The claims received after these dates shall not be entertained and the amount outstanding shall be transferred to IEPF.
- Shareholders are requested to note that after the transfer of the amount to IEPF, the claim for payment shall lie with IEPF Authority as per section 125 of the Companies Act, 2013.

- 7 Shareholders may note that Securities and Exchange Board of India (SEBI) vide their Circular No. SEBI/HO/MIRSD/DOP1/CIR/2018/73 Dated 20th April, 2018 has mandated all listed Companies to make payment of dividend to the shareholders through approved electronic mode and also directed that updated bank details and PAN of the Shareholders be obtained and maintained by the Companies. The shareholders whose PAN and Bank Account details are not updated, in their folio no./DP ID Client ID are requested to contact to the Company/Registrar and Transfer Agent (RTA) of the Company for obtaining format for furnishing the bank details, pan and email id etc. at email : jbml.investor@jbmgroup.com or admin@mcsregistrars.com. Shareholders are also requested to quote their Phone/Mobile No. for faster communication while correspondence with the Company/RTA.
- 8 Shareholders also may note that Securities and Exchange Board of India vide amendment in the Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, dated June 8, 2018, has mandated that the transfer of securities would be carried out in dematerialized form only w.e.f. December 5, 2018. Therefore, shareholders holding shares in physical mode are advised to dematerialize their physical shareholding at the earliest. As per the said amendment, after December 5, 2018, no request for transfer of shares in physical form can be processed by the Company/RTA.

**Place: New Delhi**

**Date: 16th July, 2018**

# Route map of the venue of 31st Annual General Meeting of Jay Bharat Maruti Limited



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**JAY BHARAT MARUTI LIMITED**  
 CIN: L29130DL1987PLC027342  
*Registered Office:* 601, Hemkunt Chambers, 89, Nehru Place, New Delhi 110 019

DP ID\* Folio No.  
 Client ID\* No. of Shares

NAME AND ADDRESS OF SHAREHOLDER

I hereby record my presence at the 31st **ANNUAL GENERAL MEETING** of the Company held on Tuesday, the 4th day of September, 2018 at 10:30 A.M. at Air Force Auditorium, Subroto Park, New Delhi-110010

\_\_\_\_\_  
\*Applicable for investors holding shares in electronic form

Signature of Shareholder/Proxy



**JAY BHARAT MARUTI LIMITED**  
 CIN: L29130DL1987PLC027342  
*Registered Office:* 601, Hemkunt Chambers, 89, Nehru Place, New Delhi 110 019

**PROXY FORM**  
 [Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration ) Rules, 2014]

Name of the Member(s): E-mail ID:

Registered Address: Folio No./\*Client ID:  
\*DP ID:

I/We, being the member (s) holding \_\_\_\_\_ shares of Jay Bharat Maruti Limited, hereby appoint:

- 1) \_\_\_\_\_ of \_\_\_\_\_ having e-mail ID \_\_\_\_\_ or failing him
- 2) \_\_\_\_\_ of \_\_\_\_\_ having e-mail ID \_\_\_\_\_ or failing him
- 3) \_\_\_\_\_ of \_\_\_\_\_ having e-mail ID \_\_\_\_\_

and whose signature(s) are appended below as my/our proxy to attend and vote (on poll) for me/us and on my/our behalf at the **31st Annual General Meeting** of the Company, to be held on Tuesday, the 4th day of September, 2018 at 10:30 A.M. at Air Force Auditorium, Subroto Park, New Delhi-110010 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Resolutions	For	Against
1.	To receive, consider and adopt the financial statements of the Company for the year ended 31st March, 2018 including the audited Balance Sheet as at 31st March, 2018, the statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and Auditors thereon.		
2.	To declare dividend on equity shares.		
3.	To appoint director in place of Mr. Nishant Arya (DIN: 00004954) who retires by rotation and being eligible offers himself for re-appointment.		
4.	Appointment of Mr. Dhanendra Kumar(DIN:05019411) as Independent Director		
5.	Re-appointment of Mr. S.K. Arya(DIN : 00004626) as Chairman & Managing Director		
6	Issue of Non-Convertible Debentures on Private Placement Basis		

Affix  
Re. 1/-  
Revenue  
Stamp

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2018

\_\_\_\_\_  
Signature of Shareholder

\_\_\_\_\_  
Signature of first proxy holder

\_\_\_\_\_  
Signature of second proxy holder

\_\_\_\_\_  
Signature of third proxy holder



Notes:

- (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- (2) A Proxy need not be a member of the Company.
- (3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- (4) Please put a '√' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- (5) Appointing a proxy does not prevent a member from attending the meeting in person if he/she so wishes.
- (6) In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated

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