

ANNUAL REPORT  
2017-18



Jamna Auto Industries Limited



**FUTURE**  
**READY**

## FORWARD LOOKING STATEMENT

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral – that we make may contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should know or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether because of new information, future events or otherwise.

### Jamna Auto Industries Limited (JAI)

is India's market leader in automotive suspension solutions. We are the second largest player in the World in Multi-Leaf Springs and have in place a full range of suspension solutions for Commercial Vehicles (CVs) that we supply to major OEMs.

For more information:

[www.jaispring.com](http://www.jaispring.com)

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The background of the advertisement features a close-up, front-quarter view of a red truck. The truck is moving forward, as indicated by the blurred background of a road and a guardrail. The truck's grille is prominent, with a silver bumper and a black bumper. The sky is a clear blue. A dark blue rectangular box is overlaid on the right side of the image, containing white text.

# AT JAI, WE ARE FUTURE READY

...**Growing** our presence in existing and new markets

...**Continuously** adding new high-tech products in our portfolio

...**Expanding** capability and capacity

...**Investing** heavily in Technology

To achieve our **vision** of becoming a **global leader** in automobile **suspension solutions!**

# CORPORATE INFORMATION

## Board of Directors

**Mr. Bhupinder Singh Jauhar**

Chairman

**Mr. Randeep Singh Jauhar**

Vice Chairman & Executive Director

**Mr. Pradeep Singh Jauhar**

Managing Director & CEO

**Mr. S. P. S. Kohli**

Executive Director

**Mr. Jainender Kumar Jain**

Director

**Mr. Uma Kant Singhal**

Director

**Mr. Shashi Bhushan Bansal**

Director

**Mr. Rakesh Kalra**

Director

**Ms. Payal Chawla**

Director

**CORPORATE OFFICE**

2, Park Lane, Kishangarh, Vasant Kunj,  
New Delhi-110 070, India  
Ph. no. 011-26893331, 26896960  
Fax no. 011-26893180

Hotel Novotel & Pullman,  
Commercial Tower  
5th Floor, Asset Area No. 2,  
Hospitality District, Aerocity,  
New Delhi-110 037, India  
Ph: no. 011-45504550  
Fax no. 011-45504551

**REGISTERED OFFICE**

Jai Springs Road, Industrial Area, Yamuna  
Nagar-135001, Haryana  
Ph. & Fax no. 01732-251810/11/14  
CIN - L35911HR1965PLC004485

**PLANTS**

1. Gwalior (MP)
2. Yamuna Nagar (Haryana)
3. Jamshedpur (Jharkhand)
4. Chennai (Tamil Nadu)
5. Hosur (Tamil Nadu)
6. Pillaipakkam (Tamil Nadu)
7. Pune (Maharashtra)

**UNDER SUBSIDIARY ENTITY  
(JAI SUSPENSION SYSTEMS LLP)**

8. Pant Nagar (Uttarakhand)
9. Lucknow (UP)

**UPCOMING PLANTS**

10. Adityapur, Jharkhand
11. Indore, Madhya Pradesh

**ADVISORS**

AZB & Partners  
Lakshmikumaran & Sridharan

**TECHNICAL ASSISTANCE**

Ridewell Corporatin, USA

**BANKERS**

State Bank of India  
Kotak Mahindra Bank Ltd.  
Standard Chartered Bank  
HDFC Bank Ltd.  
ICICI Bank Ltd.  
YES Bank Ltd.

**AUDITORS****S R Batliboi & Co, LLP**

Chartered Accountants

**INTERNAL AUDITORS**

Protiviti, Risk and Business Consulting

**SHARE REGISTRAR & TRANSFER AGENT  
(RTA)**

Skyline Financial Services (P) Ltd  
D-153 A, First Floor, Okhla Industrial Area, Phase – I,  
New Delhi-110020  
Ph.no. 011-26812682-88, 011-40450193-97  
Fax no. 011-26812682  
Email: grievances@skylinerta.com

**INVESTOR CELL**

Mr. Praveen Lakhera  
Company Secretary & Head-Legal  
praveen@jaispring.com



# Chairman's Letter



**Bhupinder Singh Jauhar**  
Chairman

*Dear Fellow Shareholders,*

Financial year 2017-18 has been a good year for Jamna Auto Industries Limited (JAI). During the year the business showed momentum as the overall CV industry grew at double digit.

Few years ago, when your Company firmed up the medium-term 'Project Lakshya', we laid down the roadmap to achieve our vision of 'Leadership in Global Suspension Solutions'. We are happy to report that in FY18, your Company exceeded the 'Lakshya' of '33% revenue from new products'. In FY 18, revenue from new products was almost 37%. As the OEM industry adopts new-age technologies, your Company is witnessing increased penetration of parabolic springs. Further, JAI's lift axles are witnessing increased offtake. I will also like to inform you that your Company is now in the process of coming out with new products i.e. Stabilizer Bars, U-Bolts and Trailer Suspension.

Your Company is also making focused efforts to achieve another 'Lakshya' of 33% revenue from new markets. In FY 18 revenue from new markets was around 15%. After-market is a huge potential market and is viewed as an exciting growth opportunity. By broadening distribution networks and with new marketing strategies, JAI is fast expanding its after-markets – domestic as well as exports. Your Company is truly poised to achieve the goal of '33% revenue from new markets'.

Brand-building and promotion were in full swing during the year. Your Company participated in the best of events held by auto-component industry. There has been an increased focus on branding and marketing with the "JAI Vistar" initiative with loyalty programs for mechanics - "Jai Ho" scheme, retailers - "Jai Sarathi" scheme and distributors - "Jai Rising Star" scheme. Currently more than 10,000 mechanics and their families are being benefitted by the "Jai Ho" scheme. Your Company aims to connect with more retailers, distributors and mechanics on a personal level. Your Company has a very strong PAN India after-market network comprising of 11 depots, 300+ distributors and 6,000+ retailers, supplying 5,000+ parts and catering to 10,000+ mechanics. In order to promote the ease of doing business, supply chain system has been integrated with a state-of-the-art ERP system. Your Company also expects higher demand and a greater market share in domestic after-market post GST implementation.

Your Company also plans to expand base in the after markets through sales of spring allied products, lift axle and air suspension parts apart from existing products range.

Quality has always been paramount for JAI. During the year your Company's plants at Malanpur and Yamuna Nagar were awarded the esteemed TPM Excellence Category 'A' award by Japan Institute of Plant Maintenance.

Apart from diversification of products and markets, your Company has also been expanding its manufacturing base. JAI's 9 plants are strategically located next to customers – whether it be OEM or after markets. In continuation to your Company's strategy of staying close to customer hubs, your Company is planning to set up two more plants - one at Pithampur near Indore, Madhya Pradesh and the other at Adityapur near Jamshedpur, Jharkhand. Land for both these locations has been allotted.

Your Company is increasing the capacity through setting up new plants and modernising/upgrading its existing plants. These expansions and modernisation is funded through internal accruals. Post completion of these activities the capacity would increase by around 20%.

Your Company endeavours to continuously reduce its break even point through modernisation, upgradation, shift in product mix and other cost reduction measures.

R&D is a constant endeavour at JAI. Your Company has a R&D centre in Pune. It is the only in-house spring & suspension R&D centre in India and the facility has been approved by the Department of Scientific and Industrial Research. Following years of study and new specialised equipment, your Company has developed capabilities to design and produce complete suspension systems from black box stage indigenously. The R&D centre has state of art test facilities with capability of testing the entire suspension systems.

Diversification at your Company is accompanied by strong financial progress. In FY 18 revenue grew at double digit around 34%.

Your Company's credit rating has been reaffirmed by ICRA as A1+ for Short-Term and AA- for Long-Term debt.


In accordance with the 'Lakshya' for FY18, your Company has maintained the dividend payout ratio of 33% (inclusive of dividend distribution tax) and achieved RoCE of more than 50%.

I would also like to touch upon a very important aspect of the organisation: our people. The outstanding team which works day after day, across levels, divisions, and geographies, are, quite literally, the pillars of JAI's foundation.

Finally, I would like to express my gratitude to all our stakeholders specially customers, for their continued trust in our ability to support them and bring value to their businesses, and to our collaborators, for helping us with their support to our customers and keep our promises to them.

I would also like to thank all local, state and national governments, the associated bodies, and banks and financial institutions for their strong support.

Yours sincerely



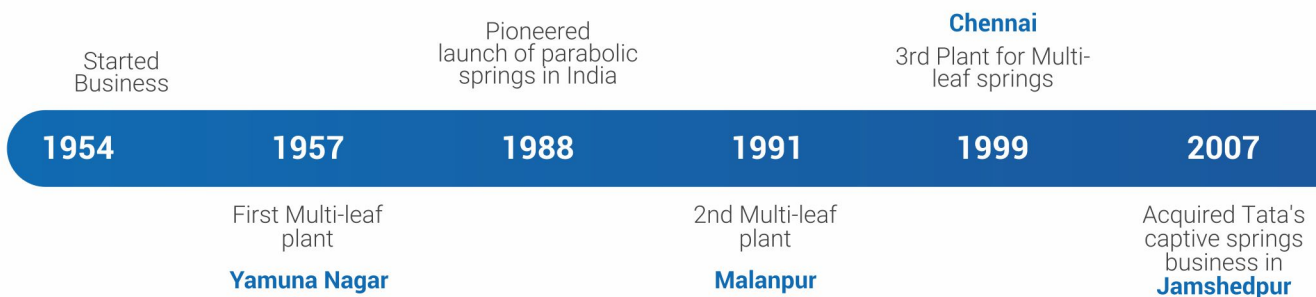
**Bhupinder Singh Jauhar**  
(Chairman)

# JAI TODAY

# Future Ready for Growth...



## OUR JOURNEY





# Our Products

## Multi-leaf Spring



A stack of spring steel leaves held together with a center bolt. The number of leaves in a stack will directly affect the springs capacity or load rate

A leaf/ set of leaves tapered in a parabolic curve. Allows improved ride quality and weight reduction, making it capable of handling increased stress levels and reduced interleaf friction for longer fatigue life

## Parabolic Springs



## Lift Axle



Uses air bags to carry weight. It can be mounted on trucks, trailers of both and is commonly found in tanker-style as well as vehicles used to haul oversized loads.

Used in place of conventional steel springs, mostly in heavy vehicles such as buses and trucks. It provides smooth and constant ride quality

## Air Suspension



## NEW ADDITIONS

### Stabilizer Bar



Reduces body roll of vehicle during fast cornering or over road irregularities. Connects opposite wheels together by a torsion spring.

U bolts are used to clamp the leaf springs and related component together firmly.

### U bolts



Collaboration with Ridewell Corporation USA

Assembly line in **Hosur**

6th and 7th Plant In **Pune & Pillaipakkam** For Air suspension and lift axle

Expansion at **Malanpur & Yamuna Nagar**

2008

2012

2015

2016

2017

2018

4th & 5th plant **Jamshedpur & Pant Nagar**

Set up in-house R&D in **Pune**

8th and 9th plant in **Hosur & Lucknow**

# OUR MARKETS



## Strategically Located Manufacturing





The map not to scale. This map is for illustrative purpose only.

### Strongest Leaf Spring After Market





# OUR CUSTOMERS



 <b>AMW</b> THE GLOBAL TRUCK	 <b>Ashok Leyland</b>	 BHARATBENZ	 <b>FORCE</b> MOTORS	 GM
 <b>ISUZU</b> Your responsible partner	 MAN	 SML ISUZU	 SML ISUZU	 TATA
 <b>TOYOTA</b>	 <b>UD TRUCKS</b>	 VE COMMERCIAL VEHICLES <small>A VOLVO GROUP AND ISUZU MOTORS JOINT VENTURE</small>	 VOLVO	



- **JAI** is a major supplier of **Multi-Leaf and Parabolic Springs** for OEMs in India with 72% share of business
- **JAI** serves its esteemed customers from its **nine plants across India**, strategically located in close proximity to **OEMs**
- Only Spring company in India with in-house **R&D Centre offering customized suspension solutions** to the customers



# OUR GROWTH STRATEGY: PROJECT LAKSHYA

Meeting Landmarks and setting Higher Standards...



✓ **Product**  
Derisking

**Diversifying**  
Markets

**OPERATIONAL**  
GOALS



**PERFORMANCE**  
IN FY18







✓ **Dividend**  
pay-out

✓ **ROCE**

**OPERATIONAL**  
GOALS

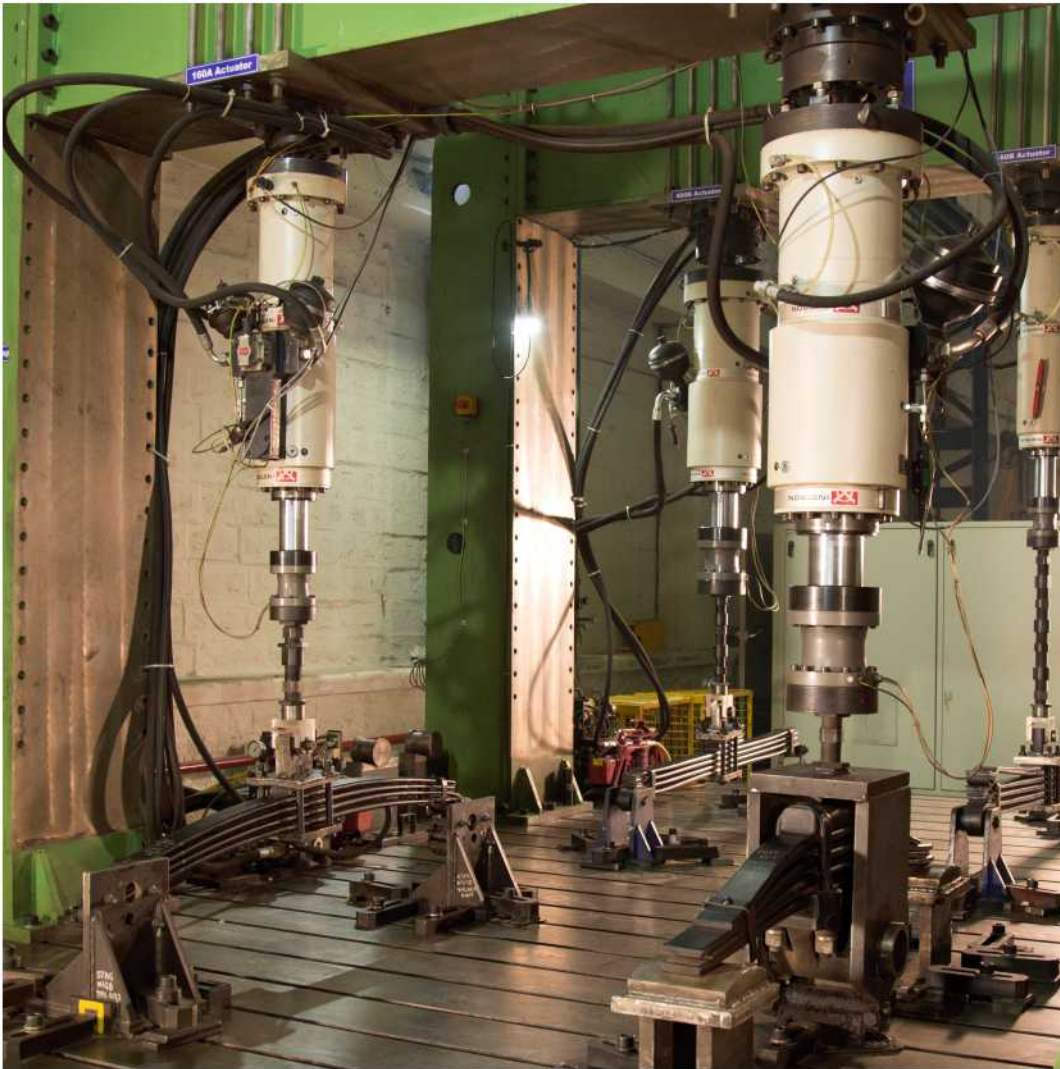


**PERFORMANCE**  
IN FY18





# OUR FOCUS ON TECHNOLOGY







- **State-of-the-art** equipment with adherence to global standards
- Best of **low cost optimization** and **productivity optimization**
- Building in-house technical abilities for design and manufacture of **new suspension products such as Air Suspension** and **lift axle** with the support of technology tie up with **Ridewell Corporation, USA**



# OUR CONTRIBUTION TO SOCIETY

## INITIATIVES TAKEN FOR ENVIRONMENT

- Organized 25 cleanliness drives in surrounding villages at Yamuna Nagar, Malanpur and Jamshedpur and installed 50 dustbins in Govt. schools to manage waste
- Maintained 2,000-meter Green Belt in Yamuna Nagar and Malanpur to enhance green cover. Renovated and beautified public Park in Yamuna Nagar
- Installed 210 tree guards to protect saplings in public places at Malanpur, Yamuna Nagar and Delhi. Planted 12,000 saplings all over Company's plants locations
- Sensitized more than 12,000 beneficiaries on conservation of natural resources by organizing awareness activities and celebration of events



## INITIATIVES TAKEN FOR EDUCATION

- Encouraged more than 500 meritorious students to excel in studies by rewarding scholarship
- Provided better infrastructure and facilities in rural areas.
- Sensitized almost 1150 students in Govt schools in Malanpur, Jamshedpur and Yamuna Nagar by distributing dental kit on quarterly basis
- Successfully running and strengthening 6 non-formal education center - Jamna Phulwari in Delhi, Malanpur and Jamshedpur to provide extra educational support to more than 225 needy children by taking care of education, nutrition, health and hygiene etc and Promoted 50 girl child in higher education by gifting books and bicycles in Yamuna Nagar and Delhi.
- Promoted personal hygiene among rural girl students by installing a sanitary napkin vending machine and incinerator in Yamuna Nagar. Empowered 75 rural women by making them functionally literate in village Faizpur, Yamuna Nagar

**स्वास्थ्य परीक्षण शिविर का आयोजन**  
**यमुनानगर (ओम्हाहावा):** जमुना आर्टो कंपनी के सीएसआर विभाग की ओर से गांव फैजपुर में स्वास्थ्य परीक्षण शिविर का आयोजन किया गया, जिसमें गाइड अस्पताल के चिकित्सकों ने 300 से अधिक ग्रामीण लोगों के स्वास्थ्य की जांच की व निशुल्क दवाइयां विलेंटर की। शिविर के दौरान डॉ. रुचिका ने समस्त महिलाओं को व्यक्तिगत स्वच्छता पर विशेष ध्यान देने के लिए जागरूक किया। जमुना आर्टो की तरफ से सभी महिलाओं को निशुल्क सेनेटरी पैड भी वितरित किए। सीएसआर हेड श्रीमती संजय मराठ्रा ने बताया महिलाओं को पैड हर महीने आगनवाटी सेंटर की ओर से बांटे जाएंगे तथा निर्यात रूप से इसका उपयोग करने हेतु महिलाओं को जागरूक व प्रेरित किया जाएगा। इस अवसर पर गाइड अस्पताल के चरित ज. निपु दमन सिंह, डॉ अनिल बसल, ज. मनिंदर राणा के साथ जमुना आर्टो के अधिकारियोंग उपस्थित थे।

**उत्कृष्ट प्रदर्शन करने पर 425 विद्यार्थी पुरस्कृत**

जमुना आर्टो द्वारा आयोजित उत्कृष्ट प्रदर्शन करने पर 425 विद्यार्थी पुरस्कृत कार्यक्रम में विद्यार्थियों को पुरस्कार वितरित किया गया।

**बुककड़ नाटक से दिया स्वच्छता का संदेश**

स्वच्छता को बढ़ावा देने के लिए बुककड़ नाटक का आयोजन किया गया।

# FOCUSSED ON CREATING A CYCLE OF CHANGE





## INITIATIVES TAKEN IN SPORTS

- Nurtured 155 Star Sports person by sponsoring their coaching, diet, equipment, boarding and loading etc. to prepare for Olympic Games
- Promoted sports among youth by gifting sports equipment to school and college students all over Company's plants locations
- Encouraged young talent in sports by sponsoring of events like; Body Building Championship, T-20 Cricket Match, Annual Sports Meets etc
- Our sponsored start sports person Mr. Shivam Saini won Silver medal in Sr. Youth Commonwealth Games in Weightlifting Championship held in Malaysia and Mr. Harish Kumar won Silver medal in Asian Wushu Championship held in South Korea

### म्युसिक थेरपीला क्रिकेटपटू ब्रेट लीची साथ



## INITIATIVES TAKEN FOR THE COMMUNITY

- Created awareness and ensured basic health facilities for more than 10,000 beneficiaries all-over Company's plants locations by organizing Multispecialty Health Check-up camps, Dengue Free Zone Campaign, lecture on Personal Health & Hygiene, Eye Check-up camps, free spectacles, ambulances, cataract surgeries etc
- Sensitized more than 3800 community people on hazardous of Tobacco by organizing awareness activities on World No Tobacco Day
- Sponsored Music Therapy program for children suffering from cancer in St. Jude India Childcare Center, Mumbai in collaboration with Mewsic Foundation, a social initiative by Brett Lee, international cricketer
- Constructed 43 toilets for poorest families in village Faizpur, Yamuna Nagar
- Social empowerment of more than 3100 girl children and women on gender issues by creating awareness and advocating the issue "Let's Make World Better Place for Women"
- Inaugurated Jamna Resource Center in District Prison, Gurgaon to improve the quality of life of inmates by making them trained in computer training and counselling. 58 trainees successfully trained basic computer course



## Making a Difference

Recipient of **"National CSR Leadership Award"**  
2017 conferred by World CSR Congress in Bengaluru

Recipient of **"100 Most Impactful CSR leaders"** 2017 (in Global Listing) conferred by World CSR and World Sustainability Forum in Mumbai.

Recipient of **"Social Footprints - National CSR Awards & Summit 2018 – for Excellent Value-added to the local Community"** conferred by CMAI and CIM Global in Vignyan Bhawan, Delhi





# Five Year's Financial Summary

Operational Results (Rs in Lakhs)	2018	2017	2016	2015	2014
Gross Sales	175,732	140,963	136,345	118,522	89,383
Less Excise Duty	1,920	11,719	10,765	9,021	6,053
Net Sales	173,812	129,244	125,580	109,501	83,330
Other Income	787	512	835	201	202
Total Income	174,599	129,756	126,414	109,701	83,532
Operating Profit (PBDIT)	24,569	20,525	17,056	9,650	6,669
Interest	1,822	1,224	2,034	1,802	2,407
PBDT	22,746	19,301	15,022	7,848	4,262
Depreciation & Amortization	4,137	4,773	4,523	3,110	2,591
Profit Before tax and other items	18,609	14,528	10,499	4,738	27
Exceptional Items -(Gain)/(loss)	-	-	-	-	1,644
Profit Before Tax	18,609	14,528	10,499	4,738	1,671
Tax	6,366	4,824	4,395	1,549	391
Defferred Tax Credit	(288)	(792)	(1,047)	251	(104)
Profit After Tax	12,531	10,496	7,150	2,938	1,384
Other Comprehensive Income	(58)	(45)	-	-	-
Total Comprehensive income	12,472	10,451	-	-	-
Cash Profit/ (Loss)	16,668	15,269	11,674	6,049	3,975
<b>Financial Indicator</b>					
Assets	33,227	30,123	27,468	24,972	26,158
Investments	47	47	-	-	-
Current Assets	41,594	19,544	16,688	20,641	24,486
Non Current Assets	4,072	6,381	4,203	3,993	3,260
Equity Share Capital	3,983	3,983	3,972	3,962	3,950
Preference Share Capital	-	-	-	-	175
Reserves & Surplus	38,406	29,287	22,898	15,680	14,035
Net Worth	42,389	33,269	26,871	19,642	18,161
Long Term Funds	3,999	2,072	1,117	6,330	10,247
Short Term Funds	2,261	5,228	435	97	2,281
Non Current Liabilities & Provisions	2,637	2,337	1,221	2,117	1,905
Current Liabilities & Provisions	27,654	13,189	18,715	21,418	24,990
<b>Ratio</b>					
PBDIT to sales %	14	16	14	9	8*
PBIT to Sales %	12	12	10	7	5
PBT to Sales %	11	11	8	4	2
PBDIT/Avg. Capital Employed	61	70	70	33	20
PBIT/Avg. Capital Employed (ROCE)	51	54	52	22	12
PAT/Net Worth	30	32	27	15	8
EPS (Rs)	3^	3^	9^	7	3
Dividend Per Share (Rs)	0.85^	0.70^	2.75^	2.20	1
Net Worth Per Share (Rs)	11^	8^	34^	50	46

\* Excluding exceptional and prior period items is 6%.

^ Face value per share:

2018 & 2017 : Rs. 1 per share

2016 : Rs. 5 per share

Rest of the years : Rs. 10 per share



# Management Discussion & Analysis

## **Q. FY18 was a strong year for the Indian CV Industry. How do you see growth, going forward?**

**Ans:** FY18 has ended on a positive note for the Indian Commercial Vehicle (CV) industry. Overall CV sales grew at around 16% YoY. The on-going recovery in the economy has supported higher demand for CVs. India has been recovering from the effects of introduction of Goods and Services Tax (GST). The rebound from this transient shock is being accompanied by robust demand on the back of easy availability of finance at low interest rates, pick-up in road construction activity and increased activity in infrastructure, agriculture, mining and e-commerce sectors.

Going forward, demand is expected to increase further, on back of massive push proposed in the Union Budget for the infrastructure sector.

## **Q. JAI has been consistently performing. Will this scenario repeat in FY19 too? How is JAI preparing for the expected growth in Indian CVs? Please elaborate on the strengths that make the company 'Future Ready'?**

**Ans:** FY18, was a good year for the commercial vehicle segment. In FY18, the Company's consolidated revenue rose to Rs.1,740 crore. The consolidated PBT stood at Rs.186 crore. This is a testament to the strength of our business model and our ability to remain 'Future Ready'.

Today, JAI is India's No. 1 and one amongst the world's largest manufacturers of multi-leaf and parabolic springs with a significant market share in domestic OEM. Increased demand for high-tonnage trucks, which contain more springs per vehicle, combined with increasing demand for non-conventional products, augurs well for us both in parabolic springs and lift axle.

Our PAN India presence through plants & depots has been built to ensure we have the most exhaustive coverage whether it be OEM or after-market. In continuation to your Company's strategy of staying close to customer, JAI is planning to set up new plants at Pithampur near Indore, Madhya Pradesh and Adityapur near Jamshedpur, Jharkhand.

JAI has been the pioneer in introducing parabolic springs in India. Parabolic penetration in the Indian CV industry is rapidly expanding. JAI had tied up with Ridewell Corporation (USA) for air suspension and lift axles. JAI's lift axles are witnessing increased market penetration. The Company also has plans to come out with new products i.e. Stabilizer Bar, U-Bolt and Trailer Suspension in near future.

The after markets segment is estimated to be larger than the domestic OEM market. This is a core area of focus for us today,

especially post implementation of GST. JAI has expanded its distribution network in India and abroad and adopted new branding strategies. The JAI brand is fast becoming the most reliable option in the after markets. Brand-building and promotion in the after markets have been in full swing.

JAI also plans to expand base in the after markets through sales of spring allied products, lift axle and air suspension parts to increase existing products portfolio.

JAI's Malanpur and Yamuna Nagar plants were awarded the TPM Excellence Category 'A' award by Japan Institute of Plant Maintenance.

The Company has an in-house spring R&D centre in Pune approved by the Department of Scientific and Industrial Research. We endeavour to continuously invest to enhance our R&D capabilities and introduce new technologies.

## **Q. As part of the 'Lakshya' programme, the Company has set internal targets for diversification, returns and dividends to shareholders. Could you please provide an update on the same in FY18?**

**Ans:** Our 'Lakshya' plan was launched few year back with the idea to lay down stepping stones to help us move towards our vision of leadership in global suspension solutions. Accordingly, we identified strategic, financial and operational goals. 'Lakshya' focusses on value-creation for the Company and its shareholders by diversifying revenues across products and markets and ensuring strict capital allocation.

In FY18, progress in Project Lakshya was as follows:

### **33% revenue from new products:**

JAI is already the market leader in the conventional multi-leaf spring market. We have made a conscious effort to expand our share of revenue from products other than conventional leaf springs. We are already the leader in non-conventional springs and new products in India. Going forward, our portfolio of products shall include leaf spring, parabolic springs, air suspension, lift axle, stabilizer bar, U-bolt and trailer suspension.

In FY18, around 37% of the revenue came from new products, surpassing our 'Lakshya' of 33%.

### **33% revenue from new markets:**

JAI is diversifying its markets in the after markets and exports and making focused efforts to achieve other 'Lakshya' of '33% revenue from new markets'. In FY 18 revenue from new markets was around 15%. For after markets, a strong and dedicated team as well as a separate supply chain have been

established. There has also been an increased focus and efforts to the after-market.

Brand-building and promotion in the after-market were in full swing during the year. JAI actively participated in the best of auto-component industry's events and received an overwhelming response. JAI marked its presence in the "Truck, Trailers & Tyre Expo 2017", "ACMA North-East Expo 2017" and Auto Expo - Components 2018" and generated fruitful business from there.

In after-market, there has been an increased focus on branding and marketing with the "JAI Vistar" initiative with loyalty programs for mechanics - "Jai Ho" scheme, retailers - "Jai Sarathi" scheme and distributors - "Jai Rising Star" scheme. Currently more than 10,000 mechanics and their families are being benefitted by the "Jai Ho" scheme. The Company aims to connect with more retailers, distributors and mechanics on a personal level. The Company has a very strong PAN India after-market network comprising of 11 depots, 300+ distributors and 6,000+ retailers, supplying 5,000+ parts and catering to 10,000+ mechanics. In order to promote the ease of doing business, supply chain system has been integrated with a state-of-the-art ERP system.

The JAI brand is fast becoming the most reliable option in the after markets. The Company also plans to expand its product range in after market by adding spring allied products, lift axle and air suspension parts.

The Company also expects higher demand and market share in domestic after-market post GST implementation.

### 33% RoCE

We have always focussed on value creation and maximum capacity utilisation. Our consolidated PBT for FY18 was Rs.186 crore, compared to Rs.145 crore in FY17, re-affirming our improved performance during the year. As we move forward and achieve the other 'Lakshyas', break-even volume will automatically keep improving. In FY18, we achieved the ROCE of more than 50%.

### 33% Dividend payout

The primary aim of the company has always been to share the rewards of performance with its stakeholders. In FY18, the company has a dividend pay-out ratio of 33% (inclusive of dividend distribution tax amount) maintaining the Lakshya target.

### Q. What are the key financials of the Company?

**Ans.** Following are the key financials of the Company at standalone and consolidated levels. For details members are requested to see five years financial summary:

(Rs. in crore)

Particulars	Standalone Year ended March 31, 2018	Consolidated Year ended March 31, 2018
<b>Net Sales</b>	1608.55	1738.13
<b>PBDIT</b>	229.72	245.69
<b>Finance cost</b>	15.31	18.22
<b>PBDT</b>	214.40	227.46
<b>Depreciation &amp; Others</b>	39.41	41.37
<b>PBT</b>	174.99	186.09
<b>Provision for tax</b>		
• Current tax	54.00	63.66
• Defferred tax	(4.36)	(2.88)
<b>PAT</b>	125.34	125.31

### Q. What are the internal controls in the company?

**Ans.** JAI has put in place strong internal control systems and processes corresponding to the size and scale of its operations. The internal controls are aligned to global standards and processes and are reviewed for adequacy and relevance from time to time. The Company has appointed audit firm M/s Protivity, Risk and Business Consulting as the internal auditor. The audit committee reviews the audit reports submitted by the internal auditors. Suggestions for improvements are considered and implemented. The Company places strong emphasis on best practices in corporate governance.



# DIRECTORS' REPORT

Dear Members,

The Directors have pleasure in presenting the 52<sup>nd</sup> Annual Report and Audited Financial Statements for the financial year ended March 31, 2018.

## Financial Results-An Overview

(Rs. in crore)

Particulars	Standalone		Consolidated	
	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2018	Year Ended March 31, 2017
Gross Sales	<b>1630.85</b>	1223.87	<b>1757.32</b>	1409.63
Net Sales	<b>1608.55</b>	1081.54	<b>1738.13</b>	1292.44
PBIDT	<b>229.71</b>	188.16	<b>245.69</b>	205.25
Finance cost	<b>15.31</b>	10.76	<b>18.22</b>	12.24
PBDT /Cash Profit	<b>214.40</b>	177.39	<b>227.46</b>	193.01
Depreciation	<b>39.41</b>	46.39	<b>41.37</b>	47.73
PBT	<b>174.99</b>	131.00	<b>186.09</b>	145.28
Provision for current tax	<b>54.00</b>	33.63	<b>63.66</b>	48.24
MAT	-	-	-	-
Provision for deferred tax	<b>(4.36)</b>	(6.67)	<b>(2.88)</b>	(7.92)
PAT	<b>125.34</b>	104.05	<b>125.31</b>	104.96
Other Comprehensive Income	<b>(0.49)</b>	(0.42)	<b>(0.58)</b>	(0.45)
Total Comprehensive Income	<b>124.85</b>	103.63	<b>124.72</b>	104.51
Balance brought forward	<b>81.47</b>	18.57	<b>78.97</b>	15.18
Payment/ Provision of dividend including tax	<b>33.56</b>	40.73	<b>33.56</b>	40.73
Retained earnings	<b>172.77</b>	81.47	<b>170.14</b>	78.97

## Performance

Year 2017-18 turned out to be a good year for the domestic Commercial Vehicle (CV) segment. In the beginning of the FY 2018, the CV segment saw initial hiccups when the market was transiting to BS IV emission norms. From the beginning of second quarter of the FY 2018, the CV segment led by truck segment has been on a recovery phase aided by higher demand post GST implementation, stricter implementation of overloading norms. Overall CV segment grew at around 16% YoY.

The Company's topline observed a growth as consolidated revenue rose to Rs. 1,740 crore compared to Rs. 1,292 crore in previous year. The consolidated PBT stood at Rs. 186 crore as compared to Rs. 145 crore in the previous year. In OE segment the Company continues to be a market leader in the multi-leaf springs and parabolic springs with 72% OEM market shares in India. Company's lift axles have continue to get a good response from customers. The Company also plans to come out with new products i.e. Stabilizer Bar, U-Bolt and Trailer Suspension in near future.

The after market segment is a core area of focus for the Company specially post implementation of GST. The Company expands its distribution network in India and abroad and

adopted new branding and marketing strategies. The Company has launched the "JAI Vistar" initiative with loyalty programs for mechanics - "Jai Ho" scheme, retailers - "Jai Sarathi" scheme and distributors - "Jai Rising Star" scheme. Currently more than 10,000 mechanics and their families are being benefitted by the "Jai Ho" scheme. The Company has a very strong PAN India after-market network comprising of 11 depots, 300+ distributors and 6,000+ retailers, supplying 5,000+ parts and catering to 10,000+ mechanics. In order to promote the ease of doing business, supply chain system has been integrated with a state-of-the-art ERP system.

The Company serves its customers from its plants situated all across India. During the year under review, Yamuna Nagar and Malanpur Plants have been awarded the esteemed TPM Excellence Category 'A' award. Company's focus to adopt best quality and service practices in manufacturing process to deliver quality products. The Company plans to continue to expand its manufacturing footprints by setting up further two plants one at Pithampur near Indore, Madhya Pradesh and other at Adityapur near Jamshedpur, Jharkhand.

During the year under review, The ICRA has maintained Company's long term rating at AA- and short term rating at A1+ with positive outlook. The rating of A1+ has been assigned to the commercial papers issued by the Company.

The Company has moved a step closer to achieve the internal target in terms of 'Project Lakshya'. A detailed discussion on the operations and performance for the year is given in the Management Discussion and Analysis (MDA) section in the annual report. For details, members are requested to please see MDA section.

There has been no change in the nature of business of the Company during the year under review. During the period under review and till the date of last reporting no such material changes/commitments have taken place as to affect the financial position of the Company.

## Dividend

An interim dividend of Rs.0.30 per equity share of Rs.1/- each was declared and paid during the FY 2017-18. In addition, the Directors are pleased to recommend for your consideration a final dividend of Rs 0.55/- per equity share of Rs.1/- each. Payment of final dividend will be made subject to approval of the members of the Company at the ensuing Annual General Meeting. With the payment of final dividend, the total dividend payment for the FY 2017-18 would be Rs 0.85 per equity share of Rs.1 each.

## Transfer to Reserves

The Company has not transferred any amount to the General Reserves for the FY ended March 31, 2018.

## Fixed Deposit

During the year under review, your Company has not invited or accepted/renewed any fixed deposits from public under

Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

### Energy Conservation, Technology Absorption & Foreign Exchange

In accordance with the requirements of Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, a statement showing particulars with respect to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo is annexed hereto as Annexure-1 and form an integral part of this report.

### Risk Management Policy

One of the major aim of the project Lakshya is to de-risk the Company from market, operational and other risks. The Company has established a three layer framework for risk identification, evaluation, control, minimization and control. The Company also has a risk management policy in place. Risk management policy of the Company is available at the website of the Company at [www.jaispring.com](http://www.jaispring.com).

### Vigil Mechanism / Whistle Blower

The Company has implemented whistleblower policy to deal with any fraud, irregularity or mismanagement in the Company. The policy enables any employee or director to directly communicate to the Chairman of the Audit Committee to report any fraud, irregularity or mismanagement in the Company. The policy ensures strict confidentiality while dealing with concerns and also that no discrimination or victimization is meted out to any whistleblower. The policy is also hosted on the website of the Company at [www.jaispring.com](http://www.jaispring.com).

### Corporate Social Responsibility (CSR)

Diligently discharging its social responsibility is a part of Company's core strategy. As a responsible organization focused on inclusive growth, the Company emphasizes on environment conservation and sustainability, promotion of education, promotion of sports and community outreach as per the CSR Policy of the Company. In recognition to our contribution to CSR, World CSR Day & World Sustainability Forum awarded the Company as one among the "100 most impactful CSR leaders" of the year in their global listing. The Company is also a recipient of "Social Footprints - National CSR Awards & Summit 2018 for Excellent Value Added to the local Community" conferred by CMAI & CIM Global in Vigyan Bhawan, Delhi.

The details about the CSR policy and initiatives taken by the Company on CSR during the year are available at the website of the Company at [www.jaispring.com](http://www.jaispring.com). The Annual Report on CSR activities undertaken by the Company during the year under review is annexed hereto as Annexure-2 and form an integral part of this report.

### Directors and Key Managerial Personnel

Total strength of the Board of Directors is 9 consisting of 5 Independent Directors, 3 Executive Directors and 1 Non-Executive Director. The Composition of the Board is in conformity with the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Mr. B. S. Jauhar, non-executive director is the Chairman of the Board of Directors of the Company. Mr. R. S. Jauhar is the Executive Vice-Chairman and Mr. P.S. Jauhar is the Managing Director & CEO. During the year under review, Mr. H.S. Gujral, an Executive Director resigned from the Board of Directors with effect from February 13, 2018. Mr. S.P.S. Kohli has been inducted as an Executive Director on the Board with effect from February 13, 2018. By virtue of cessation of Mr. H.S. Gujral and induction of Mr. S.P.S. Kohli as Executive Director, the total strength of Board remains same. All the executive directors are appointed by the Board for a fixed term, normally, of three years on recommendation of the Nomination & Remuneration Committee of the Board subject to approval by members of the Company.

Mr. S.P.S. Kohli has been initially inducted as an Additional Director on the Board. The approval of members of the Company is being sought for his appointment as Whole Time Director designated as an Executive Director on the Board of Directors of the Company. The resolution for appointment of Mr. S.P.S. Kohli and payment of remuneration to him shall be placed before the members for their approval at the ensuing Annual General Meeting of the Company. His appointment is appropriate and in the best interest of the Company.

Mr. J. K. Jain, Mr. U. K. Singhal, Mr. Shashi Bhushan Bansal, Mr. Rakesh Kalra and Ms. Payal Chawla are the 5 independent directors on the Board of Directors of the Company. All the independent directors are appointed for a period of five years and are not liable to retire by rotation.

The executive directors are paid monthly remuneration and commission on the profits of the Company as per the terms of their appointment. Non-executive directors are paid sitting fee for attending meetings of the Board and Committee thereof. The Nomination & Remuneration Committee reviews and makes recommendations of the appointment and remuneration of the executive directors. The Policy relating to remuneration of Directors forms an integral part of this report and is attached as Annexure-3. The policy is also available on the website of the Company at [www.jaispring.com](http://www.jaispring.com).

The Nomination & Remuneration Committee and the Board of Directors have recommended the re-appointment of Mr. P. S. Jauhar as Managing Director & CEO of the Company for a further period of 3 years with effect from August 01, 2018 to July 31, 2021. The resolution for re-appointment of Mr. P. S. Jauhar and payment of remuneration to him shall be placed before the members for their approval at the ensuing Annual General Meeting of the Company. His re-appointment is appropriate and in the best interest of the Company.

During the year under review, four meetings of the Board of Directors of the Company were held on May 20, 2017, August 12, 2017, November 11, 2017 and February 13, 2018 respectively. The complete details about the Board's strength, attendance and remuneration of directors is given under Corporate Governance Report which forms an integral part of this Annual Report.

The Company has received declaration from all the independent directors stating that they continue to meet the criteria of independence laid down under Section 149(7) of



the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. Further, all the Directors have confirmed that they have complied with the Company's code of conduct.

In compliance with the provisions of Section 152 of the Companies Act, 2013 read with the Articles of Association of the Company, Mr. P S Jauhar, Director of the Company will retire at the ensuing Annual General Meeting and being eligible, has offered himself for reappointment. The Board recommends his re-appointment.

The brief profile of the Directors who are proposed to be appointed / re-appointed, are furnished in the notice of 52nd Annual General Meeting. The Board recommends appointment /re-appointments of above said directors.

### Related-Party Transactions

Related party transactions entered into by the Company during the year under review were in the ordinary course of business at arm's length pricing basis in accordance with Company's policy on Related Party Transactions. The policy is also available on the website of the Company at www.jaispring.com. Prior approval of the Audit Committee, Board of Directors and the members of the Company as the case may be is also taken for related party transactions. Details of the transactions with related parties entered into by the Company are also periodically placed before the Audit Committee and the Board of Directors. Form AOC-2 for disclosure of particulars of contracts/ arrangements entered into by the Company with related parties referred to in Section 188 of the Companies Act, 2013 is annexed hereto as Annexure-4 and forms an integral part of this report.

### Extract of Annual Return

The extract of the Annual Return in Form MGT-9 is annexed herewith as Annexure-5 and form an integral part of this report.

### Human Resource

At JAI, it's about the people behind the scenes. We have worked hard to create a dedicated team having long term commitment to deliver results. Your Company continues to enjoy cordial relationships with the employees and work force across all units and establishments.

### Equity shares

During the year under review, the Company's equity shares of face value of Rs.5 each splitted into equity share of face value of Rs.1 each with effect from October 06, 2017. The Equity Shares of your Company continue to be listed at National Stock Exchange of India Limited and Bombay Stock Exchange Limited. The Company has paid the Listing Fees for FY 2018-19 to the Stock Exchanges.

The Company has not issued any sweat equity shares or equity shares with differential voting rights hence there are no information required to be furnished in terms of provisions of Rule 4(4) and Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014.

In compliance with the provisions of Companies Act, 2013, SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and SEBI (Share Based Employee Benefits) Regulations,

2014, the particulars with regard to employs stock options as on March 31, 2018 are annexed as Annexure-6 and forms an integral part of this report.

### IPR

During the year, Company has got registration of its trademarks "JAI" and " JPSL" in Russian Federation. Company has already got registration of its trademark "JPSL" in Republic of Bangladesh whereas trademark "JAI" is under process. Company is also under process of getting registration of its trademarks "JAI" & "JPSL" in Nepal. Company's application for granting Indian Patent for Air Suspension is pending before the Indian Patent Authorities. Company is copyright holder of more than 75 designs of Leaf and Parabolic spring.

### Corporate Governance

The Company lays strong emphasis on transparency, accountability and integrity in its plans, policies and procedures. The Company adheres to accomplish the timely compliances as may be required from time to time under the provisions of Companies Act, 2013, SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Company ensures the compliances of applicable Secretarial Standards from time to time.

Pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the report on corporate governance regarding compliance of conditions of corporate governance is set out at Annexure-7 as separate section and forms an integral part of this report. The certificate of the Statutory Auditors confirming compliance with the conditions of the SEBI Listing Regulations is also attached thereto. The certificate does not contain any qualification, reservation or adverse remarks.

Pursuant to Regulation 34 & Regulation 43A of SEBI (Listing Obligations & Disclosures Requirement) Regulations, 2015, the Company is covered in list of top 500 Companies as per the data of stock exchanges as on March 31, 2018, the Business Responsibility Report is applicable on the Company for the financial year ending on March 31, 2019.

### Auditors and Auditors' Report

#### Statutory Auditors

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the rules framed thereunder, the tenure of M/s S. R. Batliboi & Co; LLP Chartered Accountants as statutory auditors of the Company shall expire at the conclusion of the 52nd Annual General Meeting of the Company. M/s S. R. Batliboi & Co; LLP Chartered Accountants have expressed their willingness and eligibility to be re-appointed as statutory auditors of the Company. Board of Directors has recommended the re-appointment of M/s S. R. Batliboi & Co; LLP, Chartered Accountants as Statutory Auditors at the ensuing Annual General Meeting for a further period of 5 year subject to the approval of members of the Company. The resolution for approval of re-appointment is being sought in the 52<sup>nd</sup> Annual General Meeting.

The report of the statutory auditors read with notes on accounts are self-explanatory and do not call for any further comments.

The Auditors' Report does not contain any qualification, reservation or adverse remarks.

### Secretarial Auditors

M/s K J & Associates, Company Secretaries who were appointed to conduct Secretarial Audit for the financial year ended March 31, 2018 have submitted their secretarial audit report. The report does not contain any qualification, reservation or adverse remarks. The report of the Secretarial Auditors for the FY ended March 31, 2018 is annexed as Annexure-8 and forms an integral part of this report.

In compliance with the provisions of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has re-appointed M/s K J & Associates, Company Secretaries to conduct Secretarial Audit for the financial year ending March 31, 2019.

### Cost Auditors

M/s Jangira & Associates, Cost Accountants are proposed to be re-appointed as cost auditors of the Company for the FY 2018-19 pursuant to the requirements of Section 148 of the Companies Act, 2013. The cost audit report of the FY 2017-18 would be filed with the Central Government within the prescribed time. The remuneration payable to the Cost Auditor is being sought for approval by the members of the Company in the ensuing Annual General Meeting.

### Subsidiary

The Company has a wholly owned subsidiary namely Jai Suspensions Limited. During the year under review, the subsidiary company has not started its business activity. The Company is also a majority partner in Jai Suspension Systems LLP.

Pursuant to the provisions of Section 136 of the Companies Act, 2013 read with applicable rules made thereunder, the consolidated financial statements of the Company forms part of the Annual Report. A statement containing the salient features of the financial statement of the subsidiary in the Form AOC-1 is attached with the financial statements of the Company.

### Management Discussion & Analysis

Management Discussion & Analysis Report is set out as separate section of the Annual Report.

### Particulars of Loans, Guarantees or Investments

Particulars of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

### Material Changes and Commitment

There were no material changes and commitments affecting the financial position of the Company between the end of FY 2017-18 i.e. March 31, 2018 and the date of this Report. There are no significant material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its future operations.

### Particulars of Employees

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as Annexure-9 and forms an integral part of this report.

As per the provisions of Section 136(1) of the Companies Act, 2013, the Report and the Accounts are being sent to all the members of the Company, excluding the information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Any member interested in obtaining such information may write to the Company Secretary at the Registered Office. The said information is also available for inspection at the Registered Office during working hours up to the date of ensuing Annual General Meeting.

### Internal Financial Control

In accordance with the provisions of Section 134(5) (e) of the Companies Act, 2013, your Company has duly adopted policies and procedures to ensure 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.

### Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company recognizes its responsibility to provide a safe working environment for women, free from sexual harassment and discrimination. In line with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has constituted a Sexual Harassment Committees at plants and other locations for prevention and redressal of complaints of sexual harassment and for the matters connected therewith. There were no cases/complaints pertaining to the sexual harassment reported to the Committee during the period under review.

### Transfer of amount to Investor Education and Protection Fund

During the Financial Year 2017-18, the unclaimed interim dividend of financial year 2010-11 was due and transferred to Investor Education and Protection fund in accordance with the provisions of Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"). The Company has uploaded the details of unpaid and unclaimed dividends lying with the Company for subsequent years on the web site of the Company at [www.jaispring.com](http://www.jaispring.com).

As per the requirements of IEPF Rules, the securities on which dividend remains unclaimed for consecutive seven years were liable to transfer to demat account of IEPF Authority. In complying with the requirements, the equity shares on which



dividend remains unclaimed for consecutive seven years has been transferred to IEPF Authority. The detailed list of shareholders whose shares has been transferred to IEPF has been hosted on the website of the Company at www.jaispring.com.

### Directors' Responsibility Statement

Pursuant to Section 134 (3) (c) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- a) in preparation of the annual accounts of financial year ended March 31, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period.
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) the directors had prepared the annual accounts on a going concern basis.

- e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and operating effectively.
- f) the directors had devised proper systems to ensure compliance of the provisions of all applicable laws and that such systems were adequate and operating effectively.

### Appreciation

The Directors place on record their appreciation for assistance and co-operation received from various ministries and department of Government of India and other State Governments, financial institutions, banks, shareholders, directors, executives, officers of the Company etc. The management would also like to express great appreciation for the commitment and contribution of its employees at all locations.

For and on behalf of the Board of Directors

Place: New Delhi  
Date: May 22, 2018

**(B. S. Jauhar)**  
Chairman

# ANNEXURE-1 TO THE DIRECTORS' REPORT

Disclosure of Particulars with respect to conservation of energy, technology absorption and foreign exchange outgo and earning as required under rule 8 of the Companies (Accounts) Rules, 2014.

## A. CONSERVATION OF ENERGY

### a) Energy conservation measure taken:

- (i) Your Company is optimizing the production processes to reduce energy cost.
- (ii) Furnaces are being reinsulated to avoid heat losses.
- (iii) ETP treated water is being utilized for tree plantation and gardening.
- (iv) Fume extraction system are under installation which will prevent quenching oil drops being released in the air.

### b) Steps taken for utilizing alternate source of energy:

Your Company is engaged in energy conservation on continuous basis.

### c) Capital investment on energy conservation equipment: Nil

## B. TECHNOLOGY ABSORPTION & CONTINUOUS IMPROVEMENT

### a) Efforts made towards technology absorption

- (i) Technology imported from NHK Spring Co; Ltd., Japan (NHK) for manufacturing of Tapered Leaf Springs has been fully absorbed.
- (ii) Technology imported from Ridewell Corporation, USA for Design & Manufacturing of Air Suspension & Lift Axles is partially absorbed.

### b) Benefits derived

- (i) Technical help from NHK has yielded better improvement in the quality and productivity for the new product range developed for overseas customers.
- (ii) Your Company is also engaged in various other initiatives related to improvements in the process.

### c) Technology imported:

Year of import:

(1985-90 for manufacturing Tapered Leaf Springs)

(2009-2010 for manufacturing Air Suspension)

**Has technology been fully absorbed:** Technology imported for Tapered Leaf Springs has been fully absorbed. Technology imported for Air Suspension is partially absorbed.

### d) Expenditure on R&D:

(Rs. in crore)

	Year ended March 31, 2018	Year ended March 31, 2017
Recurring	2.94	2.17
Capital	0.69	6.22

## C. Foreign Exchange Earnings And Outgo:

(Rs. in crore)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Foreign exchange used	72.24	48.89
Foreign exchange earned	13.03	9.57



# ANNEXURE 2 TO THE DIRECTORS' REPORT

## Report on Corporate Social Responsibility Activities (Pursuant to Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014)

### 1. A brief outline of the company's CSR policy

#### i. Preamble

By induction of Section 135 of Companies Act, 2013, the Government of India has given the statutory strength to the concept of Corporate Social Responsibility. However JAI being already aware of its Corporate Social Responsibility much before induction of Section 135 was fulfilling the aspiration of society within the near about areas of its work units. This has resulted into a harmonious relationship between JAI and communities near about.

#### ii. Vision

A World having equal opportunities of education and work to all without any discrimination, comprising healthy and happy citizens living in a green environment.

#### iii. Mission

- a.) Ensuring environmental sustainability and ecological balance.
- b.) Provide support and opportunities to economically deprived children towards attaining high quality education and qualify competitions.
- c.) Extend financial and equipment support to deserving sportspersons in Olympic Games at School, University and State level.
- d.) Reach the community primarily in the vicinity of Company's plants, offices, sites through social awareness, health checkup drives, adopting villages and schools to improve basic amenities.

#### iv. Focus Area

To achieve its mission of CSR Policy, the Company will focus in the following areas:-

- (i) Environment Conservation & Sustainability
- (ii) Promotion of Education
- (iii) Promoting nationally recognized, Paralympics and Olympic sports
- (iv) Community Outreach
- (v) Contribution to Prime Minister Relief Fund and other alike funds

#### v. Operational Procedure

- (i) The CSR activities shall be carried out in such areas and localities as may be recommended from time to time by the CSR Committee constituted under

Section 135 (1) of the Companies Act, 2013. In its recommendation, the CSR Committee shall give preference to the areas in the vicinity of Company's plants, offices and sites.

- (ii) The Company shall prepare the guidelines to carry out the various CSR activities and present it before the CSR Committee for recommendation and all CSR activities shall be carried out by the Company in such manner as may be recommended by the CSR Committee from time to time.

#### vi. Budget & Expenditure

- (i) The CSR committee shall recommend to the Board of Directors, the total amount of budget to be expended on CSR activities in a financial year which shall not be less than the amount prescribed under section 135 of the Companies Act, 2013.
- (ii) The CSR committee shall also recommend to the Board of Directors about amount of expenditure to be incurred in each activity referred in Para No. iv of the Policy.
- (iii) Any surplus arises out of the CSR projects or programs or activities shall not form part of the business profit of the Company.

#### vii. Control and Monitoring

- (i) From time to time the Company shall prepare an Action Taken Report (ATR) or progress report in respect of projects or activities undertaken and present the same before the CSR committee.
- (ii) The Company shall follow the instructions or suggestions made by the CSR committee after considering the ATR or progress report as the case may be.

### 2. The Composition of the CSR Committee.

1. Mr. Shashi Bhushan Bansal, Chairman
2. Mr. R.S. Jauhar, Member
3. \*Mr. S.P.S. Kohli, Member

\* Mr. H.S. Gujral was member of the CSR Committee. Pursuant to Cessation of Mr. Gujral as Director on the Board with effect from February 13, 2018, he ceased to be the member of Committee. Mr. S.P.S. Kohli has been inducted as Director on the Board, thus also inducted as member of the CSR Committee with effect from February 13, 2018.

### 3. Average net profit of the company for last three financial years

Financial Year	Net Profit (Rs in lakhs)
2014-15	3991.47
2015-16	9387.50
2016-17	13155.54
<b>Average Net Profit</b>	<b>8844.84</b>

### 4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)

Financial Year	Average Net Profit (Rs in lakhs)	CSR Expenditure (Rs in lakhs)
2017-18	8844.84	176.90

### 5. Details of CSR expenditure spent during the financial year

- (a) Total amount to be spent for the financial year: Rs. 176.90 Lakhs
- (b) Amount unspent, if any: No
- (c) Manner in which the amount spent during the financial year is detailed below:

Sr. No.	CSR Project or Activity Identified	Sector in which the project is covered	Project/programs 1, Local area or others- 2, Specify the state and district where projects/programs where undertaken	Amount outlay (budget) project or program-wise (In Rs.)	Cumulative expenditure up to the reporting period (In Rs.)	Amount Spent direct or through implementing agency
1	Tree Plantation	Environment Conservation & Sustainability	Yamuna Nagar (Haryana), Gwalior (M.P.), Jamshedpur (Jharkhand), Kanchipuram (Tamil Nadu), Hosur (Tamil Nadu) and Delhi	33,00,000	9,52,349	Direct
	Water Conservation					
	Waste Management					
	Sensitization activities					
	No to plastic use					
2	Scholarships	Promotion of Education	Yamuna Nagar (Haryana), Gwalior (M.P.), Jamshedpur (Jharkhand), Kanchipuram (Tamil Nadu), Hosur (Tamil Nadu) and Delhi	73,50,000	124,40,797	Direct
	Support to educational institutions					
	Non formal education					
	Skill development					
3	Sponsorship	Promotion of sports	Yamuna Nagar (Haryana), Gwalior (M.P.), Jamshedpur (Jharkhand) and Delhi	31,00,000	15,24,556	Direct
	Equipment/Kits					
	Sponsorship of sports events					
4	Basic infrastructure	Community Outreach	Yamuna Nagar (Haryana), Gwalior (M.P.), Jamshedpur (Jharkhand), Kanchipuram (Tamil Nadu), Hosur (Tamil Nadu) and Delhi	62,50,000	44,91,190	Direct
	Livelihood training					
	Social empowerment					
<b>Total</b>				<b>200,00,000</b>	<b>194,08,892</b>	

**S.P.S. Kohli**  
(Executive Director)  
DIN: 01643796

**Shashi Bhushan Bansal**  
(Chairman CSR Committee)  
DIN: 01118864



# ANNEXURE-3 TO THE DIRECTORS' REPORT

## Appointment, nomination and remuneration of Directors, Key Managerial Personnel and Senior Management

In terms of the provisions of Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company has a Nomination and Remuneration Committee of the Board to deal with the matter related to appointment, nomination and remuneration of Directors, Key Managerial Personnel and Senior Management Personnel one level below Board. Following is the constitution and terms of reference of the Nomination and Remuneration Committee:

1. Mr. Shashi Bhushan Bansal, Chairman
  2. Mr. J. K. Jain, Member
  3. Mr. U. K. Singhal, Member
- (i) The Committee shall identify persons who are qualified to become directors and who may be appointed as key managerial person, senior management personnel in accordance with the criteria laid down and shall recommend to the Board their appointment and removal and shall carry out evaluation of every directors' performance.
- (ii) The Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- (iii) The Committee shall, while formulating the policy relating to the remuneration, ensure that-
- a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
  - b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and remuneration to directors, key managerial personnel and senior management 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

The Committee identifies, ascertain and consider the integrity, qualification, expertise and experience of the person for appointment as Director before making recommendation to the Board his/ her appointment.

The appointment of Whole Time Director or Managing Director is made for a term normally three years at a time. No re-appointment is made earlier than one year before the expiry of term. A person who has attained the age of seventy years is not appointed or re-appointed as managing director or whole time director without the approval of shareholders by passing a special resolution based on the explanatory statement annexed

to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

The Committee considers and determines the remuneration payable to the Whole-Time Director or Managing Director and recommends the same to the Board for approval. The appointment, re-appointment and the remuneration of a whole time director or managing director is decided in accordance with the conditions laid down as per the provisions of the Companies Act, 2013, and the rules and regulations made thereunder and subject to the approval of the shareholders of the Company and Central Government, wherever required.

The Non-Executive and Independent Directors are appointed in terms of the provisions of Companies Act, 2013, the listing regulations with the approval of the members of the Company, if required. An Independent Director is appointed for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment would be made in the Board's report. At the time of appointment of a person as an Independent Director, a declaration is taken from such person that he/she does not serve as an independent director in more than seven listed companies and three listed companies in case such person is serving as a Whole time Director of a listed company. All the Non-Executive and Independent Directors receive sitting fees for attending meetings of Board or Committee thereof.

The Company has taken Directors & Officers liability insurance for its Directors and officers. The premium paid on such insurance is not treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

The Director, KMP and Senior Management Personnel retire as per the applicable provisions of the Companies Act, 2013 and terms of their appointment. The Board can re-appoint a retiring Director, KMP, Senior Management Personnel in the same position/remuneration or otherwise even after attaining the retirement age, for the benefit of the Company subject to the provisions of the Companies Act, 2013.

The performance evaluation of non-executive members is done by the Board annually based on the criteria of attendance and contributions at Board/Committee Meetings as also for the role played other than at Meetings. The Present Structure of the Board Consist of Optimum combination of Executive and Non-Executive Directors and the Board has also appointed Woman Director as mandated by the Companies Act, 2013 and the Listing Regulations. Company also recognize that all appointments, whenever required shall be made on merit, in the context of the skills, experience, independence and knowledge which the Board as a whole requires to be effective and the Board should be diversified Board containing expert from difference field so that their experience as well as knowledge could be used for Company.

# ANNEXURE-4 TO THE DIRECTORS' REPORT

## FORM No. AOC 2

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso is given below:

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

S. No	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Nil
b)	Nature of contracts/arrangements/transaction	Nil
c)	Duration of the contracts/arrangements /transaction	Nil
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Nil
e)	Justification for entering into such contracts or arrangements or transactions	Nil
f)	Date of approval by the Board	Nil
g)	Amount paid as advances, if any	Nil
h)	Date on which the special resolution was passed in General meeting under first proviso to section 188 of the Act	Nil

### 2. Details of material contracts or arrangements or transactions at Arms Length basis:

S. No	Particulars	Details
a)	Name (s) of the related party and nature of relationship	Jai Suspension Systems LLP The Company is a majority partner in the LLP by holding 99.9985% of total capital.
b)	Nature of contracts /arrangements /transactions	Sale, Purchase, Supply of goods or material or availing, rendering any service from/to LLP and providing guarantee on behalf of LLP
c)	Duration of the contracts/arrangements / transactions	On continuous billing basis
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Sale, Purchase, Supply of goods or material or availing, rendering any service from/to LLP and providing guarantee on behalf of LLP
e)	Date of approval by the Board	May 20, 2017
f)	Amount paid as advances, if any	No



# ANNEXURE-5 TO THE DIRECTORS' REPORT

Extract of Annual Return as on Financial Year ended on March 31, 2018

## I. Registration and other details:

i	CIN:	L35911HR1965PLC004485
ii	Registration Date:	September 30, 1965
iii	Name of the Company:	Jamna Auto Industries Limited
iv	Category/Sub-Category:	Public Company/ Company Limited by Shares
v	Registered Office:	Jai Springs Road, Industrial Area, Yamuna Nagar- 135001, Haryana
vi	Whether Listed Company:	Yes
vii	Registrar and Transfer Agent:	M/s. Skyline Financial Services (P) Limited, D-153 A, First Floor, Okhla Industrial Area, Phase-I, New Delhi- 110020; Ph. No. +91-11-26812682-88, +91-11-40450193-97, Fax: 011-26812682

## II. Principal business activities of the Company contributing 10% or more of the total turnover of the Company:

S. No.	Name and Description of main product/ services	NIC Code of the Product/ service	% of total turnover of the Company
1.	Manufacture and supply of Tapered Leaf, Parabolic Springs and Suspension Systems for vehicles	29301	100%

## III. Particulars of Holding, Subsidiary and Associate Companies:

Name and address of the company	CIN/ GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable section
Jai Suspensions Limited	U35990HR2016PLC065589	Subsidiary	100%	2(87)(ii)

## IV Share holding pattern (Equity Share Capital Breakup as percentage of Total Capital)

Note : The face value of Equity Share of the Company at the beginning of the financial year was Rs. 5/-. Consequent upon split of shares, the face value of equity shares of the Company at the end of the financial year was Rs. 1. The shareholding pattern at the beginning of financial year has been adjusted with face value of Rs. 1 per share for better comparison.

### (i) Category-wise Share-Holding

Category of Shareholders	No. of Shares of Rs. 1 each held at the beginning of the year (April 1, 2017)				No. of Shares of Rs. 1 each held at the end of the year (March 31, 2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	4,93,72,530	-	4,93,72,530	12.39%	4,93,72,530	-	4,93,72,530	12.39%	0
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	14,14,00,620	-	14,14,00,620	35.49%	14,14,00,620	-	14,14,00,620	35.49%	0
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):</b>	<b>19,07,73,150</b>	<b>-</b>	<b>19,07,73,150</b>	<b>47.88%</b>	<b>19,07,73,150</b>	<b>-</b>	<b>19,07,73,150</b>	<b>47.88%</b>	<b>0</b>
<b>(2) Foreign Company</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of Promoter (A) = (A) (1)+(A) (2)</b>	<b>19,07,73,150</b>	<b>-</b>	<b>19,07,73,150</b>	<b>47.88%</b>	<b>19,07,73,150</b>	<b>-</b>	<b>19,07,73,150</b>	<b>47.88%</b>	<b>0</b>

Category of Shareholders	No. of Shares of Rs. 1 each held at the beginning of the year (April 01, 2017)				No. of Shares of Rs. 1 each held at the end of the year (March 31, 2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	1,07,71,960	62,500	1,08,34,460	2.72%	2,69,04,418	56,500	2,69,60,918	6.77%	4.05%
b) Banks / FI	5,28,270	81,500	6,09,770	0.15%	12,63,658	68,000	13,31,658	0.33%	0.18%
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance	-	-	-	-	-	-	-	-	-
g) FIs	2,16,68,540	-	2,16,68,540	5.44%	2,27,16,023	-	2,27,16,023	5.70%	0.26%
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	5,87,415	-	5,87,415	0.15%	0	0	0	0	(0.15%)
<b>Sub-total (B) (1) :</b>	<b>3,35,56,185</b>	<b>1,44,000</b>	<b>3,37,00,185</b>	<b>8.46%</b>	<b>5,08,84,099</b>	<b>1,24,500</b>	<b>5,10,08,599</b>	<b>12.8%</b>	<b>4.34%</b>
<b>2. Non-Institutions</b>									
<b>a) Bodies Corp.</b>	4,18,13,530	1,40,240	4,19,53,770	10.53%	1,24,02,354	55,950	1,24,58,304	3.13%	(7.4%)
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	4,90,17,590	1,21,34,500	6,11,52,090	15.35%	6,42,29,829	82,52,450	7,24,82,279	18.19%	2.84%
ii) Individual shareholders holding nominal share capital in excess of Rs. 2 lakh	6,33,70,760	0	6,33,70,760	15.91%	5,83,82,530	0	5,83,82,530	14.65%	(1.26%)
<b>c) Others</b>									
NBFC Registered with RBI	75,500	0	75,500	0.02%	45,730	0	45,730	0.01%	(0.01%)
NRI/OCBs	28,31,210	7,10,000	35,41,210	0.89%	33,13,715	3,41,000	36,54,715	0.92%	0.03%
HUF	34,13,220	2,000	34,15,220	0.86%	31,91,321	0	31,91,321	0.80%	(0.06%)
Public Trust	1,45,000	-	1,45,000	0.04%	5,000	0	5,000	0.00%	(0.04%)
Clearing Members	2,86,995	-	2,86,995	0.07%	25,81,902	0	25,81,902	0.65%	0.58%
others	0	0	0	0%	38,80,355	0	38,80,355	0.97%	0.97%
<b>Sub-total (B) (2):</b>	<b>16,09,53,805</b>	<b>1,29,86,740</b>	<b>17,39,40,545</b>	<b>43.66%</b>	<b>14,80,32,736</b>	<b>86,49,400</b>	<b>15,66,82,136</b>	<b>39.32%</b>	<b>4.34%</b>
<b>Total Public Shareholding (B)=(B) (1)+ (B)(2)</b>	<b>19,45,09,990</b>	<b>1,31,30,740</b>	<b>20,76,40,730</b>	<b>52.12%</b>	<b>19,89,16,835</b>	<b>87,73,900</b>	<b>20,76,90,735</b>	<b>52.12%</b>	<b>0%</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>38,52,83,140</b>	<b>1,31,30,740</b>	<b>39,84,13,880</b>	<b>100%</b>	<b>38,96,89,985</b>	<b>87,73,900</b>	<b>39,84,63,885</b>	<b>100%</b>	<b>0%</b>

## (ii) Shareholding of Promoters :

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares of face value of Rs. 1 each	% of total shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares of face value of Rs. 1 each	% of total shares of the Company	% of Shares Pledged/encumbered to total shares	% of Change during the year
1.	B.S. Jauhar	68,87,740	1.73%	0.01%	71,03,240	1.78%	0	0.05%
2.	B.S. Jauhar (HUF)	2,15,500	0.05%	0.00	0	0	0	(0.05%)
3.	R.S. Jauhar	1,75,16,360	4.40%	0.00	1,75,16,360	4.40%	0	0
4.	Sonia Jauhar	32,31,860	0.81%	0.00	32,31,860	0.81%	0	0
5.	P.S. Jauhar	2,07,18,970	5.20%	0.00	2,15,21,070	5.40%	0.04%	0.20%
6.	Kiran Chadha	8,02,100	0.20%	0.00	0	0	0	(0.20%)
7.	S.W. Farms Pvt. Ltd.	1,13,89,630	2.86%	0.37%	1,13,89,630	2.86%	0	0
8.	Map Auto Limited	12,83,54,340	32.22%	3.76%	12,90,10,990	32.38%	0.73%	0.16%
9.	Duke Holdings Limited	6,56,650	0.16%	11.69%	0	0	0	(0.16%)
10.	Jamna Agro Implements (P) Ltd.	10,00,000	0.25%	0.00	10,00,000	0.25%	0	0

## (iii) Change in Promoters' Shareholding :

S. No.	Particulars of promoter whose shareholding has been changed	Shares at the beginning (No. of shares of face value Rs.1/- each)	Shares at the end (No. of shares of face value Rs. 1 each)	Increase/Decrease during the year (No. of shares of face value Rs. 1 each)	Reason of change
1.	Mr. P. S. Jauhar	2,07,18,970	2,15,21,070	8,02,100	Inter-se transfer of shares among promoters wherein Mrs. Kiran Chadha transfer her shares to Mr. P.S. Jauhar.
2.	Mrs. Kiran Chadha	8,02,100	-	(8,02,100)	Inter-se transfer of shares to Mr. P. S. Jauhar
3.	Duke Holdings Limited	6,56,650	-	(6,56,650)	Extinguishment of shareholding pursuant to Scheme of Amalgamation.
4.	Map Auto Limited	12,83,54,340	12,90,10,990	6,56,650	Allotment under Scheme of Amalgamation.
5.	Mr. B. S. Jauhar	68,87,740	71,03,240	2,15,500	Inter-se transfer of shares among promoters wherein Bhupinder Singh Jauhar (HUF) transfer shares to Mr. Bhupinder Singh Jauhar
6.	B. S. Jauhar (HUF)	2,15,500	-	(2,15,500)	Inter-se transfer of shares among promoters.



## (iv) Shareholding pattern of top ten shareholders (other than directors, promoters and Holder of GDRs and ADRs):

S.No.	Name of the Shareholder	Shareholding at the beginning of the year as on April 01, 2017		Change in shareholding during the year		Shareholding at the end of the year as on March 31, 2018	
		No. of shares (F.V. of Rs. 1/-)	% of total shares of the Company	No. of Shares (F.V. of Rs.1/-)	% of total shares of the Company	No. of shares (F.V. of Rs.1/-)	% of total shares of the Company
1.	Anuj Anantrai Sheth	1,39,10,000	3.49%	(35,66,103)	(0.89%)	1,03,43,897	2.6%
2.	Vanaja Sundar Iyer	1,00,00,000	2.51%	2,00,000	0.05%	1,02,00,000	2.56%
3.	L&T Mutual Fund Trustee Limited-L&T Emerging Businesses Fund	0	0	77,07,900	1.93%	77,07,900	1.93%
4.	DSP Blackrock Micro Cap Fund	45,65,205	1.15%	17,03,301	0.42%	62,68,506	1.57%
5.	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Pure Value Fund	0	0	48,88,261	1.23%	48,88,261	1.23%
6.	Investor Education and Protection Fund Authority Ministry Of Corporate Affairs	0	0	37,25,560	0.93%	37,25,560	0.93%
7.	Kotak Mahindra (International) Limited	33,74,100	0.85%	0	0	33,74,100	0.85%
8.	Japan Trustee Services Bank, Ltd. Stb Daiwa India Stock Active Mother Fund	0	0	33,33,791	0.84%	33,33,791	0.84%
9.	Paramjit Mann	0	0	31,06,671	0.78%	31,06,671	0.78%
10.	Alquity Sicav - Alquity Indian Subcontinent Fund	5,87,415	0.15%	29,41,861	0.62%	30,59,344	0.77%

**(v) Shareholding pattern of Directors and Key Managerial Personnel :**

For each of Director and Key Managerial Personnel	Shareholding at beginning of the year		Cumulative Shareholding during the year	
	No. of shares (F.V. of Rs. 1/-)	% of total shares of the company	No. of shares (F.V. of Rs. 1/-)	% of total shares of the company
Shares at the beginning of the year	4,56,29,950	11.46%	4,56,29,950	11.46%
Date wise increase/decrease in shareholding of Rs.1 each shares during the year specifying the reason for increase/ decrease				
Acquisition of 8,02,100 Equity shares of Rs. 1 each by Mr. P. S. Jauhar from Mrs. Kiran Chadha	8,02,100	0.20%	4,64,32,050	11.66%
Acquisition of 2,15,500 Equity Shares of Rs. 1 each by Mr. Bhupinder Singh Jauhar from Bhupinder Singh Jauhar (HUF)	2,15,500	0.05%	4,66,47,550	11.71%
Appointment of Mr. S. P. S. Kohli as the director of the company with effect from 13.02.2018	1,83,575	0.04%	4,68,31,125	11.75%
Resignation of Mr. H. S. Gujral from the directorship of the company with effect from 13.02.2018	(1,90,280)	(0.05%)	4,66,40,845	(0.05%)
Shares at the end of the year	4,66,40,845	11.70%	4,66,40,845	11.70%

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

(Rs. in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
Indebtedness at the beginning of financial year				
i) Principal Amount	1,752.27	5,321.24	-	7,073.51
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	15.02	-	-	15.02
<b>Total (i+ii+iii)</b>	<b>1,767.29</b>	<b>5,321.24</b>	-	<b>7,088.53</b>
Change in Indebtedness during financial year				
• Addition	4,242.49	-	-	4,242.49
• Reduction	-	5,278.85	-	5,278.85
<b>Net Change</b>	<b>4,242.49</b>	<b>(5,278.85)</b>		<b>(1,036.36)</b>
Indebtedness at the end of financial year				
i) Principal Amount	5,994.76	42.39	-	6,037.15
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	27.89	-	-	27.89
<b>Total (i+ii+iii)</b>	<b>6,022.65</b>	<b>42.39</b>	-	<b>6,065.04</b>

## VI. Remuneration of Directors and Key Managerial Personnel

### A. Remuneration to Whole-time Directors:

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. R. S. Jauhar	Mr. P. S. Jauhar	Mr. H. S. Gujral*	Mr. S. P. S. Kohli*	
1.	Gross salary					
	a. Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	98,22,780	1,02,18,400	6,65,343	2,79,714	2,09,86,237
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961	65,72,709	65,19,859	10,29,127	2,38,626	1,43,60,321
	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	7,70,00,000	7,70,00,000	-	-	15,40,00,000
5.	Others, please specify (a) Provident Fund Contribution (b) Performance Incentive	11,78,734	12,26,208	79,841	-	24,84,783
	<b>Table (A)</b>	<b>9,45,74,223</b>	<b>9,49,64,467</b>	<b>17,74,311</b>	<b>5,18,340</b>	<b>19,18,31,341</b>
	<b>Ceiling as per the Companies Act, 2013</b>					<b>19,29,64,534</b>

\* Mr. H. S. Gujral - upto February 12, 2018

\* Mr. S. P. S. Kohli - w.e.f. February 13, 2018

### B. Remuneration to other directors:

S. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. J.K. Jain	Mr. U. K. Singhal	Mr. Shashi Bansal	Mr. Rakesh Kalra	Ms. Payal Chawla	
1.	Independent Directors						
	-Fee for attending board / committee meetings	90,000	1,70,000	1,40,000	20,000	40,000	4,60,000
	-Commission	-	-	-	-	-	-
	-Other, Please specify	-	-	-	-	-	-
	<b>Total (1)</b>	90,000	1,70,000	1,40,000	20,000	40,000	4,60,000
2.	Other Non-Executive Directors						
	-Fee for attending board / committee meetings	-	-	-	-	-	-
	-Commission	-	-	-	-	-	-
	-Others	-	-	-	-	-	-
	<b>Total (2)</b>	-	-	-	-	-	-
	<b>Total (B) = (1+2)</b>	90,000	1,70,000	1,40,000	20,000	40,000	4,60,000
	<b>Total Managerial Remuneration</b>	<b>90,000</b>	<b>1,70,000</b>	<b>1,40,000</b>	<b>20,000</b>	<b>40,000</b>	<b>4,60,000</b>
	<b>Overall Ceiling as per the Companies Act, 2013</b>						<b>2,12,26,09,874</b>



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

Sr.No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	39,41,193	34,11,000	73,52,193
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	4,59,856	4,04,619	8,64,475
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of Profit - Others, specify	- -	- -	- -
5.	Others, Please specify (Provident fund contribution)	2,23,200	2,23,200	4,46,400
	<b>Total</b>	<b>46,24,249</b>	<b>40,38,819</b>	<b>86,63,068</b>

**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	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—
<b>C. Other Officers In Default</b>					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—

# ANNEXURE-6 TO THE DIRECTORS' REPORT

## Disclosure regarding Employees Stock Option Plan pursuant to SEBI (Share Based Employees Benefits) Regulations, 2014 and Rule 8 (12) of the Companies (Share Capital and Debentures) Rules, 2014 forming part of the Directors' Report for the year ended March 31, 2018

(A) The Company has issued stock options to its permanent employees in accordance with the Company's Employee Stock Option Scheme 2006 and 2008. Both the Schemes are administered by the Compensation Committee constituted pursuant to SEBI (Share based employee benefits) Regulations, 2014. All the permanent employees of the company and of the subsidiaries, including Directors but excluding promoters of the Company are eligible to participate in the Schemes. The Committee grants stock options to the employees at its discretion depending upon criteria such as role/designation of the employee, length of service with the company, past performance record, future potential of the employee and/or such other criteria that may be determined by the Committee.

ESOP Scheme	Members approval	Number of options approved
ESOP Scheme-2006	January 25, 2007	3,14,000
ESOP Scheme-2008	July 01, 2008	Not more than 5% of the paid up equity shares capital of the company as on March 31, 2012

Date of Grant	Number of options granted	Exercise Price (In Rs.)	Market price (In Rs.)
ESOP Scheme-2006			
January 01, 2007	257,000	30.62	30.62
August 25, 2007	57,000	44.20	44.20
ESOP Scheme-2008			
February 08, 2010	867,461	54.95	54.95
August 05, 2010	361,250	120.65	120.65

The stock option shall vest proportionately over the period of 5 years from the date of grant in the ratio of 15% for the first year, 20% for second to fourth year and 25% for the fifth year. The options would be granted at the exercise price that is equivalent to the prevailing market price at the time of grant. The exercise price, in cash, is paid by the employee at the time of exercise of the stock option. No stock option is granted in lieu of cash. The option lapses if not exercised within a period of 3 years from the date of vesting of option. The lapsed option is available for being re-granted/ re-issue at a future date. The maximum number of options that may be granted to any specific employee is upto 0.5 % of the issued capital of the company. A stock option, if exercised, is allotted 10 equity shares of Rs.1 each (after subdivision of equity shares).

The Company had been using intrinsic value method of accounting ESOP expenses as prescribed by SEBI (Share based employee benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share-based Payments, to account for stock options issued under the Company's stock option schemes. Under this method, compensation expenses are recorded on the basis of excess of the market price of share at the date of grant of option over exercise price of the option. There would be no impact on the profit or earnings per share had the company used the fair value of the options as the method of accounting instead of intrinsic value as the fair value is less than the intrinsic value of the option.

(B) Summary of stock options

Options outstanding at the beginning of the year	57,462
Options granted during the year	NIL
Options forfeited / lapsed during the year	24,437
Options vested during the year	0
Options exercised during the year	5,000
Shares arising as a result of exercise of options	5,000

Source of shares	Primary
Money realized by exercise of options (Rs.)	274,750
Loan repaid by the trust during the year from exercise price received	N.A.
Options outstanding at the end of the year	28,025
Options exercisable at the end of the year	28,025
Variation in terms of options	Nil
Employee-wise details of options granted during the year to	
(i) KMP/ Senior managerial personnel	Nil
(ii) Other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	Nil
(iii) Employees who received the options during the year equal to or exceeding 1% of the issued capital of the Company at the time of grant	Nil
Diluted EPS	3.14

- (C) Weighted average shares price on the date of exercise of the options is Rs.120.65 (Previous year Rs.153.03)
- (D) Weighted average fair value of options: The fair value of each option is estimated using the Black Scholes model after applying the following weighted average assumptions:-

	<b>For the year ended March 31, 2018</b>
Risk free interest rate	*
Expected life	*
Expected Volatility (%)	*
Expected Dividend (%)	*
Price of underlying shares in the market at the time of option grant	*

\*Not applicable since the Company has not granted stock options during the year



# ANNEXURE-7 TO THE DIRECTORS' REPORT

## Report on Corporate Governance

### Company's Philosophy on Corporate Governance

The Company is committed to adopt the best Corporate Governance practices and endeavors continuously to implement the code of Corporate Governance in its true spirit. The Company's philosophy on corporate governance envisages attainment of the highest level of transparency, accountability, integrity and equity in all facets of its operations and in its interaction with stakeholders.

Corporate Governance is not a destination but a continuous journey with an upward moving target. The Company will continue its efforts towards raising its standard in Corporate Governance and will also review its systems and procedures constantly in order to keep pace with the changing economic environment.

### Board of Directors

The present strength of the Board of Directors is nine (9) directors including one Woman Director. Mr. B.S. Jauhar is the Non-Executive Chairman and Mr. R. S. Jauhar is the Executive Vice Chairman of the Board of Directors of the Company. Mr. P. S. Jauhar is the Managing Director & CEO of the Company. The number of Executive Directors on the Board is three (3) and Independent Directors on the Board is five (5). Following is the Composition of Board of Directors of the Company:

	Name of Director	Designation	Relationship between directors inter-se
1	Mr. B. S. Jauhar	Chairman	Mr. B.S. Jauhar, Mr. R.S. Jauhar and Mr. P.S. Jauhar are related to each other.
2	Mr. R.S. Jauhar	Vice Chairman & Executive Director	
3	Mr. P.S. Jauhar	Managing Director & CEO	
4	Mr. S. P. S. Kohli (Appointed w.e.f. 13.02.2018)	Executive Director	-
5	Mr. J.K. Jain	Independent Director	-
6	Ms. Payal Chawla	Independent Director	-
7	Mr. U.K. Singhal	Independent Director	-
8	Mr. Shashi Bhushan Bansal	Independent Director	-
9	Mr. Rakesh Kalra	Independent Director	-
10	Mr. H.S. Gujral (Ceased to be director w.e.f. 13.02.2018)	Executive Director	

All the independent directors possess requisite qualification and experience in their own fields. All the Directors except independent directors are liable to retire by rotation. None of the Non-Executive Directors holds equity shares of the Company other than Mr. B. S. Jauhar holding 71,03,240 equity shares of face value of Rs. 1 each and Mr. Rakesh Kalra holding 1,000 equity shares of face value of Rs. 1 each as on March 31, 2018.

During the year under review, Mr. H.S. Gujral, Executive Director has resigned from the Board of Directors with effect from February 13, 2018 and ceased to be member of the Board and Committee(s) thereof. Mr. S.P.S. Kohli was inducted as an Executive Director on the Board with effect from February 13, 2018. Mr. S.P.S. Kohli has also been inducted as member of the Stakeholders' Relationship Committee, Borrowing, Investment and Administrative Committee and Corporate Social Responsibility Committee with effect from February 13, 2018.

The composition of Board of Directors of the Company is in compliance with the provisions of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. None of the Directors on the Board is a member in more than 10 committees or acts as chairman of more than 5 committees across all the companies in which he/she is a Director. The necessary disclosures regarding Committee memberships/ chairmanships have been made by all the Directors. Further, none of the independent directors serves as such on the Board of more than seven (7) listed companies. Also they do not serve as whole-time directors on the Board of any listed company. None of the Independent Directors has any material pecuniary relationship with the Company other than the sitting fees payable to them along with reimbursement of incidental expenses incurred for attending the Meeting(s) of Board of Directors and Committee thereof. The terms and conditions of appointment of Independent Directors are available on the website of the Company i.e. [www.jaispring.com](http://www.jaispring.com).

During the financial year ended on March 31, 2018, total four (4) Board Meetings were held on May 20, 2017, August 12, 2017,

November 11, 2017 and February 13, 2018 respectively. The maximum time gap between any two meetings was not more than one hundred and twenty days. During the year, a separate meeting of the Independent Directors was held on February 13, 2018 without the attendance of non-independent directors and members of the management. All material information are circulated to the Directors before the meeting or placed at the meeting including minimum information as required under Regulation 17(7) read with Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All the Directors have complete and unrestricted access to any information required by them to understand the transactions and take decisions. This enables the Board to discharge its responsibilities effectively and make an informed decision. The details of familiarization programme imparted to independent directors is provided on the website of the Company i.e. www.jaispring.com.

The following table gives the composition and category of the Directors on the Board, their attendance at the Board Meetings during the year and at the last Annual General Meeting, as also the number of Directorships and Committee Memberships/ Chairmanships held by them in other companies:

SI No	Name of the Directors	Attendance at		No. of Directorship in other Public Companies	No. of Committees Positions held in other Public Companies	
		Board Meetings	Last AGM		Chairman	Member
1.	Mr. Bhupinder Singh Jauhar	1 out of 4	Yes	-	-	-
2.	Mr. Randeep Singh Jauhar	4 out of 4	Yes	2	-	-
3.	Mr. Pradeep Singh Jauhar	4 out of 4	Yes	1	-	-
4.	Mr. Surinder Pal Singh Kohli (w.e.f. 13.02.2018)	1 out of 1	No	-	-	-
5.	Mr. Jainendar Kumar Jain	3 out of 4	No	-	-	-
6.	Mr. Uma Kant Singhal	4 out of 4	No	-	-	-
7.	Mr. Shashi Bhushan Bansal	4 out of 4	Yes	-	-	-
8.	Mr. Rakesh Kalra	2 out of 4	No	5	1	5
9.	Ms. Payal Chawla	3 out of 4	No	2	-	-
10.	Mr. Hardeep Singh Gujral (upto 13.02.2018)	3 out of 3	Yes	1	-	-

### Board Committees

The Board of Directors normally meets four times in a year and as and when there is any requirement. The Board has constituted following Committees in terms of applicable provisions of the Companies Act, 2013 and SEBI Regulations.

Board of Directors					
Audit Committee	Nomination & Remuneration Committee	Stakeholders' Relationship Committee	Compensation Committee	CSR Committee	Borrowing Investment and Administrative Committee:
The Committee consists of three Independent Directors constituted in accordance with the provision of Section 177 of the Companies Act, 2013 and regulation 18 of the Sebi Listing Regulations.	The Committee consists of three Independent Directors constituted in accordance with the provision of Section 174 of the Companies Act, 2013 and regulation 19 of the Sebi Listing Regulations.	The Committee consists of three Directors constituted in accordance with the provision of Section 178 of the Companies Act, 2013 and regulation 20 of the Sebi Listing Regulations. The Chairman of the Committee is an Independent Director	The Committee consists of four Directors constituted in accordance with SEBI ESOP Regulations. The Chairman of the Committee is an Independent Director.	The Committee consists of three Director constituted in accordance with Section 135 of the Companies Act, 2013. The Chairman of the Committee is an Independent Director.	The Committee consists of three Directors to take up and expedite resolutions of routine matters. The Chairman of the Committee is an Independent Director.

## Audit Committee

The Audit Committee of the Board comprises of 3 directors. All the members of the Audit Committee are Independent Directors of the Company. Mr. Shashi Bhushan Bansal is the Chairman of the Audit Committee. Mr. J. K. Jain and Mr. U.K. Singhal are the other members of the Audit Committee. The composition of the Audit Committee is in accordance with the Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All the members of the Audit Committee are financially literate and having insight to interpret and understand financial statements. Company Secretary of the Company acts as the Secretary to the Audit Committee.

The Audit Committee, inter-alia, provides assurance to the Board on the adequacy of the internal control systems and financial disclosures. Apart from all the matters provided in Regulation 18(3) read with Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013, the Audit Committee reviews reports of the Auditors, meets Statutory Auditors periodically and discusses their findings, suggestions, internal control systems, scope of audit, observations of the Auditors and reviews accounting policies followed by the Company. The Audit Committee reviews with the management, quarterly / half yearly, financial results and annual financial statements before its submission to the Board. The minutes of the Audit Committee meetings are placed and noted at the subsequent meeting of the Board of Directors of the Company.

During the year under review, the Audit Committee met four times on May 20, 2017, August 12, 2017, November 11, 2017 and February 13, 2018.

The following is the composition of the Audit Committee and the attendance of Directors at the respective Committee meetings held during the year ended March 31, 2018.

Sr. No.	Director	Attendance at Committee meetings	Presence at last annual general meeting
1.	Mr. Shashi Bhushan Bansal, Chairman	4 out of 4	Yes
2.	Mr. J. K. Jain, Member	3 out of 4	No
3.	Mr. U. K. Singhal, Member	4 out of 4	No

## Nomination and Remuneration Committee

The Nomination and Remuneration Committee is constituted by the Board of Directors to act in consonance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19(4) read with Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All the members of the Committee are Independent Directors of the Company. The terms of reference of the Nomination and Remuneration Committee are briefly set out below:

- to formulate 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 for the directors, key managerial personnel and other employees;
- to formulate criteria for evaluation of performance of Independent Directors and the Board of Directors;
- to devise a policy on diversity of Board of Directors;
- to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board of Directors for their appointment and removal; and
- 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.

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

During the year under review, the Board in its meeting held on February 13, 2018 on the recommendation of the Committee appointed Mr. S.P.S. Kohli as Executive Director on the Board of the Company.

During the year under review, two meetings of the Nomination & Remuneration Committee were held on May 20, 2017 and February 13, 2018 respectively. The following is the composition of the Committee and the attendance of Directors at the respective Committee meetings held during the year ended March 31, 2018.

Sr. No.	Director	Attendance
1.	Mr. Shashi Bhushan Bansal, Chairman	2 out of 2
2.	Mr. J. K. Jain, Member	1 out of 2
3.	Mr. U. K. Singhal, Member	2 out of 2



## Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee consists of three directors. Mr. U.K. Singhal, Independent Director of the Company is the Chairman of the Stakeholders' Relationship Committee. The Committee oversees and reviews all matters connected with transfer of shares, redressal of shareholders complaints and performance of Registrar and Transfer Agent and recommends measures for overall improvement in the quality of services to the investors. Mr. Praveen Lakhera, Company Secretary & Head-Legal is the Compliance Officer of the Company. Following are the details of investors complaints\requests received and redressed during the year:

Complaints pending at the beginning of the year	Complaints received during the year	Complaints resolved during the year	Complaints pending at the closing of the year
Nil	23	21	2*

\*The Complaints received on SEBI SCORES were redressed by the Company within the specified time limits, however the same were pending with SEBI as on March 31, 2018 for disposing off.

During the year under review, one meeting of the Stakeholders' Relationship Committee was held on October 6, 2017. The following is the composition of the Committee and the attendance of Directors at the respective Committee meetings held during the year ended March 31, 2018.

Sr. No.	Director	Attendance at committee meetings
1.	Mr. U. K. Singhal, Chairman	1 out of 1
2.	Mr. R. S. Jauhar, Member	0 out of 1
3.	Mr. H. S. Gujral, Member (refer note # below)	1 out of 1
4.	Mr. S. P. S. Kohli, Member (refer note # below)	Nil

# Mr. H. S. Gujral has resigned from Board of Directors with effect from February 13, 2018. Accordingly, he is ceased to be the member of the Stakeholders' Relationship Committee. Mr. S. P. S. Kohli was inducted as a Director on the Board and member in the Stakeholders' Relationship Committee with effect from February 13, 2018.

## Compensation Committee:

The Company has a Compensation Committee consisting of four directors formulated for the purpose of administering ESOP schemes, allot shares upon exercise of the stock options. The Committee has been formed in consonance to SEBI (Share Based Employees Benefits) Regulations, 2014. Mr. U.K. Singhal, Independent Director of the Company is the Chairman of the Committee. During the year under review, two meetings of the Committee were held on May 20, 2017 and November 11, 2017 in which the Committee had allotted 50,005 equity shares upon exercise of stock options. The following is the composition of the Committee and the attendance of Directors at the respective Committee meetings held during the year ended March 31, 2018.

Sr. No.	Director	Attendance at committee meetings
1.	Mr. U. K. Singhal, Chairman	2 out of 2
2.	Mr. R. S. Jauhar, Member	2 out of 2
3.	Mr. J. K. Jain, Member	2 out of 2
4.	Mr. Shashi Bhushan Bansal, Member	2 out of 2

## Borrowing Investment and Administrative Committee:

The Board of Directors has formulated Borrowing, Investment & Administrative Committee consisting of three directors to take up and expedite resolutions of routine matters. Mr. U.K. Singhal, Independent Director of the Company is the Chairman of the Committee. During the year under review, three meetings of the committee were held on July 27, 2017, December 08, 2017 and March 26, 2018. The following is the composition of the Committee and the attendance of Directors at the respective Committee meetings held during the year ended March 31, 2018.

Sr. No.	Director	Attendance at committee meetings
1.	Mr. U. K. Singhal, Chairman	3 out of 3
2.	Mr. R. S. Jauhar, Member	3 out of 3
3.	Mr. H. S. Gujral, Member (refer note # below)	2 out of 2
4.	Mr. S. P. S. Kohli, Member (refer note # below)	0 out of 1

# Mr. H. S. Gujral has resigned from Board of Directors with effect from February 13, 2018. Accordingly, he is ceased to be the member of the Borrowing, Investment & Administrative Committee. Mr. S. P. S. Kohli was inducted as a Director on the Board and member in the Borrowing, Investment & Administrative Committee with effect from February 13, 2018

## Corporate Social Responsibility (“CSR”) Committee:

The Board has constituted a Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Companies Act, 2013. The role of the committee is to review the CSR Policy, indicate activities to be undertaken by the Company towards CSR and formulate a transparent monitoring mechanism to ensure implementation of projects and activities undertaken by the Company towards CSR. The Committee consists of three directors. The Committee has formulated the CSR policy of the Company. The CSR policy is also hosted at the website of the Company at [www.jaispring.com](http://www.jaispring.com). The Committee recommends to the Board for approval, CSR Budget for each financial year and implement, administer and supervise the CSR activities of the Company.

The Committee consists of three directors. Mr. Shashi Bansal, Independent Director of the Company is the Chairman of the Committee. During the year under review, the CSR Committee Meeting was held on May 20, 2017. The following is the composition of the Committee and the attendance of Directors at the respective Committee meetings held during the year ended March 31, 2018.

Sr. No.	Director	Attendance at committee meetings
1.	Mr. Shashi Bhushan Bansal, Chairman	1 out of 1
2.	Mr. R. S. Jauhar, Member	1 out of 1
3.	Mr. H. S. Gujral, Member (refer note # below)	1 out of 1
4.	Mr. S. P. S. Kohli, Member (refer note # below)	0 out of 0

# Mr. H. S. Gujral has resigned from Board of Directors with effect from February 13, 2018. Accordingly, he is ceased to be the member of the CSR Committee. Mr. S. P. S. Kohli was inducted as a Director on the Board and member in the CSR Committee with effect from February 13, 2018

## Remuneration to Directors

The appointment and remuneration of Executive Directors are governed by the Articles of Association of the Company and the resolutions passed by the Board of Directors and members of the Company. The remuneration paid to Executive Directors is fixed on the recommendation of the Nomination & Remuneration Committee which takes into account the industry benchmarks, the experience, qualification and performance of the Director, the performance of the Company and such other factor while make recommendation. The following remuneration has been paid to Executives Directors during the financial year ended March 31, 2018.

Particulars	Mr. R. S. Jauhar (Amount in Rs)	Mr. P. S. Jauhar (Amount in Rs)	Mr. H. S. Gujral (Amount in Rs) (for the period upto February 12, 2018)	Mr. S.P.S. Kohli (Amount in Rs) (for the period from February 13, 2018)
Salary	98,22,780	1,02,18,400	6,65,343	2,79,714
Allowances	65,03,109	64,10,579	7,77,677	2,05,094
Perquisite	69,600	1,09,280	2,51,450	33,532
PF Contribution	11,78,734	12,26,208	79,841	-
Commission	7,70,00,000	7,70,00,000	-	-
Stock Options	-	-	-	-
Total Remuneration Paid	9,45,74,223	9,49,64,467	17,74,311	5,18,340

The Company has no pecuniary relationship or transactions with its Non-Executive Directors other than payment of sitting fee to them for attending the meetings of the Board or Committee thereof.

During the year under review, the Company has paid the sitting fee amounting to Rs. 10,000 for attending each Board or Committee Meeting to the Non-executive Director. The details of sitting fees paid to Non-executive Directors are as follows:

Name of Director	Sitting fees paid (Amount in Rs.)
Mr. J K Jain	90,000/-
Mr. U K Singhal	1,70,000/-
Mr. Shashi Bansal	1,40,000/-
Mr. Rakesh Kalra	20,000/-
Ms. Payal Chawla	40,000/-

## Risk Management Policy

The Company has a defined risk management framework to identify, assess, monitor and mitigate risks involved in its business. The Company understands that risk evaluation and risk mitigation is an ongoing process within the organization and the Board is fully committed to identify and mitigate the risks in the business.

The Company has formulated and implemented a Risk Management Policy in accordance with SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 to identify and monitor business risk of the Company and assist in measures to control and mitigate such risks. The said policy is also available on the website of the Company i.e. at [www.jaispring.com](http://www.jaispring.com).

## Whistle Blower Mechanism

To maintain high level of ethical and moral standards, and to provide a gateway for employees to voice their concerns in a responsible and effective manner about serious malpractices, impropriety, abuse or wrongdoing within the organisation, the Company has a Whistle Blower Policy in place. Every person can approach to the Audit Committee. The said policy is also available on the website of the Company i.e. at [www.jaispring.com](http://www.jaispring.com).

## Certifications

In compliance with Regulation 17(8) and Regulation 33(2) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the declaration by the Managing Director & CEO and Chief Financial Officer, is annexed hereinafter which inter-alia certifies to the Board the accuracy of financial statements and the adequacy of internal controls for the financial reporting purpose.

Members of the Board and Senior Management personnel have affirmed compliances with the code of conduct for business ethics and code of conduct for insider trading.

As required under Clause E of Part C of Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Statutory Auditors of the Company have verified the compliances of the Corporate Governance by the Company for the financial year ended on March 31, 2018. The certificate is annexed here with this report.

## Annual General Meetings

The details of Annual General Meetings / Extraordinary General Meeting held in the last three years are as follows:  
Annual General Meetings of the Company:

Venue	Financial Year	Date & Time	No. of Special Resolution Passed
Registered Office of the Company	2014-2015	September 29, 2015 at 09:30 A.M.	3
Registered Office of the Company	2015-2016	August 12, 2016 at 09:30 A.M.	3
Registered Office of the Company	2016-2017	August 01, 2017 at 09:30 A.M.	5

No special resolutions were required to be passed by the shareholders of the company through postal ballot during the year ended March 31, 2018. However, pursuant to the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 108 of the Companies Act, 2013, the Company had provided e-voting facilities to members for casting their vote at the annual general meeting held on August 01, 2017.

## Disclosures

### (A) Materially significant related party transactions which may have potential conflict with the interests of the Company at large :

During the year, there were no materially significant transactions with related parties, as per the Policy adopted by the Company that have potential conflict with the interests of the Company at large.

### (B) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years

No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

### (C) Relationship between Directors

Mr. B. S. Jauhar, Mr. R. S. Jauhar and Mr. P. S. Jauhar are related to each other. Mr. B. S. Jauhar is the father of Mr. R. S. Jauhar and Mr. P. S. Jauhar.



**(D) Management**

The Management Discussion and Analysis Report is given separately in the Annual Report.

**(E) All Mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, have been complied by the Company. Towards the non-mandatory requirements, the Company has taken following steps:**

**The Board:** The Board has Non -Executive Chairman i.e. Mr. B. S. Jauhar. The Company does not reimburse expenses incurred by the Non-Executive Chairman for maintenance of a separate Chairman's office. Mr. B. S. Jauhar however, draws remuneration from Jai Suspension Systems LLP. None of the Independent directors have completed the tenure of 9 years from the date of their appointment.

**Shareholder Rights:** Please refer heading "Means of Communications"

**(F) Outstanding GDRs or any other Convertible Instruments:**

The Company has not issued any GDR and any other convertible instruments during the year or in past which are outstanding at year end.

**(G) Commodity Price Risk and Commodity Hedging Activities**

The Company is exposed to risk on account of adverse currency movements in global foreign exchange markets. The Company is managing the uncertainty and volatility of foreign exchange fluctuation by hedging the risk to achieve greater predictability and stability. Without venturing into the speculative aspects of dealing in currency derivatives, the Company hedges its foreign exchange exposure through forward foreign currency and exports. However, it does not hedge any of risk relating to commodity.

**(H) Dematerialization of Shares**

As on March 31, 2018, 38,96,89,985 equity shares of face value of Rs.1 each of the Company forming 97.80% stands dematerialized.

**(I) Share Transfer System**

The equity shares of the Company that are held in dematerialized form are transferred through the depositories without any involvement of the Company. Transfers of shares in physical form are processed by Share Transfer Agent of the Company- Skyline Financial Services Private Limited, New Delhi. Shares lodged for transfer/ transmissions are registered and returned within stipulated time period. The Company obtains a certificate from a practicing Company secretary on half-yearly basis to the effect that all the transfers are completed in the statutorily stipulated period. In compliance with Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a copy of the certificates so received is submitted to the stock exchanges, where the shares of the Company are listed.

**Subsidiary Companies**

As on March 31, 2018, the Company is having one wholly owned subsidiary company in the name of Jai Suspensions Limited. The Policy with respect to determining material subsidiary has been hosted on the website of the Company i.e. at [www.jaispring.com](http://www.jaispring.com). The Company has also investment in a Limited Liability Partnership firm, Jai Suspension Systems LLP in which the Company holds 99.9985% of total capital.

**General Shareholders Information**

1.	Date, Time and Venue of the 52 <sup>nd</sup> Annual General Meeting	September 29, 2018 at 9:30 a.m., at the Registered Office of the Company, at Jai Springs Road, Industrial Area, Yamuna Nagar – 135 001, Haryana
2.	Financial Calendar	April 01, 2017 to March 31, 2018
3.	Book Closure Dates	September 23, 2018 to September 29, 2018 (both days Inclusive)
4.	Dividend	During the year under review, the Board has declared an interim dividend of Rs. 0.30 per equity share on November 11, 2017.  The Final Dividend of Rs. 0.55 per equity share for the financial year ended March 31, 2018, if declared, at the ensuing Annual General Meeting shall be paid in accordance with the provisions of Companies Act, 2013.

5.	Listing on Stock Exchanges	
(a)	Equity Shares	Stock Code/Symbol
	The Bombay Stock Exchange Ltd, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001. Website: www.bseindia.com.	'520051'
	The National Stock Exchange of India Ltd. Exchange Plaza, 5 Floor, Plot No. C/1, "G Block" Bandra Kurla Complex, Bandra (E), Mumbai - 400051. Website- www.nseindia.com	'JAMNAAUTO'
(b)	GDRs	NOT APPLICABLE
6.	ISIN Code for the Company's Equity Shares	INE039C01032
7.	Corporate Identification Number(CIN)	L35911HR1965PLC004485
8.	Listing Fees	The Company has paid the listing fees for financial year 2018-19 to The Bombay Stock Exchange Limited (BSE) and to The National Stock Exchange of India Ltd (NSE), where the Shares of the Company are Listed.
9.	Share Transfer Agents	Skyline Financial Services (P) Limited D-153 A, First Floor, Okhla Industrial Area, Phase-I, New Delhi- 110020 Ph: 011-26812682-88, Fax No. - 011-26292682 Email: grievances@skylinerta.com; parveen@skylinerta.com
10.	Investor queries/request for transfer, transmission, issue of duplicate certificates etc to be sent	Skyline Financial Services (P) Limited

#### Means of Communication

The Company's quarterly/half yearly/annual financial results, notices of board meetings are published in prominent daily newspapers, viz. "The Financial Express" or "The Business Standard" and "Jansatta" (Hindi - Delhi Edition) and are also uploaded on the Company's website at www.jaispring.com . Simultaneously, all periodical compliance filings such as financial results, corporate governance report, details of meetings of Board and Shareholders, press releases, shareholding pattern and other material information to be given to shareholders or in public domain are being filed electronically through designated listing portals i.e. BSE Listing for BSE Limited and NEAPS Portal for National Stock Exchange of India Limited.

#### Unclaimed/Unpaid Dividend

Pursuant to the provision of Section 124 of the Companies Act, 2013, Dividend remaining unclaimed/unpaid for a period of 7 years from the date of transfer to the Company's unpaid account are to be transferred to the Investor Education and Protection Fund (IEP Fund). Following are the dates of dividend declared and the corresponding dates when unclaimed dividend due for transfer to IEP Fund.

Financial Year	Date of Declaration Dividend	Due Date for transfer to Investor Education and Protection Fund
2010-11 (Final Dividend)	31.08.2011	01.10.2018
2011-12 (Interim Dividend)	01.08.2011	01.09.2018
2011-12 (Second Interim Dividend)	31.01.2012	02.03.2019
2011-12 (Final Dividend)	18.08.2012	18.09.2019
2012-13 (Final Dividend)	20.09.2013	21.10.2020
2013-14 (Final Dividend)	03.09.2014	04.10.2021
2014-15 (Final Dividend)	29.09.2015	30.10.2022
2015-16 (Final Dividend)	12.08.2016	12.09.2023
2016-17 (Interim Dividend)	09.11.2016	10.12.2023
2016-17 (Final Dividend)	01.08.2017	01.09.2024
2017-18 (Interim Dividend)	11.11.2017	12.12.2024

During the Financial Year 2017-18, the unclaimed interim dividend of financial year 2010-11 was due and transferred to Investor Education and Protection fund in accordance with the provisions of Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"). The Company has uploaded the details of unpaid and unclaimed dividends lying with the Company for subsequent years on the web site of the Company at [www.jaispring.com](http://www.jaispring.com).

As per the requirements of IEPF Rules, the securities on which dividend remains unclaimed/ unpaid for consecutive seven years were liable to transfer to IEPF Authority in their demat account. In compliance with the requirements, the equity shares on which dividend remains unclaimed for consecutive seven years has been transferred to IEPF Authority. The detailed list of shareholders whose shares has been transferred to IEPF has been hosted on the website of the Company at [www.jaispring.com](http://www.jaispring.com).

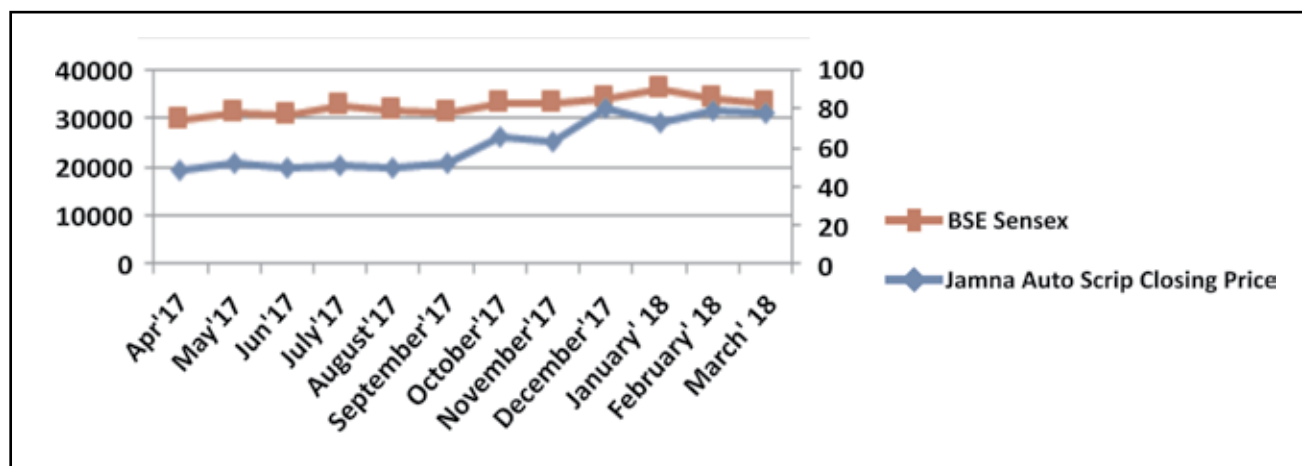
## Market Price Data

Monthly high/ low prices and volume of the shares of the Company as traded at The Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) during the financial year under review.

Month	Price at BSE (Rs.)			Price at NSE (Rs.)		
	High	Low	Volume	High	Low	Volume
April, 2017	249.7	210.2	9,21,792	249.6	212	34,67,630
May, 2017	261.7	220.5	10,05,666	261.95	220.1	27,16,829
June, 2017	281.4	230.85	7,79,612	281.4	230.7	28,33,247
July, 2017	277.3	245	10,08,269	278.5	245.4	23,23,125
August, 2017	293.5	226	19,73,262	292.4	219.65	43,70,271
September, 2017	280.1	244.1	9,61,175	279.95	244	43,11,001
October, 2017*	272	51.7	1,07,38,546	272.40	51.90	3,95,20,975
November, 2017	67.15	58.3	98,25,571	67.3	58.4	5,28,60,253
December, 2017	88.05	61.75	2,07,04,194	87.80	61.65	11,39,04,399
January, 2018	91.35	72.45	1,19,83,740	91.4	72.25	6,07,56,030
February, 2018	85.3	64.8	74,56,198	85.3	65	4,04,07,829
March, 2018	82.25	74.1	39,96,507	82.5	74.25	2,19,66,212

\*During the year under review, the face value of equity share of the Company was splitted from Rs.5 per share to Rs.1 per share with effect from October 06, 2017.

## The performance comparison of the Company's Share Price with BSE Sensex



Price for the period from April 1, 2017 to October 5, 2017, have been proportionately adjusted as there was a split of 1 share into 5 shares, for a better comparison.

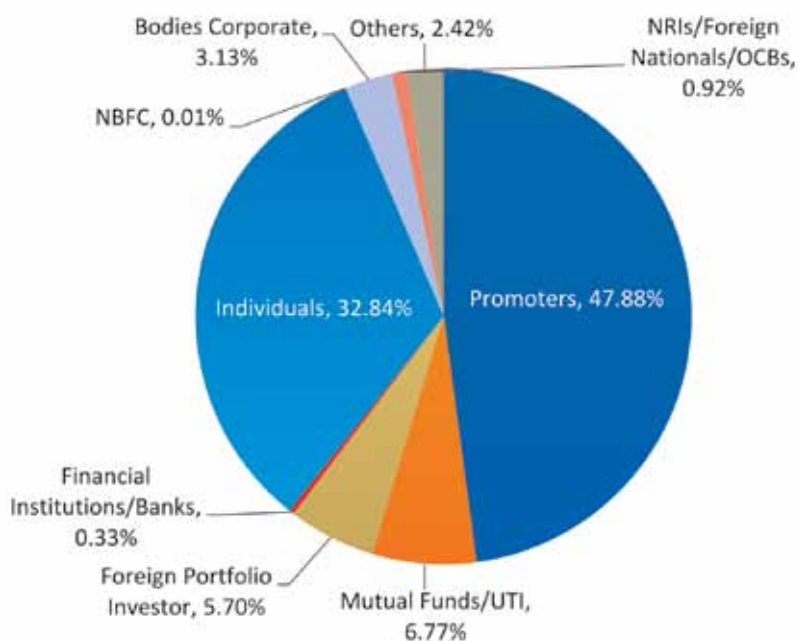


**Distribution of Shareholding as on March 31, 2018**

No. of Equity Shares held	No. of Shareholders	% to Total shareholders	No. of Shares held	% to Total shares
1-5000	72363	96.85%	41796975	10.49%
5001-10000	1175	1.57%	8949058	2.25%
10001-20000	534	0.71%	7826806	1.96%
20001-30000	179	0.24%	4548241	1.14%
30001-40000	111	0.15%	3956400	0.99%
40001-50000	69	0.09%	3261557	0.82%
50001-100000	117	0.16%	8512585	2.14%
100001-And Above	168	0.22%	319612263	80.21%
<b>Total</b>	<b>74,716</b>	<b>100%</b>	<b>39,84,63,885</b>	<b>100%</b>

**Shareholding Pattern as on March 31, 2018**

Category	No. of Shares	% age
Promoters	19,07,73,150	47.88%
Mutual Funds/UTI	2,69,60,918	6.77%
Foreign Portfolio Investor	2,27,16,023	5.70%
Financial Institutions/Banks	13,31,658	0.33%
Individuals	13,08,64,809	32.84%
NBFC	45,730	0.01%
Bodies Corporate	1,24,58,304	3.13%
NRIs/Foreign Nationals/OCBs	36,54,715	0.92%
Others	96,58,578	2.42%
<b>Total</b>	<b>39,84,63,885</b>	<b>100%</b>



## Reconciliation of the Share Capital Audit Report

As required by Securities and Exchange Board of India (SEBI), Reconciliation of the Share Capital Audit is required to be carried out by a qualified Chartered Accountant or a practicing Company Secretary to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out at the end of each Quarter and the report thereon is submitted to the Stock Exchanges.

### Registered Office

Jai Springs Road, Industrial Area, Yamuna Nagar – 135 001, Haryana.

### Plants location:

1. Jai Springs Road, Industrial Area, Yamuna Nagar – 135 001, Haryana
2. U-27-29, 31 & 32, Industrial Area, Malanpur, District Bhind- 477116, Madhya Pradesh
3. Plot no. 22-25, Sengundram Village, Maraimalainagar Industrial Complex, Singaperumal Koil Post, District Kanchipuram - 603 204, Tamil Nadu
4. 262 - 263, Village Karnidih, Chandil, District Saraikella, Kharswan - 832401, Jharkhand
5. Thally Road, Kalugondapalli Post, Hosur-635114, District Krishnagiri, Tamil Nadu
6. 128/2 Telco Road, Chinchwad, Taluka Haveli, Pune-411019, Maharashtra
7. 17-19, SIPCOT Pillaipakkam Industrial Park, Navalur Village, Sriperumpudur, District Kanchipuram, Tamil Nadu.

### Corporate Office

1. 2, Park Lane, Kishangarh, Vasant Kunj, New Delhi- 110070.
2. Hotel Novotel & Pullman, Commercial Tower, 5th Floor, Asset Area No. 2, Hospitality District, Aerocity, New Delhi-110037

### Compliance Officer and Contact Address:

Mr. Praveen Lakhera

Company Secretary & Head Legal

Jamna Auto Industries Limited

Hotel Novotel & Pullman, Commercial Tower,

5th Floor, Asset Area No. 2, Hospitality District, Aerocity,

New Delhi-110037

Tel.: 011-45504550

E-mail: praveen@jaispring.com

### Management Responsibility Statement

The Management confirms that the financial statements are in full conformity with the requirements of the Companies Act, 2013 (Act) read with relevant rules of the Act and Ind AS, as notified under companies Act, 2013. The management accepts responsibility for the integrity and objectivity of these financial statements. The management believes that the financial statements of operations reflect fairly the Company's financial position and the results of the operations. The company has a system of Internal Control, which is reviewed and updated on the regular basis. The Financial Statements have been audited by S.R. Batliboi & Co. LLP, Chartered Accountants and have been reviewed by the Audit Committee.

## Declaration on Compliance with the Code of Conduct

This is to hereby confirm and declare that, to the best of my information, all the Board Members and Senior Management Personnel of the Company have affirmed their compliance and undertaken to continue to comply with the Code of Conduct laid down by the Board of Directors of the Company.

For **Jamna Auto Industries Limited**

Place: New Delhi  
Date: May 22, 2018

**Pradeep Singh Jauhar**  
Managing Director & CEO

### COMPLIANCE CERTIFICATE

**(Pursuant to the provisions of Regulation 17(8) and 33(2)(a) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)**

**The Board of Directors  
Jamna Auto Industries Ltd.**

Dear Sirs,

We have reviewed the Audited Financial Results of Jamna Auto Industries Limited for the quarter and year ended March 31, 2018 and that to the best of our knowledge and belief, we state that;

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
2. 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.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the quarter and year ended March 31, 2018 which are fraudulent, illegal or violative of the Company's code of conduct.
4. We accept responsibilities 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, those deficiencies, of which we are aware, in design or operation of the internal control systems that we have taken the required steps to rectify these deficiencies.

We further certify that the following information have been indicated to the Auditors and the Audit committee:

- a. There have been no significant changes in internal control over financial reporting during the period under review;
- b. There have been no significant changes in accounting policies during the period under review; and
- c. There have been no instances of significant fraud of which we have become aware and the involvement therein, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For **Jamna Auto Industries Limited**

Place: New Delhi  
Date: May 22, 2018

**Pradeep Singh Jauhar**  
Managing Director & CEO

**Pankaj Gupta**  
CFO

# AUDITORS' CERTIFICATE

## Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To

The Members of Jamna Auto Industries Limited  
2, Park Lane, Kishangarh,  
Vasant Kunj,  
Delhi 110070

1. The Corporate Governance Report prepared by Jamna Auto Industries Limited (hereinafter the "Company" contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') with respect to Corporate Governance for the year ended March 31, 2018. This report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

### Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

### Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 3 above.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:
  - i. Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;
  - ii. Obtained and verified that the composition of the Board of Directors w.r.t executive and non-executive directors has been met throughout the reporting period;
  - iii. Obtained and read the Directors Register as on March 31, 2018 and verified that atleast one women director was on the Board during the year;
  - iv. Obtained and read the minutes of the following committee meetings held April 01, 2017 to March 31, 2018:
    - (a) Board of Directors meeting;
    - (b) Audit committee;
    - (c) Annual General meeting;
    - (d) Nomination and remuneration committee;
    - (e) Stakeholders Relationship Committee;
    - (f) Independent directors meeting; and



- v. Obtained necessary representations and declarations from directors of the Company including the independent directors; and
- vi. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

#### Opinion

- 8. Based on the procedures performed by us as referred in paragraph 7 above, and according to the information and explanations given to us, that we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2018, referred to in paragraph 1 above.

#### Other matters and Restriction on Use

- 9. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
- 10. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **S. R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm registration number:301003E/E300005

per **Vikas Mehra**

Partner

Membership No.: 094421

Place: New Delhi

Date: May 22, 2018

# ANNEXURE-8 TO THE DIRECTORS' REPORT

## KJ & ASSOCIATES

COMPANY SECRETARIES

208, Triveni Complex, E-10-12, Jawahar Park, Laxmi Nagar, Delhi-110092

Phone: 011-42487414 E-mail : kjassociates.cs@gmail.com

### Form No. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 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,  
**Jamna Auto Industries Limited**  
Jai Springs Road Industrial Area,  
Yamuna Nagar- 135001,  
Haryana.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Jamna Auto Industries Limited** (hereinafter called the company). 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 **M/s Jamna Auto Industries Limited'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 on March 31, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s Jamna Auto Industries Limited ("the Company")** for the financial year ended on March 31, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended from time to time;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time.
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments made from time to time;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999/Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended from time to time;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 as amended from time to time;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 as amended from time to time; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 as amended from time to time;

- (vi) The Factories Act, 1948,
- (vii) The Payment of Wages Act, 1936
- (viii) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and
- (ix) The Environment Protection Act, 1986.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that :**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. 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.

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

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

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

NOTE : Our report of even date is to be read in the light of the following :

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express our opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For KJ & Associates**  
Company Secretaries

**(Ramesh Kumar)**

**Partner**

M.No. : FCS -6393  
 C P No. : 5197  
 Place : New Delhi  
 Date: : May 20, 2018

# ANNEXURE-9 TO THE DIRECTORS' REPORT

## PARTICULARS OF EMPLOYEES

### A. The information required under section 197 of the Companies Act 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided as under:

Sr. No.	Particulars	Details
1	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year 2017-18	a) Mr. R S Jauhar, Vice Chairman & Executive Director : 62.35 b) Mr. P S Jauhar, Managing Director and CEO : 62.36 c) Mr. H. S. Gujral, Executive Director:13.53 (till 12-02-2018) d) Mr. S.P.S. Kohli, Executive Director 5.70 (w.e.f. 13-02-2018)
2	The percentage increase in remuneration of each director, CFO, CEO, CS in the financial year	a) Mr. R S Jauhar, Vice Chairman & Executive Director : 10% b) Mr. P S Jauhar, Managing Director and CEO : 10% c) Mr. H S Gujral, Executive Director : Nil d) Mr. SPS Kohli, Executive Director: Nil e) Mr. Pankaj Gupta, CFO -10% f) Mr. Praveen Lakhera, CS & Head Legal :10%
3	The percentage increase in the median remuneration of employees in the financial year 2017-18	14.42%
4	The number of permanent employees on the rolls of the Company	1202 Employees as on March 31, 2018
5	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year 2017-18 and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	CTC Salary increment KMP - 9.59% CTC Salary increment other than KMP- 9.47%
6	Affirmation that the remuneration is as per the remuneration policy	Affirmed



# INDEPENDENT AUDITOR'S REPORT

## To the Members of Jamna Auto Industries Limited Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Jamna Auto Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the design, implementation and maintenance of adequate internal financial control 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 standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as 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 financial statements are free from material misstatement.

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

### Opinion

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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 purpose 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, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with

Companies (Indian Accounting Standards) Rules, 2015, as amended;

- (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 38 (c) to the standalone Ind AS financial statements;
  - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

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per **Vikas Mehra**

Partner

Membership Number: 094421

Place of Signature: New Delhi

Date: May 22, 2018

# Annexure 1 referred to in paragraph 1 under the heading “Report on other legal and regulatory requirements” of our report of even date

Re: Jamna Auto Industries Limited (‘the Company’)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management the title deeds of immovable properties amounting to Rs. 531.02 lacs included in fixed assets have been given as security (mortgage and charge) against the financing facility taken from banks and we have been explained that the original title deeds are kept as security with the trustee appointed by bankers. Similarly, title deeds of immovable properties amounting to Rs. 1,740.64 lacs included in fixed assets are kept with Kotak Mahindra Bank and State Bank of India as security (mortgage and charge) against the financing facility provided by it. Therefore, these title deeds could not be made available to us for verification however, the same has been confirmed by the trustee/banks. Accordingly, based on the information and explanation given to us by the management and confirmation received from trustee/banks we report that the title deeds of immovable properties included in property, plant and equipment/ fixed assets are held in the name of the Company.
- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at March 31, 2018 and no material discrepancies were noticed in respect of such confirmations.
- (iii) The Company has granted loans to one wholly owned subsidiary covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the company’s interest.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.
- (v) The Company has not accepted any deposits from the public.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of spring leaves and lift axle, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees’ state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees’ state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax Goods and services tax, and cess on account of any dispute, are as follows:

Name of Statute	Nature of dispute	Forum where dispute is pending	Amounts in lakhs	Period to which it relates
Finance act 1994, (Service Tax)	Service Tax	Hon'ble Supreme Court of India	103.00	2008-2009
Finance act 1994, (Service Tax)	Service Tax	Assistant Commissioner Customs & Central Excise, Gwalior	7.46	2009-10 to 2012-13
Finance act 1994, (Service Tax)	Service Tax	Additional commissioner Customs & Central Excise, Gwalior	20.63	2005-06 to 2009-10
Finance act 1994, (Service Tax)	Service Tax	Commissioner Appeal, Delhi	5.80	2010-2011 & 2005-2006 to 2009-2010
Finance act 1994, (Service Tax)	Service Tax	Assistant Commissioner, Central Excise, Chennai	5.51	2005-06 and 2006-07
Madhya Pradesh Sales Tax act 1958	Entry Tax	MP Commercial Tax Appellate Board, Bhopal	11.78	2001-2002
Madhya Pradesh Sales Tax act 1958	Entry Tax	MP Commercial Tax Appellate Board, Bhopal	4.18	2008-2009
Madhya Pradesh Sales Tax act 1958	Entry Tax	Hon'ble Supreme Court of India	45.83	2006-2007
Madhya Pradesh Sales Tax act 1958	Value Added Tax	Hon'ble Supreme Court of India	477.54	2006-2007
Madhya Pradesh Sales Tax act 1958	Sales tax	Commissioner, Commercial Tax, Gwalior	0.18	1999-2000
Uttar Pradesh Commercial Taxes Department	Value Added Tax	Additional Commissioner, Grade-2, Commercial Tax, Lucknow	126.70	2011-2012
Madhya Pradesh Sales Tax act 1958	Nikaykar	MP Commercial Tax Appellate Board, Bhopal	0.53	1997-1998
The Central Excise Act, 1944	Excise Duty	CESTAT, New Delhi	196.28	2014-2015
The Central Excise Act, 1944	Excise Duty	Deputy Commissioner, Central Excise, Chennai	1.92	2009-2010
Customs Act, 1962	Custom Duty	Director General of Foreign Trade, New Delhi	8.25	2000-2008
The Income Tax Act, 1961	Alleged diversion of profit to subsidiary	Commissioner of Tax (Appeals)	474.79	2011-12 & 2012-13
The Income Tax Act, 1961	Alleged unaccounted income	Income Tax Appellate Tribunal	870.43	2008-09
The Income Tax Act, 1961	Disallowances of certain expenses	Income Tax Appellate Tribunal	26.14	2007-08 and 20011-12

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to a financial institution or bank and repayment of loan to Government in the nature of deferred sales tax loan.
- (ix) According to the information and explanations given by the management, the Company has utilised the money raised by way of term loan for the purpose for which they have raised. Further, the Company has not raised any money way of initial public offer / further public offer / debt instruments hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of



- section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

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per **Vikas Mehra**

Partner

Membership Number: 094421

Place of Signature: New Delhi

Date: May 22, 2018

# ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF JAMNA AUTO INDUSTRIES LIMITED

## 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 Jamna Auto Industries Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditor's Responsibility

Our responsibility is to express an opinion on 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 as specified 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

### Opinion

In our opinion, 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 **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Vikas Mehra**

Partner

Membership Number: 094421

Place of Signature: New Delhi

Date: May 22, 2018

# Balance Sheet

as at March 31, 2018

(All amounts in Rupees lakhs, unless otherwise stated)

	Particulars	Note	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>A</b>	<b>Assets</b>				
1	<b>Non-current assets</b>				
	Property, plant and equipment	3	27,166.82	26,609.25	20,069.67
	Capital work in progress	3	3,079.35	805.11	5,635.99
	Intangible assets	4	64.10	51.55	42.94
	Investment in subsidiaries	5	1,218.79	2,545.40	1,521.19
	Financial assets				
	Investments	6	46.63	46.63	-
	Loans	7	933.35	-	-
	Other financial assets	8	384.44	2,672.68	1,881.73
	Deferred tax assets (net)	10	626.61	121.72	-
	Other non-current assets	9	1,672.22	2,851.22	1,654.01
			<b>35,192.31</b>	<b>35,703.56</b>	<b>30,805.53</b>
2	<b>Current assets</b>				
	Inventories	11	14,584.21	8,710.05	8,186.35
	Financial assets				
	Loans	7	141.09	66.21	77.58
	Trade receivables	12	17,578.00	4,828.51	5,877.19
	Cash and cash equivalents	13	695.89	612.38	318.06
	Other bank balances	13.1	249.59	217.66	235.76
	Other financial assets	8	2,164.58	2,088.41	911.31
	Other current assets	9	2,777.41	1,032.64	326.13
			<b>38,190.77</b>	<b>17,555.86</b>	<b>15,932.38</b>
	<b>Total-Assets</b>		<b>73,383.08</b>	<b>53,259.42</b>	<b>46,737.91</b>
<b>B</b>	<b>Equity and Liabilities</b>				
1	<b>Equity</b>				
	Equity share capital	14	3,983.11	3,982.61	3,972.37
	Other equity	15	38,669.00	29,537.05	23,237.40
	<b>Total equity</b>		<b>42,652.11</b>	<b>33,519.66</b>	<b>27,209.77</b>
2	<b>Non-current liabilities</b>				
	Financial liabilities				
	Borrowings	16	2,250.88	780.10	494.49
	Other financial liabilities	17	113.51	2.00	7.13
	Long term provisions	18	1,074.55	698.16	513.00
	Deferred government grant	19	1,394.20	1,513.14	9.75
	Deferred tax liabilities (net)	10	-	-	567.95
			<b>4,833.14</b>	<b>2,993.40</b>	<b>1,592.32</b>
3	<b>Current liabilities</b>				
	Financial liabilities				
	Borrowings	16	2,250.80	5,227.66	430.22
	Trade payables				
	- Total outstanding due of micro and small enterprises	20	-	-	-
	- Total outstanding due of other creditors other than micro and small enterprises	20	15,596.13	6,349.75	12,245.54
	Other financial liabilities	21	2,013.49	1,683.96	1,271.55
	Deferred government grant	19	260.93	273.95	14.11
	Provision for current tax (net)	22	47.84	33.03	1,171.20
	Short term provisions	18	3,036.58	2,303.32	2,418.67
	Other current liabilities	23	2,692.07	874.69	384.53
			<b>25,897.84</b>	<b>16,746.36</b>	<b>17,935.82</b>
	<b>Total equity and liabilities</b>		<b>73,383.08</b>	<b>53,259.42</b>	<b>46,737.91</b>

Summary of significant accounting policies

2.1

The accompanying notes form an integral part of the financial statements

As per our report of even date.

For **S. R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

per **Vikas Mehra**

Partner

Membership No.: 094421

For and on behalf of the Board of Directors of

**Jamna Auto Industries Limited**

**P.S. Jauhar**

Managing Director & CEO

DIN : 00744518

**R.S. Jauhar**

Vice Chairman & Executive Director

DIN : 00746186

**Praveen Lakhera**

Company Secretary

**Pankaj Gupta**

Chief Financial Officer

Place: New Delhi

Date: May 22, 2018

# Statement of Profit and Loss

for the year ended March 31, 2018

(All amounts in Rupees lakhs, unless otherwise stated)

	Particulars	Note	For the year ended March 31, 2018	For the year ended March 31, 2017
	<b>Income</b>			
I	Revenue from operations	24	<b>163,084.50</b>	1,22,387.12
II	Other income	25	<b>3,904.50</b>	4,153.32
III	<b>Total revenue</b>		<b>166,989.00</b>	126,540.44
	<b>Expenses</b>			
	Cost of raw materials and components consumed	27	<b>103,406.95</b>	65,713.49
	Increase in inventories of finished goods and work in progress	28	<b>(761.20)</b>	(1,071.25)
	Excise duty on sales of goods		<b>2,229.49</b>	14,232.77
	Employee benefit expenses	29	<b>12,146.87</b>	9,501.30
	Other expenses	30	<b>26,995.33</b>	19,348.31
IV	<b>Total expenses</b>		<b>144,017.44</b>	107,724.62
V	<b>Profit before finance costs, depreciation/amortisation expense and tax</b>		<b>22,971.56</b>	18,815.82
VI	<b>Finance costs</b>			
	Finance costs	31	<b>1,694.66</b>	1,155.16
	Finance income	26	<b>163.65</b>	78.78
	<b>Net finance cost</b>		<b>1,531.01</b>	1,076.38
VII	Depreciation and amortisation expense	32	<b>3,941.46</b>	4,639.44
	<b>Profit before tax</b>		<b>17,499.09</b>	13,100.00
	<b>Tax expense</b>			
	Current tax		<b>5,400.24</b>	3,362.92
	Deferred tax charge/ (credit)		<b>(435.51)</b>	(667.49)
	<b>Total tax expense</b>		<b>4,964.73</b>	2,695.43
	<b>Profit for the year</b>		<b>12,534.36</b>	10,404.57
	<b>Other comprehensive income</b>			
	Other comprehensive income not to be reclassified to profit or loss in subsequent periods :			
	- Re-measurement gains / (losses) on defined benefit plans		<b>(75.05)</b>	(64.08)
	- Deferred tax assets on above		<b>25.97</b>	22.17
	<b>Other comprehensive income for the year, net of tax</b>		<b>(49.08)</b>	(41.91)
	<b>Total comprehensive income for the year</b>		<b>12,485.28</b>	10,362.66
	<b>Earnings per equity share (par value Rs. 1 (absolute amount) per share)</b>	33		
	- Basic		<b>3.15</b>	2.61
	- Diluted		<b>3.14</b>	2.61
	[Earnings per equity share expressed in absolute amount in Indian Rupees]			

Significant accounting policies

2.1

The accompanying notes form an integral part of the financial statements

As per our report of even date.

For **S. R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

per **Vikas Mehra**

Partner

Membership No.: 094421

For and on behalf of the Board of Directors of

**Jamna Auto Industries Limited**

**P.S. Jauhar**

Managing Director & CEO

DIN : 00744518

**R.S. Jauhar**

Vice Chairman & Executive Director

DIN : 00746186

Place: New Delhi

Date: May 22, 2018

**Praveen Lakhera**

Company Secretary

**Pankaj Gupta**

Chief Financial Officer



# Statement of changes in equity

for the year ended March 31, 2018

(All amounts in Rupees lakhs, unless otherwise stated)

**(a) Equity share capital :**

Particulars	No. of shares*	Amount
<b>Equity shares of Rs. 1 each issued, subscribed and paid (refer note no 14)</b>		
Balance as at April 1, 2016	397,083,360	3,972.37
Issued during the year	1,024,070	10.24
Closing balance as at March 31, 2017	398,107,430	3,982.61
<b>Issued during the year</b>	<b>50,005</b>	<b>0.50</b>
<b>Closing balance as at March 31, 2018</b>	<b>398,157,435</b>	<b>3,983.11</b>

\* No. of shares issued, subscribed and fully paid only.

**(b) Other equity**

Particulars	Capital reserve (refer note no 15)	Amalgamation reserve (refer note no 15)	Capital redemption reserve (refer note no 15)	Securities premium account (refer note no 15)	General reserve (refer note no 15)	Retained earnings (refer note no 15)	Share application pending allotment (refer note no 15)	Total other equity
<b>As at April 1, 2016</b>	<b>315.71</b>	<b>1,481.46</b>	<b>400.00</b>	<b>15,068.89</b>	<b>4,077.62</b>	<b>1,857.39</b>	<b>36.33</b>	<b>23,237.40</b>
Add: Profit for the year	-	-	-	-	-	10,404.57	-	10,404.57
Add: Security premium for the year *	-	-	-	46.04	-	-	-	46.04
Less: Dividend paid	-	-	-	-	-	(3,383.86)	-	(3,383.86)
Less: Tax on dividend	-	-	-	-	-	(688.86)	-	(688.86)
Less: Shares allotted during the year	-	-	-	-	-	-	(36.33)	(36.33)
Less: Other comprehensive income	-	-	-	-	-	(41.91)	-	(41.91)
<b>As at March 31, 2017</b>	<b>315.71</b>	<b>1,481.46</b>	<b>400.00</b>	<b>15,114.93</b>	<b>4,077.62</b>	<b>8,147.33</b>	<b>-</b>	<b>29,537.05</b>
Add: Profit for the year	-	-	-	-	-	12,534.36	-	12,534.36
Add: Security premium for the year *	-	-	-	2.23	-	-	-	2.23
Less: Dividend paid	-	-	-	-	-	(2,787.99)	-	(2,787.99)
Less: Tax on dividend	-	-	-	-	-	(567.57)	-	(567.57)
Less: Other comprehensive income	-	-	-	-	-	(49.08)	-	(49.08)
<b>As at March 31, 2018</b>	<b>315.71</b>	<b>1,481.46</b>	<b>400.00</b>	<b>15,117.16</b>	<b>4,077.62</b>	<b>17,277.05</b>	<b>-</b>	<b>38,669.00</b>
<b>Total other equity</b>	<b>315.71</b>	<b>1,481.46</b>	<b>400.00</b>	<b>15,117.16</b>	<b>4,077.62</b>	<b>17,277.05</b>	<b>-</b>	<b>38,669.00</b>

\* Securities premium received during the year.

The accompanying notes form an integral part of the financial statements  
As per our report of even date.

For **S. R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm registration number: 301003E/E300005

For and on behalf of the Board of Directors of  
**Jamna Auto Industries Limited**

per **Vikas Mehra**  
Partner  
Membership No.: 094421

**P.S. Jauhar**  
Managing Director & CEO  
DIN : 00744518

**R.S. Jauhar**  
Vice Chairman & Executive Director  
DIN : 00746186

Place: New Delhi  
Date: May 22, 2018

**Praveen Lakhera**  
Company Secretary

**Pankaj Gupta**  
Chief Financial Officer

# Cash Flow Statement

for the year ended March 31, 2018

(All amounts in Rupees lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>A. Cash flow from operating activities</b>		
<b>Profit before tax</b>	<b>17,499.09</b>	13,100.00
<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
Depreciation and amortisation expenses	<b>3,941.46</b>	4,639.44
(Gain) / Loss on sale of property, plant and equipment	<b>13.05</b>	(28.37)
Finance cost (including fair value change in financial instruments)	<b>1,694.66</b>	1,155.16
Finance income (including fair value change in financial instruments)	<b>(90.93)</b>	(78.78)
Finance income from interest on loan given to subsidiary	<b>(72.72)</b>	-
Excess provision no longer required written back	<b>(288.06)</b>	(69.79)
Provision for doubtful debts	<b>92.03</b>	166.30
Bad debts written off	<b>77.68</b>	-
Government grant and export incentive income recognised	<b>(312.08)</b>	(288.72)
Share in profit of limited liability partnership	<b>(3,209.85)</b>	(3,663.29)
<b>Operating profit before working capital changes</b>	<b>19,344.33</b>	14,931.95
<b>Changes in operating assets and liabilities:</b>		
Increase in other financial liabilities	<b>93.13</b>	13.25
Increase/(decrease) in trade payable and other current liabilities	<b>11,063.76</b>	(5,405.63)
Increase in provision (Non current & current)	<b>1,397.71</b>	139.60
(Increase) / decrease in trade receivables	<b>(12,919.20)</b>	882.38
(Increase) / decrease in inventories	<b>(5,874.16)</b>	(523.70)
(Increase) / decrease in Loans (Non Current & Current)	<b>(110.93)</b>	(56.45)
Movement in government grant	<b>180.12</b>	1,531.95
Decrease/ (increase) in other non-current assets & other financial assets	<b>296.31</b>	(2,842.25)
<b>Cash generated from operations</b>	<b>13,471.07</b>	8,671.10
Direct taxes paid (net)	<b>(5,312.00)</b>	(4,486.33)
<b>Net cash generated from operations</b>	<b>8,159.07</b>	4,184.77
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment	<b>(6,086.52)</b>	(7,736.51)
Proceeds from sale of property, plant and equipment	<b>44.58</b>	126.23
Fixed deposits made	<b>(4.52)</b>	(44.37)
Investment in equity shares of subsidiary	-	(100.00)
Investment in others	-	(46.63)
Loan given to subsidiary (Jai suspensions limited)	<b>(933.35)</b>	-
Withdrawal from share in capital of limited liability partnership (net)	<b>4,536.46</b>	2,739.08
Proceeds from sale of fixed deposits	<b>8.64</b>	130.29
Receipt of government grant	<b>230.44</b>	520.00
Interest received (finance income)	<b>163.65</b>	78.78
<b>Net cash from / (used) in investing activities</b>	<b>(2,040.62)</b>	(4,333.13)
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of equity shares (including share premium)	<b>2.73</b>	19.94
Dividend paid (including dividend distribution tax) and deposit to investor education & protection fund	<b>(3,319.51)</b>	(4,004.90)
Proceeds from long term borrowings	<b>3,000.00</b>	4,671.00
Repayment of long term borrowings	<b>(1,059.50)</b>	(3,892.92)
Net proceeds from / (repayment) of short term borrowings	<b>(2,976.87)</b>	4,797.44
Interest paid	<b>(1,681.79)</b>	(1,147.88)
<b>Net cash from / (used) in financing activities</b>	<b>(6,034.94)</b>	442.68
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>83.51</b>	294.32
<b>Cash and cash equivalents at the beginning of the year</b>	<b>612.38</b>	318.06
<b>Cash and cash equivalents at the year end</b>	<b>695.89</b>	612.38
<b>Components of cash and cash equivalents:</b>		
Cash in hand	<b>5.92</b>	18.43
Balances with scheduled banks		
- On current account	<b>689.97</b>	593.95
<b>(Refer note 13)</b>	<b>695.89</b>	612.38

As per our report of even date

For **S. R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

per **Vikas Mehra**

Partner

Membership No.: 094421

Place: New Delhi

Date: May 22, 2018

For and on behalf of the Board of Directors of

**Jamna Auto Industries Limited**

**P.S. Jauhar**

Managing Director & CEO

DIN : 00744518

**Praveen Lakhera**

Company Secretary

**R.S. Jauhar**

Vice Chairman & Executive Director

DIN : 00746186

**Pankaj Gupta**

Chief Financial Officer

# Notes to the financial statements

for the year ended March 31, 2018

(All amounts are in Rupees lakhs, unless otherwise stated)

## 1 Corporate information

Jamna Auto Industries Limited (“the Company”) is engaged in manufacturing and selling of Tapered Leafs, Parabolic Springs and Lift Axles. The Company has its manufacturing facilities at Malanpur, Chennai, Yamuna Nagar, Jamshedpur, Hosur, Pillaipakkam and Pune.

The Company is public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognised stock exchanges in India. The registered office of the Company is located at Jai Spring Road, Yamuna Nagar, Haryana -135001

Information on related party relationships of the Company is provided in note 39.

The financial statements were approved for issue in accordance with a resolution of the board of directors on May 22, 2018.

## 2 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended.

For all periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 (Indian GAAP). These financial statements for the year ended March 31, 2018 are the first financial statements, the Company has prepared in accordance with Ind AS. Refer to note 34 for information on how the Company adopted Ind AS.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value as referred in the accounting policies:

- (a) Certain financial assets and liabilities measured at fair value and
- (b) Derivative financial instruments.

The Financial Statements are presented in Indian Rupees (Rs.) and all values are rounded to the nearest lakhs (Rs. 00,000), except wherever otherwise stated.

### 2.1 Significant accounting policies

#### a) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management’s best knowledge of current events

and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

#### b. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

#### c. Foreign currencies

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company 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 recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between

the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. 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 measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in profit or loss are also recognised in profit or loss).

**d. Property, plant and equipment (PPE)**

Under the previous GAAP (Indian GAAP), Property, plant and equipment comprising of leasehold land, freehold land, factory building, office building, plant and machinery, office equipment, furniture and fixtures, vehicle and computer were carried in the balance sheet at their respective carrying value. Using the deemed cost exemption available as per Ind AS 101, the Company has elected to carry forward the carrying value of Property, plant and equipment under Indian GAAP as on 31 March 2016 as book value of such assets under Ind AS as at the transition date i.e. April 01, 2016.

Capital work in progress, plant and equipment is stated at cost, net of accumulated depreciation. and accumulated impairment losses, if any. Cost comprises the purchase price (net of centvat) and any directly attributable cost to bring assets to working condition. When significant parts of property, plant and equipment are required to be replaced at intervals, Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

- Gains or losses arising from de-recognition of tangible assets are measured as the difference between the net disposable proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.
- The Company identifies any particular component embedded in the main asset having significant value to total cost of asset and also a different life as compared to the main asset.

- The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.
- Machinery spares which are specific to a particular item of fixed asset and whose use is expected to be irregular are capitalized as fixed assets when they meet the definition of Property Plant Equipment, i.e., when the Company intends to use these during more than a period of 12 months.

**Depreciation on property, plant and equipment**

Leasehold land is amortised over the period of lease on a straight line basis. Cost of leasehold improvements on property, plant and equipment are amortised on a straight line basis over the period of lease or their useful lives, whichever is shorter.

Depreciation on other property, plant and equipment is calculated on a straight-line basis using the rates arrived at, based on the useful lives estimated by the management. The Company identifies and determines cost of each component/part of the asset separately, if the Component/part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining components of the asset. These components are depreciated separately over their useful lives and the remaining components are depreciated over the useful life of the principle assets. The company has used following estimated useful life to provide depreciation on its property, plant and equipment.

Particulars	Estimated useful life
-Factory building	30
-Other buildings	60
-Plant and Machinery <sup>1</sup>	15-20
-Research and development equipment	1
-Furniture and fixtures <sup>2</sup>	4
-Vehicles <sup>2</sup>	4
-Office equipments <sup>2</sup>	3
-Computers <sup>2</sup>	3

- (1) The management has estimated, supported by independent assessment, the useful life of certain plant and machinery as 20 years, which is higher than those indicated in schedule II of the Companies Act 2013.
- (2) The management has estimated, based on past experience, the useful life of these blocks of assets as lower than the life indicated for respective block of assets in schedule II of the Companies Act 2013.

Residual value of property, plant and equipment is considered at 5%.

Property, plant and equipment individually costing up to Rs. 0.05 are depreciated at the rate of 100 percent.



**e) Intangible assets**

Under the previous GAAP (Indian GAAP), Intangible assets comprising of software was carried in the balance sheet at their respective carrying value. Using the deemed cost exemption available as per Ind AS 101, the Company has elected to carry forward the carrying value of Intangible assets under Indian GAAP as on March 31, 2016 as book value of such assets under Ind AS as at the transition date i.e. April 01, 2016.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

The useful life of the intangible assets are assessed as either finite or infinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortization period and amortization method of the intangible asset with a useful finite life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another assets.

Software is amortised on a straight-line basis over the period of five years.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

**f) Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to April 01,

2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

A lease is classified at the inception date as a finance lease or an operating lease.

**Operating Lease**

Leases, where the lessor effectively retains substantially, all the risks and benefits of ownership of the leased item, are classified as Operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

**Finance Lease**

A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Finance leases are capitalised at the commencement of the lease at the inception date at fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

**Lands under finance lease**

The Company has lands allotted by authorities for a lease term of ninety-nine years. These lands were acquired by paying the consideration, which reflected the prevalent market price and upfront payment of all future lease rentals. There are no further lease rental obligations upon the Company to be paid to the Authority. There are no restrictions on usage or transfer of the land to any party by the Company. In view of aforesaid facts and circumstances, the Company has classified these lands as finance lease.

**g) Borrowing cost**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs

are expensed in the period they occur. Borrowing cost includes interest 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 cost.

#### **h) Impairment of non-financial asset**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units' (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses on non-financial asset, including impairment on inventories, are recognised in the statement of profit and loss.

#### **i) Investments**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Investments in quoted and unquoted equity instruments are recognized at fair value through profit and loss.

#### **j) Inventories**

Raw materials, components and stores and spares

are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on weighted average basis.

Stores and spares which do not meet the definition of Property, plant and equipment are accounted as inventories.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on weighted average basis.

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. Obsolete and non-moving inventory are determined on the basis of regular review and are valued at net realizable value or cost whichever is lower.

#### **k) Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Based on the Educational Material on Ind AS 18 issued by the ICAI, the Company has assumed that recovery of excise duty flows to the Company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty.

However, sales tax/ value added tax (VAT) , Goods and service tax is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognized:

##### **1) Sales of goods**

Revenue from sale of goods is recognized when all 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 discount and volume rebates..

## 2) Service income

Job work charges are accrued, as and when services are performed.

## 3) Interest income

For all debt instruments measured at amortised cost 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 instruments or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected estimated cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit loss. Interest income is included under the head "other income" in the statement of profit and loss.

Interest income on bank deposits and advances to vendors is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

## 4) Share of profit from LLP

Share of profit from LLP is recognised when the right to receive share of profit is established.

## 5) Export incentive

Export incentives are accrued in the underlying period of export sales in accordance with the terms of the export benefit scheme, provided that there is no significant uncertainty regarding the entitlement to the credit and the amount thereof.

## 6) Dividend Income

Dividend Income is recognised when the Company's right to receive dividend is established which is generally when shareholders approve the dividend.

## l) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service

received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Company operates three defined benefit plan for its employees i.e. gratuity, long service award and benevolent fund. The costs of providing benefits under this plan are determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out for this plan using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

## m) Taxes

### Current Income tax

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in

India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### **Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for all deductible timing differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The

Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement" under the head deferred tax assets. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

#### **n) Share Based payments**

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and Ind AS 102 Share based Payments, the cost of equity-settled transactions is measured using the intrinsic value method and recognized. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognized in the statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

#### **o) Segment reporting**

**Identification of segments** - The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the geographical location of the customers.

**Segment accounting policies** - The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

#### **p) Government grants**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates



to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

#### q) **Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

#### r) **Provisions**

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

#### **Warranty Provision**

Provision for warranty related costs are recognised when the product is sold. Provision is based on historical experience. The estimate of such warranty related costs are revised annually.

#### **Provision for Price Difference**

The Company recognises the price difference payable to parties, where settlement is pending for final negotiation. It is provided on the basis of best estimates and management's assessment, considering the past trend and various other factors. These provisions are reviewed on a regular basis and adjusted with respective element with statement of profit and loss from the adequacy and reasonability point of view.

#### s) **Contingent liabilities**

A 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 or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

#### t) **Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

#### u) **Measurement of EBITDA**

The Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, interest income, finance costs and tax expense.

#### v) **Fair value measurement**

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised 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 financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (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.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- ◆ Disclosures for valuation methods, significant estimates and assumptions (note 40 and note 42)
- ◆ Financial guarantee (note 38 and note 41)
- ◆ Financial instruments (including those carried at amortised cost) (note 5, 6, 7, 8, 11, 12, 15, 16, 19, 20, 41 and 42)

#### w) **Financial instrument:**

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**

##### **Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

##### **Subsequent measurement**

For the purpose of subsequent measurement, financial assets are only classified as debt instruments at amortised cost.

##### **Debt instruments at amortised cost**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

##### **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed

an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred

nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

#### **Impairment of financial assets:**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables or contract revenue receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. The credit risk of the Company has not increased significantly, 12-month ECL is used to provide for impairment loss.

The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, the Company considers:

- ◆ All contractual terms of the financial instrument

(including prepayment, extension, call and similar options) over the expected life of the financial instrument.

- ◆ Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- ◆ Financial assets measured as at amortised cost and contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

#### **Financial liabilities**

##### **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

##### **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

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

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other

changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability as at fair value through profit and loss.

#### **Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings. For more information refer Note 15.

#### **Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are generally unsecured. Trade and other payable are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using effective interest method.

#### **Financial guarantee contracts**

Financial guarantee contracts obtained by the Company

are those contracts that require a payment to be made by the issuer to reimburse the holder for a loss it incurs because the Company fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the financial guarantee is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

#### **Derecognition**

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

#### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.



# Notes to the financial statements

for the year ended March 31, 2018

(All amounts in Rupees lakhs, unless otherwise stated)

## 3 Property, plant and equipment

Particulars	Freehold land	Leasehold land	Leasehold improvement	Building	Plant and machinery	Furniture and fixtures	Vehicles	Office equipment	Computer hardware	Total tangible assets	Capital work in progress
<b>Gross block</b>											
As at April 1, 2016	3,545.71	788.76	-	5,976.69	30,509.84	124.41	605.43	336.83	484.05	42,371.72	-
Less : Accumulated depreciation	-	42.37	-	2,182.49	18,849.97	101.46	439.59	290.33	395.84	22,302.05	-
<b>Cost (Deemed cost) As at April 1, 2016 *</b>	<b>3,545.71</b>	<b>746.39</b>	-	<b>3,794.20</b>	<b>11,659.87</b>	<b>22.95</b>	<b>165.84</b>	<b>46.50</b>	<b>88.21</b>	<b>20,069.67</b>	<b>5,635.99</b>
Additions	-	-	-	2,015.94	8,987.15	32.11	75.33	56.21	67.61	11,234.35	5,598.35
Disposals	-	-	-	-	668.67	-	90.96	8.83	20.35	788.81	10,429.23
As at March 31, 2017	3,545.71	746.39	-	5,810.14	19,978.35	55.06	150.21	93.88	135.47	30,515.21	805.11
Additions	-	-	40.23	1,239.61	2,767.46	199.39	133.40	78.39	76.38	4,534.86	5,294.25
Disposals	-	-	-	-	556.31	0.92	109.53	29.17	107.85	803.78	3,020.01
<b>As at March 31, 2018</b>	<b>3,545.71</b>	<b>746.39</b>	<b>40.23</b>	<b>7,049.75</b>	<b>22,189.50</b>	<b>253.53</b>	<b>174.08</b>	<b>143.10</b>	<b>104.00</b>	<b>34246.29</b>	<b>3,079.35</b>
<b>Depreciation</b>											
As at April 1, 2016	-	42.37	-	2,182.49	18,849.97	101.46	439.59	290.33	395.84	22,302.05	-
Less: - Transferred to Gross block	-	42.37	-	2,182.49	18,849.97	101.46	439.59	290.33	395.84	22,302.05	-
<b>As at April 1, 2016 *</b>	-	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	8.11	-	218.21	4,119.12	24.77	117.27	37.85	71.58	4,596.91	-
Deductions	-	-	-	-	571.53	-	90.96	7.75	20.71	690.95	-
As at March 31, 2017	-	8.11	-	218.21	3,547.59	24.77	26.31	30.10	50.87	3,905.96	-
Charge for the year	-	8.11	3.44	314.85	3,356.96	41.92	88.16	47.78	58.44	3,919.66	-
Deductions	-	-	-	-	521.66	0.92	89.42	28.79	105.36	746.15	-
<b>As at March 31, 2018</b>	-	<b>16.22</b>	<b>3.44</b>	<b>533.06</b>	<b>6,382.89</b>	<b>65.77</b>	<b>25.05</b>	<b>49.09</b>	<b>3.95</b>	<b>7,079.47</b>	-
<b>Net block</b>											
<b>As at March 31, 2018</b>	<b>3,545.71</b>	<b>730.17</b>	<b>36.79</b>	<b>6,516.69</b>	<b>15,806.61</b>	<b>187.76</b>	<b>149.03</b>	<b>94.01</b>	<b>100.05</b>	<b>27,166.82</b>	<b>3,079.35</b>
As at March 31, 2017	3,545.71	738.28	-	5,591.93	16,430.76	30.29	123.90	63.78	84.60	26,609.25	805.11
As at April 1, 2016	3,545.71	746.39	-	3,794.20	11,659.87	22.95	165.84	46.50	88.21	20,069.67	5,635.99

\* Ind AS 101 Exemption : The Company has availed the exemption available under Ind AS 101, whereas the carrying value of Property, plant and equipment has been carried forward at the amount as determined under the previous GAAP.

**(3a) The Company has capitalised the following expenses attributable to fixed assets :-**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salary, wages and bonus	-	89.95
Consumption of stores and spares	-	204.06
Power and fuel	-	82.16
Travelling and conveyance	-	10.71
<b>Total</b>	-	<b>386.88</b>

## 4 Intangible assets

Particulars	Goodwill	Computer software	Copyrights	Total intangible assets
<b>Gross block</b>				
As at April 1, 2016	921.02	485.88	3,497.58	4,904.48
Less : Accumulated depreciation	921.02	442.94	3,497.58	4,861.54
<b>Cost (Deemed cost) as at April 1, 2016 *</b>	-	<b>42.94</b>	-	<b>42.94</b>
Additions	-	51.14	-	51.14
Disposals	-	-	-	-
<b>As at March 31, 2017</b>	-	<b>94.08</b>	-	<b>94.08</b>
Additions	-	34.35	-	34.35
Disposals	-	-	-	-
<b>As at March 31, 2018</b>	-	<b>128.43</b>	-	<b>128.43</b>
<b>Amortisation</b>				
As at April 1, 2016	921.02	442.94	3,497.58	4,861.54
Less: - Transferred to Gross block	921.02	442.94	3,497.58	4,861.54
As at April 1, 2016 *	-	-	-	-
Charge for the year	-	42.53	-	42.53
Deductions	-	-	-	-
<b>As at March 31, 2017</b>	-	<b>42.53</b>	-	<b>42.53</b>
Charge for the year	-	21.80	-	21.80
Deductions	-	-	-	-
<b>As at March 31, 2018</b>	-	<b>64.33</b>	-	<b>64.33</b>
<b>Net block</b>				
<b>As at March 31, 2018</b>	-	<b>64.10</b>	-	<b>64.10</b>
As at March 31, 2017	-	51.55	-	51.55
As at April 1, 2016	-	42.94	-	42.94

\* Ind AS 101 Exemption : The Company has availed the exemption available under Ind AS 101, whereas the carrying value of Intangible assets has been carried forwarded at the amount as determined under the previous GAAP.

## 5 Investment in subsidiaries

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
At Cost			
Investment in Limited Liability Partnership	<b>1,118.79</b>	2,445.40	1,521.19
99.99850% share in Jai Suspension Systems LLP			
<b>Investment in wholly owned subsidiary</b>	<b>100.00</b>	100.00	-
1,000,000 share of Rs. 10 each in Jai Suspensions Limited (Unquoted equity shares)			
<b>Total</b>	<b>1,218.79</b>	2,545.40	1,521.19

## 6 Investments in others

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
In fair value through OCI (fully paid up)			
Unquoted equity shares			
466,263 equity share of Rs. 10 each in IND Bharath Powergencom Limited *	<b>46.63</b>	46.63	-
<b>Total</b>	<b>46.63</b>	46.63	-

\* Investment is with an objective to attain power supply and is recently made and therefore cost is estimated as fair value.

## 7 Financial assets - Loans (Unsecured considered good unless otherwise stated)

	Non-current			Current		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Loan to subsidiary at amortised cost	<b>933.35</b>	-	-	-	-	-
Advance to employees	-	-	-	<b>141.09</b>	66.21	77.58
<b>Total</b>	<b>933.35</b>	-	-	<b>141.09</b>	66.21	77.58

## 8 Financial assets - Other financial assets

	Non-current			Current		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Security deposits at amortised cost	<b>377.41</b>	380.04	273.79	<b>3.92</b>	8.12	9.98
Non current bank balances (Refer note no 13.1)	<b>3.80</b>	3.80	10.99	-	-	-
Balance with sales tax, excise and custom authorities	-	906.44	1,590.77	<b>390.03</b>	1,210.37	893.20
Government grant receivable	-	1,382.40	-	<b>1,151.96</b>	-	-
Unbilled revenue	-	-	-	<b>545.46</b>	867.42	-

Derivative instruments at fair value through profit or loss	-	-	-	6.13	-	7.40
Interest accrued	3.23	-	6.18	67.08	2.50	0.73
<b>Total</b>	<b>384.44</b>	<b>2,672.68</b>	<b>1,881.73</b>	<b>2,164.58</b>	<b>2,088.41</b>	<b>911.31</b>

## 9 Other assets

	Non-current			Current		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Capital advances						
Unsecured considered good	1,102.45	2,030.11	921.74	-	-	-
Unsecured considered doubtful	9.47	9.47	5.61	-	-	-
	1,111.92	2,039.58	927.35	-	-	-
Less: Provision for doubtful advances	(9.47)	(9.47)	(5.61)	-	-	-
<b>Total (A)</b>	<b>1,102.45</b>	<b>2,030.11</b>	<b>921.74</b>	<b>-</b>	<b>-</b>	<b>-</b>
Advance to suppliers - considered good	-	-	80.90	798.98	756.95	163.96
- considered doubtful	52.20	50.37	50.37	-	-	-
Prepaid expenses	1.89	9.83	6.72	221.16	241.33	107.25
Prepaid lease rent	371.81	386.44	140.79	14.63	14.63	5.82
Deferred rent	116.04	117.32	118.60	1.28	1.28	1.28
Balance with custom authority	-	-	-	28.98	-	-
Prepaid taxes #	-	-	-	836.80	-	-
Duty paid under protest	49.36	84.96	83.86	16.87	-	-
Other recoverable in cash or kind # #	-	-	-	858.71	18.45	47.82
Advance income tax (net)	30.67	222.56	301.40	-	-	-
	621.97	871.48	782.64	2,777.41	1,032.64	326.13
Less :- Provision for doubtful advances	(52.20)	(50.37)	(50.37)	-	-	-
<b>Total (B)</b>	<b>569.77</b>	<b>821.11</b>	<b>732.27</b>	<b>2,777.41</b>	<b>1,032.64</b>	<b>326.13</b>
<b>Grand Total (A+B)</b>	<b>1,672.22</b>	<b>2,851.22</b>	<b>1,654.01</b>	<b>2,777.41</b>	<b>1,032.64</b>	<b>326.13</b>

# Goods and services tax paid on goods in transit.

## Rs. 858.71 (March 31, 2017: Rs. 18.45 , April 1, 2016 : Rs. 47.82) pertained to reimbursement / refund due from Government, customers and others.



**10 Deferred tax assets / (liability) (net)**

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Deferred tax assets</b>			
Provision for bad and doubtful debts	101.26	68.44	10.89
Provision for contingencies	126.71	121.19	113.51
Provision for price difference	840.19	543.83	-
Government grant deferred	494.05	574.44	-
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	582.84	401.60	336.88
<b>Total deferred tax assets</b>	<b>2,145.05</b>	1,709.50	461.28
<b>Less :- Deferred tax liability</b>			
Excess of depreciation/ amortisation on fixed assets under income tax law over depreciation/amortisation provided in accounts	(1,518.44)	(1,587.78)	(1,029.23)
<b>Total deferred tax liability</b>	<b>(1,518.44)</b>	(1,587.78)	(1,029.23)
<b>Deferred tax assets / (liability) (net)</b>	<b>626.61</b>	121.72	(567.95)

**11 Inventories**

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Raw material [includes goods in transit: Rs. 418.14 (March 31, 2017: Rs. 115.65, April 1, 2016: Rs. 16.43)]	5,417.80	783.96	1,258.26
Components	730.71	524.39	705.36
Work-in-progress	2,578.38	762.22	1,062.27
Finished goods [includes goods in transit: Rs. 2,518.56 (March 31, 2017: Rs. 3,224.53, April 1, 2016: Rs. 2,698.51)]	4,984.14	6,101.93	4,705.10
Stores and spares	801.12	528.32	420.60
Scrap	72.06	9.23	34.76
<b>Total</b>	<b>14,584.21</b>	8,710.05	8,186.35

**12 Trade receivables**

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Trade receivables	13,754.87	2,731.92	3,164.58
Receivables from related party	3,823.13	2,096.59	2,712.61
<b>Total</b>	<b>17,578.00</b>	4,828.51	5,877.19
<b>There are no security against the trade receivable. The breakup is as follow:-</b>			
Unsecured, considered good	17,578.00	4,828.51	5,877.19
Unsecured, considered doubtful	289.79	197.76	31.46
<b>Total</b>	<b>17,867.79</b>	5,026.27	5,908.65
Less: Allowance for unsecured, considered doubtful	(289.79)	(197.76)	(31.46)
<b>Total</b>	<b>17,578.00</b>	4,828.51	5,877.19

Trade receivables include :

No trade receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

### 13 Cash and bank balances

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Cash and cash equivalents			
Balance with banks			
On current account *	<b>689.97</b>	593.95	310.67
Cash on hand	<b>5.92</b>	18.43	7.39
<b>Total</b>	<b>695.89</b>	612.38	318.06

\* exclusive of Rs. 1,161.60 received from the customers, which has been already factored with a bank.

#### 13.1 Other bank balances

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balance with banks			
On unpaid dividend account	<b>203.94</b>	167.89	100.07
Deposits with bank with more than 12 months #	<b>3.80</b>	3.80	10.99
Deposits with bank with more than 3 months and less than 12 months # #	<b>45.65</b>	49.77	135.69
<b>Total</b>	<b>253.39</b>	221.46	246.75
Amount disclosed under non current assets (Refer note 8)	<b>(3.80)</b>	(3.80)	(10.99)
<b>Total</b>	<b>249.59</b>	<b>217.66</b>	<b>235.76</b>

# Includes fixed deposit kept as margin money Rs. 3.80 (March 31, 2017: Rs. 3.80, April 1, 2016: Rs. 10.99)

# # Includes fixed deposit kept as margin money Rs. 45.65 (March 31, 2017: Rs. 49.77, April 1, 2016: Rs. 135.69)

### 14 Share capital

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Authorised shares (amount per share in absolute rupees)</b>			
638,865,000 (March 31, 2017: 638,865,000, April 1, 2016: 638,865,000) equity shares of Rs. 1 each	<b>6,388.65</b>	6,388.65	6,388.65
350,000 (March 31, 2017: 350,000, April 1, 2016: 350,000) 12.50% optionally convertible cumulative preference shares of Rs. 100 each	<b>350.00</b>	350.00	350.00
<b>Total</b>	<b>6,738.65</b>	6,738.65	6,738.65
<b>Issued, subscribed and paid up equity shares (amount per share in absolute rupees)</b>			
"Subscribed and fully paid (398,157,435 (March 31, 2017: 398,107,430, April 1, 2016: 397,083,360) equity shares of Rs. 1 each)"	<b>3,981.57</b>	3,981.07	3,970.83
"Subscribed but not fully paid (306,450 (March 31, 2017: 306,450, April 1, 2016: 306,450) equity shares of Rs. 1 each, amount called up Rs. 1 each)"	<b>3.06</b>	3.06	3.06
Less: Call in arrears (held by other than directors)	<b>(1.52)</b>	(1.52)	(1.52)
	<b>3,983.11</b>	<b>3,982.61</b>	<b>3,972.37</b>

- a. Pursuant to shareholders approval dated August 1, 2017, the Company has sub - divided equity shares of Rs. 5 (absolute amount) each into equity shares of Rs. 1 (absolute amount) each for which October 6, 2017 was fixed as the record date. Accordingly, in previous year no. of shares have been restated based on the revised number of shares and face value of Rs. 1 (absolute amount) per equity shares.

**b Reconciliation of shares outstanding at the beginning and at the end of the reporting period**

	March 31, 2018		March 31, 2017		April 1, 2016	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
<b>Equity Shares</b>						
<b>Equity Share - Subscribed and fully paid up</b>						
At the beginning of the year	<b>398,107,430</b>	<b>3,981.07</b>	397,083,360	3,970.83	396,083,950	3,960.84
Add : Allotment of share (under ESOP scheme) (refer note no 47)	<b>50,005</b>	<b>0.50</b>	1,024,070	10.24	999,410	9.99
<b>At the end of the year</b>	<b>398,157,435</b>	<b>3,981.57</b>	398,107,430	3,981.07	397,083,360	3,970.83
<b>Equity Share - Subscribed but not fully paid up</b>						
At the beginning and end of the year	<b>306,450</b>	<b>3.06</b>	306,450	3.06	306,450	3.06

**c. Term and Rights attached to equity shares**

The Company has only one type of equity shares having par value of Rs. 1 (absolute amount) each per share, splitted during the year from face value of Rs. 5 to Rs 1, on dated October 6, 2017 and accordingly number of shares increased and previous year's number of shares have also been reinstated. Each shareholder is entitled to one vote per share. The Company pays and declares dividends in Indian rupees. The dividend proposed, if any, by the Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. The repayment of equity share capital in the event of liquidation and buy back of shares are possible subject to prevalent regulations. In the event of liquidation, normally the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**d. Details of shareholders holding more than 5% shares in the Company**

	March 31, 2018		March 31, 2017		April 1, 2016	
	No. of shares	% holding in the class	No. of shares	% holding in the class	No. of shares	% holding in the class
<b>Equity Shares of Rs. 1 (absolute amount) each fully paid</b>						
MAP Auto Limited	<b>129,010,990</b>	<b>32.38%</b>	128,354,340	32.22%	128,354,340	32.30%
NHK Spring Co. Limited, Japan	-	-	23,085,090	5.79%	23,085,090	5.81%
Pradeep Singh Jauhar	<b>21,521,070</b>	<b>5.40%</b>	20,718,970	5.20%	20,718,970	5.21%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

**e. Shares reserved for issue under options and contracts/commitments for the sale of shares/ disinvestment, including the terms and amounts**

The Company provides shares based payment schemes to its employees. During the year ended March 31, 2018, an employee stock option scheme was in existence and 28,025 stock options (Previous year: 57,462) can be exercised by the employees as per their vesting and in accordance with the terms of issue of stock option. Refer note 47 on ESOP.

**f. Forfeited shares (amount originally paid up, included in capital reserve)**

	March 31, 2018		March 31, 2017		April 1, 2016	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Equity share capital (281,900 equity shares (March 31, 2017: 281,900, April 1, 2016: 281,900) of Rs. 1 (absolute amount) each, amount called up Rs. 1 (absolute amount) each.	281,900	1.45	281,900	1.45	281,900	1.45
	281,900	1.45	281,900	1.45	281,900	1.45

**15 Other equity**

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Securities premium account</b>			
Balance as per the last financial statements	15,114.93	15,068.89	15,023.97
Add : Premium on issue of shares under options (Refer note no 47)	2.23	46.04	44.92
<b>Closing balance</b>	15,117.16	15,114.93	15,068.89
<b>Other comprehensive income</b>			
Balance as per the last financial statements	(41.91)	-	-
Add : Re-measurement gains / (losses) on defined benefit plans (net of tax) Refer note no 37	(49.08)	(41.91)	-
<b>Closing balance</b>	(90.99)	(41.91)	-
<b>Surplus/(deficit) in the Statement of profit and loss</b>			
Balance as per the last financial statements	8,189.24	1,857.39	(5,375.07)
Add: Profit for the year	12,534.36	10,404.57	7,232.46
Less: Final dividend paid	(1,593.14)	(2,184.83)	-
Less: Tax on final equity dividend	(324.33)	(444.77)	-
Less: Interim dividend paid (refer note no 4 below)	(1,194.85)	(1,199.03)	-
Less: Tax on interim dividend (refer note no 4 below)	(243.24)	(244.09)	-
<b>Net surplus in the statement of profit and loss</b>	17,368.04	8,189.24	1,857.39
<b>Other Reserve</b>			
Capital reserve (refer note no 1 below)	315.71	315.71	315.71
Capital redemption reserve (refer note no 2 below)	400.00	400.00	400.00
Amalgamation reserve	1,481.46	1,481.46	1,481.46
General reserve	4,077.62	4,077.62	4,077.62
<b>Total</b>	6,274.79	6,274.79	6,274.79
Share application pending allotment (refer note no 5 below)	-	-	36.33
<b>Total other equity</b>	38,669.00	29,537.05	23,237.40

1. Includes Rs.247 being amount forfeited against warrants and application money received in earlier years.
2. Represents reserve created on account of redemption of preference shares during earlier years.
3. The Company has proposed a final dividend of Rs. 0.55 (absolute amount) for every equity share of Rs. 1 (absolute amount) (March 31, 2017 Rs. 0.40 (absolute amount) per equity share of Rs.1 (absolute amount) for the year, subject to the approval of shareholders.
4. The Company has declared an interim dividend of Rs. 0.30 (absolute amount) for every equity share of Rs. 1 (absolute amount) (March 31, 2017 Rs. 0.30 (absolute amount) per equity share of Rs.1 (absolute amount) for the year.
5. The Share application money pending allotment includes amount received from employees against the employee stock option plan. The shares will be allotted in the next compensation committee meeting.

## 16 Financial liabilities - Borrowings

	Non-current			Current maturities		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Long term borrowing</b>						
<b>Secured loans</b>						
Term loans from banks						
- Indian rupee loan	<b>2,250.00</b>	723.67	-	<b>1,473.67</b>	964.89	-
<b>Other loans and advances</b>						
Buyers credit	-	-	349.19	-	-	465.59
Vehicle loans						
- From banks	-	-	0.59	-	0.69	8.67
- From financial institutions	<b>0.88</b>	21.10	65.24	<b>19.41</b>	41.92	40.65
<b>Unsecured loans</b>						
Deferred sales tax loan	-	35.33	79.47	<b>42.39</b>	58.25	58.37
<b>Total Long term borrowing</b>	<b>2,250.88</b>	780.10	494.49	<b>1,535.47</b>	1,065.75	573.28
Less: Amount disclosed under the head "other current liabilities" (refer note no 21)	-	-	-	<b>1,535.47</b>	1,065.75	573.28
<b>Net amount</b>	<b>2,250.88</b>	780.10	494.49	-	-	-
<b>Short term borrowing</b>						
<b>Secured #</b>						
Cash credit *	-	-	-	<b>2,228.91</b>	-	-
Packing credit facility	-	-	-	<b>21.89</b>	-	-
<b>Unsecured # #</b>						
HDFC factoring liability	-	-	-	-	228.20	-
Vendor financing facility	-	-	-	-	4,999.46	430.22
<b>Total short term borrowing</b>	-	-	-	<b>2,250.80</b>	5,227.66	430.22
<b>The above include</b>						
Aggregate Secured loans	<b>5,994.76</b>	1,752.27	929.93			
Aggregate Unsecured loans	<b>42.39</b>	5,321.24	568.06			

\* Gross of credit received of Rs. 146.80 from a customer, which has been already factored with a bank.



	Security terms	Repayment terms and rate of interest
<b>1.</b>	<b>Kotak Mahindra Bank Rs. 3,000 (March 31, 2017: Rs. Nil, April 1, 2016 Rs. Nil)</b>	
	(a) First charge on all existing and future movable fixed asset of the borrower at its Malanpur Plant, Yamuna nagar Plant, Jamshedpur Plant & Chennai Plant. (b) Equitable mortgage by way of first charge on land and building of the borrower at its Malanpur Plant, Yamuna nagar Plant, Jamshedpur Plant and Chennai Plant. (c) Second charge on existing and future current assets of the borrower.	Terms of repayment: 12 equal quarterly instalments of Rs. 250.00 each starting from July 2018, i.e. Starting from quarter following the fifteen month of first disbursement of term loan. This loan has been taken during this year. Rate of interest: During the year, the rate of interest has varied between 8.30% - 8.50%.
<b>2.</b>	<b>Kotak Mahindra Bank Rs. 723.67 (March 31, 2017: Rs. 1,688.56, April 1, 2016 Rs. Nil)</b>	
	(a) Exclusive hypothecation charge on all existing and future movable Fixed asset of the borrower at its Hosur Plant. (b) Exclusive mortgage charge on immovable properties being land & building located at Kalukondapali Village, Thally Road, Denkanikotta Taluk, Krishnagiri Taluk-635114.	Terms of repayment: 9 equal quarterly instalments of Rs. 241.22 each starting from December 2016 , i.e. Starting from quarter following the month of first disbursement of term loan. This loan has been taken in the previous year. Rate of interest: During the year, the rate of interest has varied between 8.45% - 9.20%.
<b>3.</b>	<b>Standard Chartered Bank Rs. Nil (March 31, 2017 : Nil, April 1, 2016 Rs. 814.78)</b>	
	(a) Exclusive charge over plant and machinery financed by the loan	Terms of repayment: 8 quarterly instalments of Rs 60.08 each starting from January 2016 and 9 quarterly instalment of Rs. 56.32 each starting from February 2016. This loan has been prepaid during the previous year. Rate of interest: During the year, the rate of interest is Nil
<b>4.</b>	<b>Vehicle loans Rs. 20.29 (March 31, 2017 Rs.63.71, April 1, 2016 Rs. 115.15)</b>	
	Vehicle loans are secured by the hypothecation of the specific vehicles. The loans are repayable in equated monthly / quarterly instalments in accordance with terms and conditions of loan agreement. The period of loan ranges from 3 to 5 years and interest rate ranges from 9.50 % to 12.50 %	
<b>5.</b>	<b>Deferred sales tax loan Rs. 42.39 (March 31, 2017 : Rs. 93.58, April 1, 2016 : Rs. 137.84)</b>	
	As per the eligibility certificate issued, the Company is eligible for deferred sales tax and the same is repayable over the period from March 1, 2010 to February 28, 2019 and is unsecured and interest free.	

### Short term borrowing

- # The Company has a facility for short term borrowings from State Bank of India, HDFC Bank, ICICI Bank, Kotak Mahindra Bank, Standard Chartered Bank and Yes Bank. The balance outstanding as at the year end is Rs. 2,250.80 (previous year Nil) carries interest rate of 5% to 9.15% and is secured by:
- First pari passu charge on the entire current assets of the Company both present and future.
  - Second pari passu charge over immovable fixed assets of the Company situated at Malanpur Plant, Jamshedpur Plant, Yamuna Nagar Plant and Chennai Plant.
  - Second pari passu charge on all existing and future movable fixed assets of the Company situated at Malanpur Plant, Jamshedpur Plant, Yamuna Nagar Plant and Chennai Plant.
- ## During the previous years, the Company has taken short term borrowing from HDFC Bank and Standard Chartered Bank, which carries interest rate varied between 8.4% to 8.75% in March 31, 2017 and April 1, 2016.

## 17 Other financial liabilities

	Non-current		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Security deposits at amortised cost	113.51	2.00	7.13
<b>Total</b>	<b>113.51</b>	2.00	7.13

## 18 Provisions

	Long - term			Short - term		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Provision for employees benefits</b>						
Provision for leave encashment	346.90	242.49	203.16	87.97	50.15	38.11
Provision for long service award	26.09	24.95	23.80	8.79	6.74	5.45
Provision for benevolent fund	34.47	30.61	11.37	6.93	5.68	-
Provision for gratuity (Refer note no. 37)	667.09	400.11	274.67	-	-	-
Total	1,074.55	698.16	513.00	103.69	62.57	43.56
<b>Other provisions</b>						
Provision for warranties #	-	-	-	202.58	143.51	135.29
Provision for contingencies # #	-	-	-	362.60	350.19	328.00
Provision for price differences # # #	-	-	-	2,367.71	1,747.05	1,911.82
Total	-	-	-	2,932.89	2,240.75	2,375.11
<b>Total</b>	<b>1,074.55</b>	698.16	513.00	<b>3,036.58</b>	2,303.32	2,418.67

### # Provision for warranties

A provision is recognized for expected warranty claims on products sold during the last one year, based on past experience of the level of repairs and returns. It is expected that significant portion of these costs will be incurred in the next financial year. Assumptions used to calculate the provision for warranties were based on current sales levels and current information available about returns based on the one-year warranty period for all products sold. The table below gives information about movement in warranty provisions.

	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>At the beginning of the year</b>	143.51	135.29	-
Arising during the year	182.28	160.65	281.36
Utilized during the year	(123.21)	(152.43)	(146.07)
<b>At the end of the year</b>	<b>202.58</b>	143.51	135.29
Current portion	202.58	143.51	135.29
Non-current portion	-	-	-

### # # Provision for contingencies

Provision for contingencies represents, provision made against claim made by one of the supplier not acknowledged by the Company and other possible losses based on best estimate of the management.

	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>At the beginning of the year</b>	<b>350.19</b>	328.00	-
Arising during the year	<b>230.45</b>	22.19	328.00
Utilized during the year	<b>(218.04)</b>	-	-
<b>At the end of the year</b>	<b>362.60</b>	350.19	328.00
Current portion	<b>362.60</b>	350.19	328.00
Non-current portion	-	-	-

### ### Provision for price differences

A provision is recognized for amount payable to parties on account of price difference i.e. based on assessment of management.

	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>At the beginning of the year</b>	<b>1,747.05</b>	1,911.82	-
Arising during the year	<b>1,595.13</b>	1,271.40	1,911.82
Utilized during the year	<b>(974.47)</b>	(1,436.17)	-
<b>At the end of the year</b>	<b>2,367.71</b>	1,747.05	1,911.82
Current portion	<b>2,367.71</b>	1,747.05	1,911.82
Non-current portion	-	-	-

## 19 Deferred government grant

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>At the beginning of the year</b>	<b>1,787.09</b>	23.86	-
Recognised during the year	<b>171.66</b>	2,042.07	23.86
Released to the statement of profit and loss (Refer note no 25)	<b>(303.62)</b>	(278.84)	-
<b>At the end of the year</b>	<b>1,655.13</b>	1,787.09	23.86
Current	<b>260.93</b>	273.95	14.11
Non Current	<b>1,394.20</b>	1,513.14	9.75

Notes:

1. Government grants have been received for the purchase of certain items of property, plant and equipment. There are no unfulfilled conditions or contingencies attached to these grants.

2. The Company has opted the EPCG scheme, to avail the benefit of saving of custom duty by committing export of goods worth six times, of the value of duty saved, over a period of six years from the date of utilisation of benefit. Duty so saved as been recognised as Government grant and being released to profit & loss on the basis of export obligation fulfilled. As at March 31, 2018, the Company has an outstanding export obligation of Rs. 6,070.41 (March 31, 2017: Rs. 5,068.76) (April 1, 2016: Nil)

## 20 Financial liabilities -Trade payables

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Trade payables</b>			
- Total outstanding due to micro and small enterprises (refer note (a) below)	-	-	-
-Total outstanding due of creditor other than micro and small enterprises (including acceptances Rs. Nil (March 31, 2017: Rs. Nil, April 1, 2016: Rs. 6,142.80))*	<b>15,486.15</b>	6,285.85	12,224.94
- Trade payables to related parties	<b>109.98</b>	63.90	20.60
<b>Total</b>	<b>15,596.13</b>	6,349.75	12,245.54

\* The acceptances are secured under short term borrowings facility from banks. Refer note 16 for details of securities.

Note (a) : Based on the information presently available with the Company, there are no dues outstanding as at the year end or interest payable / paid on delays in payment to micro and small enterprises covered under the Micro, Small and Medium Enterprise Development Act 2006.

## 21 Other financial liabilities

	Current		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current maturities of long-term borrowings (Refer note 16)	1,535.47	1,065.75	573.28
Derivative instruments at fair value through profit or loss	-	18.38	-
Interest accrued but not due on borrowings	27.89	15.02	7.74
Investor education and protection fund, will be credited by following amounts (as and when due) - Unpaid dividends	203.94	167.89	100.07
Creditors for purchase of fixed assets (Refer note (a) above)	246.19	416.92	590.46
<b>Total</b>	<b>2,013.49</b>	<b>1,683.96</b>	<b>1,271.55</b>

## 22 Provision for current tax

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for income tax	47.84	33.03	1,171.20
<b>Total</b>	<b>47.84</b>	<b>33.03</b>	<b>1,171.20</b>

## 23 Other current liabilities

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advances from customers	1,529.31	409.63	185.52
Statutory dues payable	1,162.76	465.06	199.01
<b>Total</b>	<b>2,692.07</b>	<b>874.69</b>	<b>384.53</b>

## 24 Revenue from operations

	For the year ended March 31, 2018	For the year ended March 31, 2017
Sale of products (including excise duty)		
Sale of finished goods	159,271.13	117,614.17
Sale of services	858.56	2,794.79
Other operating revenue		
- Scrap sale	2,954.81	1,978.16
Revenue from operations	163,084.50	122,387.12

## 25 Other income

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Other non-operating income</b>		
Share in profit of limited liability partnership	3,209.85	3,663.29
Gain on disposal of property, plant and equipment (net)	-	28.37
Excess provision written back (Including write back of contingency provision of Rs. 130.19 (March 31, 2017: Rs. Nil))	288.06	69.79
Export Incentive	8.46	9.88
Government grants (Refer note no 19)	303.62	278.84
Miscellaneous income	94.51	103.15
<b>Total</b>	<b>3,904.50</b>	<b>4,153.32</b>

## 26 Finance income

	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest income		
- From banks	5.47	36.12
- From subsidiary	72.72	-
- From others	85.46	42.66
<b>Total</b>	<b>163.65</b>	<b>78.78</b>

## 27 Raw material and components consumed

	For the year ended March 31, 2018	For the year ended March 31, 2017
Inventory at the beginning of the year	1,308.35	1,963.62
Add : Purchases during the year	108,247.11	65,058.22
<b>Total</b>	<b>109,555.46</b>	<b>67,021.84</b>
Less : Inventory at the end of the year	6,148.51	1,308.35
	<b>103,406.95</b>	<b>65,713.49</b>

## 28 Changes in inventory of finished goods and work in progress and scrap

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Inventories at the end of year</b>		
- Finished goods	4,984.14	6,101.93
- Work in progress	2,578.38	762.22
- Scrap	72.06	9.23
<b>Total</b>	<b>7,634.58</b>	<b>6,873.38</b>
<b>Inventories at the beginning of year</b>		
- Finished goods	6,101.93	4,705.10
- Work in progress	762.22	1,062.27
- Scrap	9.23	34.76
<b>Total</b>	<b>6,873.38</b>	<b>5,802.13</b>
<b>Increase in inventory</b>	<b>(761.20)</b>	<b>(1,071.25)</b>

## 29 Employee benefits expenses

	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, wages and bonus (refer note no 3(b))	10,941.18	8,575.12
Gratuity expense (refer note no 37)	192.15	75.84
Contribution to provident and other funds	379.42	327.80
Staff welfare expenses	634.12	522.54
<b>Total</b>	<b>12,146.87</b>	<b>9,501.30</b>



### 30 Other expenses

	For the year ended March 31, 2018	For the year ended March 31, 2017
Consumption of stores and spare parts (refer note no 3(b))	5,049.29	3,947.66
Power and fuel (refer note no 3(b))	8,886.74	6,375.77
Job charges	2,426.72	1,756.47
Rent	728.53	441.93
Repair and maintenance		
- buildings	210.64	305.12
- plant and machinery	666.69	466.86
- others	257.20	256.36
Rates and taxes	143.74	204.81
Travelling and conveyance (refer note no 3(b))	1,194.11	744.22
Legal and professional (refer note no 46 for payment made to auditors)	1,064.83	648.35
Loss on sale / discard of property, plant and equipment (net)	13.05	-
Provision for contingencies (refer note no 18)	230.45	22.19
Provision for doubtful advances	-	3.85
Provision for doubtful debts	92.03	166.30
Bad debts written off	77.68	-
Freight, forwarding and packing	3,787.67	2,655.88
Sales promotion and advertisement	538.28	164.45
Selling expenses	135.66	115.45
Commission on sales	7.69	-
Warranty claims	182.28	160.65
Security charges	144.43	125.71
CSR expenses (refer note no 50)	194.09	94.58
Donation	4.95	2.04
Royalty	248.72	145.78
Exchange fluctuation loss	31.44	41.46
Directors sitting fees	4.52	4.33
Insurance	68.82	53.72
Printing stationery and communication	211.06	133.91
Bank charges	116.24	101.94
Miscellaneous expenses	277.78	208.52
<b>Total</b>	<b>26,995.33</b>	<b>19,348.31</b>

### 31 Finance costs

	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest to banks	1,623.42	1,011.62
Interest others *	71.24	143.54
<b>Total</b>	<b>1,694.66</b>	<b>1,155.16</b>

\* Includes interest on income tax Rs. 64.19 (March 31, 2017: Rs. 129.44)

### 32 Depreciation and amortisation expenses

	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation on Property, Plant and Equipment (Refer note no 3)	3,919.66	4,596.91
Amortisation on intangible assets (Refer note no 4)	21.80	42.53
<b>Total</b>	<b>3,941.46</b>	4,639.44

### 33 Earnings per share (EPS)

Basic and Diluted 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.

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Net profit after tax	12,534.36	10,404.57
Weighted average number of equity shares during the period in calculating basic EPS	398,292,648	398,037,389
Add: Stock options granted under ESOP but yet to be exercised	280,250	574,620
Weighted average number of equity shares during the period in calculating diluted EPS	398,572,898	398,612,009
Basic EPS	3.15	2.61
Diluted EPS	3.14	2.61

Pursuant to shareholders approval dated August 1, 2017, the Company has sub - divided equity shares of Rs. 5 (absolute amount) each into equity shares of Rs. 1 (absolute amount) each for which October 6, 2017 was fixed as the record date. Accordingly, number of shares for current year as well as previous year have been restated based on the revised number of shares and face value of Rs. 1 (absolute amount) per equity shares.

### 34 First time adoption of Ind AS

These financial statements, for the year ended March 31, 2018, are the first financial statement, the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2016 and the financial statements as at and for the year ended March 31, 2017.

### 35 Exemptions applied

Ind AS 101 allows first time adopter certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied following exemptions : -

1. Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per IGAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible assets. Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets at their IGAAP carrying value;
2. Ind AS 101 grants an option for investments in subsidiaries, associates and joint ventures to be carried at cost in its financial statements on the date of transition to Ind AS. Further, Ind AS 27 requires investments in subsidiaries, associates and joint ventures to be recorded at cost or in accordance with Ind AS 109 in its separate financial statements. The Company has availed the above exemption and recognized the investment in an associate and joint ventures at the amount carried in previous IGAAP on the date of transition to Ind AS. Subsequent to date of transition, the investments are carried at cost.

3. Ind AS 101 grants an option for share based payment to equity instrument that were granted on or before the date of transition to Ind AS, to be carried at cost in its financial statements on the date of transition to Ind AS. The Company has availed the above exemption and recognized the share based payment to equity instrument at the amount carried in previous IGAAP on the date of transition to Ind AS. Subsequent to date of transition, the share based payment to equity instrument are carried at cost.

### 36 Reconciliation

The following reconciliation provides the effect of transition to Ind AS from IGAAP in accordance with Ind AS 101:

- Equity as at April 1, 2016 and March 31, 2017
- Net profit/ loss for the year ended on March 31, 2017

#### 36.1 Reconciliation of equity as previously reported under IGAAP to Ind AS

Particulars	Note	Opening Balance as at April 1, 2016			Balance Sheet as at March 31, 2017		
		IGAAP	Effect of transition to Ind AS	Ind AS	IGAAP	Effect of transition to Ind AS	Ind AS
<b>Assets</b>							
<b>Non-current assets</b>							
Property, plant and equipment	(b)	20,216.28	(146.61)	20,069.67	26,875.66	(266.41)	26,609.25
Capital work-in-progress		5,635.99	-	5,635.99	805.11	-	805.11
Intangible assets		42.94	-	42.94	51.55	-	51.55
Investment in subsidiaries		1,521.19	-	1,521.19	2,545.40	-	2,545.40
Financial assets:							
Investments	(b)	-	-	-	46.63	-	46.63
Other financial assets		2,043.10	(161.37)	1,881.73	2,800.57	(127.89)	2,672.68
Deferred tax assets (net)		-	-	-	118.49	3.23	121.72
Other non-current assets	(b)	1,394.62	259.39	1,654.01	2,347.50	503.72	2,851.22
<b>Total non-current assets</b>		<b>30,854.12</b>	<b>(48.59)</b>	<b>30,805.53</b>	<b>35,590.91</b>	<b>112.65</b>	<b>35,703.56</b>
<b>Current assets</b>							
Inventories		8,186.35	-	8,186.35	8,710.05	-	8,710.05
Financial assets:							
Loans		77.58	-	77.58	66.21	-	66.21
Trade receivables		5,877.19	-	5,877.19	4,828.51	-	4,828.51
Cash and cash equivalents		318.06	-	318.06	612.38	-	612.38
Other bank balances		235.76	-	235.76	217.66	-	217.66
Other financial assets	(b)	903.91	7.40	911.31	2,088.41	-	2,088.41
Other current assets	(b)	319.03	7.10	326.13	1,016.74	15.90	1,032.64
<b>Total current assets</b>		<b>15,917.88</b>	<b>14.50</b>	<b>15,932.38</b>	<b>17,539.96</b>	<b>15.90</b>	<b>17,555.86</b>
<b>Total assets</b>		<b>46,772.00</b>	<b>(34.09)</b>	<b>46,737.91</b>	<b>53,130.87</b>	<b>128.55</b>	<b>53,259.42</b>
<b>Equity and liabilities</b>							
<b>Equity</b>							
Equity share capital		3,972.37	-	3,972.37	3,982.61	-	3,982.61
Other equity	(b)	20,621.17	2,616.23	23,237.40	29,524.83	12.22	29,537.05
<b>Total equity</b>		<b>24,593.54</b>	<b>2,616.23</b>	<b>27,209.77</b>	<b>33,507.44</b>	<b>12.22</b>	<b>33,519.66</b>
<b>Non-current liabilities</b>							
Financial liabilities:							
Borrowings	(b)	518.35	(23.86)	494.49	789.85	(9.75)	780.10

Others financial liabilities		7.13	-	7.13	2.00	-	2.00
Long term provisions		513.00	-	513.00	698.16	-	698.16
Deferred government grants	<b>(b)</b>	-	9.75	9.75	1,415.15	97.99	1,513.14
Deferred tax liabilities (net)	<b>(b)</b>	567.75	0.20	567.95	-	-	-
<b>Total non-current liabilities</b>		<b>1,606.23</b>	<b>(13.91)</b>	<b>1,592.32</b>	<b>2,905.16</b>	<b>88.24</b>	<b>2,993.40</b>
<b>Current liabilities</b>							
Financial liabilities:							
Borrowings		430.22	-	430.22	5,227.66	-	5,227.66
Trade payables		12,245.54	-	12,245.54	6,349.75	-	6,349.75
Other financial liabilities	<b>(b)</b>	1,292.50	(20.95)	1,271.55	1,685.12	(1.16)	1,683.96
Deferred government grants	<b>(b)</b>	-	14.11	14.11	244.70	29.25	273.95
Provision for current tax (net)		1,171.20	-	1,171.20	33.03	-	33.03
Short term provisions	<b>(b)</b>	5,048.24	(2,629.57)	2,418.67	2,303.32	-	2,303.32
Other current liabilities		384.53	-	384.53	874.69	-	874.69
<b>Total current liabilities</b>		<b>20,572.23</b>	<b>(2,636.41)</b>	<b>17,935.82</b>	<b>16,718.27</b>	<b>28.09</b>	<b>16,746.36</b>
<b>Total equity and liabilities</b>		<b>46,772.00</b>	<b>(34.09)</b>	<b>46,737.91</b>	<b>53,130.87</b>	<b>128.55</b>	<b>53,259.42</b>

### 36.2 Reconciliation of statement of profit and loss as previously reported under IGAAP to Ind AS

	Particulars	Note	Year ended March 31, 2017		
			IGAAP	Effect of transition to Ind AS	Ind AS
	<b>Income</b>				
I	Revenue from operations	<b>(b)</b>	108,737.16	13,649.96	122,387.12
II	Other income	<b>(b)</b>	5,490.93	(1,337.61)	4,153.32
III	Total income		114,228.09	12,312.35	126,540.44
	<b>Expenses</b>				
	Cost of raw material and components consumed	<b>(b)</b>	67,787.93	(2,074.44)	65,713.49
	(Increase) / decrease in inventories of finished goods and work in progress		(1,071.25)	-	(1,071.25)
	Excise duty on sales of goods	<b>(b)</b>	-	14,232.77	14,232.77
	Employee benefit expenses	<b>(b)</b>	9,565.39	(64.09)	9,501.30
	Other expenses	<b>(b)</b>	19,525.65	(177.34)	19,348.31
IV	<b>Total expenses</b>		95,807.72	11,916.90	107,724.62
V	<b>Profit before finance costs, depreciation/amortisation expense and tax</b>		18,420.37	395.45	18,815.82
VI	<b>Finance costs</b>				
	Finance costs	<b>(b)</b>	814.01	341.15	1,155.16
	Finance income	<b>(b)</b>	51.62	27.16	78.78
	Net finance costs		762.39	313.99	1,076.38
VII	Depreciation and amortisation expenses	<b>(b)</b>	4,644.22	(4.78)	4,639.44
	<b>Profit before tax</b>		13,013.76	86.25	13,100.00
	<b>Tax expenses :</b>				

- Current tax		3,362.92	-	3,362.92
- Deferred tax charge/ (credit)	(b)	(686.23)	18.74	(667.49)
		2,676.69	18.74	2,695.43
<b>Profit after tax</b>		10,337.07	67.50	10,404.57
<b>Other comprehensive income</b>				
<b>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods :</b>				
- Re-measurement gains / (losses) on defined benefit plans	(b)	-	(64.08)	(64.08)
- Deferred tax assets on above	(b)	-	22.17	22.17
<b>Other comprehensive income for the year, net of tax</b>		-	(41.91)	(41.91)
<b>Total Comprehensive income for the year</b>		<b>10,337.07</b>	<b>25.59</b>	<b>10,362.66</b>

### 36.3

#### (a) Cash flow statement

There were no significant reconciliation items between cash flow prepared under IGAAP and those prepared under Ind AS.

#### (b) Explanation for reconciliation of Balance Sheet as per previously reported under IGAAP to Ind AS

##### Provisions

Under IGAAP, proposed dividends including DDT are recognised as a liability in the period to which they relate, irrespective of when they are declared. Under Ind AS, proposed dividend is recognised as a liability in the period in which it is declared by the Company (usually when approved by shareholders in a general meeting) or paid.

In case of the Company, the declaration of dividend occurs after period end. Therefore, the liability of Rs. 2,629.57 for the year ended on March 31, 2016 recorded for dividend (including dividend distribution tax) has been derecognised against retained earnings on April 1, 2016.

##### Deferred tax assets (net)

Previous IGAAP required calculation of deferred tax using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 "Income Taxes" requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 has resulted in recognition of deferred tax on new temporary differences which was not required under previous IGAAP.

##### Retained earnings

Retained earnings as at April 01, 2016 has been adjusted consequent to Ind AS transition adjustments.

##### Financial assets - Security deposit

Financial assets, including long term deposit paid have been stated at amortised cost fair value.

##### Financial liabilities - Borrowings

The Company had an interest free borrowing (deferred sales tax loan) from the Government of India. The same has been disclosed at fair value using effective interest rate of 10%.

##### Long term provisions

Other than re-measurements gain/(loss) on defined benefit plans, it includes adjustments on account of accrual of leave encashment expenditure as prior period items for liability up to April 1, 2016.

##### Derivative instruments

Outstanding derivative instruments taken by the Company as at April 1, 2016 which were earlier accounted for an amortisation of premium cost, now under Ind AS have been recognised with MTM.



**Other current liabilities**

The previous IGAAP figures have been reclassified to conform to Ind AS presentation requirement for this note.

**Explanation for reconciliation of statement of profit and loss as per previously reported under IGAAP to Ind AS****Revenue from operations**

Under the previous IGAAP, cash discount paid for early receipt from customer was recorded under the head finance cost. As per Ind AS 18, revenue is measured at fair value of the consideration received and receivable taking into account the amount of cash discounts allowed by the entity.

Further under previous IGAAP, sale of goods was presented as net of excise duty. However, under Ind AS, sale of goods includes excise duty. Excise duty on sale of goods is separately presented on the face of statement of profit and loss. Thus sale of goods under Ind AS has increased by Rs. 14,232.77 for the year ended March 31, 2017 with a corresponding increase in expenses.

**Financial guarantee contracts**

Financial guarantee provided to subsidiary for loan obtained by them has been accounted for on the basis of fair value.

**Employee benefits expenses**

Under Ind AS, all items of income and expenses recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expenses that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes re-measurement of defined benefit plans. The concept of other comprehensive income did not exist under previous IGAAP.

**Other comprehensive income**

Under IGAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled IGAAP profit or loss to profit or loss as per Ind AS. Further, IGAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

**37 Gratuity and other post-employment benefit plans**

The Company operates three plans viz gratuity, long term service awards and benevolent fund for its employees. Under the gratuity plan every employee who has completed atleast five years of service gets Gratuity on departure @15 days of last drawn salary for each completed year of service, in terms of Payment of Gratuity Act, 1972. The scheme is funded with an Insurance Company in the form of a qualifying insurance policy. Under long term service award the employee is entitled to a fixed amount on completion of ten years and fifteen years of service. The scheme of long term service award is unfunded.

**a. The following table summarize the funded status of the gratuity plans and the amount recognized in the Company's financial statements as at March 31, 2018 and March 31, 2017:**

Particulars	As at	
	March 31, 2018	March 31, 2017
<b>Change in benefit obligation</b>		
Opening defined benefit obligation	<b>609.31</b>	473.74
Service cost	<b>66.38</b>	45.66
Past service cost	<b>101.91</b>	-
Interest expenses	<b>47.07</b>	37.84
Benefits paid	<b>(13.20)</b>	(25.87)
Remeasurements - Actuarial (gains) / loss	<b>74.86</b>	77.95
<b>Closing defined benefit obligation</b>	<b>886.33</b>	609.31

Particulars	As at	
	March 31, 2018	March 31, 2017
<b>Change in plan assets</b>		
Opening fair value of plan assets	209.20	199.06
Expected return on plan assets	15.31	7.64
Contributions by employer	0.82	0.54
Benefits paid	(5.90)	(11.91)
Remeasurements - Actuarial gains/ (loss)	(0.19)	13.87
<b>Closing fair value of plan assets</b>	<b>219.24</b>	<b>209.20</b>

**b. Major categories of plan assets**

Particulars	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Funds managed by insurer	100%	100%	100%

**c. Amount for the year ended on March 31, 2018 and March 31, 2017 recognized in the statement of profit and loss under employee benefits expenses:**

Particulars	As at	
	March 31, 2018	March 31, 2017
Service cost	66.38	45.66
Past service cost	101.91	-
Net interest on the net defined benefit liability/ (assets)	23.87	30.18
<b>Net gratuity cost</b>	<b>192.15</b>	<b>75.84</b>

**d. Amount for the year ended on March 31, 2018 and March 31, 2017 recognized in the statement of other comprehensive income:**

Particulars	As at	
	March 31, 2018	March 31, 2017
Remeasurements of the net defined benefit liability/ (assets)		
Actuarial (gains)/ losses	74.86	77.95
(Return)/loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/ (assets)	0.19	(13.87)
<b>Total</b>	<b>75.05</b>	<b>64.08</b>

**e. Amounts recognised in the statement of other comprehensive income as follows:**

Particulars	As at	
	March 31, 2018	March 31, 2017
Actuarial (gain)/loss on arising from change in demographic assumption	-	-
Actuarial loss/(gain) on arising from change in financial assumption	36.41	41.49
Actuarial loss on arising from experience adjustment	38.45	36.46
Actuarial loss on asset for the year	0.19	(13.87)
<b>Total</b>	<b>75.05</b>	<b>64.08</b>

**f. The principal assumptions used to determine benefit obligations as at March 31, 2018, March 31, 2017 and April 1, 2016 are as follows:**

Particulars	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Discount rate	7.86%	7.41%	7.94%
Average rate of increase in compensations level	7.00%	6.00%	6.00%
Retirement age (years)	58	58	58
Mortality rate inclusive of provision for disability	100% of IALM (2006 - 08) Withdrawal rate in (%)		
Employees turnover (age)			
Upto 30 years	3	3	3
From 31 to 44 years	2	2	2
Above 44 years	1	1	1

One of the principal assumptions is the discount rate, which should be based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities.

**g. The Company expects to contribute Rs. 105.56 (March 31, 2017: Rs. 400.11) towards gratuity during the year 2018-19.**

The following payments are expected contributions to the defined benefit plan in future years:

**Gratuity**

Particulars	March 31, 2018	March 31, 2017
Within the next 12 months (next annual reporting period)	105.56	38.43
Between 2 and 5 years	231.58	130.21
Between 5 and 10 years	416.60	285.31
Beyond 10 years	1,172.14	819.42
<b>Total</b>	<b>1,925.88</b>	<b>1,273.37</b>

The average duration of the defined benefit plan obligation at the end of the reporting period is 14.57 years (March 31, 2017: 14.48 years).

**h. Quantitative sensitivity analysis for significant assumption as at March 31, 2018 and March 31, 2017 is as shown below:**

**Gratuity Plan**

Particulars	March 31, 2018		March 31, 2018	
	Discount rate		Future salary increases	
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(107.99)	116.66	85.05	(84.11)

Particulars	March 31, 2017		March 31, 2017	
	Discount rate		Future salary increases	
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(74.00)	80.15	58.46	(57.42)

## 38 Commitments and contingencies

### (a) Leases

#### Operating lease: Company as lessee

The Company has entered into certain operating leases for office premises, guest houses and others. These leases are cancellable as well as non-cancellable leases. Cancellable leases are having an average life of 11 months. These leases are renewable on mutual consent of lessor and the Company. There are no restrictions placed upon the Company by entering into these leases. During the year, the Company has incurred Rs. 728.53 (Previous year: Rs. 441.93) as rental expense. The minimum future lease payments under non-cancellable leases are as under:

Future minimum rentals payable under non-cancellable operating leases are as follows:

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Within one year	181.49	181.49	-
After one year but not more than five years	154.44	335.94	-
More than five years	-	-	-

**(b) Capital commitments and other commitments**

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows :

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances of Rs. 1,111.92)	1,340.77	2,599.23	2,357.11
Other commitments	30.00	80.00	80.00
<b>Total</b>	<b>1,370.77</b>	<b>2,679.23</b>	<b>2,437.11</b>

**(c) Contingent liabilities**

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
(i) Income tax	1,371.37	1,427.96	1,427.96
(ii) Claims against company not acknowledged as debts (civil cases)	28.59	60.70	60.70
(iii) Custom and excise duty / service tax	216.27	245.15	130.57
(iv) Sales tax and entry tax	198.12	198.12	202.97
(v) Guarantee given by the Company to lender of its subsidiary	4,500.00	5,000.00	5,000.00
(vi) Bills discounting	-	707.14	-
(vii) Factoring of trade receivable	12,440.87	-	-
(viii) Bank guarantees	614.42	1,078.19	517.46
<b>Total</b>	<b>19,369.64</b>	<b>8,717.26</b>	<b>7,339.66</b>

**In relation to (i) above income tax matters contested by the Company comprise of:**

- 1) With respect to assessment year 2010-11 to 2013-14, the assessing officer has added to the income of the Company, a notional interest amounting to Rs. Nil (March 31, 2017 : Rs. 43.20) on certain interest free advances given by the Company. The tax impact of the same is Rs Nil (March 31, 2017 : Rs. 14.68). The Company has preferred appeal with CIT (A) and based on internal assessment, the Company is confident of a favourable outcome.
- 2) With respect to assessment year 2008-09 to 2012-13 the assessing officer has disallowed certain expenses amounting to Rs. 76.91 (March 31, 2017 : Rs. 193.61) for various reasons. Tax impact of the same is Rs. 26.14 (March 31, 2017: Rs. 65.81). The Company's appeal before CIT(A) and based on internal assessment, the Company is confident of a favourable outcome.
- 3) With respect to assessment year 2009-10 the assessing officer had increased income of the Company by Rs. 2,560.85 (March 31, 2017 : Rs. 2,560.85) contending that the Company has concealed production and sales to that extent. Tax impact of the same was Rs. 870.43 (March 31, 2017 : Rs. 870.43). The Company's appeal before CIT(A) has been decided in favor of the Company, however department has filed an appeal against the order in ITAT and based on internal assessment, the Company is confident of a favourable outcome.
- 4) With respect to assessment year 2012-13 and 2013-14, the assessing officer has increased the taxable income of the Company by Rs 1,396.86 (March 31, 2017 Rs 1,396.86) contending that it has sold material to its subsidiary firm Jai Suspension Systems LLP (JSSLLP) at lower margin in order to divert its profits to JSSLLP as JSSLLP was enjoying tax exemption during that period. Tax impact of the same is Rs. 474.79 (March 31, 2017: Rs. 474.79). The Company has preferred an appeal with CIT(A) and based on discussion with the legal counsel is confident of a favourable outcome.
- 5) With respect to the assessment year 2010-11, the assessing officer has increased the taxable income of the Company by Rs Nil (March 31, 2017 : Rs 6.62) contending that it has disclosed lower scrap sales during that year. Tax impact of the same

is Rs Nil (March 31, 2017 : Rs. 2.25). The Company, based on internal assessment and discussion with its legal counsel is confident of a favourable outcome.

**In relation to (iii) above excise and service tax matters contested by the Company comprise of:**

- 1) Matter pending with Commissioner Appeal in respect of Cenvat Credit availed by the Company on service tax paid on charges of Custom House Agent for export of finished goods after clearance from the factory for the period from November 2005 to March 2010. The Company has done an analysis and is of the opinion that it has fair chance of favourable decision. The amount involved is Rs. 2.62 (March 31, 2017 : Rs. 2.62).
- 2) Matter pending with Commissioner Appeal in respect of Cenvat Credit availed by the Company on service tax paid to the transport agency for outward transportation of the goods for the period 2010-11. The Company has done an analysis and is of the opinion that it has fair chance of favourable decision. The amount involved is Rs. 3.17 (March 31, 2017 : Rs. 3.17).
- 3) Matter pending before CESTAT, New delhi in respect of SCN issued by the department against Cenvat not reversed on sale of exempted goods. The Company has done an analysis and is of the opinion that it has fair chance of favourable decision. The amount involved is Rs. 53.13 (March 31, 2017 : Rs. 53.13) plus penalty of Rs. 143.15 (March 31, 2017 : Rs. 143.15) plus interest as applicable.
- 4) Matter pending before Commissioner of Central Excise & Service Tax, Lucknow in respect of Cenvat Credit wrongly availed as capital goods instead of input and service tax credit availed without actual documents. The Company has done an analysis and is of the opinion that it has a fair chance of favourable decision. The amount involved is Rs. 5.95 (March 31, 2017: Rs. 5.95).
- 5) Matter pending before Director General of Foreign Trade, New Delhi in respect of EPCG licence obtained by the Company, however, the same was lost without being used in 2008. The Company is under an obligation to surrender the licence in case of non utilisation and has received a letter from the office of DGFT for the same. The Company has appeared before the authority and submitted the facts of losing the licence without utilisation. Accordingly, the Company is of the opinion that it has fair chance of a favourable decision. The amount involved is Rs. 8.25 (March 31, 2017 : Rs. 8.25).
- 6) Matter pending before CESTAT, Chandigarh, in respect of wrong availment of Cenvat Credit and disposing of machinery without reversal of Cenvat Credit. The Company has done an analysis and is of the opinion that it has fair chance of favourable decision. The amount involved is Rs. Nil (March 31, 2017 : Rs. 28.18).

**In relation to (iv) above sales tax and entry tax matters contested by the Company comprise of:**

- 1) Matter pending before Supreme Court, Delhi in respect of demand by sales tax department against entry tax paid on raw material. The Company has done an analysis and is of the opinion that it has fair chance of favourable decision. The Amount involved is Rs. 48.53 (March 31, 2017: Rs. 48.53).
- 2) Matter pending before Additional Commissioner, Grade-2, (Appeal) Fourth, Commercial Tax, Lucknow for non submission of form F. The Company has done an analysis and is of the opinion that it has a fair chance of favourable decision. The amount involved is Rs. 125.76 (VAT), Rs. 22.00 for entry tax and Rs. 1.83 for CST, totalling up to Rs. 149.59 (March 31, 2017: Rs. 149.59). The Company has made a payment of Rs. 22.89 under protest in this regard.

**In relation to (vii) above factoring comprise of:**

- 1) During the year, the Company has entered into factoring arrangement of its trade receivables with two of its existing bankers, on without recourse basis. Liability of the Company will arise only if it does not meet its performance obligation to its customers as per the terms of contract with the respective parties. Based on its assessment, management does not foresee any exposure in this regards. Total amount of trade receivable which has been factored as at March 31, 2018 is Rs. 12,440.87. (March 31, 2017 : Nil).



## 39 Related party transactions

### A) Related parties under Ind AS-24 with whom transactions have taken place during the year

#### I. Subsidiary

Jai Suspension Systems LLP

Jai Suspensions Limited

#### II. Key managerial personnel and their relatives

Mr. B.S. Jauhar	Chairman
Mr. R.S. Jauhar	Vice Chairman & Executive Director
Mr. P.S. Jauhar	Managing Director & CEO
Mr. H.S. Gujral	Executive Director (resigned on 13.02.2018)
Mr. S.P.S. Kohli	Executive Director (appointed w.e.f. 13.02.2018)
Mrs. Sonia Jauhar	Wife of Vice Chairman
Mrs. Kiran Chadha	Daughter of Chairman

#### III. Companies/Concerns controlled by KMP & their relatives

Jamna Agro Implements Private Limited

S.W. Farms Private Limited

Map Auto Limited

**B) Transactions with related parties**

Nature of Transaction	Jai Suspension Systems LLP		Jai Suspensions Limited		Companies/Concerns controlled by KMP & their relatives		Key managerial personnel and their relatives		Total	
	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Purchase of Goods</b>										
Jai Suspension Systems LLP	1,971.00	-	-	-	-	-	-	-	1,971.00	-
<b>Purchase of Components</b>										
Jai Suspension Systems LLP	16.08	18.41	-	-	-	-	-	-	16.08	18.41
<b>Purchase of fixed assets</b>										
Jai Suspension Systems LLP	160.64	-	-	-	-	-	-	-	160.64	-
<b>Job work charges</b>										
Map Auto Limited	-	-	-	-	624.71	521.08	-	-	624.71	521.08
Jamna Agro Implements Private Limited	-	-	-	-	118.65	91.09	-	-	118.65	91.09
<b>Rent expense</b>										
SW Farms Private Limited	-	-	-	-	24.76	24.27	-	-	24.76	24.27
Mrs Sonia Jauhar	-	-	-	-	-	-	12.38	12.14	12.38	12.14
Mr. P. S. Jauhar	-	-	-	-	-	-	23.16	25.64	23.16	25.64
<b>Freight forwarding and packing expenses</b>										
Map Auto Limited	-	-	-	-	416.26	276.61	-	-	416.26	276.61
<b>Sale of goods and components</b>										
Jai Suspension Systems LLP	24,217.38	15,318.92	-	-	-	-	-	-	24,217.38	15,318.92
<b>Sale of fixed assets</b>										
Jai Suspension Systems LLP	-	85.51	-	-	-	-	-	-	-	85.51
<b>Job work income</b>										
Jai Suspension Systems LLP	708.43	2,235.99	-	-	-	-	-	-	708.43	2,235.99
<b>Profit in share of profits of LLP</b>										
Jai Suspension Systems LLP	3,209.85	3,690.50	-	-	-	-	-	-	3,209.85	3,690.50
<b>Rent income</b>										

Nature of Transaction	Subsidiaries				Companies/Concerns controlled by KMP & their relatives		Key managerial personnel and their relatives		Total	
	Jai Suspension Systems LLP	Jai Suspensions Limited	For the year ended March 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2018
Map Auto Limited	-	-	-	-	0.45	-	-	-	0.45	-
<b>Interest income</b>										
Jai Suspensions Limited	-	-	-	72.72	-	-	-	-	-	72.72
Expense incurred on behalf of related party	4.94	5.84	5.62	2.54	-	-	-	-	-	7.48
<b>Remuneration</b>										
Mr. P. S. Jauhar	-	-	-	-	-	-	949.64	662.84	949.64	662.84
Mr. R. S. Jauhar	-	-	-	-	-	-	945.74	666.20	945.74	666.20
Mr. H. S. Gujral	-	-	-	-	-	-	16.57	39.46	16.57	39.46
Mr. S. P. S. Kohli	-	-	-	-	-	-	5.18	-	5.18	-
Mrs. Kiran Chadha	-	-	-	-	-	-	21.63	19.66	21.63	19.66
<b>Investment in equity shares</b>										
Jai Suspensions Limited	-	-	-	-	100.00	-	-	-	-	-
<b>Loan given*</b>										
Jai Suspensions Limited	-	-	-	1,033.35	-	-	-	-	-	1,033.35
<b>Repayment of loan</b>										
Jai Suspensions Limited	-	-	-	100.00	-	-	-	-	-	100.00
<b>Guarantee and collaterals**</b>										
Guarantee given by Company for borrowing of related party	1,500.00	-	-	-	-	-	-	-	-	1,500.00
Withdrawal of guarantee given by Company for borrowing of related party	2,000.00	-	-	-	-	-	-	-	-	2,000.00

Nature of Transaction	Subsidiaries				Companies/Concerns controlled by KMP & their relatives		Key managerial personnel and their relatives		Total			
	Jai Suspension Systems LLP		Jai Suspensions Limited		For the year ended March 31, 2018		For the year ended March 31, 2017		For the year ended March 31, 2018		For the year ended March 31, 2017	
	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Balances as at the year end</b>												
Trade payable					109.98	63.90			109.98			63.90
Trade receivable	3,823.13	2,096.59							3,823.13			2,096.59
Other receivable				8.17					8.17			5.62
Interest receivable				65.45					65.45			-
Loan receivable				933.35					933.35			-
Guarantee given by Company for borrowings of the related party	4,500.00	5,000.00							4,500.00			5,000.00

**\* Loan to Subsidiary**

The Company has given the loan to Jai Suspensions Limited (a wholly owned subsidiary) for the meeting of capital expenditure requirement. The loan is unsecured and repayable in 5 years (after one year moratorium) in equal quarterly installment. Interest is charged at 10%. The loan has been utilized for the purpose it was granted, viz amount has been paid to acquire a lease hold land.

**\*\* Guarantee given by the Company**

The Company has given the guarantee to the bank of Jai Suspension Systems LLP (a subsidiary entity) for the utilisation of short term borrowing from the banks.

## 40 Segment Reporting

Ind AS 108 establishes standards for the way the Company report information about operating segments and related disclosures about products and services, geographic areas, and major customers. The Company's operations comprises of only one segment i.e. manufacturing and selling of automobile suspension products. The entire operations are governed by the same set of risk and returns. Based on the "management approach" as defined in Ind AS 108, the management also reviews and measure the operating results taking the whole business as one segment and accordingly make decision about the resource allocation. In view of the same, separate segment information is not required to be given as per the requirements of Ind AS 108 on "Operating Segments". The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the significant accounting policies.

The analysis of geographical segment is based on the geographical location of the customers. The Company operates primarily in India and has presence in international markets as well. Its business is accordingly aligned geographically, catering to two markets i.e. India and Outside India. For customers located outside India, the Company has assessed that they carry same risk and rewards. The Company has considered domestic and exports markets as geographical segments and accordingly disclosed these as separate segments. The geographical segments considered for disclosure are as follows:

- Sales within India include sales to customers located within India.
- Sales outside India include sales to customers located outside India.

The following is the distribution of the Company's revenue of operations by geographical market, regardless of where the goods were produced:

### Revenue from external customers

Particulars	Year ended	Year ended
	March 31, 2018	March 31, 2017
Within India	161,705.21	121,390.77
Outside India	1,379.29	996.35
<b>Total</b>	<b>163,084.50</b>	<b>122,387.12</b>

Sales to customers generating more than 10% of total revenue aggregates to Rs. 86,534.23 (March 31, 2017 : Rs. 64,702.10).

Trade receivables from customers generating more than 10% of total revenue aggregates to Rs. 10,654.67 (March 31, 2017 : Rs. 1,263.13).

### Trade receivable as per geographical locations

Particulars	Year ended	Year ended
	March 31, 2018	March 31, 2017
Within India	17,470.36	4,692.25
Outside India	107.64	136.26
<b>Total</b>	<b>17,578.00</b>	<b>4,828.51</b>

The trade receivable information above is based on the location of the customers.

All other assets (other than trade receivable) used in the Company's business are located in India and are used to cater both the customers (within India and outside India), accordingly the total cost incurred during the period to acquire the property, plant and equipment and intangible assets has not been disclosed.

## 41 Significant accounting judgements, estimates and assumptions

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

### Judgements

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



## 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 that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

### Defined benefit plans (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 complexities involved in 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.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans, the management considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in Note 37.

### Taxation

In preparing financial statements, there are many transactions and calculations for which the ultimate tax determination is uncertain. The Company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. The uncertain tax positions are measured at the amount expected to be paid to taxation authorities when the Company determines that the probable outflow of economic resources will occur. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

### Provisions and contingencies

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS.

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the effect of time value of money is material, provisions are determined by discounting the expected future cash flows.

The Company has significant capital commitments in relation to various capital projects which are not recognized in the balance sheet. In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Guarantees are also provided in the normal course of business. There are certain obligations which management has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the financial statements.

### 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. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer note 42 for such measurement.

## 42 Fair Values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Particulars	Method of Fair Value	Carrying value				Fair value			
		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016		
<b>Financial assets</b>									
Security deposits paid	Amortised Cost	381.33	388.16	283.77	381.33	388.16	283.77		283.77
Investment	Fair Value through OCI	46.63	46.63	-	46.63	46.63	-		-
Loan	Amortised Cost	1,074.44	66.21	77.58	1,074.44	66.21	77.58		77.58
Government grant receivable	Amortised Cost	1,151.96	1,382.40	-	1,151.96	1,382.40	-		-
Unbilled revenue	Amortised Cost	545.46	867.42	-	545.46	867.42	-		-
Derivative instruments	Fair value through Profit and Loss	6.13	-	7.40	6.13	-	7.40		7.40
Other financial assets	Amortised Cost	464.14	2,123.11	2,501.87	464.14	2,123.11	2,501.87		2,501.87
<b>Total</b>		<b>3,670.09</b>	<b>4,873.93</b>	<b>2,870.62</b>	<b>3,670.09</b>	<b>4,873.93</b>	<b>2,870.62</b>		<b>2,870.62</b>
<b>Financial liabilities</b>									
Borrowings (including current maturities)	Amortised Cost	3,786.35	1,845.85	1,067.77	3,786.35	1,845.85	1,067.77		1,067.77
<b>Other financial liabilities</b>									
Security deposits received	Amortised Cost	113.51	2.00	7.13	113.51	2.00	7.13		7.13
MTM valuation of forward contracts (net)	Fair value through Profit and Loss	-	18.38	-	-	18.38	-		-
<b>Total</b>		<b>3,899.86</b>	<b>1,866.23</b>	<b>1,074.90</b>	<b>3,899.86</b>	<b>1,866.23</b>	<b>1,074.90</b>		<b>1,074.90</b>

The management assessed that cash and cash equivalents, short-term borrowings, interest accrued but not due, trade receivables, trade payables and creditor for fixed asset, investor education and protection fund approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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

The security deposits (paid/received) are evaluated by the company based on parameters such as interest rate, risk factors, risk characteristics, and individual credit worthiness of the counterparty. Based on this evaluation allowances are taken into account for the expected losses of the security deposits.

Borrowing are evaluated by the company based on parameters such as interest rates, specific country risk factors and prepayment.

### 43 Fair hierarchy

The following table provides the fair value measurement hierarchy of the company's assets and liabilities.

#### Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2018 :

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
<b>Financial assets</b>					
<b>Security deposits paid</b>	<b>March 31, 2018</b>	<b>381.33</b>	-	<b>381.33</b>	-
Security deposits paid	March 31, 2017	388.16	-	388.16	-
Security deposits paid	April 1, 2016	283.77	-	283.77	-
<b>Investments</b>	<b>March 31, 2018</b>	<b>46.63</b>	-	<b>46.63</b>	-
Investments	March 31, 2017	46.63	-	46.63	-
Investments	April 1, 2016	-	-	-	-
<b>Loan</b>	<b>March 31, 2018</b>	<b>1,074.44</b>	-	<b>1,074.44</b>	-
Loan	March 31, 2017	66.21	-	66.21	-
Loan	April 1, 2016	77.58	-	77.58	-
<b>Government grant receivable</b>	<b>March 31, 2018</b>	<b>1,151.96</b>	-	<b>1,151.96</b>	-
Government grant receivable	March 31, 2017	1,382.40	-	1,382.40	-
Government grant receivable	April 1, 2016	-	-	-	-
<b>Unbilled revenue</b>	<b>March 31, 2018</b>	<b>545.46</b>	-	<b>545.46</b>	-
Unbilled revenue	March 31, 2017	867.42	-	867.42	-
Unbilled revenue	April 1, 2016	-	-	-	-
<b>Derivative instruments</b>	<b>March 31, 2018</b>	<b>6.13</b>	-	<b>6.13</b>	-
Derivative instruments	March 31, 2017	-	-	-	-
Derivative instruments	April 1, 2016	7.40	-	7.40	-
<b>Other financial assets</b>	<b>March 31, 2018</b>	<b>464.14</b>	-	<b>464.14</b>	-
Other financial assets	March 31, 2017	2,123.11	-	2,123.11	-
Other financial assets	April 1, 2016	2,501.87	-	2,501.87	-

There have been no transfers between Level 1 and Level 2 during the period.

**Quantitative disclosures fair value measurement hierarchy for liabilities as at March 31, 2018 :**

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
<b>Financial liabilities</b>					
<b>Borrowings (including current maturities)</b>	<b>March 31, 2018</b>	<b>3,786.35</b>	-	<b>3,786.35</b>	-
Borrowings (including current maturities)	March 31, 2017	1,845.85	-	1,845.85	-
Borrowings (including current maturities)	April 1, 2016	1,067.77	-	1,067.77	-
<b>Other financial liabilities</b>					
<b>Security deposits received</b>	<b>March 31, 2018</b>	<b>113.51</b>	-	<b>113.51</b>	-
Security deposits received	March 31, 2017	2.00	-	2.00	-
Security deposits received	April 1, 2016	7.13	-	7.13	-
<b>MTM valuation of forward contracts</b>	<b>March 31, 2018</b>	-	-	-	-
MTM valuation of forward contracts	March 31, 2017	18.38	-	18.38	-
MTM valuation of forward contracts	April 1, 2016	-	-	-	-

There have been no transfers between Level 1 and Level 2 during the period.

**44 Capital management**

For the purpose of the Company's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity holders of the company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is long term debts plus amount payable for purchase of fixed assets divided by total equity.

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Borrowings including current maturities of long term borrowing (refer Note no. 16)	<b>3,786.35</b>	1,845.85	1,067.77
Payable for purchase of fixed assets (refer Note no. 21)	<b>246.19</b>	416.92	590.46
<b>Net debts</b>	<b>4,032.54</b>	2,262.77	1,658.23
<b>Capital components</b>			
Share capital	<b>3,983.11</b>	3,982.61	3,972.37
Other equity	<b>38,669.00</b>	29,537.05	23,237.40

<b>Total equity</b>	<b>42,652.11</b>	33,519.66	27,209.77
<b>Capital and net debt</b>	<b>46,684.65</b>	35,782.43	28,868.00
<b>Gearing ratio (%)</b>	<b>8.6%</b>	6.3%	5.7%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018 and March 31, 2017.

## 45 Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also enters into derivative transactions.

The Company is exposed to market risk, credit risk, legal risk, taxation risk, accounting risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

### (a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and derivative financial instruments.

#### (i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

#### Interest rate sensitivity:

Particulars	Increase / decrease in basis points	March 31, 2018	March 31, 2017
<b>Borrowing :</b>			
Long term loan	Increase in floating interest rate by 100 basis points (1%) for borrowings	<b>35.93</b>	24.20
Working capital demand/ short term loan		<b>169.25</b>	93.79
Long term loan	Decrease in floating interest rate by 100 basis points (1%) for borrowings	<b>-35.93</b>	-24.20
Working capital demand/ short term loan		<b>-169.25</b>	-93.79
<b>Total</b>		<b>205.18</b>	<b>117.99</b>



**(ii) Currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company'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).

The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12-month period for hedges of forecasted sales and purchases (including property, plant and equipment).

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

The Company hedges its exposure to fluctuations on the translation into INR of its foreign operations by entering into forward contracts. Since the hedge transaction done by the Company does not have significant impact on the results of operations, a sensitivity analysis is not presented.

**(b) Legal, taxation and accounting risk**

The Company is exposed to few legal and administrative proceedings arising during the course of business. The management makes an assessment of these pending cases and in case where it believes that loss arising from a proceeding is probable and can reasonably be estimated, the amount is recorded in the books of account. To mitigate these risks arising from the proceedings, the Company employs third party tax and legal experts to assist in structuring significant transactions and contracts.

**(c) Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

**Trade receivables**

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. The major customers of the Company are original equipment manufacturers (OEM's) which have a defined period for payment of receivables and from related party, hence the Company evaluates the concentration of risk with respect to trade receivables as low. At March 31, 2018, approximately 98% (March 31, 2017: 93%, April 01, 2016 : 93%) of all the receivables outstanding were from OEMs and related party.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, all the minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 12. The Company does not hold collateral as security except in case dealer's securities deposit in after market.

**Financial instruments and cash deposits**

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy. Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with the banks with high credit ratings. The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2018 and March 31, 2017 is the carrying amounts as illustrated in Note 13.

**(d) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. The Company monitors its risk of a shortage of funds by doing liquidity planning. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, cash credits and advance payment terms.

**Maturity profile of financial liabilities :**

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

Particulars	On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
<b>March 31, 2018</b>						
Borrowings including bank cash credits excluding transaction cost	2,228.91	277.40	1,279.96	2,250.88	-	6,037.15
Trade payables	-	14,763.63	832.50	-	-	15,596.13
Other financial liabilities	203.94	274.08	1,535.47	-	113.51	2,127.00
<b>Total</b>	<b>2,432.85</b>	<b>15,315.11</b>	<b>3,647.93</b>	<b>2,250.88</b>	<b>113.51</b>	<b>23,760.28</b>
<b>March 31, 2017</b>						
Borrowings including bank cash credits excluding transaction cost	-	5,485.43	800.93	787.15	-	7,073.51
Trade payables	-	5,754.87	594.88	-	-	6,349.75
Other financial liabilities	167.89	450.32	1,065.75	-	2.00	1,685.96
<b>Total</b>	<b>167.89</b>	<b>11,690.62</b>	<b>2,461.56</b>	<b>787.15</b>	<b>2.00</b>	<b>15,109.22</b>
<b>April 1, 2016</b>						
Borrowings including bank cash credits excluding transaction cost	-	559.09	779.48	159.42	-	1,497.99
Trade payables	-	11,692.18	553.36	-	-	12,245.54
Other financial liabilities	100.07	598.20	573.28	-	7.13	1,278.68
<b>Total</b>	<b>100.07</b>	<b>12,849.47</b>	<b>1,906.12</b>	<b>159.42</b>	<b>7.13</b>	<b>15,022.21</b>

**(e) Commodity risk**

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchases of steel which is a volatile product and is major component of end product. The prices in these purchase contracts are linked to the price of raw steel and demand supply matrix. However, at present, the Company do not hedge its raw material procurements, as the price of the final product of the Company also vary with the price of steel which mitigate the risk of price volatility.

## 46 Payment to auditors (excluding taxes)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
As auditor		
- Audit fee	34.00	42.00
- Limited review fee	18.00	17.00
As other capacity		
- Other services	9.32	3.58
Reimbursement of expenses	6.93	4.13
<b>Total</b>	<b>68.25</b>	<b>66.71</b>

## 47 Share based compensation

(A) The Company has issued stock options to its employees in accordance with the Company's Employee Stock Option Scheme 2006 and 2008. Both the schemes are administered by the Compensation Committee constituted pursuant to SEBI (Share based employee benefits) Regulations, 2014. All the permanent employees of the Company and the subsidiary, including Directors but excluding promoters of the Company are eligible to participate in the schemes. The Committee grants stock options to the employees at its discretion depending upon criteria such as role/designation of the employee, length of service with the Company, past performance record, future potential of the employee and/or such other criteria that may be determined by the Committee.

The stock option shall vest proportionately over the period of 5 years from the date of grant in the ratio of 15% for the first year, 20% for second to fourth year and 25% for the fifth year. The options would be granted at the exercise price that is equivalent to the prevailing market price at the time of grant. The exercise price, in cash, is paid by the employee at the time of exercise of the stock option. The option lapses if not exercised within a period of 3 years from the date of vesting of option. The lapsed option is available for being re-granted/ re-issued at a future date. The maximum number of options that may be granted to any specific employee is upto 0.5 % of the issued capital of the company.

ESOP Scheme	Members approval	Number of options
ESOP Scheme-2006	25.01.2007	3,14,000
ESOP Scheme-2008	01.07.2008	Not more than 5% of the paid up equity share capital of the Company as on 31.03.2012

Date of grant	Number of options granted	Exercise price	Market price (Rs. in absolute term)
ESOP Scheme-2006			
25.01.2007	257,000	Rs 30.62	Rs 30.62
25.08.2007	57,000	Rs 44.20	Rs 44.20
ESOP Scheme-2008			
08.02.2010	867,461	Rs 54.95	Rs 54.95
05.08.2010	361,250	Rs 120.65	Rs 120.65

**(B) Summary of stock options**

	For the year ended March 31, 2018		For the year ended March 31, 2017	
	No. of Shares	Weighted Average Price	No. of Shares	Weighted Average Price
Options outstanding at the beginning of the year	57,462	120.65	185,212	85.25
Options granted during the year	NIL	NIL	NIL	NIL
Options forfeited / lapsed during the year	24,437	117.40	25,343	119.63
Options exercised during the year	5,000	54.95	102,407	153.03
Options outstanding at the end of the year	28,025	120.65	57,462	113.81
Options exercisable at the end of the year	28,025	120.65	57,462	113.81

All the options vested to its employees prior to transition date to Ind AS i.e. April 1, 2016.

**(C) Weighted average share price on the date of exercise of the options is Rs. 120.65 (Previous year Rs. 113.81)****(D) Range of exercise price and weighted average remaining contractual life of stock options outstanding**

For the year ended March 31, 2018			For the year ended March 31, 2017		
Number of stock options outstanding at the year end	Range of exercise price	Weighted average remaining contractual life	Number of stock options outstanding at the year end	Range of exercise price	Weighted average remaining contractual life
-	-	0 years	-	-	0 years
-	-	0 years	-	-	0 years
-	-	0 years	99802	54.95	0.43 years
28,025	120.65	0.33 years	85410	120.65	1.38 years

**(E) Weighted average fair value of options:** The fair value of each option is estimated using the Black Scholes model after applying the following weighted average assumptions:-

	For the year ended March 31, 2018	For the year ended March 31, 2017
Risk free interest rate	*	*
Expected life	*	*
Expected volatility(%)	*	*
Expected dividend (%)	*	*
Price of underlying shares in the market at the time of option grant	*	*

\* Not applicable since the Company has not granted stock options during the year.

- (F) The Company had been using intrinsic value method of accounting ESOP expenses as prescribed by SEBI (Share based employee benefits) Regulations, 2014, to account for stock options issued under the Company's stock options schemes. Under this method, compensation expenses are recorded on the basis of excess of the market price of share at the date of grant of option over exercise price of the option.

There would be no impact on the profit or earnings per share had the company used the fair value of the options as the method of accounting instead of intrinsic value as the fair value is less than the intrinsic value of the option.

- (G) Following is the table showing fair value, exercise price and amount of expenditure not recognised at each balance sheet date:

As at	No. of options outstanding (vested but not exercised)	No. of Shares	Face Value of Each Share	Exercise Value	Fair Value	Amount not recognised in the profit and loss as expenses
April 1, 2016	185,212	370,424	5	157.89	531.19	373.30
March 31, 2017	57,462	114,924	5	65.40	244.27	178.87
March 31, 2018	28,025	280,250	1	33.81	220.42	186.60

The Company has availed the exemption given under Ind AS 101, since all the options granted were vested before the transition date.

## 48 Derivative instruments and unhedged foreign currency exposure

### (a) Particulars of foreign currency forward contracts outstanding

Particulars	Currency	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
		Amount (Rs. lakhs)	Amount (Rs. lakhs)	Amount (Rs. lakhs)
Trade payable / payable against fixed assets	USD	493.07	431.95	-
	EURO	40.45	87.52	-
Long term loans	EURO	-	-	814.79
Against trade receivable	USD	89.94	-	-
	EURO	18.81	-	-
	GBP	21.03	-	-

### (b) Particulars of unhedged foreign currency exposure

Particulars	Currency	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
		Amount (Rs. lakhs)	Amount (Rs. lakhs)	Amount (Rs. lakhs)
Trade receivables	USD	26.10	136.26	147.58
Trade payables including payable for fixed assets	USD	419.97	83.91	85.19
	EURO	155.48	-	147.72
	JPY	22.50	-	5.25

## 49 Deferred tax assets / (liabilities) (net)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Deferred tax assets / (liabilities)	626.61	121.72	(567.95)
Total	626.61	121.72	(567.95)



Income tax expenses reported in the statement of profit and loss comprises:	March 31, 2018	March 31, 2017
<b>Current income tax expenses:</b>		
Income tax	5,400.24	3,362.92
<b>Deferred tax</b>		
Relating to origination and reversal of temporary differences	(435.51)	(667.49)
<b>Income tax expenses reported in statement of profit and loss</b>	<b>4,964.73</b>	<b>2,695.43</b>

Statement of other comprehensive income	March 31, 2018	March 31, 2017
Net loss/ (gain) on remeasurements of defined benefit plan	(49.08)	(41.91)
	(49.08)	(41.91)

Reconciliation of tax expense and the accounting profit multiplied by statutory income tax rate for the year indicated are as follows:-

Particulars	March 31, 2018	March 31, 2017
Accounting profit before tax	17,499.09	13,100.00
Statutory income tax rate	34.61%	34.61%
Computed tax expenses	6,056.09	4,533.65
Adjustments in respect of current income tax of previous years	43.58	-
Non-deductible expenses for tax purposes :		
Income not considered for tax purpose i.e. income from subsidiary (Jai Suspension Systems LLP)	(1,110.86)	(1,277.21)
Income not considered for tax purpose (Permanent differences)	(87.43)	(617.40)
Others	14.29	14.48
At the effective income tax rate of 28% ( March 31, 2017: 20%)	4,915.65	2,653.52

#### Deferred tax asset comprises

Deferred tax assets/ (liabilities)	Balance Sheet			During the year	
	March 31, 2018	March 31, 2017	April 1, 2016	For the year ended March 31, 2018	For the year ended March 31, 2017
Property, plant and equipment - Impact of difference between tax depreciation and depreciation charged to financial statements	(1518.44)	(1587.78)	(1029.23)	69.34	(558.55)
<b>Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis</b>					
Allowance for doubtful debts	101.26	68.44	10.89	32.82	57.55

Provision for contingencies	<b>126.71</b>	121.19	113.51	<b>5.52</b>	7.68
Provision for price difference	<b>840.19</b>	543.83	-	<b>296.36</b>	543.83
Provision for warranty	<b>70.79</b>	49.67	46.82	<b>21.12</b>	2.85
Impact of Government grant deferred	<b>494.05</b>	574.44	-	<b>(80.39)</b>	574.44
Gratuity	<b>233.11</b>	138.47	95.06	<b>94.64</b>	43.41
Leave encashments	<b>151.96</b>	101.28	83.50	<b>50.68</b>	17.78
Bonus payable	<b>107.45</b>	86.13	100.94	<b>21.32</b>	(14.81)
Othes expenditure (net)	<b>19.53</b>	26.05	10.56	<b>(6.53)</b>	15.49
<b>Total</b>	<b>626.61</b>	121.72	(567.95)	<b>504.89</b>	689.67

<b>Reconciliation of deferred tax assets (net)</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Opening balance as per last balance sheet	<b>121.72</b>	(567.95)
Tax expenses recognised in statement of profit and loss	<b>504.89</b>	689.67
Closing balance	<b>626.61</b>	121.72

## 50 CSR expenditure

<b>Particulars</b>	<b>For the year ended March 31, 2018</b>	<b>For the year ended March 31, 2017</b>
(a) Gross amount required to be spent by the Company during the year	<b>176.90</b>	85.14
(b) Amount spent during the year on other than construction of assets paid in cash	<b>194.09</b>	94.58

**51.** During the year, the management has evaluated usefulness of certain machinery basis on that accelerated depreciation of Rs. 445.28 has been charged during the period. In the previous year, in order to upgrade its manufacturing facilities, the management has estimated that certain machines were not usable and accordingly, accelerated depreciation of Rs. 1,138.62 has been provided.

**52.** The Company has incurred expenses on its in-house research and development center at Pune approved and recognised by the Ministry of Science & Technology.

<b>Particulars</b>	<b>For the year ended March 31, 2018</b>	<b>For the year ended March 31, 2017</b>
a. Capital expenditure		
Purchase of capital expenditure	<b>68.69</b>	621.66
b. Revenue expenditure		
Salaries, Allowances and Bonus	<b>161.72</b>	89.64
Contribution to Other Funds	<b>4.82</b>	3.68
Staff Welfare	<b>0.53</b>	1.82
Rent	<b>23.77</b>	24.44
Repair & Maintenance	<b>1.67</b>	3.42
Travelling & Conveyance	<b>46.60</b>	17.09
Power & fuel	<b>36.23</b>	7.58
Miscellaneous	<b>18.31</b>	19.01
Depreciation	<b>41.27</b>	676.13

## 53. Standards issued but not yet effective

### Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was notified on March 28, 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after April 1, 2018. The Company will adopt the new standard on the required effective date using the modified retrospective method. The Company has established an implementation team to implement Ind AS 115 related to the recognition of revenue from contracts with customers and it continues to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary. A reliable estimate of the quantitative impact of Ind AS 115 on the financial statements will only be possible once the implementation project has been completed.

The Company has identified following areas, where Ind AS 115 will impact.

#### (a) Sale of goods

Contracts with customers in which the sale of equipment is generally expected to be the only performance obligation are not expected to have any impact on the Company's profit or loss. The Company expects the revenue recognition to occur at a point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

In preparing for Ind AS 115, the Company is considering the following:

#### Variable consideration

Some contracts with customers provide a right of return, trade discounts or volume rebates. Currently, the Company recognizes revenue from the sale of goods measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. If revenue cannot be reliably measured, the Company defers revenue recognition until the uncertainty is resolved. Such provisions give rise to variable consideration under Ind AS 115, and will be required to be estimated at contract inception.

Ind AS 115 requires the estimated variable consideration to be constrained to prevent over-recognition of revenue. The Company continues to assess individual contracts to determine the estimated variable consideration and related constraint. The Company expects that application of the constraint may result in more revenue being deferred than under current Ind AS.

#### (b) Presentation and disclosure requirements

Ind AS 115 provides presentation and disclosure requirements, which are more detailed than under current Ind AS. The presentation requirements represent a significant change from current practice and significantly increases the volume of disclosures required in Company's financial statements. Many of the disclosure requirements in Ind AS 115 are completely new.

For **S. R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm registration number: 301003E/E300005

For and on behalf of the Board of Directors of  
**Jamna Auto Industries Limited**

per **Vikas Mehra**  
Partner  
Membership No.: 094421

**P.S. Jauhar**  
Managing Director & CEO  
DIN : 00744518

**R.S. Jauhar**  
Vice Chairman & Executive Director  
DIN : 00746186

Place: New Delhi  
Date: May 22, 2018

**Praveen Lakhera**  
Company Secretary

**Pankaj Gupta**  
Chief Financial Officer

# INDEPENDENT AUDITOR'S REPORT

## To the Members of Jamna Auto Industries Limited

### Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Jamna Auto Industries Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

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

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards

and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group as at March 31, 2018, their consolidated profit including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

### Other Matter

We did not audit the financial statements and other financial information, in respect of 2 subsidiaries (including one Limited Liability Partnership Firm) whose Ind AS financial statements include total assets of Rs 11,800.62 lakhs and net assets of Rs 1,150.99 lakhs as at March 31, 2018, and total revenues of Rs 34,002.70 lakhs and net cash outflow of Rs 281.82 lakh for the year ended on that date. These financial

statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of such other auditors.

Since the other Subsidiary being a Limited Liability Partnership is not governed by the Companies Act 2013 and the auditors of such Subsidiary have not issued a report on adequacy and operating effectiveness of the internal financial controls over financial reporting of the Subsidiary, hence the same is not covered by us in our report on internal financial controls over financial reporting.

### Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We and the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended;

- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies incorporated in India, none of the directors of the Group's companies, is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act. Further this clause does not apply to the other subsidiary being a Limited Liability Partnership.
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies refer to our separate report in "Annexure 1" to this report;
- (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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:
  - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, Refer Note 37 (C) to the consolidated Ind AS financial statements;
  - ii. The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries during the year ended March 31, 2018.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Vikas Mehra**

Partner

Membership Number: 094421

Place of Signature: New Delhi

Date: May 22, 2018



# ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF JAMNA AUTO INDUSTRIES LIMITED

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

In conjunction with our audit of the consolidated financial statements of Jamna Auto Industries Limited as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Jamna Auto Industries Limited (hereinafter referred to as the "Holding Company") and its subsidiary company (together referred to as "the Group"), which is a company incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary company, which is a company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated financial statements 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, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated financial statements.

### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting with reference to these consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded

as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated financial statements 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 Holding Company, its subsidiary company, which is a company incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2018, based on the internal control over financial reporting

criteria established by the Holding 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.

### **Other Matters**

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company, insofar as it relates to a subsidiary company, which is a company incorporated in India, is based on the corresponding reports of the auditor of such subsidiary incorporated in India. Further, one other subsidiary, being a Limited Liability Partnership is not governed by Companies Act, 2013 and the auditor of such subsidiary have not issued a report on adequacy and operating effectiveness of the internal financial controls over financial reporting of the Subsidiary, hence the same is not covered by us in our report on internal financial controls over financial reporting.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

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per **Vikas Mehra**

Partner

Membership Number: 094421

Place of Signature: New Delhi

Date: May 22, 2018

# Consolidated Balance Sheet

as at March 31, 2018

(All amounts in Rupees lakhs, unless otherwise stated)

	Particulars	Note	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>A</b>	<b>Assets</b>				
<b>1</b>	<b>Non-current assets</b>				
	Property, plant and equipment	3	30,072.26	28,052.26	20,854.45
	Capital work in progress	3	3,085.28	1,993.42	6,548.64
	Intangible assets	4	69.06	77.44	64.65
	Financial assets				
	Investments	5	46.63	46.63	-
	Other financial assets	7	480.95	2,753.95	1,942.06
	Deferred tax assets (net)	9	735.45	523.29	532.09
	Other non-current assets	8	2,855.84	3,103.93	1,728.80
			37,345.47	36,550.92	31,670.69
<b>2</b>	<b>Current assets</b>				
	Inventories	10	15,847.26	11,275.31	10,744.76
	Financial assets				
	Loans	6	148.13	84.27	93.59
	Trade receivables	11	19,122.34	3,419.22	3,760.83
	Cash and cash equivalents	12	719.43	917.74	496.03
	Other bank balances	12.1	511.99	536.08	306.23
	Other financial assets	7	2,111.93	2,212.30	914.53
	Other current assets	8	3,132.87	1,099.05	371.77
			41,593.95	19,543.97	16,687.74
	<b>Total-Assets</b>		<b>78,939.42</b>	<b>56,094.89</b>	<b>48,358.43</b>
<b>B</b>	<b>Equity and liabilities</b>				
<b>1</b>	<b>Equity</b>				
	Equity share capital	13	3,983.11	3,982.61	3,972.37
	Other equity	14	38,405.60	29,286.54	22,898.28
	<b>Equity attributable to equity holders of the Parent Company</b>		<b>42,388.71</b>	<b>33,269.15</b>	<b>26,870.65</b>
	Non-controlling interest	14	0.08	0.04	0.15
	<b>Total equity (A)</b>		<b>42,388.79</b>	<b>33,269.19</b>	<b>26,870.80</b>
	<b>Liabilities</b>				
<b>2</b>	<b>Non-current liabilities</b>				
	Financial liabilities				
	Borrowings	15	2,457.11	989.10	523.18
	Other financial liabilities	16	113.51	53.08	70.27
	Long term provisions	17	1,128.87	770.60	572.67
	Deferred government grant	18	1,394.20	1,513.14	9.75
	Deferred tax liabilities (net)	9	-	-	567.95
			5,093.69	3,325.92	1,743.82
<b>3</b>	<b>Current liabilities</b>				
	Financial liabilities				
	Borrowings	15	2,261.01	5,227.66	435.33
	Trade payables				
	- Total outstanding due of micro and small enterprises		-	-	-
	- Total outstanding due of other creditors other than micro and small enterprises	19	20,372.93	7,727.14	13,166.51
	Other financial liabilities	20	2,079.58	1,831.10	1,344.82
	Deferred government grant	18	260.93	273.95	14.11
	Liabilities for current tax (net)	21	47.84	33.03	1,171.21
	Short term provisions	17	3,401.54	3,069.97	2,868.90
	Other current liabilities	22	3,033.11	1,336.93	742.93
			31,456.94	19,499.78	19,743.81
	<b>Total equity and liabilities</b>		<b>78,939.42</b>	<b>56,094.89</b>	<b>48,358.43</b>

Summary of significant accounting policies

2.1

The accompanying notes form an integral part of the financial statements

As per our report of even date.

For **S. R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

per **Vikas Mehra**

Partner

Membership No.: 094421

Place: New Delhi

Date: May 22, 2018

For and on behalf of the Board of Directors of

**Jamna Auto Industries Limited**

**P.S. Jauhar**

Managing Director & CEO

DIN : 00744518

**Praveen Lakhera**

Company Secretary

**R.S. Jauhar**

Vice Chairman & Executive Director

DIN : 00746186

**Pankaj Gupta**

Chief Financial Officer

# Statement of Consolidated Profit and Loss

for the year ended March 31, 2018

(All amounts in Rupees Lakhs, unless otherwise stated)

	Particulars	Note	For the year ended March 31, 2018	For the year ended March 31, 2017
	<b>Income</b>			
I	Revenue from operations	23	175,731.93	140,963.47
II	Other income	24	786.54	511.60
III	<b>Total revenue</b>		<b>176,518.47</b>	141,475.07
	<b>Expenses</b>			
	Cost of raw materials and components consumed	26	108,913.15	78,115.06
	(Increase) / decrease in inventories of finished goods and work in progress	27	196.30	(993.38)
	Excise duty on sales of goods		1,919.73	11,719.28
	Employee benefits expenses	28	12,750.96	10,756.97
	Other expenses	29	28,169.67	21,352.55
IV	<b>Total expenses</b>		<b>151,949.81</b>	120,950.48
V	<b>Profit before finance costs, depreciation/amortisation expense and tax</b>		<b>24,568.66</b>	20,524.59
VI	<b>Finance costs</b>			
	Finance costs	30	1,907.07	1,321.21
	Finance income	25	84.67	97.69
	<b>Net finance costs</b>		<b>1,822.40</b>	1,223.52
VII	Depreciation and amortisation expense	31	4,137.17	4,773.21
	<b>Profit before tax</b>		<b>18,609.09</b>	14,527.86
	<b>Tax expense</b>			
	Current tax		6,366.01	4,823.75
	Deferred tax charge/ (credit)		(287.50)	(791.73)
	<b>Total tax expense</b>		<b>6,078.51</b>	4,032.02
	<b>Profit for the year</b>		<b>12,530.58</b>	10,495.84
	<b>Other comprehensive income</b>			
	<b>Other comprehensive income not to be reclassified to profit or loss in subsequent periods :</b>			
	- Re-measurement gains / (losses) on defined benefit plans		(88.98)	(68.20)
	- Deferred tax assets on above		30.79	23.60
	<b>Other comprehensive income for the year, net of tax</b>		<b>(58.19)</b>	(44.60)
	<b>Total comprehensive income for the year</b>		<b>12,472.39</b>	10,451.24
	<b>Total comprehensive income for the year attributable to:</b>			
	Equity holders of the parent		12,472.34	10,451.19
	Non-controlling interests		0.05	0.05
	<b>Earnings per equity share (par value Rs. 1 (absolute amount) per share)</b>			
	- Basic	32	3.15	2.64
	- Diluted		3.14	2.63
	[Earnings per equity share expressed in absolute amount in Indian Rupees]			

Significant accounting policies

2.1

The accompanying notes form an integral part of the financial statements

As per our report of even date.

For **S. R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

per **Vikas Mehra**

Partner

Membership No.: 094421

Place: New Delhi

Date: May 22, 2018

For and on behalf of the Board of Directors of

**Jamna Auto Industries Limited**

**P.S. Jauhar**

Managing Director & CEO

DIN : 00744518

**Praveen Lakhera**

Company Secretary

**R.S. Jauhar**

Vice Chairman & Executive Director

DIN : 00746186

**Pankaj Gupta**

Chief Financial Officer

# Statement of changes in equity

for the year ended March 31, 2018

(All amounts in Rupees Lakhs, unless otherwise stated)

## (a) Equity share capital :

Particulars	No. of shares*	Amount
<b>Equity shares of Rs. 1 each issued, subscribed and paid (refer note no 13)</b>		
Balance as at April 1, 2016	397,083,360	3,972.37
Issued during the year	1,024,070	10.24
Closing balance as at March 31, 2017	398,107,430	3,982.61
<b>Issued during the year</b>	<b>50,005</b>	<b>0.50</b>
<b>Closing balance as at March 31, 2018</b>	<b>398,157,435</b>	<b>3,983.11</b>

\* No. of shares issued, subscribed and fully paid only.

## (b) Other equity

Particulars	Capital reserve (refer note no 14)	Amalgamation reserve (refer note no 14)	Capital redemption reserve (refer note no 14)	Securities premium account (refer note no 14)	General reserve (refer note no 14)	Retained earnings (refer note no 14)	Share application pending allotment (refer note no 14)	Total	Non-controlling interest (refer note no 14)	Total equity
As at April 1, 2016	315.71	1,481.46	400.00	15,068.89	4,077.62	1,518.27	36.33	22,898.28	0.15	22,898.43
Add: Profit for the year	-	-	-	-	-	10,495.84	-	10,495.84	-	10,495.84
Add: Security premium for the year *	-	-	-	46.04	-	-	-	46.04	-	46.04
Less: Dividend paid	-	-	-	-	-	(3,383.83)	-	(3,383.83)	-	(3,383.83)
Less: Tax on dividend	-	-	-	-	-	(688.86)	-	(688.86)	-	(688.86)
Less: Shares allotted during the year	-	-	-	-	-	-	(36.33)	(36.33)	-	(36.33)
Less: Minority interest for the year	-	-	-	-	-	-	-	-	(0.11)	(0.11)
Less: Other comprehensive income	-	-	-	-	-	(44.60)	-	(44.60)	-	(44.60)
As at March 31, 2017	315.71	1,481.46	400.00	15,114.93	4,077.62	7,896.82	-	29,286.54	0.04	29,286.58
Add: Profit for the year	-	-	-	-	-	12,530.58	-	12,530.58	-	12,530.58
Add: Security premium for the year *	-	-	-	2.23	-	-	-	2.23	-	2.23
Less: Dividend paid	-	-	-	-	-	(2,787.99)	-	(2,787.99)	-	(2,787.99)
Less: Tax on dividend	-	-	-	-	-	(567.57)	-	(567.57)	-	(567.57)
Less: Shares allotted during the year	-	-	-	-	-	-	-	-	0.04	0.04
Less: Other comprehensive income	-	-	-	-	-	(58.19)	-	(58.19)	-	(58.19)
<b>As at March 31, 2018</b>	<b>315.71</b>	<b>1,481.46</b>	<b>400.00</b>	<b>15,117.16</b>	<b>4,077.62</b>	<b>17,013.65</b>	<b>-</b>	<b>38,405.60</b>	<b>0.08</b>	<b>38,405.68</b>
<b>Total other equity</b>	<b>315.71</b>	<b>1,481.46</b>	<b>400.00</b>	<b>15,117.16</b>	<b>4,077.62</b>	<b>17,013.65</b>	<b>-</b>	<b>38,405.60</b>	<b>0.08</b>	<b>38,405.68</b>

\* Securities premium received during the year.

The accompanying notes form an integral part of the financial statements

As per our report of even date.

For **S. R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

per **Vikas Mehra**

Partner

Membership No.: 094421

For and on behalf of the Board of Directors of

**Jamna Auto Industries Limited**

**P.S. Jauhar**

Managing Director & CEO

DIN : 00744518

**R.S. Jauhar**

Vice Chairman & Executive Director

DIN : 00746186

Place: New Delhi

Date: May 22, 2018

**Praveen Lakhera**

Company Secretary

**Pankaj Gupta**

Chief Financial Officer



# Consolidated Cash Flow Statement

for the year ended March 31, 2018

(All amounts in Rupees lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>A. Cash flow from operating activities</b>		
<b>Profit before tax</b>	<b>18,609.09</b>	14,527.86
<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
Depreciation and amortisation expenses	4,137.17	4,773.21
(Gain) / loss on sale of property, plant and equipment	5.36	0.70
Finance cost (including fair value change in financial instruments)	1,321.21	1,155.16
Finance income (including fair value change in financial instruments)	(84.67)	(97.69)
Excess provision no longer required written back	(119.95)	(69.79)
Provision for doubtful debts	85.66	166.48
Bad debts written off	77.68	0.19
Government grant and export incentive income recognised	(312.08)	(288.72)
<b>Operating profit before working capital changes</b>	<b>23,719.47</b>	20,167.40
<b>Changes in operating assets and liabilities:</b>		
Increase in other financial liabilities	42.05	1.19
Increase/(decrease) in trade payable and other current liabilities	14,342.01	(4,845.48)
Increase in provision (Non current & current)	809.79	468.79
(Increase) / decrease in trade receivables	(15,866.46)	174.94
Increase in inventories	(4,571.95)	(530.55)
Increase in loans (Non current & current)	(99.92)	(58.49)
Movement in government grant	180.12	1,531.95
(Increase) / decrease in other non-current assets & other financial assets	228.84	(3,066.78)
<b>Cash generated from operations</b>	<b>18,783.95</b>	13,842.97
Direct taxes paid (net)	(6,163.01)	(5,766.60)
<b>Net cash generated from operations</b>	<b>12,620.94</b>	8,076.37
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(7,624.32)	(8,821.07)
Proceeds from sale of property, plant and equipment	94.31	143.76
Fixed deposits made	(4.52)	(292.33)
Investment in others	-	(46.63)
Proceeds from sale of fixed deposits	64.67	130.29
Receipt of government grant	230.44	520.00
Interest received (finance income)	84.67	97.69
<b>Net cash from / used in investing activities</b>	<b>(7,154.75)</b>	(8,268.29)
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of equity shares (including share premium)	2.73	19.95
Dividend paid (including dividend distribution tax) and deposit to investor education & protection fund	(3,319.51)	(4,004.87)
Proceeds from long term borrowings	3,000.00	4,671.00
Repayment of long term borrowings	(1,072.72)	(3,715.90)
Net proceeds from / (repayment) of short term borrowings	(2,966.65)	4,792.33
Interest paid	(1,308.35)	(1,148.88)
<b>Net cash from / used in financing activities</b>	<b>(5,664.50)</b>	613.63
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(198.31)</b>	421.71
<b>Cash and cash equivalents at the beginning of the year</b>	<b>917.74</b>	496.03
<b>Cash and cash equivalents at the year end</b>	<b>719.43</b>	917.74
<b>Components of cash and cash equivalents:</b>		
Cash in hand	7.04	19.22
Balances with scheduled banks		
- On current account	712.39	767.37
- Cheques/drafts in hand	-	131.15
<b>(Refer note 12 )</b>	<b>719.43</b>	917.74

As per our report of even date

For **S. R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm registration number: 301003E/E300005

For and on behalf of the Board of Directors of  
**Jamna Auto Industries Limited**

per **Vikas Mehra**  
Partner  
Membership No.: 094421

**P.S. Jauhar**  
Managing Director & CEO  
DIN : 00744518

**R.S. Jauhar**  
Vice Chairman & Executive Director  
DIN : 00746186

Place: New Delhi  
Date: May 22, 2018

**Praveen Lakhera**  
Company Secretary

**Pankaj Gupta**  
Chief Financial Officer

# Notes to consolidated financial statements

for the year ended March 31, 2018

(All amounts are in Rupees Lakhs, unless otherwise stated)

## 1 Corporate information

The consolidated financial statements comprise financial statements of Jamna Auto Industries Limited (the company) and its subsidiaries (collectively, the Group) for the year ended 31 March 2018. The Group is engaged in manufacturing and selling of Tapered Leafs, Parabolic Springs and Lift Axles. The Group has its manufacturing facilities at Malanpur, Chennai, Yamuna Nagar, Jamshedpur, Hosur, Pillaipakkam and Pune.

The Company is public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognised stock exchanges in India. The registered office of the Group is located at Jai Spring Road, Yamuna Nagar, Haryana -135001

Information on the Group's structure is provided in Note 48. Information on other related party relationships of the Group is provided in Note 38.

The consolidated financial statements were approved for issue in accordance with a resolution of the board of directors on May 22, 2018.

## 2 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended.

For all periods up to and including the year ended March 31, 2017, the Group prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 (Indian GAAP). These financial statements for the year ended March 31, 2018 are the first financial statements, the Group has prepared in accordance with Ind AS. Refer to note 33 for information on how the Group adopted Ind AS.

The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value as referred in the accounting policies:

- (a) Certain financial assets and liabilities measured at fair value and
- (b) Derivative financial instruments.

The Consolidated financial statements are presented in Indian Rupees (Rs.) and all values are rounded to the nearest lakhs (Rs.00,000), except wherever otherwise stated.

### 2.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2018. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power

over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

The financial statements of both entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31st March.

#### Consolidation procedure:

- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent

of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

## 2.2 Significant accounting policies

### a) Use of estimates

The preparation of consolidated financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

### b) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

### c) Foreign currencies

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates ('the functional currency').

The consolidated financial statements are presented in Indian Rupee (INR), which is the Group's functional and presentation currency.

### Transactions and balances

Foreign currency transactions are recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. 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 measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in profit or loss are also recognised in profit or loss).

### d) Property, plant and equipment (PPE)

Under the previous GAAP (Indian GAAP), Property, plant and equipment comprising of leasehold land, freehold land, factory building, office building, plant and machinery, office equipment, furniture and fixtures, vehicle and computer were carried in the balance sheet at their respective carrying value. Using the deemed cost exemption available as per Ind AS 101, the Group has elected to carry forward the carrying value of Property, plant and equipment under Indian GAAP as on 31 March 2016 as book value of such assets under Ind AS as at the transition date i.e. April 01, 2016.

Capital work in progress, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price (net of cenvat) and any directly attributable cost to bring assets to working condition. When significant parts of property, plant and equipment are required to be replaced at intervals, Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

- Gains or losses arising from de-recognition of tangible assets are measured as the difference between the net disposable proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.
- The Group identifies any particular component embedded in the main asset having significant value to total cost of asset and also a different life as compared to the main asset.
- The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.
- Machinery spares which are specific to a particular item of fixed asset and whose use is expected to be irregular are capitalized as fixed assets when they meet the definition of Property Plant Equipment, i.e., when the Group intends to use these during more than a period of 12 months.

**Depreciation on property, plant and equipment**

Leasehold land is amortized over the period of lease on a straight line basis. Cost of leasehold improvements on property, plant and equipment are amortized on a straight line basis over the period of lease or their useful lives, whichever is shorter.

Depreciation on other property, plant and equipment is calculated on a straight-line basis using rates arrived at based on the useful lives estimated by the management. The Group identifies and determines cost of each component/part of the asset separately, if the Component/part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining components of the asset. These components are depreciated separately over their useful lives and the remaining components are depreciated over the useful life of the principal assets. The Group has used following estimated useful life to provide depreciation on its property, plant and equipment:

Particulars	Estimated useful life
Factory building	30
Other buildings	60
Plant and Machinery <sup>1</sup>	15-20
Research and development equipment	1
Furniture and fixtures <sup>2</sup>	4
Vehicles <sup>2</sup>	4
Office equipments <sup>2</sup>	3
Computers <sup>2</sup>	3

(1) The management has estimated, supported by independent assessment, the useful life of certain plant and machinery as 20 years, which is higher than those indicated in schedule II of the Companies Act 2013.

(2) The management has estimated, based on past experience, the useful life of these blocks of assets as lower than the life indicated for respective block of assets in schedule II of the Companies Act 2013.

Residual value of property, plant and equipment is considered at 5%.

Property, plant and equipment individually costing up to Rs.0.05 are depreciated at the rate of 100 percent.

**e) Intangible assets**

Under the previous GAAP (Indian GAAP), Intangible assets comprising of software was carried in the balance sheet at their respective carrying value. Using the deemed cost exemption available as per Ind AS 101, the Group has elected to carry forward the carrying value of Intangible assets under Indian GAAP as on March 31, 2016 as book value of such assets under Ind AS as at the transition date i.e. April 01, 2016.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

The useful life of the intangible assets are assessed as either finite or infinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortization period and amortization method of the intangible asset with a useful finite life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another assets.

Software is amortised on a straight-line basis over the period of five years.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

**f) Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to April 01, 2016, the Group has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

A lease is classified at the inception date as a finance lease or an operating lease.

**Operating Lease**

Leases, where the lessor effectively retains substantially, all the risks and benefits of ownership of the leased item, are classified as Operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

**Finance Lease**

A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease. Finance leases are capitalised at the commencement of the lease at the inception date at fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

**Lands under finance lease**

The Group has lands allotted by authorities for a lease term of ninety-nine years. These lands were acquired by paying the consideration, which reflected the prevalent market price and upfront payment of all future lease rentals. There are no further lease rental obligations upon the Group to be paid to the Authority. There are no restrictions on usage or transfer of the

land to any party by the Group. In view of aforesaid facts and circumstances, the Group has classified these lands as finance lease.

**g) Borrowing cost**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing cost includes interest 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 cost.

**h) Impairment of non-financial asset**

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units' (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses on non-financial asset, including impairment on inventories, are recognised in the statement of profit and loss.

**i) Investment**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by



reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Investments in quoted and unquoted equity instruments are recognized at fair value through profit and loss.

#### j) Inventories

Raw materials, components and stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on weighted average basis.

Stores and spares which do not meet the definition of Property, plant and equipment are accounted as inventories.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on weighted average basis.

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. Obsolete and non-moving inventory are determined on the basis of regular review and are valued at net realizable value or cost whichever is lower.

#### k) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Based on the Educational Material on Ind AS 18 issued by the ICAI, the Group has assumed that recovery of excise duty flows to the Group on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Group on its own account, revenue includes excise duty.

However, sales tax/ value added tax (VAT) , Goods and service tax is not received by the Group on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the

government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognized:

#### 1) Sale of goods

Revenue from sale of goods is recognized when all 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 discount and volume rebates.

#### 2) Interest income

For all debt instruments measured at amortised cost 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 instruments or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected estimated cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit loss. Interest income is included under the head "other income" in the statement of profit and loss.

Interest income on bank deposits and advances to vendors is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

#### 3) Export incentives

Export incentives are accrued in the underlying period of export sales in accordance with the terms of the export benefit scheme, provided that there is no significant uncertainty regarding the entitlement to the credit and the amount thereof.

#### 4) Dividend Income

Dividend Income is recognised when the Group's right to receive dividend is established which is generally when shareholders approves the dividend.

#### l) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the

contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Group operates three defined benefit plan for its employees i.e. gratuity, long service award and benevolent fund. The costs of providing benefits under this plan are determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out for this plan using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- ◆ Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- ◆ Net interest expense or income

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

## m) Taxes

### Current Income tax

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in

accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for all deductible timing differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The

Group recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

#### **n) Share Based payments**

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and Ind AS 102 Share based Payments, the cost of equity-settled transactions is measured using the intrinsic value method and recognized. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognized in the statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

#### **o) Segment reporting**

##### **Identification of segments**

The Group's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the geographical location of the customers.

##### **Segment accounting policies**

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements of the Group as a whole.

#### **p) Government grants**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

#### **q) Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

#### **r) Provisions**

A provision is recognized when the Group has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

##### **Warranty Provision**

Provision for warranty related costs are recognised when the product is sold. Provision is based on historical experience. The estimate of such warranty related costs are revised annually.

##### **Provision for Price Difference**

The Group recognises the price difference payable to parties, where settlement is pending for final

negotiation. It is provided on the basis of best estimates and management's assessment, considering the past trend and various other factors. These provisions are reviewed on a regular basis and adjusted with respective element with statement of profit and loss from the adequacy and reasonability point of view.

**s) Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

**t) Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

**u) Measurement of EBITDA**

The Group has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Group measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Group does not include depreciation and amortization expense, interest income, finance costs and tax expense.

**v) Fair value measurement**

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ◆ In the principal market for the asset or liability, or
- ◆ In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that

market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised 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 consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- ◆ Disclosures for valuation methods, significant estimates and assumptions (note 40 and note 42)
- ◆ Financial guarantee (note 38 and note 41)
- ◆ Financial instruments (including those carried at amortised cost) (note 5,6,7,8,11,12,15,16,19,20,41 and 42)

**w) Financial instrument:**

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

### Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

### Subsequent measurement

For the purpose of subsequent measurement, financial assets are only classified as debt instruments at amortised cost.

### Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed

an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through

arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

### Impairment of financial assets:

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

The Group follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables or contract revenue receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. The credit risk of the Group has not increased significantly, 12-month ECL is used to provide for impairment loss.

The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, the Group considers:

- ◆ All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument.
- ◆ Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized



during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- ◆ Financial assets measured as at amortised cost and contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

## Financial liabilities

### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

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

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own

credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to statement of profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Group has not designated any financial liability as at fair value through profit and loss.

### Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings. For more information refer Note 15.

### Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are generally unsecured. Trade and other payable are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using effective interest method.

### Derecognition

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

### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

# Notes to the consolidated financial statements

for the year ended March 31, 2018

(All amounts in Rupees Lakhs, unless otherwise stated)

## 3 Property, plant and equipment

Particulars	Freehold land	Leasehold land	Leasehold improvement	Leasehold building	Building	Plant and machinery	Furniture and fixtures	Vehicles	Office equipment	Computer hardware	Total tangible assets	Capital work in progress
<b>Gross Block</b>												
As at April 1, 2016	3,545.70	895.27	-	-	6,303.40	30,945.16	208.69	924.48	353.72	531.16	43,707.58	-
Less: Accumulated depreciation	-	79.00	-	-	2,237.61	19,046.46	192.47	555.08	308.55	433.96	22,853.13	-
<b>Cost (Deemed cost) As at April 1, 2016 *</b>	<b>3,545.70</b>	<b>816.27</b>	<b>-</b>	<b>-</b>	<b>4,065.79</b>	<b>11,898.70</b>	<b>16.22</b>	<b>369.40</b>	<b>45.17</b>	<b>97.20</b>	<b>20,854.45</b>	<b>6,548.64</b>
Additions	-	-	-	208.63	2,061.94	9,518.97	35.02	75.33	74.47	91.69	12,066.05	5,874.02
Disposals	-	-	-	-	-	812.30	10.16	100.07	10.27	23.24	956.04	10,429.23
As at March 31, 2017	3,545.70	816.27	-	208.63	6,127.73	20,605.37	41.08	344.66	109.37	165.65	31,964.46	1,993.42
Additions	-	-	40.23	-	2,336.77	3,301.84	227.86	158.35	83.53	78.69	6,227.27	5,294.25
Disposals	-	-	-	-	-	574.56	71.35	133.24	51.71	138.19	969.05	4,202.40
<b>As at March 31, 2018</b>	<b>3,545.70</b>	<b>816.27</b>	<b>40.23</b>	<b>208.63</b>	<b>8,464.50</b>	<b>23,332.65</b>	<b>197.59</b>	<b>369.77</b>	<b>141.19</b>	<b>106.15</b>	<b>37,222.68</b>	<b>3,085.28</b>
<b>Depreciation</b>												
As at April 1, 2016	-	79.00	-	-	2,237.61	19,046.46	192.47	555.08	308.55	433.96	22,853.13	-
Less: Transferred to gross block	-	79.00	-	-	2,237.61	19,046.46	192.47	555.08	308.55	433.96	22,853.13	-
<b>As at April 1, 2016 *</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Charge for the year	-	8.99	-	3.95	229.89	4,175.77	29.32	153.44	41.75	80.67	4,723.78	-
Deductions	-	-	-	-	-	679.52	4.33	95.58	8.54	23.61	811.58	-
As at March 31, 2017	-	8.99	-	3.95	229.89	3,496.25	24.99	57.86	33.21	57.06	3,912.20	-
Charge for the year	-	8.99	3.44	9.48	343.73	3,444.93	48.64	125.04	54.95	68.40	4,107.60	-
Deductions	-	-	-	-	-	528.11	69.87	102.00	43.94	125.46	869.38	-
<b>As at March 31, 2018</b>	<b>-</b>	<b>17.98</b>	<b>3.44</b>	<b>13.43</b>	<b>573.62</b>	<b>6,413.07</b>	<b>3.76</b>	<b>80.90</b>	<b>44.22</b>	<b>-</b>	<b>7,150.42</b>	<b>-</b>
<b>Net block</b>												
<b>As at March 31, 2018</b>	<b>3,545.70</b>	<b>798.29</b>	<b>36.79</b>	<b>195.20</b>	<b>7,890.88</b>	<b>16,919.58</b>	<b>193.83</b>	<b>288.87</b>	<b>96.97</b>	<b>106.15</b>	<b>30,072.26</b>	<b>3,085.28</b>
As at March 31, 2017	3,545.70	807.28	-	204.68	5,897.84	17,109.12	16.09	286.80	76.16	108.59	28,052.26	1,993.42
As at April 1, 2016	3,545.70	816.27	-	-	4,065.79	11,898.70	16.22	369.40	45.17	97.20	20,854.45	6,548.64

\* Ind AS 101 Exemption : The Group has availed the exemption available under Ind AS 101, whereas the carrying value of Property, plant and equipment has been carried forwarded at the amount as determined under the previous GAAP.

### (3a) The Group has capitalised the following expenses attributable to fixed assets :-

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salary, wages and bonus	-	93.55
Consumption of stores and spares	-	207.49
Power and fuel	-	84.56
Travelling and conveyance	-	12.23
Lease rent	-	33.56
Depreciation	-	3.85
Other miscellaneous expenses	-	17.16
<b>Total</b>	<b>-</b>	<b>452.40</b>

#### 4 Intangible assets

Particulars	Goodwill	Computer software	Copyrights	Total intangible assets
<b>Gross Block</b>				
As at April 1, 2016	921.02	524.80	3,497.58	4,943.40
Less : Accumulated depreciation	921.02	460.15	3,497.58	4,878.75
<b>Cost (Deemed cost) As at April 1, 2016 *</b>	-	<b>64.65</b>	-	<b>64.65</b>
Additions	-	62.19	-	62.19
Disposals	-	-	-	-
As at March 31, 2017	-	126.84	-	126.84
Additions	-	35.87	-	35.87
Disposals	-	39.70	-	39.70
<b>As at March 31, 2018</b>	-	<b>123.01</b>	-	<b>123.01</b>
<b>Amortisation</b>				
As at April 1, 2016	921.02	460.15	3,497.58	4,878.75
Less: - Transferred to Gross block	921.02	460.15	3,497.58	4,878.75
<b>As at April 1, 2016 *</b>	-	-	-	-
Charge for the year	-	49.43	-	49.43
Deductions	-	0.03	-	0.03
As at March 31, 2017	-	49.40	-	49.40
Charge for the year	-	29.57	-	29.57
Deductions	-	25.02	-	25.02
<b>As at March 31, 2018</b>	-	<b>53.95</b>	-	<b>53.95</b>
<b>Net block</b>				
<b>As at March 31, 2018</b>	-	<b>69.06</b>	-	<b>69.06</b>
As at March 31, 2017	-	77.44	-	77.44
As at April 1, 2016	-	64.65	-	64.65

\* Ind AS 101 Exemption : The Company has availed the exemption available under Ind AS 101, whereas the carrying value of intangible assets has been carried forwarded at the amount as determined under the previous GAAP.

## 5 Investments in others

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>In fair value through OCI (fully paid up)</b>			
<b>Unquoted equity shares</b>			
466,263 equity share of Rs. 10 each in IND Bharath Powergencom Limited *	46.63	46.63	-
<b>Total</b>	<b>46.63</b>	46.63	-

\* Investment is with an objective to attain power supply and is recently made and therefore cost is estimated as fair value.

## 6 Financial assets - Loans (Unsecured considered good unless otherwise stated)

Particulars	Current		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advance to employees	148.13	84.27	93.59
<b>Total</b>	<b>148.13</b>	84.27	93.59

## 7 Other financial assets

Particulars	Non-current			Current		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Security deposits at amortised cost	439.50	453.69	323.40	5.54	26.27	11.12
Non current bank balances (note 12.1)	4.34	3.80	15.99	-	-	-
Balance with sales tax, excise and custom authorities	33.38	913.68	1,594.51	392.30	1,304.24	893.26
Government grant receivable	-	1,382.40	-	1,151.96	-	-
Unbilled revenue	-	-	-	545.46	867.42	0.69
Derivative instruments at fair value through profit or loss	-	-	-	6.13	-	7.40
Interest accrued	3.73	0.38	8.16	10.54	14.37	2.06
<b>Total</b>	<b>480.95</b>	2,753.95	1,942.06	<b>2,111.93</b>	2,212.30	914.53

## 8 Other assets

Particulars	Non-current			Current		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Capital advances</b>						
Unsecured considered good	2,136.53	2,093.84	941.20	-	-	-
Unsecured considered doubtful	9.47	9.47	5.61	-	-	-
	<b>2,146.00</b>	2,103.31	946.81	-	-	-
Less: Provision for doubtful advances	(9.47)	(9.47)	(5.61)	-	-	-
<b>Total (A)</b>	<b>2,136.53</b>	2,093.84	941.20	-	-	-
<b>Advances recoverable in cash or in kind</b>						
Advance to suppliers						
- considered good	-	-	80.86	799.32	760.78	163.96
- considered doubtful	52.20	50.37	50.37	-	-	-

Prepaid expenses	45.14	58.20	7.96	261.49	288.18	127.05
Prepaid lease rent	371.81	386.44	140.79	14.63	14.63	5.82
Deferred rent	116.04	117.32	118.60	1.28	1.28	1.28
Balance with custom authority	-	-	-	28.98	-	-
Prepaid taxes #	17.52	-	-	1,031.00	-	-
Duty paid under protest	95.73	107.65	91.51	16.87	-	-
Other recoverable in cash or kind # #	-	0.23	0.26	863.96	14.97	54.47
Advance income tax (net)	73.07	340.25	347.62	115.34	19.21	19.19
	771.51	1,060.46	837.97	3,132.87	1,099.05	371.77
Less :- Provision for doubtful advances	(52.20)	(50.37)	(50.37)	-	-	-
<b>Total (B)</b>	<b>719.31</b>	<b>1,010.09</b>	<b>787.60</b>	<b>3,132.87</b>	<b>1,099.05</b>	<b>371.77</b>
<b>Grand Total (A+B)</b>	<b>2,855.84</b>	<b>3,103.93</b>	<b>1,728.80</b>	<b>3,132.87</b>	<b>1,099.05</b>	<b>371.77</b>

# Goods and services tax paid on goods in transit.

## Rs. 863.96 (March 31, 2017: Rs. 14.97 , April 1, 2016 : Rs. 54.47) pertained to reimbursement / refund due from Government, customers and others.

## 9 Deferred tax liability / (assets) (net)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Deferred tax assets</b>			
Provision for bad and doubtful debts	109.76	76.44	14.54
Provision for contingency	126.71	121.19	113.51
Provision for price difference	840.19	543.83	-
Government grant deferred	494.05	574.44	-
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	755.65	629.83	378.36
Minimum alternate tax credit	95.63	245.18	501.36
<b>Total deferred tax asset</b>	<b>2,421.99</b>	<b>2,190.91</b>	<b>1,007.77</b>
<b>Less :- Deferred tax liability</b>			
Excess of depreciation/ amortisation on fixed assets under income tax law over depreciation/ amortisation provided in accounts	(1,686.54)	(1,667.62)	(1,043.63)
	(1,686.54)	(1,667.62)	(1,043.63)
<b>Deferred tax liability / (assets) (net)</b>	<b>735.45</b>	<b>523.29</b>	<b>(35.86)</b>
<b>Deferred tax assets (net)</b>	<b>735.45</b>	<b>523.29</b>	<b>532.09</b>
<b>Deferred tax liabilities (net)</b>	<b>-</b>	<b>-</b>	<b>567.95</b>



## 10 Inventories

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Raw material [includes goods in transit: Rs. 598.35 (March 31, 2017: Rs. 302.85, April 1, 2016: Rs. 16.43)]	5,888.87	1,655.61	2,043.90
Components	826.63	573.58	758.94
Work-in-progress	2,762.59	1,001.45	1,218.09
Finished goods [includes goods in transit: Rs. 2,536.04 (March 31, 2017: Rs. 3,257.49, April 1, 2016: Rs. 2,707.25)]	5,470.62	7,360.82	6,231.30
Stores and spares	826.48	544.54	433.72
Scrap	72.07	139.31	58.81
<b>Total</b>	<b>15,847.26</b>	<b>11,275.31</b>	<b>10,744.76</b>

## 11 Trade receivables

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Trade receivables	19,122.34	3,419.22	3,760.83
<b>Total</b>	<b>19,122.34</b>	<b>3,419.22</b>	<b>3,760.83</b>
<b>There are no security against the trade receivable. The breakup is as follow:</b>			
- Other receivables	19,122.34	3,419.22	3,760.83
- Unsecured, considered doubtful	314.06	228.58	65.17
<b>Total</b>	<b>19,436.40</b>	<b>3,647.80</b>	<b>3,826.00</b>
<b>Less: Provision for doubtful debts</b>	<b>(314.06)</b>	<b>(228.58)</b>	<b>(65.17)</b>
<b>Total</b>	<b>19,122.34</b>	<b>3,419.22</b>	<b>3,760.83</b>

### Trade receivables

No trade receivables are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivable are non-interest bearing and are generally on terms of 30 to 90 days.

## 12 Cash and bank balances

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Cash and cash equivalents			
<b>Balance with banks</b>			
On current account *	712.39	767.37	431.86
Cheques/drafts in hand	-	131.15	55.00
Cash on hand	7.04	19.22	9.17
<b>Total</b>	<b>719.43</b>	<b>917.74</b>	<b>496.03</b>

\* exclusive of Rs. 1,161.60 received from the customers, which has been already factored with a bank.

## 12.1 Other bank balances

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balance with banks			
On unpaid dividend account	204.05	167.99	100.18
Deposits with bank with more than 12 months #	4.34	3.80	15.99
Deposits with bank with more than 3 months and less than 12 months # #	307.94	368.09	206.05
<b>Total</b>	<b>516.33</b>	539.88	322.22
Amount disclosed under non current assets (Refer note 7)	(4.34)	(3.80)	(15.99)
<b>Total</b>	<b>511.99</b>	536.08	306.23

# Includes fixed deposit kept as margin money Rs. 4.34 (March 31, 2017: Rs. 3.80, April 1, 2016: Rs. 15.99)

# # Includes fixed deposit kept as margin money Rs. 307.94 (March 31, 2017: Rs. 356.29, April 1, 2016: Rs. 206.05)

## 13 Share capital

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Authorised share capital (amount per share in absolute rupees)</b>			
638,865,000 (March 31, 2017: 638,865,000, April 1, 2016: 638,865,000) equity shares of Rs. 1 each	6,388.65	6,388.65	6,388.65
350,000 (March 31, 2017: 350,000, April 1, 2016: 350,000) 12.50% optionally convertible cumulative preference shares of Rs. 100 each	350.00	350.00	350.00
<b>Total</b>	<b>6,738.65</b>	6,738.65	6,738.65
<b>Issued, subscribed and paid up equity shares (amount per share in absolute rupees)</b>			
Subscribed and fully paid (398,157,435 (March 31, 2017: 398,107,430, April 1, 2016: 397,083,360) equity shares of Rs. 1 each)	3,981.57	3,981.07	3,970.83
Subscribed but not fully paid (306,450 (March 31, 2017: 306,450, April 1, 2016: 306,450) equity shares of Rs. 1 each, amount called up Rs. 1 each)	3.06	3.06	3.06
Less: Call in arrears (held by other than directors)	(1.52)	(1.52)	(1.52)
	<b>3,983.11</b>	3,982.61	3,972.37

- a. Pursuant to shareholders approval dated August 1, 2017, the Group has sub - divided equity shares of Rs. 5(absolute amount) each into equity shares of Rs. 1 (absolute amount) each for which October 6, 2017 was fixed as the record date. Accordingly, in previous year no. of shares have been restated based on the revised number of shares and face value of Rs. 1 (absolute amount) per equity shares.

**b. Reconciliation of shares outstanding at the beginning and at the end of the reporting period**

Particulars	March 31, 2018		March 31, 2017		April 1, 2016	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
<b>Equity shares</b>						
<b>Equity share - Subscribed and fully paid up</b>						
At the beginning of the year	398,107,430	3,981.07	397,083,360	3,970.83	396,083,950	3,960.84
Add : Allotment of share (under ESOP scheme) (refer note no 46)	50,005	0.50	1,024,070	10.24	999,410	9.99
At the end of the year	398,157,435	3,981.57	398,107,430	3,981.07	397,083,360	3,970.83
<b>Equity share - Subscribed but not fully paid up</b>						
At the end of the year	306,450	3.06	306,450	3.06	306,450	3.06

**c. Term and Rights attached to equity shares**

The Group has only one type of equity shares having par value of Rs. 1 (absolute amount) each per share, splitted during the year from face value of Rs. 5 to Rs. 1, on dated October 6, 2017 and accordingly number of shares increased and previous year's number of shares have also been reinstated. Each shareholder is entitled to one vote per share. The Group pays and declares dividends in Indian rupees. The dividend proposed, if any, by the Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. The repayment of equity share capital in the event of liquidation and buy back of shares are possible subject to prevalent regulations. In the event of liquidation, normally the equity shareholders are eligible to receive the remaining assets of the Group after distribution of all preferential amounts, in proportion to their shareholding.

**d. Details of shareholders holding more than 5% shares in the Group**

Particulars	March 31, 2018		March 31, 2017		April 1, 2016	
	No. of shares	% holding in the class	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity Shares of Rs. 1 (absolute amount) each fully paid						
MAP Auto Limited	129,010,990	32.38%	128,354,340	32.22%	128,354,340	32.30%
NHK Springs Co. Limited, Japan	-	-	23,085,090	5.79%	23,085,090	5.81%
Pradeep Singh Jauhar	21,521,070	5.40%	20,718,970	5.20%	20,718,970	5.21%

As per records of the Group, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

**e. Shares reserved for issue under options and contracts/commitments for the sale of shares/ disinvestment, including the terms and amounts**

The Group provides shares based payment schemes to its employees. During the year ended March 31, 2018, an employee stock option scheme was in existence and 28,025 stock options (Previous year: 57,462) can be exercised by the employees as per their vesting and in accordance with the terms of issue of stock option. Refer note 46 on ESOP.

**f. Forfeited shares (amount originally paid up, included in capital reserve)**

Particulars	March 31, 2018		March 31, 2017		April 1, 2016	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Equity share capital (281,900 equity shares (March 31, 2017: 281,900, April 1, 2016: 281,900) of Rs. 1 (absolute amount) each, amount called up Rs. 1 (absolute amount) each.	281,900	1.45	281,900	1.45	281,900	1.45
	281,900	1.45	281,900	1.45	281,900	1.45

## 14 Other Equity

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Securities premium account</b>			
Balance as per the last financial statements	<b>15,114.93</b>	15,068.89	15,023.97
Add: Premium on issue of shares under options (Refer note no 46)	<b>2.23</b>	46.04	44.92
<b>Closing balance</b>	<b>15,117.16</b>	15,114.93	15,068.89
<b>Non-controlling interest</b>	<b>0.08</b>	0.04	0.15
<b>Other comprehensive income</b>			
Balance as per the last financial statements	<b>(44.60)</b>	-	-
Add : Re-measurement gains / (losses) on defined benefit plans (net of tax) Refer note no 36	<b>(58.19)</b>	(44.60)	-
<b>Closing balance</b>	<b>(102.79)</b>	(44.60)	-
<b>Surplus/(deficit) in the Statement of profit and loss</b>			
Balance as per the last financial statements	<b>7,941.42</b>	1,518.27	(5,632.10)
Add: Profit for the year	<b>12,530.58</b>	10,495.84	7,150.37
Less:- Final dividend paid	<b>(1,593.14)</b>	(2,184.80)	-
Less: Tax on final equity dividend	<b>(324.33)</b>	(444.77)	-
Less:- Interim dividend paid (refer note no 4 below)	<b>(1,194.85)</b>	(1,199.03)	-
Less:- Tax on interim dividend (refer note no 4 below)	<b>(243.24)</b>	(244.09)	-
<b>Net surplus in the statement of profit and loss</b>	<b>17,116.44</b>	7,941.42	1,518.27
<b>Other Reserve</b>			
Capital reserve (refer note no 1 below)	<b>315.71</b>	315.71	315.71
Capital redemption reserve (refer note no 2 below)	<b>400.00</b>	400.00	400.00
Amalgamation reserve	<b>1,481.46</b>	1,481.46	1,481.46
General reserve	<b>4,077.62</b>	4,077.62	4,077.62
<b>Total</b>	<b>6,274.79</b>	6,274.79	6,274.79
<b>Share application pending allotment (refer note no 5 below)</b>	-	-	36.33
<b>Total other equity</b>	<b>38,405.68</b>	29,286.58	22,898.43

1. Includes Rs.247 being amount forfeited against warrants and application money received in earlier years.
2. Represents reserve created on account of redemption of preference shares during earlier years.
3. The Group has proposed a final dividend of Rs. 0.55 (absolute amount) for every equity share of Rs. 1 (absolute amount) (March 31, 2017 Rs. 0.40 (absolute amount) per equity share of Rs.1 (absolute amount) for the year, subject to the approval of shareholders.
4. The Group has declared an interim dividend of Rs. 0.30 (absolute amount) for every equity share of Rs. 1 (absolute amount) (March 31, 2017 Rs. 0.30 (absolute amount) per equity share of Rs.1 (absolute amount) for the year.
5. The Share application money pending allotment includes amount received from employees against the employee stock option plan. The shares will be allotted in the next compensation committee meeting.

## 15 Financial liabilities - Borrowings

Particulars	Non-current			Current maturities		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Long term borrowing</b>						
<b>Secured loans</b>						
Term loans from banks						
- Indian rupee loan	2,250.00	723.67	-	1,473.67	964.89	-
<b>Other loans and advances</b>						
Buyers credit	-	-	349.19	-	-	465.59
Long term finance lease obligations	205.07	201.13	-	-	-	-
Vehicle loans						
- From banks	-	-	0.59	-	0.69	10.64
- From financial institutions	2.04	28.97	93.93	26.11	59.08	59.13
<b>Unsecured loans</b>						
Deferred sales tax loan	-	35.33	79.47	42.39	58.25	58.37
<b>Total</b>	<b>2,457.11</b>	<b>989.10</b>	<b>523.18</b>	<b>1,542.17</b>	<b>1,082.91</b>	<b>593.73</b>
Less: Amount disclosed under the head "other current liabilities" (refer note no 20)	-	-	-	1,542.17	1,082.91	593.73
Net amount	2,457.11	989.10	523.18	-	-	-
<b>Short term borrowing</b>						
<b>Secured #</b>						
Cash credit * ^	-	-	-	2,239.12	-	5.11
Packing credit facility	-	-	-	21.89	-	-
<b>Unsecured # #</b>						
HDFC factoring liability	-	-	-	-	228.20	-
Vendor financing facility	-	-	-	-	4,999.46	430.22
<b>Total current borrowing</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,261.01</b>	<b>5,227.66</b>	<b>435.33</b>
<b>The above include</b>						
Aggregate secured loans	6,217.89	1,978.43	984.18			
Aggregate unsecured loans	42.39	5,321.24	568.06			

\* Gross of credit received of Rs. 146.80 from a customer, which has been already factored with a bank.

	Security terms	Repayment terms and rate of interest
1.	<b>Kotak Mahindra Bank Rs. 3,000 (March 31, 2017: Rs. Nil, April 1, 2016 Rs. Nil)</b>	
	<p>(a) First charge on all existing and future movable fixed asset of the borrower at its Malanpur Plant, Yamuna nagar Plant, Jamshedpur Plant &amp; Chennai Plant.</p> <p>(b) Equitable mortgage by way of first charge on land and building of the borrower at its Malanpur Plant, Yamuna nagar Plant, Jamshedpur Plant and Chennai Plant.</p> <p>(c) Second charge on existing and future current assets of the borrower.</p>	<p>Terms of repayment:</p> <p>12 equal quarterly instalments of Rs. 250.00 each starting from July 2018, i.e. Starting from quarter following the fifteen month of first disbursement of term loan.</p> <p>This loan has been taken during this year.</p> <p>Rate of interest:</p> <p>During the year, the rate of interest has varied between 8.30% - 8.50%.</p>

<b>2.</b>	<b>Kotak Mahindra Bank Rs. 723.67 (March 31, 2017: Rs. 1,688.56, April 1, 2016 Rs. Nil)</b>	
	(a) Exclusive hypothecation charge on all existing and future movable fixed asset of the borrower at its Hosur Plant.  (b) Exclusive mortgage charge on immoveable properties being land & building located at Kalukondapali Village, Thally Road, Denkanikotta Taluk, Krishnagiri Taluk-635114.	Terms of repayment: 9 equal quarterly instalments of Rs. 241.22 each starting from December 2016 , i.e. Starting from quarter following the month of first disbursement of term loan. This loan has been taken in the previous year. Rate of interest: During the year, the rate of interest has varied between 8.45% - 9.20%.
<b>3.</b>	<b>Standard Chartered Bank Rs. Nil (March 31, 2017 : Nil, April 1, 2016 Rs. 814.78)</b>	
	(a) Exclusive charge over plant and machinery financed by the loan	Terms of repayment 8 quarterly instalments of Rs 60.08 each starting from January 2016 and 9 quarterly instalment of Rs. 56.32 each starting from February 2016. This loan has been prepaid during the previous year. Rate of interest: During the year, the rate of interest is Nil
<b>4.</b>	<b>Vehicle loan Rs. 28.15 (March 31, 2017 Rs. 88.74, April 1, 2016 Rs. 164.29)</b>	
	Vehicle loans are secured by the hypothecation of the specific vehicles. The loans are repayable in equated monthly / quarterly instalments in accordance with terms and conditions of loan agreement. The period of loan ranges from 3 to 5 years and interest rate ranges from 9.50 % to 12.50 %	
<b>5.</b>	<b>Deferred sales tax loan Rs. 42.39 (March 31, 2017 : Rs. 93.58, April 1, 2016 : Rs. 137.84)</b>	
	As per the eligibility certificate issued, the Group is eligible for deferred sales tax and the same is repayable over the period from March 1, 2010 to February 28, 2019 and is unsecured and interest free.	
<b>6.</b>	<b>Finance lease</b>	
	Finance lease obligation is secured by hypothecation of factory building taken on lease. The interest rate implicit in the lease is 10% p.a. The payment is scheduled in 264 equal monthly installments starting from November 2016.	
<b>Short term borrowing</b>		
<b>#</b>	The Group has a facility for short term borrowings from State Bank of India, HDFC Bank, ICICI Bank, Kotak Mahindra Bank, Standard Chartered Bank and Yes Bank. The balance outstanding as at the year end is Rs. 2261.01 (previous year Nil) carries interest rate of 5% to 9.15% and is secured by:	
<b>a.</b>	First pari passu charge on the entire current assets of the Group both present and future.	
<b>b.</b>	Second pari passu charge over immovable fixed assets of the Group situated at Malanpur Plant, Jamshedpur Plant, Yamuna Nagar Plant and Chennai Plant.	
<b>c.</b>	Second pari passu charge on all existing and future movable fixed assets of the Goup situated at Malanpur Plant, Jamshedpur Plant, Yamuna Nagar Plant and Chennai Plant.	
<b>##</b>	During the previous year, the Group has taken short term borrowing from HDFC Bank and Standard Chartered Bank, which carries interest rate varied between 8.4% to 8.75% in March 21, 2017 and April 1, 2016.	
	^ The subsidiary has a facility for short term borrowing from Kotak Mahindra Bank and State Bank of India, which carries interest of 11.15% to 12.15% (March 31, 2017 11.15% to 12.15%) and is secured by : - first pari passu charge on current assets and movable assets of the subsidiary and - corporate guarantees of the Group.	

## 16 Other financial liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Security deposits at amortised cost	113.51	53.08	70.27
<b>Total</b>	<b>113.51</b>	<b>53.08</b>	<b>70.27</b>



## 17 Provisions

Particulars	Long - term			Short - term		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Provision for employees benefits</b>						
Provision for leave encashment	<b>361.45</b>	287.69	240.50	<b>101.40</b>	68.51	51.00
Provision for long service award	<b>27.17</b>	27.45	26.29	<b>9.58</b>	7.18	5.63
Provision for benevolent fund	<b>36.79</b>	34.71	14.71	<b>7.30</b>	5.68	-
Provision for gratuity (Refer note no. 36)	<b>703.46</b>	420.75	291.17	<b>40.48</b>	30.51	15.08
<b>Total</b>	<b>1,128.87</b>	770.60	572.67	<b>158.76</b>	111.88	71.71
<b>Other provisions</b>						
Provision for warranties #	-	-	-	<b>202.58</b>	193.51	185.29
Provision for contingencies # #	-	-	-	<b>362.60</b>	350.19	328.00
Provision for price differences # # #	-	-	-	<b>2,677.60</b>	2,414.39	2,283.90
<b>Total</b>	-	-	-	<b>3,242.78</b>	2,958.09	2,797.19
<b>Grand Total</b>	<b>1,128.87</b>	770.60	572.67	<b>3,401.54</b>	3,069.97	2,868.90

### #Provision for warranties

A provision is recognized for expected warranty claims on products sold during the last one year, based on past experience of the level of repairs and returns. It is expected that significant portion of these costs will be incurred in the next financial year. Assumptions used to calculate the provision for warranties were based on current sales levels and current information available about returns based on the one-year warranty period for all products sold. The table below gives information about movement in warranty provisions.

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>At the beginning of the year</b>	<b>193.51</b>	185.29	-
Arising during the year	<b>182.28</b>	160.65	331.36
Utilized during the year	<b>(173.21)</b>	(152.43)	(146.07)
<b>At the end of the year</b>	<b>202.58</b>	193.51	185.29
Current portion	<b>202.58</b>	193.51	185.29
Non-current portion	-	-	-

### # # Provision for contingencies

Provision for contingencies represents, provision made against claim made by one of the supplier not acknowledged by the Group and other possible losses based on best estimate of the management.

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>At the beginning of the year</b>	<b>350.19</b>	328.00	-
Arising during the year	<b>230.45</b>	22.19	328.00
Utilized during the year	<b>(218.04)</b>	-	-
<b>At the end of the year</b>	<b>362.60</b>	350.19	328.00
Current portion	<b>362.60</b>	350.19	328.00
Non-current portion	-	-	-

### # # # Provision for price differences

A provision is recognized for amount payable to parties on account of price differences i.e. based on assessment of management.

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>At the beginning of the year</b>	<b>2,414.39</b>	2,283.90	-
Arising during the year	<b>1,786.47</b>	1,878.74	2,283.90
Utilized during the year	<b>(1,523.26)</b>	(1,748.25)	-
<b>At the end of the year</b>	<b>2,677.60</b>	2,414.39	2,283.90
Current portion	<b>2,677.60</b>	2,414.39	2,283.90
Non-current portion	-	-	-

## 18 Deferred government grant

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>At the beginning of the year</b>	<b>1,787.09</b>	23.86	-
Recognised during the year	<b>171.66</b>	2,042.07	23.86
Released to the statement of profit and loss (Refer note no 24)	<b>(303.62)</b>	(278.84)	-
<b>At the end of the year</b>	<b>1,655.13</b>	1,787.09	23.86
<b>Current</b>	<b>260.93</b>	273.95	14.11
<b>Non Current</b>	<b>1,394.20</b>	1,513.14	9.75

Notes:

- Government grants have been received for the purchase of certain items of property, plant and equipment. There are no unfulfilled conditions or contingencies attached to these grants.
- The Group has opted the EPCG scheme, to avail the benefit of saving of custom duty by committing export of goods worth six times, of the value of duty saved, over a period of six years from the date of utilisation of benefit. Duty so saved as been recognised as Government grant and being released to profit & loss on the basis of export obligation fulfilled. As at March 31, 2018, the Group has an outstanding export obligation of Rs. 6,070.41 (March 31, 2017: Rs. 5,068.76) (April 1, 2016: Nil).

## 19 Financial liabilities -Trade payables

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Trade payables</b>			
- Total outstanding due to micro and small enterprises (refer note (a) below)	-	-	-
- Total outstanding due of creditor other than micro and small enterprises (including acceptances Rs. Nil (March 31, 2017: Rs. Nil, April 1, 2016: Rs. 6,142.80))*	<b>20,372.93</b>	7,727.14	13,166.51
<b>Total</b>	<b>20,372.93</b>	7,727.14	13,166.51

\* The acceptances are secured under short term borrowings facility from banks. Refer note 15 for details of securities.

Note (a) : Based on the information presently available with the Group, there are no dues outstanding as at the year end or interest payable / paid on delays in payment to micro and small enterprises covered under the Micro, Small and Medium Enterprise Development Act 2006.

## 20 Other financial liabilities

Particulars	Current		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current maturities of long-term borrowing (Refer note no 15)	<b>1,542.17</b>	1,082.91	593.73
Derivative instruments at fair value through profit or loss	-	18.38	-
Interest accrued but not due on borrowings	<b>28.06</b>	15.20	8.92
Investor education and protection fund, will be credited by following amounts (as and when due) - Unpaid dividends	<b>203.94</b>	167.89	100.07
Creditors for purchase of fixed assets (Refer note (a) above)	<b>305.41</b>	546.72	642.10
<b>Total</b>	<b>2,079.58</b>	1,831.10	1,344.82

**21 Provision for tax**

Particulars	Current		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for tax	47.84	33.03	1,171.21
<b>Total</b>	<b>47.84</b>	<b>33.03</b>	<b>1,171.21</b>

**22 Other current liabilities**

Particulars	Current		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advances from customers	1,588.89	656.71	423.13
Security deposit	11.00	7.80	7.84
Statutory dues payable	1,433.22	672.42	311.96
<b>Total</b>	<b>3,033.11</b>	<b>1,336.93</b>	<b>742.93</b>

**23 Revenue from operations**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Sale of products (including excise duty)</b>		
Sale of products - finished goods	172,685.94	138,974.81
Other operating revenue		
- Scrap sale	3,045.99	1,988.66
<b>Revenue from operations</b>	<b>175,731.93</b>	<b>140,963.47</b>

**24 Other income**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Excess provision written back (Including write back of contingency provision of Rs. 130.19 (March 31, 2017: Rs. Nil)	370.25	119.95
Export incentives	8.46	9.88
Government grants (Refer note 18)	303.62	278.84
Miscellaneous income	104.21	102.93
<b>Total</b>	<b>786.54</b>	<b>511.60</b>

**25 Finance income**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Interest income</b>		
- From banks	31.12	54.55
- From others	53.55	43.14
<b>Total</b>	<b>84.67</b>	<b>97.69</b>

**26 Raw material and components consumed**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Inventory at the beginning of the year	2,229.19	2,802.84
Add : Purchases during the year	113,399.46	77,541.41
Total	115,628.65	80,344.25
Less : Inventory at the end of the year	6,715.50	2,229.19
<b>Total</b>	<b>108,913.15</b>	<b>78,115.06</b>

## 27 Change in inventory of finished goods and work in progress and scrap

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Inventories at the end of year</b>		
- Finished goods	5,470.62	7,360.82
- Work in progress	2,762.59	1,001.45
- Scrap	72.07	139.31
<b>Total</b>	<b>8,305.28</b>	8,501.58
<b>Inventories at the beginning of year</b>		
- Finished goods	7,360.82	6,246.29
- Work in progress	1,001.45	1,203.10
- Scrap	139.31	58.81
<b>Total</b>	<b>8,501.58</b>	7,508.20
<b>Decrease/ (increase) in inventory</b>	<b>196.30</b>	(993.38)

## 28 Employee benefits expenses

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries wages and bonus (refer note no 3(b))	11,475.37	9,709.16
Gratuity expense (refer note no. 36)	201.72	93.52
Contribution to provident and other funds	413.02	387.19
Staff welfare expenses	660.85	567.10
<b>Total</b>	<b>12,750.96</b>	10,756.97

## 29 Other expenses

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Consumption of stores and spare parts (refer note no 3(b))	5,235.98	4,145.48
Power and fuel (refer note no 3(b))	8,928.76	6,401.82
Job charges	2,582.23	2,075.32
Rent (refer note no 3(b))	867.34	576.63
Repair and maintenance		
- Repairs to buildings	213.08	305.59
- Repairs to plant and machinery	701.19	496.72
- Repairs to others	280.67	284.68
Rates and taxes	145.91	211.28
Travelling and conveyance (refer note no 3(b))	1,257.79	1,004.00
Legal and professional (Refer note no 45 for payment made to auditors)	1,102.56	682.81
Loss on sale / discard of fixed assets (net)	5.36	0.70
Provision for contingencies (refer note no 17)	230.45	22.19
Provision for doubtful advances	-	3.85

Provision for doubtful debts	<b>85.66</b>	166.48
Bad debts written off	<b>77.68</b>	0.19
Freight, forwarding and packing	<b>3,944.96</b>	3,129.27
Sales promotion and advertisement	<b>545.76</b>	198.03
Selling expenses	<b>197.13</b>	207.80
Commission on sales	<b>11.73</b>	18.41
Warranty expense	<b>185.14</b>	164.66
Security charges	<b>156.53</b>	127.98
CSR expenses (refer note no 50)	<b>194.09</b>	94.58
Donation	<b>4.95</b>	2.04
Royalty	<b>425.03</b>	401.80
Exchange fluctuation loss (net)	<b>31.23</b>	39.00
Director sitting fees	<b>4.52</b>	4.33
Insurance	<b>75.46</b>	60.68
Printing stationery and communication	<b>221.42</b>	174.95
Bank charges	<b>134.75</b>	116.52
Miscellaneous expenses (refer note no 3(b))	<b>319.95</b>	234.76
<b>Total</b>	<b>28,169.67</b>	21,352.55

### 30 Finance costs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest to banks	<b>1,804.40</b>	1,139.42
Interest to others *	<b>102.67</b>	181.79
<b>Total</b>	<b>1,907.07</b>	1,321.21
* Includes interest on income tax Rs. 64.19 (March 31, 2017: Rs. 129.44)		

### 31 Depreciation and amortisation expenses

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation on Property, plant and equipment (Refer note no 3)	<b>4,107.60</b>	4,723.78
Amortisation on intangible assets (Refer note no 4)	<b>29.57</b>	49.43
<b>Total</b>	<b>4,137.17</b>	4,773.21

### 32 Earnings per share (EPS)

Basic and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of equity shares outstanding during the year.

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Net profit after tax	<b>12,530.58</b>	10,495.84
Weighted average number of equity shares during the period in calculating basic EPS	<b>398,292,648</b>	398,037,389
Add: Stock options granted under ESOP but yet to be exercised	<b>280,250</b>	574,620
Weighted average number of equity shares during the period in calculating diluted EPS	<b>398,572,898</b>	398,612,009
Basic EPS	<b>3.15</b>	2.64
Diluted EPS	<b>3.14</b>	2.63

Pursuant to shareholders approval dated August 1, 2017, the Group has sub - divided equity shares of Rs. 5(absolute amount) each into equity shares of Rs. 1(absolute amount) each for which October 6, 2017 was fixed as the record date. Accordingly, number of shares for current year as well as previous year have been restated based on the reissued number of shares and face value of Rs. 1 (absolute amount) per equity shares.

### 33 First time adoption of Ind AS

These consolidated financial statements, for the year ended March 31, 2018, are the first consolidated financial statement, the Group has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2017, the Group prepared its consolidated financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Group has prepared consolidated financial statements which comply with Ind AS applicable for periods ending on March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Group's opening balance sheet was prepared as at April 1, 2016, the Group's date of transition to Ind AS. This note explains the principal adjustments made by the Group in restating its Indian GAAP consolidated financial statements, including the balance sheet as at April 1, 2016 and the consolidated financial statements as at and for the year ended March 31, 2017.

### 34 Exemptions applied:

Ind AS 101 allows first time adopter certain exemptions from the retrospective application of certain requirements under Ind AS. The Group has applied following exemptions :

1. Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per IGAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible assets. Accordingly, the Group has elected to measure all of its property, plant and equipment, intangible assets at their IGAAP carrying value;
2. Ind AS 101 grants an option for share based payment to equity instrument that were granted on or before the date of transition to Ind AS, to be carried at cost in its financial statements on the date of transition to Ind AS. The Group has availed the above exemption and recognized the share based payment to equity instrument at the amount carried in previous IGAAP on the date of transition to Ind AS. Subsequent to date of transition, the share based payment to equity instrument are carried at cost.

### 35 Reconciliation:

The following reconciliation provides the effect of transition to Ind AS from IGAAP in accordance with Ind AS 101:

1. Equity as at April 1, 2016 and March 31, 2017
2. Net profit/ loss for the year ended on March 31, 2017

#### 35.1 Reconciliation of equity as previously reported under IGAAP to Ind AS

Particulars	Note	Opening Balance as at April 1, 2016			Balance Sheet as at March 31, 2017		
		IGAAP	Effect of transition to Ind AS	Ind AS	IGAAP	Effect of transition to Ind AS	Ind AS
<b>Assets</b>							
<b>Non-current assets</b>							
Property, plant and equipment	(b)	21,001.06	(146.61)	20,854.45	28,318.67	(266.41)	28,052.26
Capital work-in-progress		6,548.64	-	6,548.64	1,993.42	-	1,993.42
Intangible assets		64.65	-	64.65	77.44	-	77.44
Financial assets:							
Investments		-	-	-	46.63	-	46.63
Other financial assets	(b)	2,103.43	(161.37)	1,942.06	2,881.84	(127.89)	2,753.95
Deferred tax assets (net)	(b)	532.09	-	532.09	568.39	(45.10)	523.29
Other non-current assets	(b)	1,469.41	259.39	1,728.80	2,600.19	503.74	3,103.93



<b>Total non-current assets</b>		31,719.28	(48.59)	31,670.69	36,486.58	64.35	36,550.92
<b>Current assets</b>							
Inventories		10,744.76	-	10,744.76	11,275.31	-	11,275.31
Financial assets:							
Loans		93.59	-	93.59	84.27	-	84.27
Trade receivables		3,760.83	-	3,760.83	3,419.22	-	3,419.22
Cash and cash equivalents		496.03	-	496.03	917.74	-	917.74
Other bank balances		306.23	-	306.23	536.08	-	536.08
Other financial assets	<b>(b)</b>	907.13	7.40	914.53	2,212.30	-	2,212.30
Other current assets	<b>(b)</b>	364.67	7.10	371.77	1,083.12	15.93	1,099.05
<b>Total current assets</b>		16,673.24	14.50	16,687.74	19,528.04	15.93	19,543.97
<b>Total assets</b>		<b>48,392.52</b>	<b>(34.09)</b>	<b>48,358.43</b>	<b>56,014.62</b>	<b>80.27</b>	<b>56,094.89</b>
<b>Equity and liabilities</b>							
<b>Equity</b>							
Equity share capital		3,972.37	-	3,972.37	3,982.61	-	3,982.61
Other equity	<b>(b)</b>	20,282.05	2,616.23	22,898.28	29,322.57	(36.03)	29,286.54
Equity attributable to equity holders of the Parent Company		24,254.42	2,616.23	26,870.65	33,305.18	(36.03)	33,269.15
Non-controlling interest		0.15	-	0.15	0.04	-	0.04
<b>Total equity</b>		24,254.57	2,616.23	26,870.80	33,305.22	(36.03)	33,269.19
<b>Non-current liabilities</b>							
Financial liabilities :							
Borrowings	<b>(b)</b>	547.04	(23.86)	523.18	998.85	(9.75)	989.10
Others financial liabilities		70.27	-	70.27	53.08	-	53.08
Long term provisions		572.67	-	572.67	770.60	-	770.60
Deferred government grants	<b>(b)</b>	-	9.75	9.75	1,415.15	97.99	1,513.14
Deferred tax liabilities (net)		567.75	0.20	567.95	-	-	-
<b>Total non-current liabilities</b>		1,757.73	(13.91)	1,743.82	3,237.68	88.24	3,325.92
<b>Current liabilities</b>							
Financial liabilities :							
Borrowings		435.33	-	435.33	5,227.66	-	5,227.66
Trade payables		13,166.51	-	13,166.51	7,727.14	-	7,727.14
Other financial liabilities	<b>(b)</b>	1,365.77	(20.95)	1,344.82	1,832.24	(1.14)	1,831.10
Deferred government grants	<b>(b)</b>	-	14.11	14.11	244.70	29.25	273.95
Provision for current tax (net)		1,171.21	-	1,171.21	33.03	-	33.03
Short term provisions		5,498.47	(2,629.57)	2,868.90	3,069.97	-	3,069.97
Other current liabilities	<b>(b)</b>	742.93	-	742.93	1,336.98	(0.05)	1,336.93
<b>Total current liabilities</b>		22,380.22	(2,636.41)	19,743.81	19,471.72	28.06	19,499.78
<b>Total equity and liabilities</b>		<b>48,392.52</b>	<b>(34.09)</b>	<b>48,358.43</b>	<b>56,014.62</b>	<b>80.27</b>	<b>56,094.89</b>

### 35.2 Reconciliation of statement of profit and loss as previously reported under IGAAP to Ind AS

	Particulars	Note	Opening Balance as at April 1, 2017		
			IGAAP	Effect of transition to Ind AS	Ind AS
	<b>Income</b>				
I	Revenue from operations	(b)	129,946.39	11,017.08	140,963.47
II	Other income	(b)	2,334.53	(1,822.93)	511.60
III	Total income		132,280.92	9,194.15	141,475.07
	<b>Expenses</b>				
	Cost of raw material and components consumed	(b)	80,391.88	(2,276.82)	78,115.06
	(Increase) / decrease in inventories of finished goods and work in progress		(993.38)	-	(993.38)
	Excise duty on sales of goods	(b)	-	11,719.28	11,719.28
	Employee benefit expenses	(b)	10,825.17	(68.20)	10,756.97
	Other expenses	(b)	21,520.16	(167.61)	21,352.55
IV	<b>Total expenses</b>		111,743.83	9,206.65	120,950.48
V	<b>Profit before finance costs, depreciation/amortisation expense and tax</b>		20,537.09	(12.50)	20,524.59
VI	<b>Finance costs</b>				
	Finance costs	(b)	1,419.29	(98.08)	1,321.21
	Finance income		97.69	-	97.69
	Net finance costs		1,321.60	(98.08)	1,223.52
VII	Depreciation and amortisation expenses	(b)	4,777.99	(4.78)	4,773.21
	<b>Profit before tax</b>		14,437.50	90.36	14,527.86
	<b>Tax expenses :</b>				
	- Current tax		4,823.75	-	4,823.75
	- Deferred tax charge / (credit)	(b)	(860.24)	68.51	(791.73)
			3,963.51	68.51	4,032.02
	<b>Profit after tax</b>		10,473.99	21.85	10,495.84
	<b>Other comprehensive income</b>				
	<b>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods :</b>				
	- Re-measurement gains / (losses) on defined benefit plans	(b)	-	(68.20)	(68.20)
	- Deferred tax on above	(b)	-	23.60	23.60
	<b>Other comprehensive income for the year, net of tax</b>		-	(44.60)	(44.60)
	<b>Total Comprehensive income for the year</b>		<b>10,473.99</b>	<b>(22.75)</b>	<b>10,451.24</b>
	<b>Total comprehensive income for the year attributable to:</b>				
	Equity holders of the parent		10,473.93		10,451.19
	Non-controlling interests		0.06		0.05

### 35.3

#### (a) Cash flow statement

There were no significant reconciliation items between cash flow prepared under IGAAP and those prepared under Ind AS.

#### (b) Explanation for reconciliation of Balance Sheet as per previously reported under IGAAP to Ind AS

##### Provisions

Under IGAAP, proposed dividends including DDT are recognised as a liability in the period to which they relate, irrespective of when they are declared. Under Ind AS, proposed dividend is recognised as a liability in the period in which it is declared by the Group (usually when approved by shareholders in a general meeting) or paid.

In case of the Group, the declaration of dividend occurs after period end. Therefore, the liability of Rs. 2629.57 for the year ended on March 31, 2016 recorded for dividend (including dividend distribution tax) has been derecognised against retained earnings on April 1, 2016.

##### Deferred tax assets (net)

Previous IGAAP required calculation of deferred tax using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 "Income Taxes" requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 has resulted in recognition of deferred tax on new temporary differences which was not required under previous IGAAP.

##### Retained earnings

Retained earnings as at April 01, 2016 has been adjusted consequent to Ind AS transition adjustments.

##### Financial assets - Security deposit

Financial assets, including long term deposit paid have been stated at amortised cost fair value.

##### Financial liabilities - Borrowings

The Group had an interest free borrowing (deferred sales tax loan) from the Government of India. The same has been disclosed at fair value using effective interest rate of 10%.

##### Long term provisions

Other than re-measurements gain/(loss) on defined benefit plans, it includes adjustments on account of accrual of leave encashment expenditure as prior period items for liability up to April 1, 2016.

##### Derivative instruments

Outstanding derivative instruments taken by the Group as at April 1, 2016 which were earlier accounted for an amortisation of premium cost, now under Ind AS have been recognised with MTM.

##### Other current liabilities

The previous IGAAP figures have been reclassified to conform to Ind AS presentation requirement for this note.

#### Explanation for reconciliation of statement of profit and loss as per previously reported under IGAAP to Ind AS

##### Revenue from operations

Under the previous IGAAP, cash discount paid for early receipt from customer was recorded under the head finance cost. As per Ind AS 18, revenue is measured at fair value of the consideration received and receivable taking into account the amount of cash discounts allowed by the entity.

Further under previous IGAAP, sale of goods was presented as net of excise duty. However, under Ind AS, sale of goods includes excise duty. Excise duty on sale of goods is separately presented on the face of statement of profit and loss. Thus sale of goods under Ind AS has increased by Rs. 11,728.19 for the year ended March 31, 2017 with a corresponding increase in expenses.

##### Employee benefits expense

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expenses that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes re-measurement of defined benefit plans. The concept of other comprehensive income did not exist under previous IGAAP.

### Other comprehensive income

Under IGAAP, the Group has not presented other comprehensive income (OCI) separately. Hence, it has reconciled IGAAP profit or loss to profit or loss as per Ind AS. Further, IGAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

## 36 Gratuity and other post-employment benefit plans

The Group operates three plans viz gratuity, long term service awards and benevolent fund for its employees. Under the gratuity plan every employee who has completed atleast five years of service gets Gratuity on departure @15 days of last drawn salary for each completed year of service, in terms of Payment of Gratuity Act, 1972. The scheme is funded with an Insurance Company in the form of a qualifying insurance policy. Under long term service award the employee is entitled to a fixed amount on completion of ten years and fifteen years of service. The scheme of long term service award is unfunded.

### a. The following table summarize the funded status of the gratuity plans and the amount recognized in the Group's financial statements as at March 31, 2018 and March 31, 2017:

Particulars	As at	
	March 31, 2018	March 31, 2017
<b>Change in benefit obligation</b>		
Opening defined benefit obligation	714.77	556.40
Service cost	75.55	61.24
Past service cost	101.91	-
Interest expenses	51.67	43.95
Benefits paid	(69.60)	(28.89)
Remeasurements - Actuarial (gains)/ loss	88.88	82.07
<b>Closing defined benefit obligation</b>	<b>963.18</b>	<b>714.77</b>

Particulars	As at	
	March 31, 2018	March 31, 2017
<b>Change in plan assets</b>		
Opening fair value of plan assets	262.50	250.15
Expected return on plan assets	17.76	11.67
Contributions by employer	0.82	1.78
Benefits paid	(61.74)	(14.96)
Remeasurements - Actuarial gains/ (loss)	(0.10)	13.87
<b>Closing fair value of plan assets</b>	<b>219.24</b>	<b>262.50</b>

### b. Major categories of plan assets

Particulars	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Funds managed by insurer	100%	100%	100%

### c. Amount for the year ended on March 31, 2018 and March 31, 2017 recognized in the statement of profit and loss under employee benefits expenses

Particulars	As at	
	March 31, 2018	March 31, 2017
Service cost	75.55	61.24
Past service cost	101.91	-
Net interest on the net defined benefit liability/ (asset)	24.26	32.28
<b>Net gratuity cost</b>	<b>201.72</b>	<b>93.52</b>

**d. Amount for the year ended on March 31, 2018 and March 31, 2017 recognized in the statement of other comprehensive income:**

Particulars	As at	
	March 31, 2018	March 31, 2017
Remeasurements of the net defined benefit liability/ (assets)		
Actuarial (gains)/ losses	88.88	82.07
(Return)/ loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/ (assets)	0.10	(13.87)
<b>Total</b>	<b>88.98</b>	<b>68.20</b>

**e. Amounts recognised in the statement of other comprehensive income as follows:**

Particulars	As at	
	March 31, 2018	March 31, 2017
Actuarial (gain)/loss on arising from change in demographic assumption	-	-
Actuarial loss/(gain) on arising from change in financial assumption	40.48	41.93
Actuarial loss on arising from experience adjustment	48.31	40.14
Actuarial loss on asset for the year	0.19	(13.87)
<b>Total</b>	<b>88.98</b>	<b>68.20</b>

**f. The principal assumptions used to determine benefit obligations as at March 31, 2018, March 31, 2017 and April 1, 2016 are as follows:**

Particulars	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
Discount rate	7.86%	7.41%	7.94%
Average rate of increase in compensations level	7.00%	6.00%	6.00%
Retirement age (years)	58	58	58
Mortality rate inclusive of provision for disability	100% of IALM (2006 - 08)		
Employees turnover (age)	Withdrawal rate in (%)		
Upto 30 years	3	3	3
From 31 to 44 years	2	2	2
Above 44 years	1	1	1

One of the principal assumptions is the discount rate, which should be based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities.

**g. The Group expects to contribute Rs. 118.57 (March 31, 2017: Rs. 411.78) towards gratuity during the year 2018-19.**

The following payments are expected contributions to the defined benefit plan in future years:

**Gratuity**

Particulars	March 31, 2018	March 31, 2017
Within the next 12 months (next annual reporting period)	146.37	70.03
Between 2 and 5 years	236.84	133.62
Between 5 and 10 years	459.48	314.35
Beyond 10 years	1,210.71	842.98
<b>Total</b>	<b>2,053.40</b>	<b>1,360.97</b>

The average duration of the defined benefit plan obligation at the end of the reporting period is 14.57 years (March 31, 2017: 14.48 years) for the parent Company and 37.38 years (March 31, 2017 : 36.14 years) for the subsidiary.

## h. Quantitative sensitivity analysis for significant assumption as at March 31, 2018 and March 31, 2017 is as shown below:

## Gratuity Plan

Particulars	March 31, 2018		March 31, 2017	
	Discount rate		Future salary increases	
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(112.16)	121.33	89.72	(88.31)

Particulars	March 31, 2017		March 31, 2016	
	Discount rate		Future salary increases	
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(78.17)	84.82	63.13	(61.62)

## 37 Commitments and contingencies

## (a) Leases

## Operating lease: Group as lessee

The Group has entered into certain operating leases for office premises, guest houses and others. These leases are cancellable as well as non-cancellable leases. Cancellable leases are having an average life of 11 months. These leases are renewable on mutual consent of lessor and the Group. There are no restrictions placed upon the Group by entering into these leases. During the year, the Group has incurred Rs. 867.34 (March 31, 2017 : Rs. 576.63) as rental expense. The minimum future lease payments under non-cancellable leases are as under:

Future minimum rentals payable under non-cancellable operating leases are as follows:

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Within one year	261.74	236.52	-
After one year but not more than five years	532.84	693.73	-
More than five years	2,565.61	2,666.47	-

## Finance lease: Group as lessee

(a) In respect of Property acquired in finance lease, the minimum lease rentals outstanding as on March 31, 2018 are as follows:

Particulars	Total minimum lease payments outstanding as on		
	March 31, 2018	March 31, 2017	April 1, 2016
Within one year	14.84	10.17	-
After one year but not more than five years	69.95	66.14	-
More than five years	474.30	492.94	-
<b>Total</b>	<b>559.09</b>	<b>569.25</b>	-

Particulars	Present value of minimum lease payments outstanding as on		
	March 31, 2018	March 31, 2017	April 1, 2016
Within one year	12.20	9.25	-
After one year but not more than five years	44.90	46.81	-
More than five years	114.00	124.29	-
<b>Total</b>	<b>171.10</b>	<b>180.35</b>	-

## (b) General Description of Lease Terms:

Finance lease obligation is secured by factory building taken on lease. The interest rate implicit in the lease obligation is estimated at 10% p.a. The payment is scheduled in 264 monthly installments starting from November 2016.



**(b) Capital commitments and other commitments**

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows : -

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Estimated amount of Contracts remaining to be executed on capital account and not provided for (Net of advances of Rs. 2,146.00)	1,343.58	2,733.77	2,437.11
Other commitments	30.00	80.00	80.00
<b>Total</b>	<b>1,373.58</b>	2,813.77	2,517.11

**(c) Contingent liabilities**

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
(i) Income tax	1,927.84	1,984.43	1,429.06
(ii) Claims against group not acknowledged as debts (civil cases)	28.59	60.70	87.89
(iii) Custom and excise duty / service tax	216.27	245.15	130.57
(iv) Sales tax and entry tax	781.73	595.37	354.93
(v) Bills discounting	-	707.14	-
(vi) Factoring of trade receivables	15,421.03	-	-
(vii) Bank guarantees	617.42	1,081.19	525.46
<b>Total</b>	<b>18,992.88</b>	4,673.98	2,527.91

**In relation to (i) above income tax matters contested by the Group comprise of:**

- 1) With respect to assessment year 2010-11 to 2013-14, the assessing officer has added to the income of the Group, a notional interest amounting to Rs. Nil (March 31, 2017 : Rs 43.20) on certain interest free advances given by the Group. The tax impact of the same is Rs Nil (March 31, 2017 : Rs. 14.68). The Group has preferred appeal with CIT (A) and based on internal assessment, the Group is confident of a favourable outcome.
- 2) With respect to assessment year 2008-09 to 2012-13 the assessing officer has disallowed certain expenses amounting to Rs. 76.91 (March 31, 2017 : Rs. 193.61) for various reasons. Tax impact of the same is Rs. 26.14 (March 31, 2017 : Rs. 65.81). The Group's appeal before CIT(A) and based on internal assessment, the Group is confident of a favourable outcome.
- 3) With respect to assessment year 2009-10 the assessing officer had increased income of the Group by Rs. 2,560.85 (March 31, 2017: Rs. 2,560.85) contending that the Group has concealed production and sales to that extent. Tax impact of the same was Rs. 870.43 (March 31, 2017 : Rs. 870.43). The Group's appeal before CIT(A) has been decided in favor of the Group, however department has filed an appeal against the order in ITAT and based on internal assessment, the Group is confident of a favourable outcome.
- 4) With respect to assessment year 2012-13 and 2013-14, the assessing officer has increased the taxable income of the Group by Rs 1,396.86 (March 31, 2017 Rs 1,396.86) contending that it has sold material to its subsidiary firm Jai Suspension Systems LLP (JSSLLP) at lower margin in order to divert its profits to JSSLLP as JSSLLP was enjoying tax exemption during that period. Tax impact of the same is Rs. 474.79 (March 31, 2017 : Rs. 474.79). The Group has preferred an appeal with CIT(A) and based on discussion with the legal counsel is confident of a favourable outcome.
- 5) With respect to the assessment year 2010-11, the assessing officer has increased the taxable income of the Group by Rs Nil (March 31, 2017 : Rs 6.62) contending that it has disclosed lower scrap sales during that year. Tax impact of the same is Rs Nil (March 31, 2017 : Rs. 2.25). The Group, based on internal assessment and discussion with its legal counsel is confident of a favourable outcome.
- 6) An order dated 21/12/2016 had been received from the Income Tax for the AY 2013-14, wherein disallowance of deduction u/s 80-IC had been made for Rs. 1,800.89 (March 31, 2017: 1,800.89) for excess claim of deduction on account of interunit transfer as per provisions of section 80-IA (10). The tax effect of such additions made is Rs. 556.47 (March 31, 2017 : 556.47). The Group preferred an appeal before CIT (A) and based on internal assessment and discussion with its legal counsel, Group is confident of a favorable outcome.

**In relation to (iii) above excise and service tax matters contested by the Group comprise of:**

- 1) Matter pending with Commissioner Appeal in respect of Cenvat Credit availed by the Group on service tax paid on charges of Custom House Agent for export of finished goods after clearance from the factory for the period from November 2005 to March 2010. The Group has done an analysis and is of the opinion that it has fair chance of favourable decision. The amount involved is Rs. 2.62 (March 31, 2017 : Rs. 2.62).
- 2) Matter pending with Commissioner Appeal in respect of Cenvat Credit availed by the Group on service tax paid to the transport agency for outward transportation of the goods for the period 2010-11. The Group has done an analysis and is of the opinion that it has fair chance of favourable decision. The amount involved is Rs. 3.17 (March 31, 2017 : Rs. 3.17).
- 3) Matter pending before CESTAT, New delhi in respect of SCN issued by the department against Cenvat not reversed on sale of exempted goods. The Group has done an analysis and is of the opinion that it has fair chance of favourable decision. The amount involved is Rs. 53.13 (March 31, 2017: Rs. 53.13) plus penalty of Rs. 143.15 (March 31, 2017 : Rs. 143.15) plus interest as applicable.
- 4) Matter pending before Commissioner of Central Excise & Service Tax, Lucknow in respect of Cenvat Credit wrongly availed as capital goods instead of input and service tax credit availed without actual documents. The Group has done an analysis and is of the opinion that it has a fair chance of favourable decision. The amount involved is Rs. 5.95 (March 31, 2017 : Rs. 5.95).
- 5) Matter pending before Director General of Foreign Trade, New Delhi in respect of EPCG licence obtained by the Group, however, the same was lost without being used in 2008. The Group is under an obligation to surrender the licence in case of non utilisation and has received a letter from the office of DGFT for the same. The Group has appeared before the authority and submitted the facts of losing the licence without utilisation. Accordingly, the Group is of the opinion that it has fair chance of a favourable decision. The amount involved is Rs. 8.25 (March 31, 2017 : Rs. 8.25).
- 6) Matter pending before CESTAT, Chandigarh, in respect of wrong availment of Cenvat Credit and disposing of machinery without reversal of Cenvat Credit. The Group has done an analysis and is of the opinion that it has fair chance of favourable decision. The amount involved is Rs. Nil (March 31, 2017 : Rs. 28.18).

**In relation to (iv) above sales tax and entry tax matters contested by the Group comprise of:**

- 1) Matter pending before Supreme Court, Delhi in respect of demand by sales tax department against entry tax paid on raw material. The Group has done an analysis and is of the opinion that it has fair chance of favourable decision. The Amount involved is Rs. 48.53 (March 31, 2017 : Rs. 48.53).
- 2) Matter pending before Additional Commissioner, Grade-2, (Appeal) Fourth, Commercial Tax, Lucknow for non submission of form F. The Group has done an analysis and is of the opinion that it has a fair chance of favourable decision. The amount involved is Rs. 125.76 (VAT), Rs. 22.00 for entry tax and Rs. 1.83 for CST, totalling up to Rs. 149.59 (March 31, 2017 : Rs. 149.59). The Group has made a payment of Rs. 22.89 under protest in this regard.
- 3) Group received sales tax assessment orders under Utrakhand/Jharkhand VAT Act/CST Act for the financial years 2010-11, 2011-12 & 2012-13 wherein assessing officer raised demand of Rs.3.39 (March 31, 2017 : Rs.3.39). The Group preferred appeals against such orders and based on legal advice and internal assessment, Group is confident that no liability is probable in the matter.
- 4) Under Rajasthan Value Added Tax Act, 2003, the Group received order dated 02/05/2017 for financial year 2011-12 wherein demand of Rs.65.47 has been deleted which was raised in earlier years. Demand outstanding Rs. Nil (March 31, 2017 : Rs.65.47).
- 5) Under Rajasthan Value Added Tax Act, 2003, Group received orders for financial years 2012-13 & 2013-14 wherein demand of Rs. 254.41 (March 31, 2017 : Rs. 254.41) had been raised. The Group preferred appeal against such orders and based on legal advice and internal assessment, Group is confident that no liability is probable in the matter.
- 6) Under Central Sales Act, 1956, Group received orders for financial years 2012-13 & 2013-14 wherein demand of Rs.7.50 (March 31, 2017 : Rs. 7.50) had been raised. The Group preferred appeal against such orders and based on legal advice and internal assessment, Group is confident that no liability is probable in the matter.
- 7) Under Kerala VAT Act, 2003, orders have been received during the year for the financial years 2011-12 & 2013-14, wherein demands for Rs 14.43 and Rs 5.33 respectively have been raised by CTO, Kakkannad. Group has preferred appeals against such orders and based on legal advice and internal assessment Group is confident that no liability is probable in the matter.
- 8) Under Maharashtra VAT Act, 2002, orders have been received during the year for the financial years 2012-13 wherein demands for Rs 178.99 for VAT and Rs 45.42 for CST have been raised by MVAT department. Group has preferred appeals against such orders and based on legal advice and internal assessment Group is confident that no liability is probable in the matter.

- 9) Under The Rajasthan Tax on Entry of Goods into local Areas Act, 1999 Group received order for financial year 2009-10 wherein demand of Rs.4.46 (March 31, 2017 : Rs. 4.46) had been raised. The Group preferred appeal against such order and based on legal advice and internal assessment Group is confident that no liability is probable in the matter.
- 10) An order dated 24/06/2013 was passed by Hon'ble Calcutta High Court (Single Bench) holding that Entry Tax imposition was unconstitutional and quashed the same. After this, the matter was taken up by West Bengal Government for review by the larger bench of the High Court. The petition was admitted by the High Court. The High Court (Larger Bench) refused to grant refund of the entry tax already deposited and also directed to carry on assessment proceedings in the matter. Pursuant to the order, the Group had stopped paying Entry Tax in West Bengal. As the matter is subjudice, the liability on account of entry tax is taken in the contingent liability for FY 2013-14 to FY 2017-18 till the disposal of appeal pending before larger bench of the High Court. The amount involved is Rs. 69.68 (March 31, 2017 : Rs.62.02).

**In relation to (vi) above factoring comprise of:**

- 1) During the year, the Group has entered into factoring arrangement of its trade receivables with two of its existing bankers, on without recourse basis. Liability of the Group will arise only if it does not meet its performance obligation to its customers as per the terms of contract with the respective parties. Total amount of trade receivables which has been factored as at March 31, 2018 is Rs. 15,421.03 (March 31, 2017 : Rs. Nil).

### 38 Related party transactions

**A) Related parties under Ind AS-24 with whom transactions have taken place during the year**

**I. Key managerial personnel and their relatives**

Mr. B.S. Jauhar	Chairman
Mr. R.S. Jauhar	Vice Chairman & Executive Director
Mr. P.S. Jauhar	Managing Director & CEO
Mr. H. S. Gujral	Executive Director (resigned on 13.02.2018)
Mr. S.P.S. Kohli	Executive Director (appointed w.e.f. 13.02.2018)
Mrs. Sonia Jauhar	Wife of Vice Chairman
Mrs. Kiran Chadha	Daughter of Chairman

**II. Companies/Concerns controlled by KMP & their relatives**

Jamna Agro Implements Private Limited

S.W. Farms Private Limited

Map Auto Limited

## B) Transactions with related parties

Nature of Transaction	Companies/Concerns controlled by KMP & their relatives		Key managerial personnel and their relatives		Total	
	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Transactions during the year</b>						
<b>Job work charges</b>						
Map Auto Limited	624.71	531.85	-	-	624.71	531.85
Jamna Agro Implements Private Limited	118.65	91.09	-	-	118.65	91.09
<b>Rent expense</b>						
SW Farms Private Limited	24.76	24.27	-	-	24.76	24.27
Mrs Sonia Jauhar	-	-	12.38	12.14	12.38	12.14
Mr P S Jauhar	-	-	23.16	28.04	23.16	28.04
Mr R S Jauhar	-	-	-	2.40	-	2.40
<b>Freight forwarding and packing expenses</b>						
Map Auto Limited	416.26	276.61	-	-	416.26	276.61
<b>Sale of fixed assets</b>						
Map Auto Limited	-	0.34	-	-	-	0.34
<b>Rent income</b>						
Map Auto Limited	-	0.45	-	-	-	0.45
<b>Security Deposit</b>						
Mr P S Jauhar	-	-	7.50	-	7.50	-
Mr R S Jauhar	-	-	7.50	-	7.50	-
<b>Remuneration</b>						
Mr. B S Jauhar	-	-	136.10	158.40	136.10	158.40
Mr. P S Jauhar	-	-	949.64	662.84	949.64	662.84
Mr. R S Jauhar	-	-	945.74	666.20	945.74	666.20
Mr. H S Gujral	-	-	16.57	39.46	16.57	39.46
Mr. SPS Kohli	-	-	5.18	-	5.18	-
Mrs. Kiran Chadha	-	-	21.63	19.66	21.63	19.66

	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Balances as at the year end</b>						
Trade payable	112.86	66.85	-	-	112.86	66.85
Security deposit receivable	-	-	-	15.00	-	15.00

## 39 Segment Reporting

Ind AS 108 establishes standards for the way the Group report information about operating segments and related disclosures about products and services, geographic areas, and major customers. The Group operations comprises of only one segment i.e. manufacturing and selling of automobile suspension products. The entire operations are governed by the same set of risk and returns. Based on the “management approach” as defined in Ind AS 108, the management also reviews and measure the operating results taking the whole business as one segment and accordingly make decision about the resource allocation. In view of the same, separate segment information is not required to be given as per the requirements of Ind AS 108 on “Operating Segments”. The accounting principles used in the preparation of the consolidated financial statements are consistently applied to record revenue and expenditure in individual segments and are as set out in the significant accounting policies.

The analysis of geographical segment is based on the geographical location of the customers. The Group operates primarily in India and has presence in international markets as well. Its business is accordingly aligned geographically, catering to two markets i.e. India and Outside India. For customers located outside India, the Group has assessed that they carry same risk and rewards. The Group has considered domestic and exports markets as geographical segments and accordingly disclosed these as separate segments. The geographical segments considered for disclosure are as follows:

- Sales within India include sales to customers located within India.
- Sales outside India include sales to customers located outside India.

The following is the distribution of the Group revenue of operations by geographical market, regardless of where the goods were produced:

### Revenue from external customers

Particulars	Year ended	Year ended
	March 31, 2018	March 31, 2017
Within India	174,352.63	139,967.12
Outside India	1,379.29	996.35
<b>Total</b>	<b>175,731.93</b>	<b>140,963.47</b>

Sales to customers generating more than 10% of total revenue aggregates to Rs. 1,17,179.36 (March 31, 2017 : Rs. 92,738.35).

Trade receivables from customers generating more than 10% of total revenue aggregates to Rs. 16,022.14 (March 31, 2017 : Rs. 1,682.14).

### Trade receivable as per geographical locations

Particulars	Year ended	Year ended
	March 31, 2018	March 31, 2017
Within India	19,014.70	3,282.96
Outside India	107.64	136.26
<b>Total</b>	<b>19,122.34</b>	<b>3,419.22</b>

The trade receivable information above is based on the location of the customers.

All other assets (other than trade receivable) used in the Group business are located in India and are used to cater both the customers (within India and outside India), accordingly the total cost incurred during the period to acquire the property, plant and equipment and intangible assets has not been disclosed.

## 40 Significant accounting judgements, estimates and assumptions

The preparation of the Group financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. 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.

### Judgements

In the process of applying the Group accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

## Estimates and assumptions

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

### Defined benefit plans (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 complexities involved in 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.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans, the management considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in Note 36.

### Taxation

In preparing consolidated financial statements, there are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. The uncertain tax positions are measured at the amount expected to be paid to taxation authorities when the Group determines that the probable outflow of economic resources will occur. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

### Provisions and contingencies

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS.

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the effect of time value of money is material, provisions are determined by discounting the expected future cash flows.

The Group has significant capital commitments in relation to various capital projects which are not recognized in the balance sheet. In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Guarantees are also provided in the normal course of business. There are certain obligations which management has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the consolidated financial statements.

### 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. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer note 42 for such measurement.



## 41 Fair Values

Set out below, is a comparison by class of the carrying amounts and fair value of the Group financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Particulars	Method of Fair Value	Carrying value			Fair value		
		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2017	As at April 1, 2016	As at April 1, 2016
<b>Financial assets</b>							
Security deposits paid	Amortised Cost	445.03	479.96	334.51	445.03	479.96	334.51
Investment	Fair Value through OCI	46.63	46.63	-	46.63	46.63	-
Loan	Amortised Cost	141.09	66.21	77.58	141.09	66.21	77.58
Government grant receivable	Amortised Cost	1,151.96	1,382.40	-	1,151.96	1,382.40	-
Unbilled revenue	Amortised Cost	545.46	867.42	-	545.46	867.42	-
Derivative instruments	Fair Value through Profit and Loss	6.13	-	7.40	6.13	-	7.40
Other financial assets	Amortised Cost	457.47	2,254.53	2,538.09	457.47	2,254.53	2,538.09
<b>Total</b>		<b>2,793.77</b>	<b>5,097.15</b>	<b>2,957.58</b>	<b>2,793.77</b>	<b>5,097.15</b>	<b>2,957.58</b>
<b>Financial liabilities</b>							
Borrowings (including current maturities)	Amortised Cost	3,999.28	2,072.01	1,116.91	3,999.28	2,072.01	1,116.91
<b>Other financial liabilities</b>							
Security deposits received	Amortised Cost	113.51	53.08	70.27	113.51	53.08	70.27
MTM valuation of forward contracts (net)	Fair value through Profit and Loss	-	18.38	-	-	18.38	-
<b>Total</b>		<b>4,112.79</b>	<b>2,143.47</b>	<b>1,187.18</b>	<b>4,112.79</b>	<b>2,143.47</b>	<b>1,187.18</b>

The management assessed that cash and cash equivalents, short-term borrowings, interest accrued but not due, trade receivables, trade payables and creditor for fixed asset, investor education and protection fund approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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

The security deposits (paid/received) are evaluated by the Group based on parameters such as interest rate, risk factors, risk characteristics, and individual credit worthiness of the counterparty. Based on this evaluation allowances are taken into account for the expected losses of the security deposits.

Borrowing are evaluated by the Group based on parameters such as interest rates, specific country risk factors and prepayment.

## 42 Fair hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

### Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2018 :

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial assets</b>					
<b>Security deposits paid</b>	<b>March 31, 2018</b>	<b>445.03</b>	-	<b>445.03</b>	-
Security deposits paid	March 31, 2017	479.96	-	479.96	-
Security deposits paid	April 1, 2016	334.51	-	334.51	-
<b>Investments</b>	<b>March 31, 2018</b>	<b>46.63</b>	-	<b>46.63</b>	-
Investments	March 31, 2017	46.63	-	46.63	-
Investments	April 1, 2016	-	-	-	-
<b>Loan</b>	<b>March 31, 2018</b>	<b>141.09</b>	-	<b>141.09</b>	-
Loan	March 31, 2017	66.21	-	66.21	-
Loan	April 1, 2016	77.58	-	77.58	-
<b>Government grant receivable</b>	<b>March 31, 2018</b>	<b>1,151.96</b>	-	<b>1,151.96</b>	-
Government grant receivable	March 31, 2017	1,382.40	-	1,382.40	-
Government grant receivable	April 1, 2016	-	-	-	-
<b>Unbilled revenue</b>	<b>March 31, 2018</b>	<b>545.46</b>	-	<b>545.46</b>	-
Unbilled revenue	March 31, 2017	867.42	-	867.42	-
Unbilled revenue	April 1, 2016	-	-	-	-
<b>Derivative instruments</b>	<b>March 31, 2018</b>	<b>6.13</b>	-	<b>6.13</b>	-
Derivative instruments	March 31, 2017	-	-	-	-
Derivative instruments	April 1, 2016	<b>7.40</b>	-	<b>7.40</b>	-
<b>Other financial assets</b>	<b>March 31, 2018</b>	<b>457.47</b>	-	<b>457.47</b>	-
Other financial assets	March 31, 2017	2,254.53	-	2,254.53	-
Other financial assets	April 1, 2016	2,538.09	-	2,538.09	-

There have been no transfers between Level 1 and Level 2 during the period.

**Quantitative disclosures fair value measurement hierarchy for liabilities as at March 31, 2018 :**

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
<b>Financial liabilities</b>					
<b>Borrowings (including current maturities)</b>	<b>March 31, 2018</b>	<b>3,999.28</b>	-	<b>3,999.28</b>	-
Borrowings (including current maturities)	March 31, 2017	2,072.01	-	2,072.01	-
Borrowings (including current maturities)	April 1, 2016	1,116.91	-	1,116.91	-
<b>Other financial liabilities</b>					
<b>Security deposits received</b>	<b>March 31, 2018</b>	<b>113.51</b>	-	<b>113.51</b>	-
Security deposits received	March 31, 2017	53.08	-	53.08	-
Security deposits received	April 1, 2016	70.27	-	70.27	-
<b>MTM valuation of forward contracts</b>	<b>March 31, 2018</b>	-	-	-	-
MTM valuation of forward contracts	March 31, 2017	18.38	-	18.38	-
MTM valuation of forward contracts	April 1, 2016	-	-	-	-

There have been no transfers between Level 1 and Level 2 during the period.

**43 Capital management**

For the purpose of the Group's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is long term debts plus amount payable for purchase of fixed assets divided by total equity.

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Borrowings including current maturities of long term borrowing (refer Note no. 15)	<b>3,999.28</b>	2,072.01	1,116.91
Payable for purchase of fixed assets (refer Note no. 20)	<b>305.41</b>	546.72	642.10
<b>Net debts</b>	<b>4,304.69</b>	2,618.73	1,759.01
<b>Capital components</b>			
Share capital	<b>3,983.11</b>	3,982.61	3,972.37
Other equity	<b>38,405.60</b>	29,286.54	22,898.28
<b>Total equity</b>	<b>42,388.71</b>	33,269.15	26,870.65
<b>Capital and net debt</b>	<b>46,693.40</b>	35,887.88	28,629.66
<b>Gearing ratio (%)</b>	<b>9.2%</b>	7.3%	6.1%

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018 and March 31, 2017.

## 44 Financial risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Group also enters into derivative transactions.

The Group is exposed to market risk, credit risk, legal risk, taxation risk, accounting risk and liquidity risk. The Group's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

### (a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and derivative financial instruments.

#### (i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

#### Interest rate sensitivity:

Particulars	Increase / decrease in basis points	March 31, 2018	March 31, 2017
<b>Borrowing :</b>			
Long term loan	Increase in floating Interest rate by 100 basis points (1%) for borrowings	<b>35.93</b>	24.20
Working capital demand/ Short term loan		<b>191.08</b>	102.36
Long term loan	Decrease in floating Interest rate by 100 basis points (1%) for borrowings	<b>-35.93</b>	-24.20
Working capital demand/ Short term loan		<b>-191.08</b>	-102.36
<b>Total</b>		<b>227.01</b>	<b>126.56</b>

#### (ii) Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency).

The Group manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12-month period for hedges of forecasted sales and purchases (including property, plant and equipment).

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

The Group hedges its exposure to fluctuations on the translation into INR of its foreign operations by entering into forward contracts.

Since the hedge transaction done by the Group does not have significant impact on the results of operations, a sensitivity analysis is not presented.

### (b) Legal, taxation and accounting risk:

The Group is exposed to few legal and administrative proceedings arising during the course of business. The management makes an assessment of these pending cases and in case where it believes that loss arising from a proceeding is probable and can reasonably be estimated, the amount is recorded in the books of account. To mitigate these risks arising from the proceedings, the Group employs third party tax and legal experts to assist in structuring significant transactions and contracts.

**(c) Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

**Trade receivables**

Customer credit risk is managed by the Group's established policy, procedures and control relating to customer credit risk management. The major customers of the Group are original equipment manufacturers (OEM's) which have a defined period for payment of receivables and hence the Group evaluates the concentration of risk with respect to trade receivables as low. At March 31, 2018, approximately 98% (March 31, 2017: 79%, April, 01 2016: 85%) of all the receivables outstanding were from OEMs.

An impairment analysis is performed at each reporting date on an individual basis for major customers. In addition, all the minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 11. The Group does not hold collateral as security except in case dealer's security deposits in after market.

**Financial instruments and cash deposits**

Credit risk from balances with banks is managed by the Group's treasury department in accordance with the Group's policy. Credit risk on cash and cash equivalents is limited as the Group generally invests in deposits with the banks with high credit ratings. The Group's maximum exposure to credit risk for the components of the balance sheet at March 31, 2018 and March 31, 2017 is the carrying amounts as illustrated in Note 12.

**(d) Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with its financial liabilities. The Group monitors its risk of a shortage of funds by doing liquidity planning. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, cash credits and advance payment terms.

**Maturity profile of financial liabilities :**

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

Particulars	On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
<b>March 31, 2018</b>						
Borrowings including bank cash credits excluding transaction cost (Including current maturities)	2,239.12	282.49	1,281.59	2,252.01	205.07	6,260.29
Trade payables	-	19,540.43	832.50	-	-	20,372.93
Other financial liabilities (Excluding current maturities)	203.94	274.24	59.23	-	113.51	650.92
<b>Total</b>	<b>2,443.06</b>	<b>20,097.16</b>	<b>2,173.32</b>	<b>2,252.01</b>	<b>318.58</b>	<b>27,284.14</b>
<b>March 31, 2017</b>						
Borrowings including bank cash credits excluding transaction cost (Including current maturities)	-	5,490.04	813.48	795.02	201.12	7,299.66
Trade payables	-	7,132.26	594.88	-	-	7,727.14
Other financial liabilities (Excluding current maturities)	167.89	450.50	129.80	-	53.08	801.27
<b>Total</b>	<b>167.89</b>	<b>13,072.80</b>	<b>1,538.16</b>	<b>795.02</b>	<b>254.20</b>	<b>15,828.07</b>

<b>April 1, 2016</b>						
Borrowings including bank cash credits excluding transaction cost (Including current maturities)	5.11	563.15	795.86	188.12	-	1,552.24
Trade payables	-	12,613.15	553.36	-	-	13,166.51
Other financial liabilities (Excluding current maturities)	100.07	599.39	51.63	-	70.27	821.36
<b>Total</b>	<b>105.18</b>	<b>13,775.69</b>	<b>1,400.85</b>	<b>188.12</b>	<b>70.27</b>	<b>15,540.11</b>

**(e) Commodity risk**

The Group is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchases of steel which is a volatile product and is major component of end product. The prices in these purchase contracts are linked to the price of raw steel and demand supply matrix. However, at present, the Group do not hedge its raw material procurements, as the price of the final product of the Group also vary with the price of steel which mitigate the risk of price volatility.

**45 Payment to auditors (excluding taxes)**

	<b>For the year ended March 31, 2018</b>	<b>For the year ended March 31, 2017</b>
As auditor		
- Audit fee	<b>36.50</b>	44.87
- Limited review fee	<b>22.50</b>	22.18
As other capacity		
- Other services	<b>11.22</b>	6.12
Reimbursement of expenses	<b>8.05</b>	8.02
<b>Total</b>	<b>78.26</b>	<b>81.19</b>

**46 Share based compensation**

(A) The Group has issued stock options to its employees in accordance with the Group's Employee Stock Option Scheme 2006 and 2008. Both the schemes are administered by the Compensation Committee constituted pursuant to SEBI (Share based employee benefits) Regulations, 2014. All the permanent employees of the Group and the subsidiary, including Directors but excluding promoters of the Group are eligible to participate in the schemes. The Committee grants stock options to the employees at its discretion depending upon criteria such as role/designation of the employee, length of service with the Group, past performance record, future potential of the employee and/or such other criteria that may be determined by the Committee.

The stock option shall vest proportionately over the period of 5 years from the date of grant in the ratio of 15% for the first year, 20% for second to fourth year and 25% for the fifth year. The options would be granted at the exercise price that is equivalent to the prevailing market price at the time of grant. The exercise price, in cash, is paid by the employee at the time of exercise of the stock option. The option lapses if not exercised within a period of 3 years from the date of vesting of option. The lapsed option is available for being re-granted/ re-issued at a future date. The maximum number of options that may be granted to any specific employee is upto 0.5 % of the issued capital of the Group.

<b>ESOP Scheme</b>	<b>Members approval</b>	<b>Number of options</b>
ESOP Scheme-2006	25.01.2007	3,14,000
ESOP Scheme-2008	01.07.2008	Not more than 5% of the paid up equity share capital of the Group as on 31.03.2012



Date of grant	Number of options granted	Exercise price	Market price (Rs. in absolute term)
ESOP Scheme-2006			
25.01.2007	257,000	Rs 30.62	Rs 30.62
25.08.2007	57,000	Rs 44.20	Rs 44.20
ESOP Scheme-2008			
08.02.2010	867,461	Rs 54.95	Rs 54.95
05.08.2010	361,250	Rs 120.65	Rs 120.65

**(B) Summary of stock options**

	For the year ended March 31, 2018		For the year ended March 31, 2017	
	No. of Shares	Weighted Average Price	No. of Shares	Weighted Average Price
Options outstanding at the beginning of the year	57,462	120.65	185,212	85.25
Options granted during the year	NIL	NIL	NIL	NIL
Options forfeited / lapsed during the year	24,437	117.40	25,343	119.63
Options exercised during the year	5,000	54.95	102,407	153.03
Options outstanding at the end of the year	28,025	120.65	57,462	113.81
Options exercisable at the end of the year	28,025	120.65	57,462	113.81

All the options vested to its employees prior to transition date to Ind AS i.e. April 1, 2016.

**(C) Weighted average share price on the date of exercise of the options is Rs. 120.65 (Previous year Rs.113.81)****(D) Range of exercise price and weighted average remaining contractual life of stock options outstanding**

For the year ended March 31, 2018			For the year ended March 31, 2017		
Number of stock options outstanding at the year end	Range of exercise price	Weighted average remaining contractual life	Number of stock options outstanding at the year end	Range of exercise price	Weighted average remaining contractual life
-	-	0 years	-	-	0 years
-	-	0 years	-	-	0 years
-	-	0 years	99802	54.95	0.43 years
28,025	120.65	0.33 years	85410	120.65	1.38 years

**(E) Weighted average fair value of options: The fair value of each option is estimated using the Black Scholes model after applying the following weighted average assumptions:-**

	For the year ended March 31, 2018	For the year ended March 31, 2017
Risk free interest rate	*	*
Expected life	*	*
Expected volatility(%)	*	*
Expected dividend (%)	*	*
Price of underlying shares in the market at the time of option grant	*	*

\* Not applicable since the Group has not granted stock options during the year.

- (F) The Group had been using intrinsic value method of accounting ESOP expenses as prescribed by SEBI (Share based employee benefits) Regulations, 2014, to account for stock options issued under the Group's stock options schemes. Under this method, compensation expenses are recorded on the basis of excess of the market price of share at the date of grant of option over exercise price of the option.

There would be no impact on the profit or earnings per share had the Group used the fair value of the options as the method of accounting instead of intrinsic value as the fair value is less than the intrinsic value of the option.

- (G) Following is the table showing fair value, exercise price and amount of expenditure not recognised at each balance sheet date:

As at	No. of options outstanding (vested but not exercised)	No. of Shares	Face Value of Each Share	Exercise Value	Fair Value	Amount not recognised in the profit and loss as expenses
April 1, 2016	185,212	370,424	5	157.89	531.19	373.30
March 31, 2017	57,462	114,924	5	65.40	244.27	178.87
<b>March 31, 2018</b>	<b>28,025</b>	<b>280,250</b>	<b>1</b>	<b>33.81</b>	<b>220.42</b>	<b>186.60</b>

The Group has availed the exemption given under Ind AS 101, since all the options granted were vested before the transition date

## 47 Derivative instruments and unhedged foreign currency exposure

### (a) Particulars of foreign currency forward contracts outstanding

Particulars	Currency	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
		Amount	Amount	Amount
Trade payable / payable against fixed assets	USD	493.07	431.95	-
	EURO	40.45	87.52	-
Long term loans	EURO	-	-	814.79
Against Trade receivable	USD	89.94	-	-
	EURO	18.81	-	-
	GBP	21.03	-	-

### (b) Particulars of unhedged foreign currency exposure

Particulars	Currency	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
		Amount	Amount	Amount
Trade receivables	USD	26.10	136.26	147.58
Trade payables including payable for fixed assets	USD	419.97	83.91	85.19
	EURO	155.48	-	147.72
	JPY	22.50	-	5.25

**48 Additional information pursuant to Schedule III of Companies Act 2013, "General instructions for the preparation of consolidated financial statements" for financial year 2017-18**

Name of the Entity	As at March 31, 2018				As at March 31, 2017			
	Net Assets, i.e., total assets minus total liabilities		Share in total comprehensive income		Net Assets, i.e., total assets minus total liabilities		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated total comprehensive income	Amount	As % of consolidated net assets	Amount	As % of consolidated total comprehensive income	Amount
Jamna Auto Industries Limited (Consol)	<b>100.00</b>	<b>42,388.79</b>	<b>100.00</b>	<b>12,472.39</b>	100.00	33,269.19	100.00	10,451.24
Parent Company	<b>85.89</b>	<b>36,407.79</b>	<b>74.68</b>	<b>9,314.71</b>	86.04	28,624.45	65.82	6,879.26
India Subsidiaries	<b>14.11</b>	<b>5,980.92</b>	<b>25.32</b>	<b>3,157.64</b>	13.96	4,644.70	34.18	3,571.94
Minority interests in the subsidiaries	<b>0.00</b>	<b>0.08</b>	<b>0.00</b>	<b>0.05</b>	0.00	0.04	0.00	0.05
<b>Total</b>	<b>100.00</b>	<b>42,388.79</b>	<b>100.00</b>	<b>12,472.39</b>	100.00	33,269.19	100.00	10,451.24

Note: Above figures for the net assets and share in total comprehensive income of entities are after elimination of all intra group transactions.

**49 Deferred tax assets / (liabilities) (net)**

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Deferred tax assets / (liabilities)	<b>735.45</b>	523.29	(35.86)
Total	<b>735.45</b>	523.29	(35.86)

Income tax expenses reported in the statement of profit and loss comprises:	March 31, 2018	March 31, 2017
<b>Current Income tax expenses:</b>		
Income Tax	<b>6,366.01</b>	4,823.75
<b>Deferred tax</b>		
Relating to origination and reversal of temporary differences	<b>(287.50)</b>	(791.73)
<b>Income tax expenses reported in statement of profit and loss</b>	<b>6,078.51</b>	4,032.02

Statement of other comprehensive income	March 31, 2018	March 31, 2017
Net loss/ (gain) on remeasurements of defined benefit plan	<b>(58.19)</b>	(44.60)
	<b>(58.19)</b>	(44.60)

**Reconciliation of tax expense and the accounting profit multiplied by statutory income tax rate for the year indicated are as follows:-**

Particulars	March 31, 2018	March 31, 2017
Accounting profit before tax	<b>18,609.09</b>	14,527.86
Statutory income tax rate	<b>34.61%</b>	34.61%
Computed tax expenses	<b>6,440.23</b>	5,027.80
Adjustments in respect of current income tax of previous years	<b>65.30</b>	-
Non-deductible expenses for tax purposes :		
Tax Benefits on Deduction u/s 80IC	<b>(353.09)</b>	(462.56)
Income not considered for tax purpose i.e. income from subsidiary (Jai Suspension Systems LLP)	<b>(1,110.86)</b>	(1,277.21)
Income not considered for tax purpose (Permanent differences)	<b>(179.30)</b>	(686.85)
Others	<b>31.78</b>	121.02
At the effective income tax rate of 26% ( March 31, 2017: 19%)	<b>4,894.05</b>	2,722.21

**Deferred tax asset comprises**

Deferred tax assets/ (liabilities)	Balance Sheet			During the year	
	March 31, 2018	March 31, 2017	April 1, 2016	For the year ended March 31, 2018	For the year ended March 31, 2017
Property, plant and equipment - Impact of difference between tax depreciation and depreciation charged to financial statements	<b>(1611.32)</b>	(1620.52)	(1043.63)	<b>9.20</b>	(576.89)
Deferred tax on profit elimination	<b>(75.28)</b>	(48.33)	0.00	<b>(26.95)</b>	(48.33)
<b>Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis</b>					

Allowance for doubtful debts	<b>109.75</b>	76.44	14.54	<b>33.31</b>	61.90
Minimum alternate tax credit entitlement	<b>95.63</b>	245.18	500.99	<b>(149.55)</b>	(255.81)
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	<b>172.81</b>	229.45	41.48	<b>(56.64)</b>	187.97
Provision for contingencies	<b>126.71</b>	121.19	113.51	<b>5.52</b>	7.68
Provision for price difference	<b>840.19</b>	543.83	0.00	<b>296.36</b>	543.83
Provision for warranty	<b>70.79</b>	49.67	46.82	<b>21.12</b>	2.85
Impact of Government grant deferred	<b>494.05</b>	574.44	0.00	<b>(80.39)</b>	574.44
Gratuity	<b>233.11</b>	138.47	95.06	<b>94.64</b>	43.41
Leave encashments	<b>151.96</b>	101.28	83.50	<b>50.68</b>	17.78
Bonus payable	<b>107.45</b>	86.13	100.94	<b>21.32</b>	(14.81)
Othes expenditure (net)	<b>19.60</b>	26.06	10.93	<b>(6.46)</b>	15.13
<b>Total</b>	<b>735.45</b>	523.29	(35.86)	<b>212.16</b>	559.15

<b>Reconciliation of deferred tax assets (net)</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Opening balance as per last balance sheet	<b>523.29</b>	(35.86)
Tax expenses recognised in statement of profit and loss	<b>212.16</b>	559.15
Closing balance	<b>735.45</b>	523.29

## 50 CSR expenditure

	<b>For the year ended March 31, 2018</b>	<b>For the year ended March 31, 2017</b>
(a) Gross amount required to be spent by the Group during the year	<b>176.90</b>	85.14
(b) Amount spent during the year on other than construction of assets paid in cash	<b>194.09</b>	94.58

**51.** During the year, the management has evaluated usefulness of certain machinery basis on that accelerated depreciation of Rs. 445.28 has been charged during the period. In the previous year, in order to upgrade its manufacturing facilities, the management has estimated that certain machines were not usable and accordingly, accelerated depreciation of Rs. 1,138.62 has been provided.

**52.** The Group has incurred expenses on its in-house research and development center at Pune approved and recognised by the Ministry of Science & Technology.

<b>Particular</b>	<b>For the year ended March 31, 2018</b>	<b>For the year ended March 31, 2017</b>
a. Capital expenditure		
Purchase of capital expenditure	<b>68.69</b>	621.66
b. Revenue expenditure		
Salaries, Allowances and Bonus	<b>161.72</b>	89.64
Contribution to Other Funds	<b>4.82</b>	3.68
Staff Welfare	<b>0.53</b>	1.82
Rent	<b>23.77</b>	24.44
Repair & Maintenance	<b>1.67</b>	3.42
Travelling & Conveyance	<b>46.60</b>	17.09
Power & fuel	<b>36.23</b>	7.58
Miscellaneous	<b>18.31</b>	19.01
Depreciation	<b>41.27</b>	676.13

## 53. Standards issued but not yet effective

### Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was notified on March 28, 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after April 1, 2018. The Company will adopt the new standard on the required effective date using the modified retrospective method. The Group has established an implementation team to implement Ind AS 115 related to the recognition of revenue from contracts with customers and it continues to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary. A reliable estimate of the quantitative impact of Ind AS 115 on the financial statements will only be possible once the implementation project has been completed.

The Group has identified following areas, where Ind AS 115 will impact.

#### (a) Sale of goods

Contracts with customers in which the sale of equipment is generally expected to be the only performance obligation are not expected to have any impact on the Group's profit or loss. The Group expects the revenue recognition to occur at a point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

In preparing for Ind AS 115, the Group is considering the following:

#### Variable consideration

Some contracts with customers provide a right of return, trade discounts or volume rebates. Currently, the Group recognizes revenue from the sale of goods measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. If revenue cannot be reliably measured, the Group defers revenue recognition until the uncertainty is resolved. Such provisions give rise to variable consideration under Ind AS 115, and will be required to be estimated at contract inception.

Ind AS 115 requires the estimated variable consideration to be constrained to prevent over-recognition of revenue. The Group continues to assess individual contracts to determine the estimated variable consideration and related constraint. The Group expects that application of the constraint may result in more revenue being deferred than under current Ind AS.

#### (b) Presentation and disclosure requirements

Ind AS 115 provides presentation and disclosure requirements, which are more detailed than under current Ind AS. The presentation requirements represent a significant change from current practice and significantly increases the volume of disclosures required in Group's financial statements. Many of the disclosure requirements in Ind AS 115 are completely new.

For **S. R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm registration number: 301003E/E300005

For and on behalf of the Board of Directors of  
**Jamna Auto Industries Limited**

per **Vikas Mehra**  
Partner  
Membership No.: 094421

**P.S. Jauhar**  
Managing Director & CEO  
DIN : 00744518

**R.S. Jauhar**  
Vice Chairman & Executive Director  
DIN : 00746186

Place: New Delhi  
Date: May 22, 2018

**Praveen Lakhera**  
Company Secretary

**Pankaj Gupta**  
Chief Financial Officer



## Form AOC- 1

(Pursuant to the first proviso to sub section (3) of section 129 of Companies Act, 2013 read with rule 5 of Companies (Accounts) Rules, 2014)

### Statement containing salient features of the financial statement of subsidiaries/ associate companies/joint ventures

#### Part “A”: Subsidiaries

(Amount in Rupees)

Name of the Subsidiary		Jai Suspensions Limited
Date of Acquisition		August 31, 2016
S.No.	Reporting Period	April 01, 2017 to March 31, 2018
1	Reporting Currency	INR
2	Exchange Rate	-
3	Share Capital	1,00,00,000
4	Reserves and Surplus	(72,69,853)
5	Total Assets	10,40,02,690
6	Total Liabilities	10,40,02,690
7	Investments	-
8	Turnover	-
9	Profit before taxation	(68,64,917)
10	Provision for taxation	1,28,421
11	Profit after taxation	(69,93,338)
12	Proposed Dividend	-
13	% of shareholding	100.00%

For and on behalf of the Board of Directors of  
**Jamna Auto Industries Limited**

**P.S. Jauhar**  
Managing Director & CEO  
DIN : 00744518

**R.S. Jauhar**  
Vice Chairman & Executive Director  
DIN : 00746186

**Praveen Lakhera**  
Company Secretary

**Pankaj Gupta**  
Chief Financial Officer

Place: New Delhi  
Date: May 22, 2018



## Note





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