



## Jamna Auto Industries Ltd.

September 04, 2020

To,  
BSE Limited  
Phiroze Jeejeebhoy Towers, Dalal Street,  
Mumbai- 400001 Maharashtra

**BSE Code: 520051**

To,  
National Stock Exchange of India Limited  
Exchange Plaza, Plot no. C/1, G Block,  
Bandra-Kurla Complex, Bandra (E)  
Mumbai - 400 051, Maharashtra

**NSE Code: JAMNAAUTO**

**Subject– Notice of 54<sup>th</sup> Annual General Meeting of the Company and Annual Report for FY 2019-2020**

Dear Sir / Madam,

Pursuant to the requirement of Regulation 30 and 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Notice of 54<sup>th</sup> Annual General Meeting of the Company alongwith Annual Report of the Company for financial year 2019-20. The Annual Report for financial year 2019-20 includes the Business Responsibility Report 2019-20 as required in compliance with the requirement of Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The above documents are also available on the website of the Company at [www.jaispring.com](http://www.jaispring.com).

You are requested to kindly take the same on records.

Thanking you,

Yours Faithfully,

**For Jamna Auto Industries Limited**

Praveen  
Lakhera

Digitally signed by  
Praveen Lakhera  
Date: 2020.09.04  
21:18:25 +05'30'

**Praveen Lakhera**  
**Company Secretary & Head-Legal**

**Encl. As above**

**Corporate Office:** 2, Park Lane, Kishangarh, Vasant Kunj, New Delhi-110070

Tele: +91-11-26893331, 26896960, 32648668 | Fax: +91-11-26893192 | [www.jaispring.com](http://www.jaispring.com) | CIN: L35911HR1965PLC004485

**Regd Office:** Jai Spring Road, Yamuna Nagar (Haryana)-135 001, India | Tel: +91-1732-251810 | Fax: +91-1732-251820

YAMUNA NAGAR | MALANPUR | CHENNAI | JAMSHEDPUR | PANTNAGAR | HOSUR | PUNE



# Jamna Auto Industries Limited

CIN : L35911HR1965PLC004485

Registered Office: Jai Springs Road, Industrial Area, Yamuna Nagar - 135001 (Haryana)

Corporate Office: 2, Park Lane, Kishangarh, Vasant Kunj, New Delhi-110070

Telephone: +91 11 26893331, Fax: +91 11 26893180

E-mail: investor.relations@jaispring.com; Website: www.jaispring.com

## NOTICE

**Notice** is hereby given that 54<sup>th</sup> Annual General Meeting of the members of the Company will be held on Tuesday, September 29, 2020 at 3:30 p.m. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following businesses:

### Ordinary business

#### Item No. 1

To receive, consider and adopt the audited standalone and consolidated financial statements of the Company for the financial year ended on March 31, 2020, together with the reports of the Board of Directors and Auditors thereon.

#### Item No. 2

To confirm interim dividends amounting to Rs.0.40 on each equity share paid to shareholders for FY 2019-20. The interim dividends paid be taken as total dividend for the financial year ended on March 31, 2020.

#### Item No. 3

To appoint a director in place of Mr. S.P.S. Kohli (DIN: 01643796) who retires by rotation and, being eligible, offers himself for re-appointment.

### Special business

#### Item No. 4

To ratify the remuneration of M/s Jangira & Associates, Cost Accountants as Cost Auditors of the Company and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, the remuneration amounting to Rs.1,75,000 plus out of pocket expenses and applicable taxes be paid to M/s Jangira & Associates, Cost Auditors of the

Company to conduct the audit of the cost records maintained by the Company for the financial year 2020-21."

#### Item No. 5

To approve appointment of Ms. Taru Bahl (DIN: 06737344) as an Independent Director and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the members of the Company be and is hereby granted for the appointment of Ms. Taru Bahl (DIN: 06737344) as an Independent Director of the Company for initial term of five consecutive years effective from January 31, 2020 and term of her office shall not be liable to retire by rotation".

#### Item No. 6

To approve re-appointment of Mr. Rakesh Kalra (DIN: 00780354) as an Independent Director for second term and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the members of the Company be and is hereby granted to the re-appointment of Mr. Rakesh Kalra (DIN: 00780354) as an Independent Director of the Company for second term of five consecutive years effective from February 3, 2020 and term of his office shall not be liable to retire by rotation".

## Item No. 7

To approve re-appointment of Mr. R.S. Jauhar (DIN: 00746186) as a Whole Time Director of the Company designated as Vice Chairman & Executive Director and payment of remuneration to him and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

**“RESOLVED THAT** in accordance with the provisions of Sections 196 and 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and rules and regulations made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of members be is hereby accorded to the re-appointment of Mr. R. S. Jauhar (DIN: 00746186) as Whole Time Director designated as Vice Chairman & Executive Director for a further period of 3 years with effect from January 01, 2020 to December 31, 2022 on the terms and conditions and remuneration including minimum remuneration, as set out herein below:

1. **Salary (per month):** Rs.1, 430,000 (subject to an increase of 10% p.a.).
2. **Commission:** Mr. R. S. Jauhar will also be allowed remuneration by way of commission based on net profits of the Company in a particular year, which put together with salary, allowance and perquisite shall be subject to the overall ceilings of 2.5% of the net profits of the Company or Rs.5 crore whichever is higher.  
  
The amount of Commission will be paid every year with the approval of the Board of Directors on the recommendation of the Nomination & Remuneration Committee.
3. **Perquisites and Allowances:** In addition to the above Salary and Commission, Mr. R. S. Jauhar shall be entitled to the following Perquisites and Allowances:
  - i. **Housing:** The Company shall provide free of cost, suitable furnished/ unfurnished residential accommodation with all facilities & amenities to Mr. R. S. Jauhar and his family. In case Mr. R. S. Jauhar does not opt for Company provided accommodation at any time, he shall be paid house rent allowance equivalent to 15% of his basic salary;
  - ii. **Gas, Electricity, Water & Furnishings:** The expenditure incurred by the Company on gas, electricity, water, and furnishings;
  - iii. **Medical Reimbursement:** Reimbursement of actual medical expenses incurred by Mr. R. S. Jauhar and his family;
  - iv. **Club Fees:** Actual fees of clubs paid by the Company for Mr. R. S. Jauhar and his family;

- v. **Personal Accident/Health Insurance:** Actual premium paid by the Company for Mr. R. S. Jauhar and his family;
- vi. **Car:** Facility of car(s) with driver for the business of the Company;
- vii. **Telephone:** Free telephone(s) facility at residence including mobile phone(s);
- viii. **Leave Travel Concession:** For Mr. R. S. Jauhar and his family once in a year incurred in accordance with the Company's rules;
- ix. **Earned Leave:** Leaves on full pay and allowances as per the rules of the Company;
- x. **Contribution to Provident and Superannuation Funds:** Company's contribution to Provident and Superannuation funds will be as per the rules of the Company; and
- xi. **Gratuity:** Not exceeding half month's salary for each completed year of service as per rules of the Company.

### Explanation:

- i) For the aforesaid purposes "Family" means spouse, dependent children and dependent parents of Mr. R. S. Jauhar.
- ii) Perquisites shall be evaluated as per Income Tax Rules, 1962, wherever applicable and in the absence of any such rules, perquisites shall be valued at actual cost.

**RESOLVED FURTHER THAT** Mr. R. S. Jauhar shall be entitled to reimbursement of all actual expenses or charges including travel, entertainment, club fees/expenses (corporate membership) or other out-of-pocket expenses incurred by him for and on behalf of the Company, in furtherance of its business and objects.

**RESOLVED FURTHER THAT** the term of office of Mr. R. S. Jauhar shall be liable to determination by rotation.

**RESOLVED FURTHER THAT** the aggregate amount of remuneration payable to Mr. R. S. Jauhar in a financial year shall not exceed 2.5% of the net profits of the Company or Rs.5 crore whichever is higher.

**RESOLVED FURTHER THAT** if in any financial year during the currency of tenure of Mr. R. S. Jauhar as Vice Chairman & Executive Director, the Company has no profits or its profits are inadequate, he shall be entitled to minimum remuneration by way of Salary, Perquisites and Allowances, not exceeding the maximum ceiling limit specified under Schedule V of the Companies Act, 2013 or such other limits as may be prescribed

by the Government from time to time as minimum remuneration, whichever is higher, or the Company may pay to Mr. R. S. Jauhar the above remuneration as the minimum remuneration by way of salary, perquisites and allowance subject to the approval of Central Government or any other authority, if any.”

#### Item No. 8

To approve the transactions with Jai Suspension Systems LLP and in this regard, to consider and if thought fit, to pass the following resolution, with or without modification(s), as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to such approval of appropriate authority as may be necessary, approval of the members be and is hereby accorded to enter into or continue to enter into contract or arrangement of sale, purchase, supply of goods or material or availing, rendering any services from/to M/s Jai Suspension Systems LLP aggregating to Rs.500 crores in FY 2020-21 on continuing billing basis at prevailing market prices and to provide guarantee on behalf of M/s Jai Suspension Systems LLP on such terms and conditions as may be mutually agreed upon between Board of Directors and M/s Jai Suspension Systems LLP.”

By order of the Board of Directors  
For **Jamna Auto Industries Limited**

Date: August 06, 2020

**Praveen Lakhera**

Place: New Delhi

**Company Secretary & Head-Legal**

#### NOTES:

- 1) The explanatory statement, pursuant to Section 102 of the Companies Act, 2013 (“Act”), setting out material facts relating to the Special Businesses to be transacted at the 54th Annual General Meeting (“AGM”) is annexed hereto.
- 2) In view of outbreak of COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”), has allowed to hold the Annual General Meeting through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”), without the physical presence of the members at a common venue. In compliance with the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC/OAVM.

In terms of the MCA circulars, the physical attendance of members has been dispensed with and there is no requirement of appointment of proxies. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. Since the AGM of the Company will be held through VC / OAVM, the Route Map for AGM venue is not annexed in this Notice.

- 3) The attendance of the members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- 4) Corporate members are required to send scanned certified copy (in PDF/JPG Format) of their relevant Board Resolution/ Authority letter etc.; with attested specimen signature of the duly authorized signatory(ies) who are authorized to attend the AGM and vote on their behalf through remote e-voting or voting at the AGM, to the Scrutinizer by e-mail to [contact@csrsm.com](mailto:contact@csrsm.com) with a copy marked to Company at [investor.relations@jaispring.com](mailto:investor.relations@jaispring.com) and NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- 5) Details pursuant to Regulation 36(3) of Listing Regulations and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India in respect of Directors seeking appointment or re-appointment as mentioned under Item no. 3, Item no.5, Item no.6 and Item no.7, forms integral part of this Notice. The Company has received relevant declarations from the Directors seeking appointment or re-appointment.
- 6) Members are requested to:
  - a) Intimate immediately any change in their address to the Company’s Registrar and Share Transfer Agent i.e M/s. Skyline Financial Services Pvt. Ltd. at D-153/A, First Floor, Okhla Industrial Area, Phase – I, New Delhi –110020; Email Id: [grievances@skylinerta.com](mailto:grievances@skylinerta.com); or [admin@skylinerta.com](mailto:admin@skylinerta.com); or [parveen@skylinerta.com](mailto:parveen@skylinerta.com); Ph. No. +91- 11-40450193- 97.
  - b) Please quote folio number/Client ID, DP ID numbers in all correspondences.
  - c) Consolidate holdings into one folio in case of multiplicity of folios with names in identical orders.
- 7) The Register of Members and Share Transfer Books of the Company shall remain close from September 23, 2020 to September 29, 2020 (both days inclusive) for the purpose of Annual General Meeting.
- 8) Members holding shares in physical form, are requested to intimate their change in Bank Mandate/National Electronic

Clearing Service (NECS) details and/or, update their PAN details through a request letter along with self-attested copy of PAN, original cancelled cheque with preprinted name of the member and bank attested copy of passbook/statement showing name of the account holder to M/s. Skyline Financial Services Pvt. Ltd. at D-153/A, First Floor, Okhla Industrial Area, Phase – I, New Delhi –110020; Email Id: [grievances@skylinerta.com](mailto:grievances@skylinerta.com); or [admin@skylinerta.com](mailto:admin@skylinerta.com); or [parveen@skylinerta.com](mailto:parveen@skylinerta.com); Ph. No. +91- 11-40450193- 97. Beneficial owners holding shares in electronic form are requested to intimate their change in Bank Mandate/NECS details, if any, to their respective Depository Participants (DPs) in order to get the same registered.

- 9) SEBI has also mandated that the requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialised form with a depository except in the cases of transmission or transposition of securities. In view of above, members holding shares in physical form are requested to open a demat account with a Depository Participant (DP) and deposit their physical shares with such DP and get their shares demat at the earliest to avoid any kind of inconvenience. Depository Participant will guide you about the process of dematerialisation of shares or you may refer the following links for understanding the process of dematerialisation of shares:

NSDL:[https://nsdl.co.in/faqs/faq.php\(dematerialization\)](https://nsdl.co.in/faqs/faq.php(dematerialization))

CDSL:<https://www.cdslindia.com/investors/open-demat.aspx>

- 10) Pursuant to Section 72 of the Act read with applicable rules made thereunder, facility for making nomination is available to the members in respect of the shares held by them. Nomination forms can be obtained from the RTA by members holding shares in physical form. Members holding shares in electronic form may obtain Nomination forms from their respective Depository Participants.
- 11) Pursuant to the provisions of Section 124 of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refunds) Rules, 2016, dividend remaining unclaimed/ unpaid for a period of 7 years from the date of transfer to the Company's unpaid dividend account and all shares in respect of which dividend has not been paid or claimed for seven consecutive years will be transferred to the Investor Education and Protection Fund (IEPF). Please be informed that following are the dates of dividends declared and the corresponding dates when unclaimed dividends and shares are due for transfer to IEPF:

Financial Year	Date of Declaration Dividend	Due Date for transfer to Investor Education and Protection Fund
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
2017-18 (Final Dividend)	29.09.2018	30.10.2025
2018-19 (Interim Dividend)	12.11.2018	13.12.2025
2018-19 (Final Dividend)	30.07.2019	30.08.2026
2019-20 (First Interim Dividend)	14.11.2019	15.12.2026
2019-20 (Second Interim Dividend )	05.03.2020	05.04.2027

In view of the above, members, who have not yet encashed their dividend warrant for the above financial years, are requested to make their claims to the Company or Registrar and Transfer Agent.

The information in respect of unclaimed dividend due for transfer to the IEPF is also given in the Corporate Governance Report forming part of Annual Report. The Company has also uploaded the details of unpaid and unclaimed amounts lying with the Company on the website of the Company at [www.jaispring.com](http://www.jaispring.com) and also filed the details with the Ministry of Corporate Affairs. The details of members whose shares has already been transferred to IEPF Authority have also been hosted on the website of the Company. Members whose shares have been transferred to IEPF Authority can claim the same from the IEPF Authority. The procedure for claim of shares from IEPF Authority has been provided on the website [www.iepf.gov.in](http://www.iepf.gov.in).

- 12) Members seeking any information with regard to the accounts or any other matter to be placed at the AGM, are requested to write to the Company latest by September 20, 2020 through email on [investor.relations@jaispring.com](mailto:investor.relations@jaispring.com). Such questions shall be replied by the Company suitably.

13) As per SEBI directions, now the physical instrument should necessarily mention the bank account details of the investors. In view of this, members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used for payment of dividend, in future. The Company or RTA cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the members.

14) In Compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice, inter-alia, explaining the manner of attending AGM through VC/OAVM and electronic (e-voting) voting along with explanatory statement of 54th AGM of the Company and Annual Report 2019-20 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on Company's website [www.jaispring.com](http://www.jaispring.com), website of the stock exchanges i.e. BSE Limited and National Stock Exchange of India Ltd. at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

15) Members holding shares in physical mode, who have not registered / updated their email addresses with the Company, are requested to register / update the same by writing to the RTA with details of folio number and attaching a self-attested copy of PAN card at [grievances@skylinerta.com](mailto:grievances@skylinerta.com); or [admin@skylinerta.com](mailto:admin@skylinerta.com) or [parveen@skylinerta.com](mailto:parveen@skylinerta.com). Members holding shares in dematerialised mode, who have not registered / updated their email addresses with their Depository Participants, are requested to register / update their email addresses with the Depository Participants with whom they maintain their demat accounts.

16) Members may also note that the Notice of the 54th Annual General Meeting and the Annual Report 2019-20 will also be available at the Company's website [www.jaispring.com](http://www.jaispring.com) for download.

17) Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such members after making requisite changes.

18) Procedure for Remote E-voting

I. In compliance with the provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44

(1) of Listing Regulations, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means through e-Voting Services. The facility of casting the votes by the members using an electronic voting system will be provided by National Depository Service Limited (NSDL).

II. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM through VC/OAVM but shall not be entitled to cast their vote again.

III. The remote e-voting facility will be available during the following voting period after which the portal will be blocked and shall not be available for e-voting :

Commencement of e-voting	Saturday, September 26, 2020 at 9:00 a.m.
End of e-voting	Monday, September 28, 2020 at 05:00 p.m.

During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 22, 2020 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently.

IV. The process and manner for remote e-voting are as under:

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2: Cast your vote electronically on NSDL e-Voting system.**

**Details on Step 1 is mentioned below:**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. cast your vote electronically.*

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID  For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID  For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For members holding shares in physical form.	EVEN Number followed by Folio Number registered with the company  For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open

the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
    - a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
  8. Now, you will have to click on "Login" button.
  9. After you click on the "Login" button, Home page of e-Voting will open.

**Details on Step 2 is given below:**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

6. Upon confirmation, the message "Vote cast successfully" will be displayed.
  7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
  8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
- 19) The instructions for members for e-voting on the day of the AGM are as under:
1. The procedure for e-Voting on the day of the AGM is same as per the instructions mentioned above for remote e-voting.
  2. Only those members, who will be present at the AGM through VC/OAVM facility and have not cast their vote on the resolutions through remote e-Voting, shall be eligible to vote through e-Voting system at the AGM.
  3. Members who have voted through remote e-Voting will be eligible to attend the AGM through VC/OAVM facility. However, they will not be eligible to vote at the AGM.
- 20) Instructions for members for attending the AGM through VC/OAVM are as under:
1. Members can join the AGM through VC/OAVM, 30 minutes prior to the scheduled time of the commencement of the AGM, by following the procedure mentioned in the Notice. The Company has made arrangements to provide facility of participation at the AGM through VC/OAVM to at least 1000 Members, on 'first come first serve' basis. The large Shareholders (i.e. Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM can participate at the AGM without restrictions of 'first come first serve' basis.
  2. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under Shareholders/Members login by using the remote e-voting credentials. The link for VC/OAVM will be available in Shareholder/Members login where the EVENT of the Company will be displayed. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the Notice to avoid last minute rush. Further, Members can also use the OTP based login for logging into the e-Voting system of NSDL.
  3. Members are encouraged to join the AGM through laptops for better experience.
  4. Further, members will be required to allow camera and use internet with a good speed to avoid any disturbance during the AGM.
  5. Please note that members attending AGM through Mobile Devices or Tablets or Laptops connecting via Mobile Hotspot may experience audio/video loss due to fluctuation in their respective network. It is, therefore, recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of glitches.
  6. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/Folio Number, PAN, mobile number at [investor\\_relations@jaispring.com](mailto:investor_relations@jaispring.com) upto September 20, 2020. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

#### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [contact@csrsm.com](mailto:contact@csrsm.com) with a copy marked to Company at [investor\\_relations@jaispring.com](mailto:investor_relations@jaispring.com) and NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).



- 21) In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
- 22) Relevant documents referred to in the Annual Report, AGM Notice and Explanatory Statement shall be available for inspection through electronic mode as per request received from interested members. Members are requested to send their request on [investor.relations@jaispring.com](mailto:investor.relations@jaispring.com).
- 23) M/s RSM & Co., Company Secretaries has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- 24) The Scrutinizer shall immediately after the conclusion of e-voting at the AGM, unblock the votes cast through remote e-Voting and e-vote cast during the AGM and will make, not later than 48 hours from the conclusion of the AGM, a consolidated scrutinizer's report of the total e-vote cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.jaispring.com](http://www.jaispring.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchanges where Company's shares are listed.

#### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013 ("the Act")**

##### **Item No. 4**

The Board of Directors of the Company, on recommendation of the Audit Committee, has approved the re-appointment and remuneration of M/s. Jangira & Associates, Cost Accountants as Cost Auditors of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2021. In accordance with the provisions of Section 148 of the Companies Act, 2013 and the rules made thereunder, the remuneration payable to the Cost Auditors needs to be ratified by the members of the Company. Accordingly, the consent of the members is being sought for ratification of the remuneration payable to Cost Auditors for the financial year ending March 31, 2021.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at item no. 4 of this Notice. The Board, therefore, recommends the Ordinary Resolution at Item No. 4 of the Notice for approval by the members.

##### **Item No. 5**

Based on recommendation of Nomination and Remuneration Committee Ms. Taru Bahl (DIN: 06737344) is appointed as an

Independent Director on the Board for an initial term of five consecutive years from January 31, 2020 upto January 30, 2025. Ms. Bahl is appointed due to the resignation of Ms. Payal Chawla from Directorship of the Company and initially appointed as an Additional Director of the Company w.e.f. January 31, 2020. The Company has received a notice in writing in terms of Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director. She has also submitted a declaration that she meets the criteria of independence as provided in Section 149 of the Act and Regulation 16 of the Listing Regulations.

The Board considers that her association would be of immense benefit to the Company and it is desirable to appoint Ms. Bahl as an Independent Director for initial period of five consecutive years effective from January 31, 2020. Accordingly, the Board is seeking the Ordinary Resolution at Item No. 5 for approval of the members. A brief profile Ms. Bahl is annexed with this notice. This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Act.

None of the Directors and Key Managerial Personnel of the Company or their relatives, except Ms. Taru Bahl (DIN: 06737344), are concerned or interested, financially or otherwise, in the resolution set out at item no. 5 of this Notice. The Board, therefore, recommends the Ordinary Resolution at Item No. 5 of the Notice for approval by the members.

##### **Item No. 6**

Mr. Rakesh Kalra was appointed as an Independent Director of the Company by the members of the Company for the term of five years from February 03, 2015 upto February 02, 2020. Mr. Kalra is eligible for re-appointment as an Independent Director for his second term of upto five consecutive years. Mr. Kalra has offered himself for re-appointment and submitted a declaration that he meets the criteria of independence as provided in Section 149 of the Companies Act, 2013 and Regulation 16 of the Listing Regulations.

Based on recommendation of Nomination and Remuneration Committee, Mr. Rakesh Kalra is re-appointed as an Independent Director for his second term of five consecutive years effective from February 03, 2020 upto February 02, 2025.

The Board considers that his continued association would be of immense benefit to the Company and is desirable to re-appoint Mr. Rakesh Kalra as an Independent Director for second term of five consecutive years effective from February 03, 2020. Accordingly, the Board is seeking the Resolution at Item No. 6 for approval of the members. Mr. Kalra will attain the age of 75 years during his tenure of second term. Resolution at Item No. 6 is being proposed as Special Resolution in terms of applicable provisions

of the Act and Listing Regulations. A brief profile Mr. Rakesh Kalra is annexed with this notice. This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Act.

None of the Directors and Key Managerial Personnel of the Company or their relatives, except Mr. Rakesh Kalra (DIN: 00780354), are concerned or interested, financially or otherwise, in the resolution set out at item no. 6 of this Notice. The Board, therefore, recommends the Special Resolution at Item No. 6 of the Notice for approval by the members.

#### Item No. 7

The term of office of Mr. R. S. Jauhar as Whole-time Director of the Company expired on December 31, 2019. Mr. R. S. Jauhar is a MBA from California State Bakersfield and M. Com. from Kurukshetra University. He is associated with the Company since 1985 and has rich experience of more than 25 years in the Spring Industry. Considering his experience and knowledge the Nomination and Remuneration Committee and the Board of Directors at their respective meetings held on November 14, 2019 had approved the re-appointment of Mr. R. S. Jauhar as Whole-time Director of the Company designated as Vice Chairman & Executive Director for a period of three years, with effect from January 1, 2020 to December 31, 2022 at the proposed remuneration. The proposal is detailed in item no. 7 of the notice and requires the approval of the members of the Company. Board considers that the re-appointment of Mr. R. S. Jauhar will be in the best interests of the Company.

The Board commends the Special Resolution at Item No. 7 for approval of the members. A brief profile Mr. R.S. Jauhar is annexed with this Notice. This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Act.

None of the Directors and Key Managerial Personnel of the Company or their relatives other than Mr. B. S. Jauhar, Mr. R. S. Jauhar and Mr. P. S. Jauhar, being related to each other, are concerned or interested, financially or otherwise, in the resolution set out at item no. 7 of this Notice. The Board, therefore, recommends the Special Resolution at Item No. 7 of the Notice for approval by the members.

#### Item No. 8

The Company enters into contracts or arrangements of sale, purchase, supply of goods or material or availing, rendering any services from/to M/s Jai Suspension Systems LLP ("the LLP") and providing guarantee on behalf of the LLP in its ordinary course of business and at arm's length. Regulation 23(4) of Listing Regulations requires a company to take members' approval for entering into any material related party transactions. Pursuant to the provisions of Regulation 23(4) of Listing Regulations, the transactions with the LLP are material in nature and require

approval of unrelated members of the Company by a special resolution. The particulars of transactions pursuant to Para No. 3 of Explanation to Rule 15 of Companies (Meetings of Board and its Power) Rules 2014 are as under:

1	Name of Related Party	M/s Jai Suspension Systems LLP
2	Name of Director or Key Managerial Personnel who is related	The Company is a majority partner in the LLP.
3	Nature of Relationship	The Company is a majority partner in the LLP. Mr. B. S. Jauhar draws remuneration from LLP. Mr. R.S. Jauhar and Mr. P.S. Jauhar are related to Mr. B.S. Jauhar.
4	Monetary Value	Rs.500 crore.
5	Nature, Material Terms and Particulars of the arrangement	The Company enters into contracts or arrangements of sale, purchase, supply of goods or material or availing, rendering any services from/to M/s Jai Suspension Systems LLP and providing guarantee on behalf of the LLP. All transactions with LLP shall be carried out as per the business requirements in the ordinary course of business of the Company/ LLP at arms' length basis. The consideration, scope of work and other terms & conditions may vary for each transaction.
6	Any other information relevant or important for the members to take a decision on the proposed resolution.	None

The Audit Committee and the Board of Directors of the Company at their meetings held on June 10, 2020 have granted their approval for entering into transactions with the LLP.

None of the Directors or any of the Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 8 of this Notice. However, Mr. B. S. Jauhar may be deemed to be concerned in his capacity as employees of the LLP and Mr. R. S. Jauhar and Mr. P. S. Jauhar may be deemed to be interested as relatives of Mr. B. S. Jauhar. The Board, therefore, recommends the Ordinary Resolution at Item No. 8 of the Notice for approval by the members.

By order of the Board of Directors  
For **Jamna Auto Industries Limited**

Date: August 06, 2020  
Place: New Delhi

**Praveen Lakhera**  
Company Secretary & Head-Legal

**Brief Profile of the Directors seeking appointment or re-appointment in the 54th AGM in pursuance of Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India:**

<b>Name</b>	<b>Mr. S.P.S. Kohli</b>	<b>Ms. Taru Bahl</b>	<b>Mr. Rakesh Kalra</b>	<b>Mr. R.S. Jauhar</b>
Director's Identification Number (DIN)	01643796	06737344	00780354	00746186
Age	72 years	54 years	70 years	59 years
Qualifications	Commerce Graduate.	Ms. Taru Bahl is a B.A (Hons) Economics from Jesus & Mary College New Delhi.	Mr. Rakesh Kalra is a B.E (Hons), Mechanical Engineer from Birla Institute of Technology and Science, Pilani.	Mr. R. S. Jauhar is a MBA from California State Bakersfield and M. Com. from Kurukshetra University.
Nature of Expertise in Specific Functional Area	Mr. S.P.S. Kohli is a commerce graduate having a vast experience in the auto component industry. In his earlier term he has served the Company for around 40 years in various capacities in marketing, finance, production and administration.	Ms. Taru Bahl has over three decades of experience in the field of journalism, communication and social sector engagement.	Mr. Rakesh Kalra is a accomplished business leader with over 40 years of experience with half at the helm as Managing Director/ CEO of leading large companies like Eicher Motors Ltd. and Mahindra Navistar Automotive Ltd. Currently he is advising on growth strategies and mentoring new business teams to various leading business groups.	Mr. Jauhar is associated with the Company since 1985 and has rich experience of more than 25 years in the Spring Industry.
List of Directorships held in other Companies	-	-	Director in: 1. Kriti Industries (India) Limited 2. Kriti Industries Limited 3. Minda Stoneridge Instruments Limited 4. Automotive Axles Limited 5. Accurate Center For Quality Excellence	Director in: 1. Map Auto Ltd. 2. AIS Distribution Systems Limited
Chairmanship/ membership of Committees of other public companies	-	-	-	-
Number of shares held in the Company	1,83,575 equity shares.	-	1,000 equity shares.	1,75,16,360 equity shares.
Relationship between directors inter-se	-	-	-	Mr. B. S. Jauhar, Mr. R.S. Jauhar and Mr. P.S. Jauhar are related to each other.
Last Salary Drawn (in Rs.)	Rs. 3,675,448	Getting sitting fees for attending meetings.	Getting sitting fees for attending meetings.	Rs. 25,124,063



*Jamna Auto Industries Ltd.*

ANNUAL  
REPORT  
2019-2020



**GAINING THE TRUST OF THE WORLD  
WITH EVERY JOURNEY**

## 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 word of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown factors 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.



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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Mr. Bhupinder Singh Jauhar**  
Chairman

**Mr. Uma Kant Singhal**  
Director

**Mr. Randeep Singh Jauhar**  
Vice Chairman & Executive Director

**Mr. Shashi Bhushan Bansal**  
Director

**Mr. Pradeep Singh Jauhar**  
Managing Director & CEO

**Mr. Rakesh Kalra**  
Director

**Mr. S.P.S. Kohli**  
Executive Director

**Ms. Taru Bahl**  
Director

**Mr. Jainendar Kumar Jain**  
Director

**CORPORATE OFFICE**

2, Park Lane, Kishangarh, Vasant Kunj,  
New Delhi - 110070, India  
Ph No. 011-26893331, 26896960  
Fax No. 011-26893180

**REGISTERED OFFICE**

Jai Springs Road, Industrial Area,  
Yamuna Nagar - 135 001, Haryana  
Ph. & Fax No. 01732-251810/11/14  
CIN L35911HR1965PLC004485

**PLANTS**

1. Yamuna Nagar (Haryana)
2. Malanpur (Madhya Pradesh)
3. Chennai (Tamil Nadu)
4. Jamshedpur (Jharkhand)
5. Hosur (Tamil Nadu)
6. Pune (Maharashtra)
7. Piliapakkam (Tamil Nadu)

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

8. Pant Nagar (Uttarakhand)

**UPCOMING PLANT**

9. Indore (Madhya Pradesh)

**ADVISORS**

AZB & Partners  
Lakshmikumaran & Sridharan

**TECHNICAL ASSISTANCE**

Tinsley Bridge Limited, UK

**BANKERS**

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

**STATUTORY AUDITORS**

S R Batliboi & Co, LLP  
Chartered Accountants

**INTERNAL AUDITORS**

Protiviti India Member Pvt. Ltd.

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

Skyline Financial Services (P) Ltd  
D-153A, First Floor, Okhla Industrial Area, Phase-1,  
New Delhi-110020  
Ph. no. 011-26812682-88, 011-40500193-97  
Fax no. 011-26812682  
Email: grievances@skylinerta.com

**INVESTOR CELL**

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



## CHAIRMAN'S LETTER



**BHUPINDER SINGH JAUHAR**  
Chairman

*Dear Shareholders,*

I trust and hope that you and your families are safe and in good health. The COVID19 pandemic has gripped the entire world and impacted human lives and businesses adversely. People all over the world are struggling and hoping to resume their normal routines and activities soon. And we are no different.

The year under review had been a difficult one for the commercial vehicle (CV) segment due to prolonged recession in the automobile industry. The slowdown started in the second half of FY2018-19 itself and continued as the demand remained low throughout FY 2019-20. Unfortunately, by March

2020, the economy started feeling the impact of Covid-19 pandemic as well which has now become a global crisis. The Central and State Governments enforced nationwide lockdown in March 2020 and the industries were at a standstill during lockdown period. Operations at Company's plants and offices were temporarily suspended and disrupted during this period. Operations now have resumed gradually across locations in adherence with the social distancing norms and Governments guidelines.

During the year under review, consolidated sales and profits were Rs.1129 crore and Rs.48 crore respectively compared to sales of Rs.2135 crore and profits of Rs.137 crore in previous year. In view of the challenges faced in current economic situation, performance of the Company during FY 2019-20 towards its medium term Lakshya is broadly aligned. As a result of our focused efforts revenue from new markets (after-market and export) was around 24% as against 16% in FY 2018-19. While, in new products the revenue was around 32% at same level of 34% in FY 2018-19. However, primarily due to steep fall in revenue, the RoCE achieved was 16% as against 55% in last year.

During FY 2019-20, the Company has incorporated a wholly owned subsidiary company, viz., Jai Automotive Components Limited. The subsidiary has acquired land on lease at Indore from Madhya Pradesh State Industrial Development Corporation.

One assembly unit of Jai Suspension Systems LLP at Lucknow (U.P.) was closed in FY 2019-20. However, group installed capacity remained unchanged. The Company has also deferred its current capex and expansion plans which shall be reviewed upon demand revival. In line with the above, the proposed plant at Adityapur (Jharkhand) has also been deferred. The Stabilizer bars project is completed and the commercial production will start in FY 2020-21.

Last year, we had reported that our R&D team was developing Extralite springs using Tinsley Bridge Limited, UK technology. I would like to inform you that, during the year under review, prototypes of Extralite springs were in advanced stages of development.

Given the current economic crisis and continued spread of the pandemic, we do not expect any major demand from OEM or after market in current year as well. We understand that demand for Company's products shall depend on the production levels

of OEM's and commercial vehicle movement in the country. However, the situation has slowly begun to change and greater clarity will emerge in the next few months.

I would like to assure you that your Company is still in a strong financial position and will be able to tide out these hard times. The Company has adequate liquidity and support from banks to meet its business requirements. For FY 2019-20, the Company has paid dividend (inclusive of dividend distribution tax) of 40% of PAT as against the Lakshya of dividend payout ratio (inclusive of dividend distribution tax) of 33% of PAT. The Company paid dividend of Rs.0.40 per share for FY 2019-20. It is capable to service all debts as and when due. As on March 31, 2020 the Company had debt to equity ratio of just 0.2. A good RoCE track record with minimal debt reflects its ability and strength to generate positive cash flow on continuing basis.

The current pause has helped us revisit our current business strategies. Our priorities will of course be continuation of business with health and safety of our workers and employees. After market will continue to remain focus area and an important part of Jamna Auto Growth Strategy. To achieve its objective of de-risking from the cyclic nature of OE business

and have sustainable growth, organization has identified many new products to increase presence in the after-market sector by leveraging the existing channel and supply chain.

As a responsible corporate citizen, we shall continue to support our communities and people in need through corporate social responsibility. I firmly believe that your Company will emerge stronger from this crisis.

Your Company acknowledges the importance of harmonious industrial and employee relations. We are fortunate to have a committed, talented and motivated team which keeps us excited about our future. The Company recognizes the dedication and efforts put in by every employee at all levels.

Last but not the least, I would thank our customers, bankers, suppliers, business partners and shareholders. Without their continued support and confidence, your Company wouldn't have been where it is today.

Yours sincerely,

**Bhupinder Singh Jauhar**  
Chairman

## Our Customers

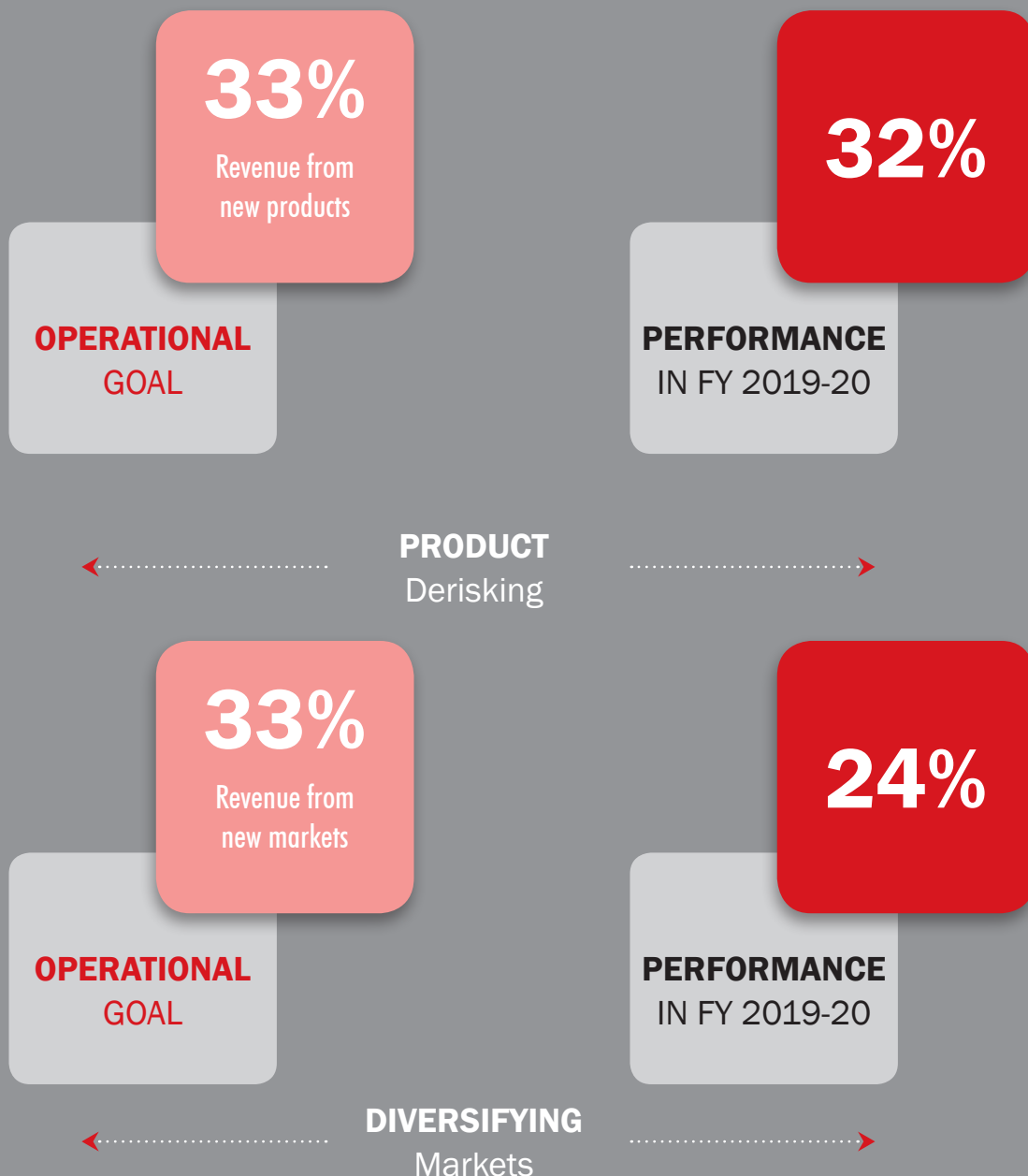


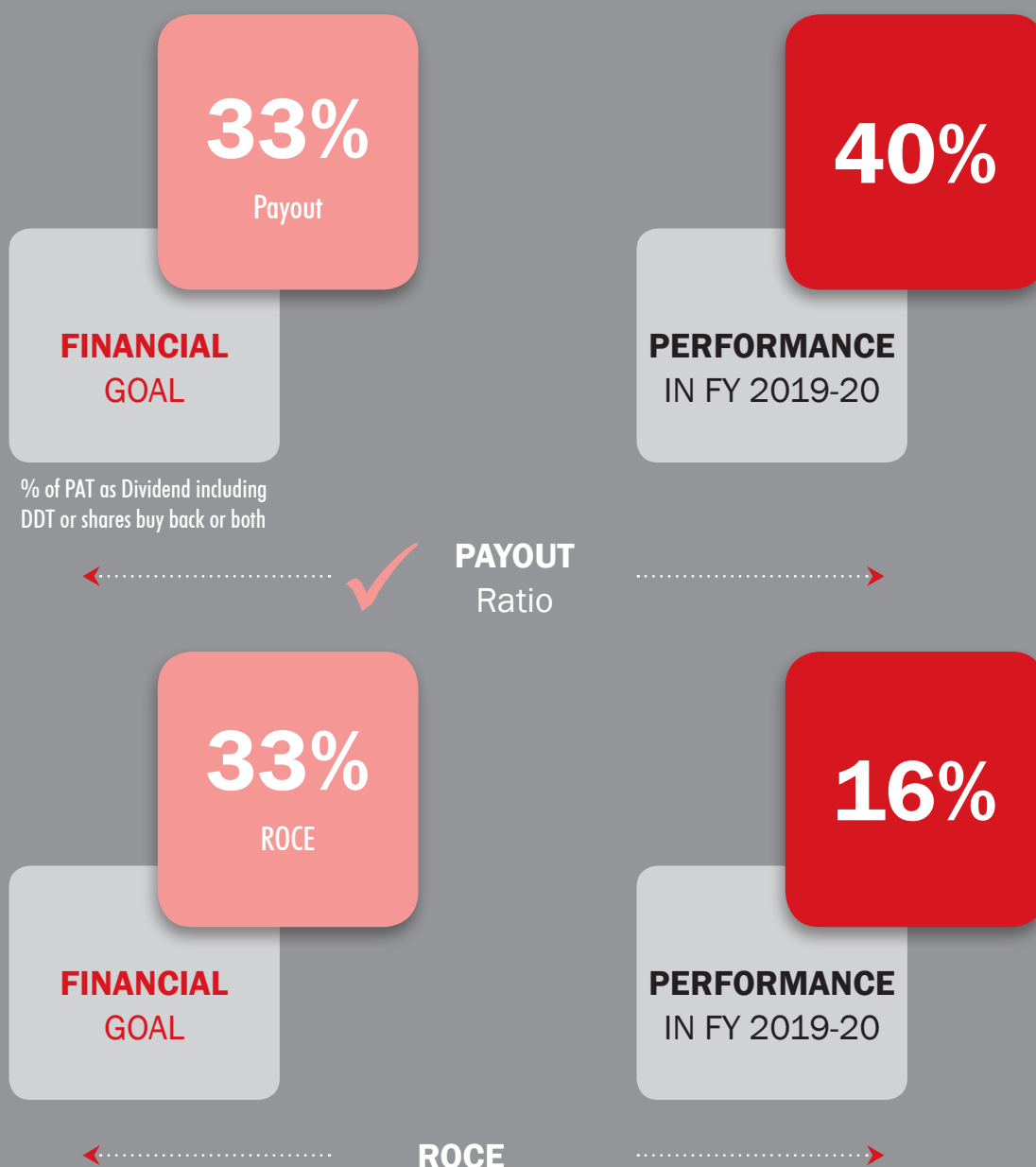
## Three Year's Financial Summary

Operational Results (Rs in Lakhs)	2020	2019	2018
Sales including other Income	114,509	214,554	174,599
Operating Profit (PBDIT)	13,027	28,742	24,569
Interest	1,726	2,547	1,822
PBDT	11,301	26,195	22,746
Depreciation & Amortization	4,137	4,645	4,137
Profit Before Tax	7,164	21,550	18,609
Profit After Tax	4,788	13,745	12,531
<b>Financial Indicator</b>			
Assets	50,086	41,241	33,227
Investments	47	47	47
Current Assets	24,373	59,209	41,594
Non Current Assets	4,505	6,281	4,072
Equity Share Capital	3,983	3,983	3,983
Reserves & Surplus	47,687	46,972	38,406
Net Worth	51,671	50,955	42,389
Long Term Funds	5,077	362	3,999
Short Term Funds	8,607	-	2,261
Non Current Liabilities & Provisions	3,953	2,920	2,637
Current Liabilities & Provisions	9,703	52,542	27,654
<b>Ratio</b>			
PBT to Sales %	6	10	11
PBIT/Avg. Capital Employed (ROCE)	16	55	51
PAT/Net Worth	9	27	30
EPS (Rs)	1.20	3.45	3.15
Dividend Per Share (Rs)	0.40	0.95	0.85
Net Worth Per Share (Rs)	12.97	12.79	10.64
Face Value Per Share (Rs)	1	1	1

# OUR GROWTH STRATEGY: LAKSHYA

Meeting Landmarks and setting Higher Standard





# JAI HAS STRONG AFTER MARKET NETWORK IN INDIA WITH ➤

**4**  
Plants

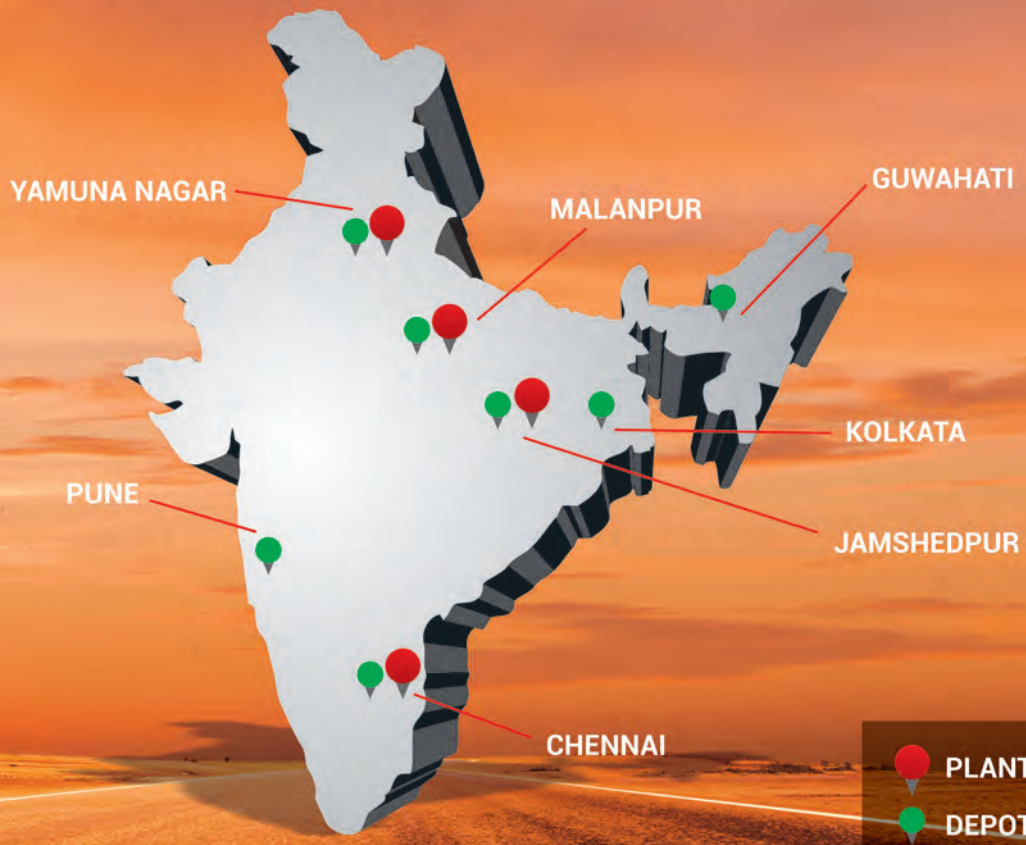
**7**  
Depots

**300+**  
Distributors

**11500+**  
Retailers

**15000+**  
Mechanics

Our 360 degree marketing outreach spans across channels and touch points



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

# LOYALTY PROGRAMS FOR JAI AFTER MARKET CHANNEL PARTNERS



## JAI VISTAR

Expanding | Nurturing | Uplifting

The entire division of JAI aftermarket loyalty programs comes under the umbrella of JAI Vistar. We are the leaders of highly successful innovative loyalty programs aimed at all our channel partners in the marketplace i.e. the distributors, the retailers and the mechanics.

## LOYALTY PROGRAMS



### JAI RISING STARS

DISTRIBUTORS  
RELATIONSHIP  
PROGRAM



### JAI SARATHI

RETAILERS LOYALTY  
PROGRAM



### JAI HO

MECHANICS  
LOYALTY  
PROGRAM



### JAI USTAAD

MECHANICS  
ENGAGEMENT  
PROGRAM

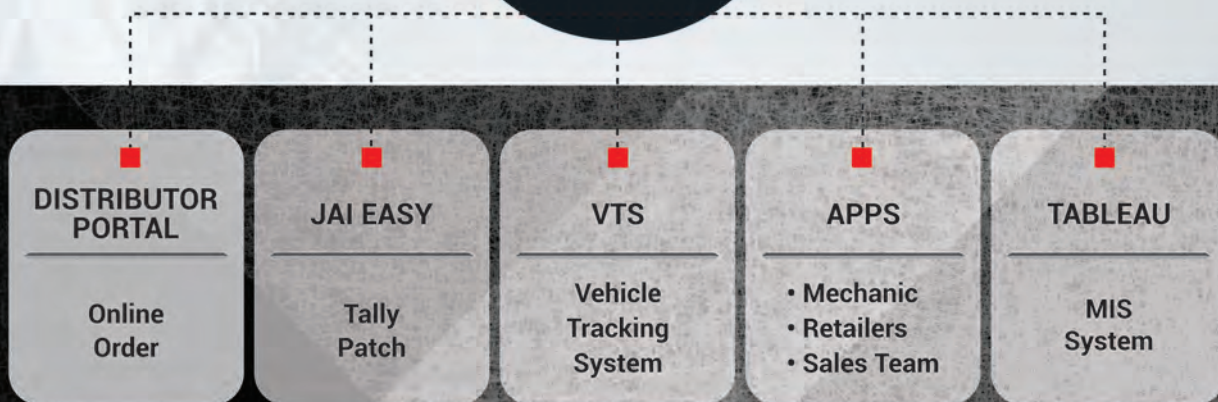


# JAI DIGITAL

## Our IT Initiatives



To promote ease of doing business



### DISTRIBUTOR PORTAL

Online system to place order, track orders, supplies, payments & targets

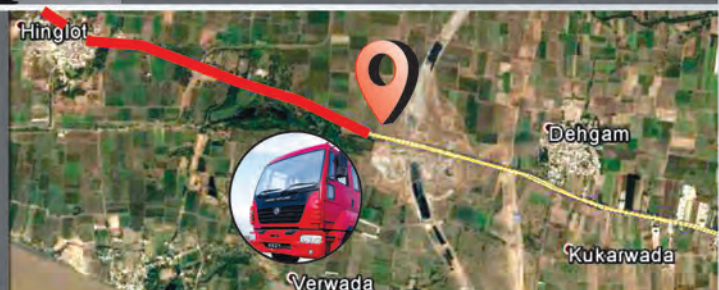


### JAI EASY (Tally Patch)

Online system to know Distributor sale inventory supplies based on TOC system

### JAI VTS (Vehicle Tracking System)

Online system to track truck deliveries and to monitor its deliver timings



## JAI HO!

MLP APP FOR MECHANICS



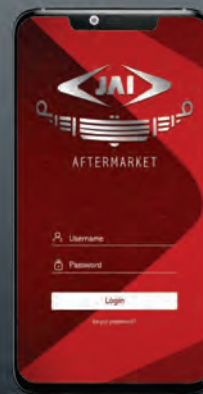
## JAI SARATHI

RLP APP FOR RETAILERS



## JAI AFTER MARKET

APP FOR SALES STAFF



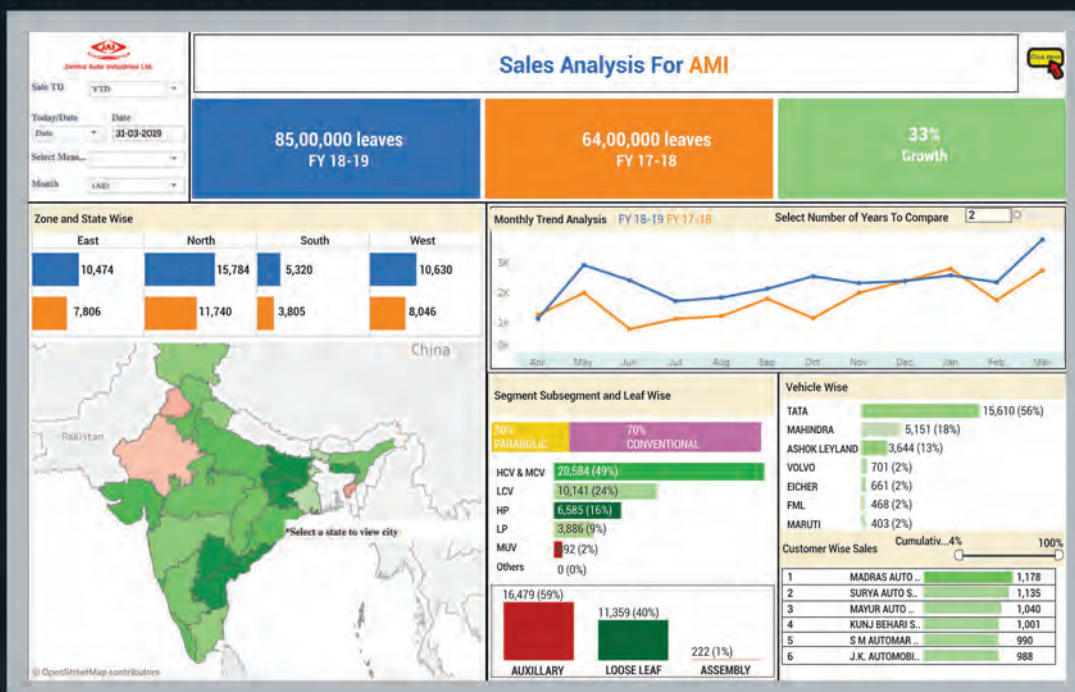
## JAI CONNECT

ONLINE CATALOGUE FOR RETAILERS TO VIEW PRODUCTS & PLACE ORDER



## IT-TABLEAU MIS SYSTEM

Business intelligence tool for sales data analysis

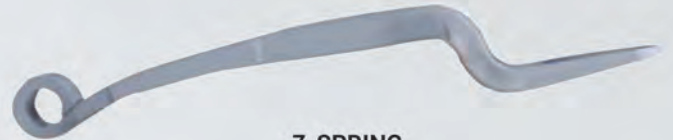


\* Data mentioned in the above dashboard is for illustrative purpose only.

# Our Products



CONVENTIONAL LEAF SPRING



Z-SPRING



PARABOLIC LEAF SPRING



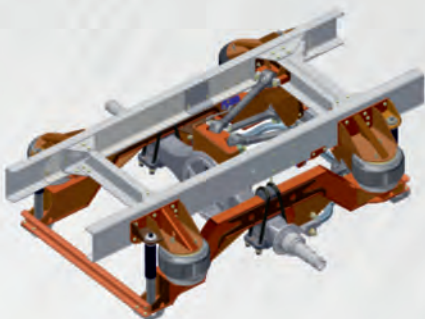
TRAILER MECHANICAL SUSPENSION



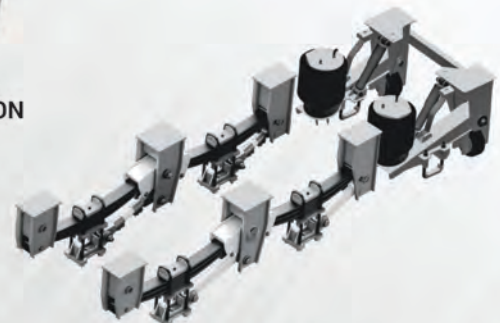
LIFT AXLE



TRAILER AIR SUSPENSION



BUS AIR SUSPENSION



TRAILER MECHANICAL AND AIR SUSPENSION WITH LIFT AXLE



SPRING ALLIED COMPONENTS



TRAILER ALLIED COMPONENTS



LIFT AXLE ALLIED COMPONENTS



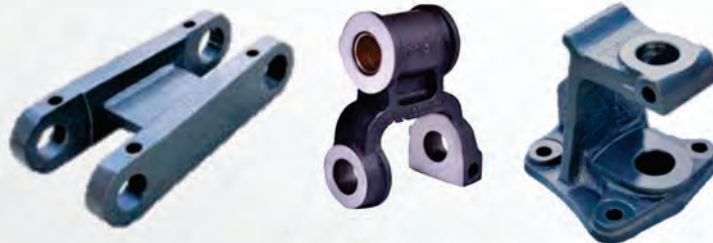
STABILIZER  
BAR



U-BOLT



SPRING PIN



HANGER & SHACKLE

*Some of the Products above are only traded*

# CSR ANNUAL REPORT- FY-2019-20



**MAHATMA AWARDS**

*for Excellence in Corporate Social Responsibility awarded to*

**JAMNA AUTO INDUSTRIES LTD.**

*October 1st 2019*

*Commemorating the 150th birth anniversary of Mahatmas Gandhi, Father of the Nation*

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## ENVIRONMENT

- Planted and gifted 18650 saplings/ seeds nationwide.
- Ensured regular care and maintenance of around 4000 meter Green Belt in Malanpur, Yamuna Nagar and Delhi.
- Produced 60 ton vermi compost in Malanpur and Delhi.
- Constructed new vermi-compost pit in Jamshedpur.
- Total 8500 beneficiaries were sensitized on environmental issues by organizing rally, poster making, slogan writing competitions, awareness talk and distributing jute bags on occasion of World Earth Day & World Environment Day.
- Gifted E-Rickshaw to District Prison, Yamuna Nagar to promote eco-friendly transport within the premise.

## EDUCATION

- Awarded JAI Scholarship to 547 needy and meritorious students to support their study expenses like tuition fee, books, coaching etc.
- Started 2 Adult Education Center to make 125 illiterates functionally literate in District Prison, Gurgaon on occasion of "World Literacy Day"
- To promote reading habits among inmates, set-up 2 libraries in District Prison, Gurugram and Kurukshetra, Haryana.
- Appointed 4 temporary teachers in Govt. Schools in Jamshedpur and Yamuna Nagar.
- Supported a new anganwadi building by ensuring drinking water, wall paintings, electric fitting and furniture, toys and teaching aids in Village Bhadudih, Jamshedpur.
- Provided Braille Embosser, translator, book scanning and reading software to blind students in Govt. Institute of the Blinds, Panipat.

## SPORTS

- Sponsored 89 outstanding sports person to support their expenses to prepare for national and Olympic Games.
- To ensure better sports facilities for budding sports person in Haryana and Jharkhand, renovated gym hall, sports ground, drinking water and toilets, basketball and volleyball courts etc.
- Key achievements of star sports person's during the year :-
  - Pardeep Kumar from Jalandhar won Gold in wrestling in World Police Games-2019, held in China.
  - Rohit from Yamuna Nagar won silver medal in high jump in Athletic Federation Championship at national level.
  - Badal Singh from Jalandhar won Silver in wrestling in National Championship - 2019, held in Kota.
  - Gifita Angelin from Chennai won Gold, Silver and Bronze in karate in "International Karate Championship-2019 - held in Shri Lanka.
  - Shivam Saini from Saharanpur won Gold in "All India Railway Weightlifting Championship - 2019"- held in Mumbai.
  - Sachin Gupta from Yamuna Nagar won Gold and Silver in Archery in "All India Inter University Archery Championship and also awarded 1<sup>st</sup> Rank in Asia Cup Trial.

## COMMUNITY OUTREACH

### Healthcare

- Screened more than 1100 people for oral and breast cancer in Delhi, NCR, Jamshedpur, Malanpur and Yamuna Nagar in collaboration with "Yuvraj Singh Foundation".
- Initiated Relief Work for Covid 19 pandemic by distributing dry ration, drinking water, medical and safety equipment, medicines to almost 15000 needy people.

### Skill Development

- Total 286 trainees successfully completed their basic/advance computer course in Delhi, Jamshedpur and District Prison Gurgaon, and awarded certificate by NIIT Foundation.
- 172 female were successfully completed basic/advance sewing and tailoring course in Delhi, Punjab and Yamuna Nagar and awarded certificate by USHA International Ltd. 92 sewing machines were also distributed to poor and needy women to start self -employment.

### Support to destitute

- Distributed woolens to senior citizens, needy and poor people in Jamshedpur, Yamuna Nagar, Delhi,, Gurugram and Kurukshetra. Almost 890 people were benefitted under "Sharing Warmth" programme.

### Improving infra & facilities

- Renovated community building, constructed toilet, installed 15 street lights in Faizpur, Yamuna Nagar.

# MANAGEMENT DISCUSSION & ANALYSIS

**Q. How do you see CV market, post Covid-19 and what is JAI's plan to deal with it? If you can briefly update on Company's 'Lakshya' in FY2019-20?**

**Ans:** The outbreak of Covid-19 has severely impacted the economy and also had a cascading effect on the CV sales. In the current pandemic situation it would be difficult to predict CV demand for FY 2020-21.

The Company has prepared an extensive plan for cost rationalization. The results are encouraging and going forward we expect to lower our breakeven even further. Our focus is on cost, new markets and product diversification. The Company's past initiatives of increasing penetration in After Market by expanding distribution/ supply chain network and establishing robust IT infrastructure has started showing encouraging results.

Assembly unit of Jai Suspension Systems LLP at Lucknow (U.P.) was closed in FY 2019-20. However, this has not affected group's installed capacity. The Company has also deferred its current capex and expansion plans one of them being the proposed plant at Adityapur (Jharkhand) which has also been deferred.

The commercial production of Stabilizer bars will take off in FY 2020-21. Our market leadership, association with OEMs, experienced pool of human resource, technological advanced pan India manufacturing facilities and market network give us a solid foundation to go past these crisis.

Performance of Company during FY 2019-20 in in line with its four point Lakshya.

### 33% revenue from new products:

The Company has introduced new products in the after-market. These new products include springs & axles allied products, trailer suspensions products and stabilizer bars. Further, springs allied products include U-Bolt, Center Bolt, Bush, Hanger Shackle/Bracket and Spring Pin. Lift Axle allied products includes mainly Air bellow/spring. These new products will also help the Company to increase content per vehicle hence increasing overall opportunity for the Company.

The suspension products segment is dominated mostly by small and medium sized players and is moving towards organized market. The Company has recently introduced Trailer Suspension Mechanical, Air Suspension without axle, Trailer Suspension-lift axle and Bus Air Suspension which have generated good response from market.

In FY 2019-20, the Company achieved 32% revenue from new products as against 33% revenue in last year.

### 33% revenue from new markets:

The Company is making focused efforts for market diversification to increase its presence in after markets as these markets present exciting growth opportunities. With the implementation of GST, the price difference between organized and unorganized sector products has reduced. This has led to organized fleet shifting towards organized sector suppliers who have benefit of quality and economy of scale.

The Company already has a strong pan-India network. To improve our reach the Company has started region wise manufacturing of after-market products for North, South, East & West in our existing plants at Yamuna Nagar, Chennai, Jamshedpur and Malanpur respectively. This will also reduce lead time of supplies to our dealers and retailers. The Company has also digitized the complete after-market operations to enable smooth working in Covid-19 and also making ease of doing business with channel partners. Some of the IT initiatives are detailed in 'JAI Digital' section in this report.

The Company also has aggressive plans to increase after-market exports by exploiting the current geo-political situation to its advantage.

In FY2019-20, the Company achieved 24% revenue from new markets against 16% revenue in last year.

### 33% Dividend Payout & RoCE:

During FY 2019-20 the Company exceeded Lakshya of 33% (inclusive of dividend distribution tax) dividend payout ratio by paying dividend of 40% (inclusive of dividend distribution tax). It was the 10th consecutive year of dividend payment. The Company paid two interim dividend of Rs.0.18 and Rs.0.22 on equity shares of Rs.1 each. While during the year, the Company has achieved RoCE of 16% as against 55% in last year. This is primarily due to steep fall in revenue.

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

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

Rs. in Crores

Particulars	Standalone Year ended March 31, 2020	Consolidated Year ended March 31, 2020
<b>Net Sales</b>	1058.82	1128.95
<b>PBDIT</b>	120.09	130.03
<b>Finance cost</b>	12.74	17.25
<b>PBDT</b>	107.35	113.01
<b>Depreciation &amp; Others</b>	38.80	41.37
<b>PBT</b>	68.55	71.64
<b>Provision for tax</b>		
• Current tax	13.07	18.01
• Deferred tax	7.56	5.75
<b>PAT</b>	47.92	47.88

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

The Company has put in place strong internal control, systems and processes and keeps reviewing their adequacy from time to time. The Company has also initiated digitization of standard and customized internal controls through RAMCO ERP with built in authority levels for access and master controls.

The Company places strong emphasis on best practices in corporate governance. There is a strong system of both internal review as well as review by external independent auditors i.e. M/s Protivity, Risk and Business Consulting who carry periodic audits of all locations and their reports are reviewed by Audit Committee.

# DIRECTORS' REPORT

Dear Members,

The Directors hereby present the 54th Annual Report and Audited Financial Statements for the financial year ended March 31, 2020.

## Financial Results-An Overview

(Rs. in crore)

Particulars	Standalone		Consolidated	
	Year Ended March 31, 2020	Year Ended March 31, 2019	Year Ended March 31, 2020	Year Ended March 31, 2019
Net Sales	<b>1058.82</b>	2045.53	<b>1128.95</b>	2134.81
PBDIT	<b>120.09</b>	269.08	<b>130.27</b>	287.42
Finance cost	<b>12.74</b>	21.64	<b>17.26</b>	25.47
PBDT	<b>107.35</b>	247.43	<b>113.01</b>	261.95
Depreciation	<b>38.80</b>	44.11	<b>41.37</b>	46.45
PBT	<b>68.55</b>	203.32	<b>71.64</b>	215.50
Provision for current tax	<b>130.7</b>	65.88	<b>18.01</b>	79.14
Provision for deferred tax	<b>7.56</b>	(2.34)	<b>5.75</b>	(1.09)
PAT	<b>47.92</b>	139.78	<b>47.88</b>	137.45
Other Comprehensive Income	<b>0.14</b>	(1.39)	<b>0.09</b>	(1.37)
Total Comprehensive Income	<b>48.07</b>	138.40	<b>47.97</b>	136.08
Balance brought forward	<b>260.75</b>	172.77	<b>255.80</b>	170.14
Payment/Provision of dividend including tax	<b>40.82</b>	50.42	<b>40.82</b>	50.42
Retained earnings	<b>268.00</b>	260.75	<b>262.75</b>	255.80

## Operational Review

The year under review was a difficult year due to prolonged recession started in the second half of FY2018-19 in the automobile industry. The slowdown continued throughout FY 2019-20 also and significantly impacted the truck industry. During the year under review, consolidated sales and profits were Rs.1129 crore and Rs.48 crore respectively compared to sales of Rs.2135 crore and profits of Rs.137 crore in previous year. Further, by March 2020, the economy started feeling the impact of global crises in the form of Covid-19 pandemic. The Governments enforced nationwide lockdown in March, 2020, during which period operations at Company's plants and offices were temporarily suspended and disrupted. Operations now have resumed gradually across locations in adherence with the social distancing norms and Governments guidelines.

The Company has deferred its current capex and expansion plans which shall be reviewed upon demand revival. The Stabilizer bars project is completed and the commercial production will start in FY 2020-21. Prototypes of Extralite springs are under advance state of development. Extralite springs are being developed using Tinsley Bridge Limited, UK technology. During the year under review, the Company has maintained its leadership position and performance of the Company is in line with its medium term Lakshya. A detailed discussion on the operations and performance for the year under review and Company's Lakshya is given in the Management Discussion and Analysis (MDA) section in the annual report. For details, members are requested to please see MDA section.

Your Company is in a strong financial position and has adequate liquidity and support from banks to meet its business requirements. It is capable to service all debts as and when due. During the year under review the Company has received the credit rating from ICRA Limited ("ICRA"). At present the Company's long term credit rating is [ICRA]AA- (pronounced ICRA double A minus) and short term rating as [ICRA]A1+ (pronounced ICRA A one plus) on the Working Capital Facilities and Term Loan Facility. ICRA has also re-affirmed credit rating of [ICRA] A1+ (pronounced as ICRA A one plus) of Commercial Paper (CP) issue of the Company. The outlook on Long Term Rating has been revised to Negative.

## Subsidiaries, Joint Ventures and Associate Companies

The Company has two wholly owned subsidiary companies namely Jai Suspensions Limited and Jai Automotive Components Limited as on March 31, 2020. The wholly owned subsidiary i.e. Jai Suspensions Limited has acquired land on lease at Adityapur from Adityapur Industrial Area Development Authority. The proposed plant at Adityapur has been deferred in view of deferment of capex and expansion plans. During FY 2019-20, the Company has incorporated a wholly owned subsidiary company with the name Jai Automotive Components Limited. The subsidiary has acquired land on lease at Indore from Madhya Pradesh State Industrial Development Corporation. The Company has no material subsidiary in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The Policy for determining material subsidiaries as approved by the Board of Directors can be accessed on the Company's website at [www.jaispring.com](http://www.jaispring.com). The Company is also a majority partner in Jai Suspension Systems LLP. During the year under review, one assembly unit of Jai Suspension Systems LLP at Lucknow (U.P.) was closed. However, group installed capacity remained unchanged.



During the year, the Board of Directors reviewed the affairs of the subsidiaries. In accordance with Section 129(3) of the Companies Act, 2013 (“the Act”), the Company has prepared consolidated financial statements of the Company and all its subsidiaries, which form part of the Annual Report. A statement containing the salient features of the financial statements of subsidiaries in form AOC-1 forms part of the consolidated financial statements.

### **Dividend and Dividend Distribution Policy**

The Company has in place a Dividend Distribution Policy as per Regulation 43A of Listing Regulations and annexed as Annexure 1 in this report. During the FY 2019-20, the Company exceeded the Lakshya of dividend payout ratio (inclusive of dividend distribution tax) of 33% of PAT and paid dividend of 40% of PAT (inclusive of dividend distribution tax). The Company paid, two interim dividends of Rs.0.18 and Rs.0.22 per equity share respectively on the equity shares of face value of Rs.1 each.

### **Transfer to Reserves**

The Board proposes not to transfer any amount out of the profit for the year under review to the general reserve.

### **Deposits**

During the year under review, the Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014.

### **Directors and Key Managerial Personnel**

During the year under review, Ms. Payal Chawla (06988235), Independent Woman Director resigned from the Board of Directors with effect from August 14, 2019. Board places on record its appreciation for cooperation and support of Ms. Chawla during her tenure as a Director of the Company. Ms. Taru Bahl (DIN: 06737344) was appointed as Independent Woman Director on Board with effect from January 31, 2020. Ms. Taru Bahl is a person of integrity and is B. A. (Hons) Economics. She is having vast experience of over three decades in the field of journalism, communication and social sector engagement. The Board of Directors believe that her contribution as director on the Board will be for benefit and in the interest of the Company. The resolution for approving her appointment as Independent Woman Director on the Board is being recommended to the members of the Company in the ensuing Annual General Meeting.

The tenure of appointment of Mr. R. S. Jauhar as Vice Chairman & Executive Director was valid till December 31, 2020. The Nomination and Remuneration Committee and Board of Directors in their meeting held on November 14, 2019 has approved the re-appointment of Mr. R.S. Jauhar as Vice Chairman & Executive Director for further three years effective from January 01, 2020. The Board considers that

his re-appointment would be for benefit and in the interest of the Company. The approval of the members of the Company is being sought for his re-appointment as Vice Chairman and Executive Director of the Company in the ensuing Annual General Meeting.

The first term of appointment of Mr. Rakesh Kalra, Independent Director of the Company was valid till February 02, 2020. On the recommendation of the Nomination & Remuneration Committee, the Board re-appointed Mr. Rakesh Kalra as Independent Directors for second term. Mr. Rakesh Kalra is person of integrity and is B.E (Hons), Mechanical Engineer from Birla Institute of Technology and Science, Pilani. He is an accomplished business leader with over 40 years of experience half of which at the helm as Managing Director/ CEO of leading large companies like Eicher Motors Ltd; and Mahindra Navistar Automotive Ltd. The Board considers that his continued association would be for benefit and in the interest of the Company. The approval of the members of the Company is being sought for his re-appointment for second term as Independent Director of the Company in the ensuing Annual General Meeting.

In compliance with the provisions of Section 152 of the Companies Act, 2013 read with the Articles of Association of the Company, Mr. S.P.S. Kohli, Executive 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 54th Annual General Meeting in compliance with the provisions of Companies Act, 2013, SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and applicable Secretarial Standards issued by Institute of Company Secretaries of India.

During the year under review, Mr. Pankaj Gupta has resigned as Chief Financial Officer of the Company with effect from March 14, 2020. Mr. Shakti Goyal, AVP- Corporate Planning has taken the charge and appointed as Chief Financial Officer of the Company with effect from March 14, 2020.

Pursuant to the requirements under Section 134(3)(e) and Section 178(3) of the Companies Act, 2013, the policy on appointment, nomination and remuneration of directors, key managerial personnel and senior management is annexed as Annexure ‘2’, which forms part of this Report.

### **Declaration by Independent Directors**

The Company has received declaration from all the independent directors stating that they meet the criteria of independence laid down under Section 149(7) of the Companies Act, 2013 read with sub rule (1) & (2) of Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014 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.

## Performance Evaluation

The performance evaluation of Independent Directors was done by the entire Board of Directors and in the evaluation, the director who was subject to evaluation did not participate. The evaluation of Board as a whole and Non Independent Directors including Chairman was done by the Independent Directors in their meeting held on February 12, 2020. The criteria for evaluation of performance of Board and Directors is their participation, contribution, efficiencies, skills, decision making, independence, integrity, ethical conduct, discharge of responsibilities etc.

## Meetings of Board of Directors

During the year under review, five meetings of the Board of Directors of the Company were held on May 21, 2019, August 09, 2019, November 14, 2019, February 12, 2020 and March 05, 2020 respectively. The complete details about the Board's strength, attendance and remuneration of directors is given under Corporate Report section of this Report.

## 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, 2020, 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.

## Auditors' Report

The report of the statutory auditors i.e. M/s S. R. Batliboi & Co; LLP Chartered Accountants read with notes on accounts is self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remarks.

Pursuant to provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s RSM & Co., Company Secretaries, to undertake the Secretarial Audit. The Statutory Auditors in their Corporate Governance Report and Secretarial Auditors in their Secretarial Audit Report have reported that there was delay in submission of annual report for financial year 2018-19 to stock exchanges in terms of Regulation 34 of the SEBI Listing Regulations and appointment of women independent director under section 149 of the Companies Act, 2013. The delay in filing annual report to stock exchanges was un-intentional and un-intended. The stock exchanges also have waived off penalty based upon submission made by company. Further Ms. Taru Bahl was appointed as women independent director on January 31, 2020. The delay was un-intentional and un-intended. As on March 31, 2020, the company was fully in compliance with the requirement of SEBI Listing Regulations and the Companies Act, 2013. The Secretarial Audit report is attached as Annexure 3, which forms part of this Report.

M/s Jangira & Associates, Cost Accountants has been re-appointed as cost auditors of the Company for the FY 2020-21. The approval for remuneration payable to the Cost Auditor is being sought from the members of the Company in the ensuing Annual General Meeting. The cost audit report for the FY 2019-20 would be filed with the Central Government within the prescribed time.

## Equity Shares

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.

No stock option was outstanding under ESOP Schemes as on 1 April, 2019. Hence, no disclosure is required under 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.

## Transfer of amount to Investor Education and Protection Fund

In terms of provisions of Section 124(6) of Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, amount of dividend entitlements which remained unclaimed for seven consecutive years or more and corresponding shares thereof were transferred by the Company to Investor Education and Protection Fund during the FY 2019-20. The details of dividend and shares which were transferred to IEPF during the year has been provided under the Corporate Governance section of this Report. The detailed list of shareholders whose dividend or shares has been transferred to IEPF has been hosted on the website of the Company at [www.jaispring.com](http://www.jaispring.com).

## Business Responsibility Report

Business Responsibility Report in terms of the provisions of Regulation 34 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 forms integral part of this Report and annexed as Annexure-4.

## Management Discussion & Analysis

Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34(2)(e) of SEBI Listing Regulations, is presented in a separate section forming part of the Annual Report.

## Corporate Governance

In compliance with Regulation 34 of the SEBI Listing Regulations, a separate report on Corporate Governance along with a certificate from the Auditors on its compliance forms an integral part of this Report and annexed as Annexure 5.

## Material Changes and Commitment

There were no other material changes and commitments affecting the financial position of the Company between the end of FY 2019-20 i.e. March 31, 2020 and date of this Report. There were no significant material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its future operations. The Company has evaluated impact of Covid-19 and is of the opinion that the impact of Covid-19 is not material on the Company. The Company has also submitted to Stock Exchanges, disclosure on material impact of Covid-19 on the Company as required by SEBI circular dated 20 May, 2020.

## Extract of Annual Return

The extract of the Annual Return in Form MGT-9 is available on the website of the Company at [www.jaispring.com](http://www.jaispring.com).

## Particulars of Employees

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 is given as Annexure-6 and form part of this Report.

As per the provisions of Section 136(1) of the Companies Act, 2013, the Annual 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 [investor.relations@jaispring.com](mailto:investor.relations@jaispring.com). The Company will make suitable arrangements for providing the information.

## Corporate Social Responsibility (CSR)

In terms of Section 135 and Schedule VII of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, a report on CSR activities undertaken by the Company as per CSR Policy of the Company for the year ended March 31, 2020, forms an integral part of this Report and annexed as Annexure 7.

During FY 2019-20, the Company has spent an amount of Rs.3.10 crore towards CSR expenditure under Section 135 of the Companies Act, 2013. However, due to spread of Covid-19 and lockdown imposed, an amount of Rs.0.27 crore remained unspent as on 31 March, 2020. This unspent amount is carried forward and as on date of this Report has been spent towards CSR expenditure.

## 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.

## 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-8 and forms an integral part of this Report.

## Risk Management Policy

Risk management includes risk identification, analysis, mitigation and control. Risk management at Company is based upon risk management policy and three layer framework for risk identification, evaluation, control, minimization and mitigation. Risk associated with the business are identified in various categories. Department heads are responsible for identifying and assessing risks within their area of responsibility and report to Risk Management Committee. Thereafter, the Committee evaluates such risk and suggest actions to be taken to control, minimized & mitigate the risk. Department heads are responsible for implementation of action suggested by the Committee. One of the major aim of the Lakshya is to de-risk the Company from market, operational and other risks. Risk management policy of the Company is available at the website of the Company at [www.jaispring.com](http://www.jaispring.com).

## Internal Financial Control

The Company has adequate internal financial controls to safeguard its assets, to prevent and detect frauds and errors, to ensure accuracy and completeness of the accounting records, and timely preparation of reliable financial information.

## Vigil Mechanism / Whistle Blower

There was no complaint received under Whistle Blower Policy during the year under review. The Whistle Blower Policy of the Company can be accessed at website of the Company at [www.jaispring.com](http://www.jaispring.com).

## Related-Party Transactions

All transactions entered into by the Company with related parties, during the financial year 2019-20, were in ordinary course of business and on arm's length basis. The details of the Related Party Transactions are set out in the Notes to Financial Statements forming part of this Annual Report. The disclosure in Form No. AOC-2 is enclosed as Annexure 9 to this Report. Also, the Related Party Transactions undertaken by the Company were in compliance with the provisions set out in the Companies Act, 2013 read with the Rules issued thereunder and relevant provisions of SEBI Listing Regulations.

The related party transactions entered into by the Company pursuant to the omnibus approval granted by the Audit Committee are reviewed on a quarterly basis by the Committee. The policy on Related Party Transactions can be accessed at website of the Company at [www.jaispring.com](http://www.jaispring.com).

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

## IPR

During the year under review, Company's trademark "JAI" got registered in Australia, United Kingdom, European Union, Germany, Bhutan, Belarus and Zimbabwe pursuant to Company's application for international registration trade mark under Madrid System. Further, during the year under review, the Company also got new product like U Bolt, Central Bolt, Air Suspension and Lift Axle cover in India under "JAI" trademark. Company's application for granting Indian Patent for Air Suspension is pending before the Indian Patent Authorities. Company is copyright holder of more than 90 designs of Leaf and Parabolic spring.

## Disclosure for Compliance of Secretarial Standards

The Company is in compliance with the Secretarial Standard-1 (Meetings of Board of Directors) and Secretarial Standard-2 (General Meetings) issued by the Institute of Company Secretaries of India.

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

There was no complaint received under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 during the year under review. The Company has Internal Complaint Committee in place to deal with the matters of sexual harassment at workplace. The Sexual Harassment Policy of the Company can be accessed at website of the Company at [www.jaispring.com](http://www.jaispring.com).

## Details in respect of fraud reported by auditors under section 143(12) other than those which are reportable to central government

No fraud has been reported by auditors under Section 143(12) in their audit report.

## Appreciation

The Board of Directors place on record sincere gratitude and appreciation for all the employees at all levels for their hard work, solidarity, cooperation and dedication during the year. The Board conveys its appreciation for its customers, shareholders, suppliers as well as vendors, bankers, business associates, regulatory and government authorities for their continued support.

For and on behalf of the Board of Directors

Place: New Delhi  
Date: June 10, 2020

**(Bhupinder Singh Jauhar)**  
Chairman

# ANNEXURE-1 TO THE DIRECTORS' REPORT

## DIVIDEND DISTRIBUTION POLICY

Pursuant to Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations"), the Board of Directors of the Company ("the Board") has approved the Dividend Distribution Policy of the Company ("the Policy").

The Company presently has only one class of shares i.e. equity, for which the Policy is applicable. The Policy is subject to review as and when the Company issues different classes of shares.

The primary aim of the Company has always been to share the rewards of performance with shareholders. In accordance with the Company's medium-term strategy focused on value-creation for its stakeholders, the Company has a policy of distribution of 33% of the net profits in a year as dividend (inclusive of dividend distribution tax) or shares buy back or both. The Company will endeavor to maintain steady level of payout of 33% of the net profits unless otherwise decided by the Board of Directors in terms of this Policy.

During a financial year the Board may declare interim dividend(s) and/or the Board may also recommend final dividend. The final dividend shall be subject to approval of the members of the Company at the Annual General Meeting. The declaration and payment of dividend (including interim dividend) shall be in accordance with the provisions of Section 123 of the Companies Act, 2013 read with applicable rules made thereunder, SEBI Regulations and any other applicable provisions of various laws and statutes in force.

The Board will consider following financial parameters and internal and external factors for declaration of dividend:

- (i) The Company's financial position and financial requirement including working capital, capital expenditure, debt repayment, repayment of debt etc.
- (ii) expansion, modernization, diversification, acquisition plans
- (iii) distributable surplus available as per the Companies Act, 2013 and regulations made thereunder
- (iv) taxation policy
- (v) condition or covenant of any agreement related to declaration and payment of dividend by the lenders of the Company
- (vi) general economic and business conditions
- (vii) any other factors and conditions which the Board of Directors may consider before declaring dividend

The Dividend for any financial year shall normally be paid out of the Company profits for that year. However, the Board may also declare dividend out of accumulated profits of any previous financial year(s) in accordance with provisions of the Companies Act, 2013 read with applicable rules made thereunder, SEBI Regulations and any other applicable provisions of applicable laws and statutes in force.

The profits retained shall be continued to be deployed for all or any of the purposes below:

- (i) to fund, fully or partially, ongoing and future expansion, modernization, expansions
- (ii) to fund, fully or partially, financial requirements of the Company including working capital, capital expenditure, debt repayment etc.
- (iii) for buyback of shares
- (iv) for issuance of bonus shares
- (v) for any other purpose(s) as may be permitted under the Companies Act, 2013 and other applicable laws

The shareholders of the Company may not expect dividend in the following circumstances, subject to discretion of the Board of Directors:

- (i) In the event of loss or inadequacy of profit
- (ii) Prospective merger/acquisition opportunities, growth opportunities/threats/concerns of the Company
- (iii) Higher working capital requirements for business operations of the Company
- (iv) In the event where Board strongly believes the need to conserve capital for growth or other exigencies
- (v) Due to any regulatory obligations and statutory restrictions
- (vi) Allocation of funds for buy-back of securities

The Board of Directors shall have the right to modify, amend or change any or all the clauses of this Policy in accordance with the provisions of the Applicable laws/ Acts /SEBI Regulations or otherwise. In case of any amendment(s), clarification(s), circular(s) etc. issued under any Applicable laws/ SEBI Regulations, which is not in consistent with any of the provisions of this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall be deemed to be amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

The Policy will be available at the Company's website at [www.jaispring.com](http://www.jaispring.com).

# ANNEXURE-2 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 ("the Act") and the SEBI Listing Regulations, 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. 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 Personnel, 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 Director's performance.
  - ii. The Committee shall also 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 Senior Management.
  - 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 considers and determines the remuneration payable to the Director or KMP or Senior Management Personnel and recommends the same to the Board for approval. The appointment, re-appointment and the remuneration of a Director or KMP or Senior Management Personnel is decided in accordance with criteria mentioned below and the conditions laid down as per the provisions of the Companies Act, 2013,

Listing Regulations and the rules and regulations made thereunder and subject to the approval of the shareholders of the Company and Central Government, wherever required.

### Criteria for appointment of Directors, KMP and Senior Management Personnel

- a) Qualification;
- b) Age and experience;
- c) Specialize expertise, if any;
- d) Diversity of the Board after his or her appointment;
- e) Demonstrable leadership qualities and interpersonal communication skills of the person;
- f) Number of years of service, period of employment or association of the person with the Company, if any;
- g) Special achievement and operational efficiency of the person which contributed to growth in business in the relevant functional area, if applicable;
- h) Constructive and active participation of the person in the affairs of the Company, if applicable;
- i) Transparency, unbiased and impartial opinions and ability of maintaining confidentiality;
- j) In case of appointment as Independent Director, fulfillment of criteria defined in the Act and Listing Regulations.

Senior Management Personnel shall include employee one level below chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.

The appointment of Whole Time Director or Managing Director is made for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term. 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 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 fulfills the criteria of Independence as defined in the Act and SEBI Listing Regulations. Every independent director shall, at the first meeting of the Board in which he

participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his status as an independent director, submit a declaration that he meets the criteria of independence as provided in the Act and the Listing Regulations and that he is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his ability to discharge his duties with an objective independent judgment and without any external influence. No person shall be appointed or continue as an alternate director for an independent director of a listed entity. All the Non-Executive and Independent Director receive remuneration by way of 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 Act or SEBI Listing Regulations.

The performance evaluation of Directors is done by the Board 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 SEBI 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 different field so that their experience as well as knowledge could be used for the benefit of the Company.

# ANNEXURE-3 TO THE DIRECTORS' REPORT

Form No. MR-3

(SECRETARIAL AUDIT REPORT)

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration 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 compliances of applicable statutory provisions and the adherence to good corporate practices by **JAMNA AUTO INDUSTRIES LIMITED** (hereinafter called the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company, the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanation and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2020, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board Processes and Compliance Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:-

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on 31st March, 2020 according to the provisions of :-

1. The Companies Act, 2013 ("the Act") and Rules made thereunder as amended/modified;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the Company during the audit period);**
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014, **(Not applicable to the Company during the audit period);**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. **(Not applicable to the Company during the audit period);**
  - (f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding Companies Act and dealing with client; **(Not applicable as the Company is not registered as Registrar and Transfer Agent during the audit period);**
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the audit period) ;**
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. **(Not applicable to the Company during the audit period);** and
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 except that there was delay in submission of Annual Report for FY 2018-19 to Stock Exchanges and appointment of woman independent director;
6. We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test check basis, the Company has complied with the following laws as applicable to the Company ;
  - (i) Factories Act 1948, and rules made there under;
  - (ii) The Air (Prevention and Control of Pollution) Act, 1981 and Rules made thereunder;
  - (iii) The Environment Protection Act, 1986 and Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 and other Rules made thereunder;
  - (iv) The Water (Prevention and Control of Pollution) Act, 1974 and Rule made thereunder;



- (v) Contract Labour (Regulation & Abolition ) Act, 1970 and rules made thereunder;
- (vi) Petroleum Act, 1934 and Rules made thereunder;
- (vii) Explosives Act, 1884 and Explosive Rules, 2008;
- (viii) The Legal Metrology Act, 2009 and Rules made thereunder;
- (ix) Indian Boilers Act, 1923 and Rules made thereunder.

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

- i) Secretarial Standard with regard to meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India;
- ii) The Listing Agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the SEBI (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.

- 7. We further report that the compliances by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.
- 8. 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 were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting; and

Majority of decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of meetings of the Board of Directors or committee of the Board, as the case may be.

There are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliances with applicable laws, rules, regulations and guidelines.

- 9. We further report that during the audit of the Company no events occurred which has bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standard etc.

This report is to be read with our letter of even date which is annexed as "**Annexure-1**" and form an integral part of this report.

For **RSM & Co.**  
Company Secretaries

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**CS RAVI SHARMA**

Partner  
FCS: 4468 | COP No.: 3666  
UDIN: F004468B000336778  
Date : June 10, 2020  
Place : Delhi

**Annexure-1**

The Members

JAMNA AUTO INDUSTRIES LIMITED

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

1. Maintenance of Secretarial records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on the Secretarial Records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verifications were done on the 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 and books of accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliances of Laws, Rules and Regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable Laws, rule and regulations, standards is the responsibility of the Management. Our examination was limited to the verification of procedures on test basis.
6. Our Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company

For **RSM & Co.**  
Company Secretaries

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**CS RAVI SHARMA**

Partner  
FCS: 4468 | COP No.: 3666  
UDIN: F004468B000336778  
Date : June 10, 2020  
Place : Delhi

# ANNEXURE-4 TO THE DIRECTORS' REPORT

## BUSINESS RESPONSIBILITY REPORT

### ANNEXURE I

#### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	L35911HR1965PLC004485
2	Name of the Company	Jamna Auto Industries Limited
3	Registered address	Jai Springs Road, Industrial Area, Yamuna Nagar-135001, Haryana
4	Website	www.jaispring.com
5	E-mail id	praveen@jaispring.com
6	Financial Year reported	2019-20
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Category: Manufacture of diverse parts and accessories for motor vehicles  NIC Code: 29301
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	The Company is in the business of manufacturing of automotive suspension which includes (i) Parabolic and Tapered leaf spring (ii) Lift axle and (iii) Air suspension.
9	Total number of locations where business activity is undertaken by the Company	Seven
9(a)	Number of International Locations	Nil
9(b)	Number of National Locations	Seven
10	Markets served by the Company - Local/State/National/International	The Company has PAN India market presence through its plants, depots and dealer networks. The Company also exports to international markets.

#### SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital	Rs.39.83 crore
2	Total Turnover	Rs. 1058.82 crore
3	Total profit after taxes	Rs. 47.92 crore
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	6.45%
5	List of activities in which expenditure in 4 above has been incurred	<ul style="list-style-type: none"> <li>• Promotion of Education</li> <li>• Promotion of sports</li> <li>• Environment Conservation &amp; Sustainability</li> <li>• Skill Development</li> <li>• Promotion of gender equality &amp; empowering women</li> <li>• Elevation of hunger, poverty and malnutrition,</li> <li>• Promoting healthcare</li> <li>• Benefit to armed forces veterans, war widows and their dependents</li> <li>• Rural Development</li> <li>• Supporting art &amp; culture</li> </ul>

## SECTION C: OTHER DETAILS

1	Does the Company have any Subsidiary Company/ Companies?	Yes, as on March 31, 2020, Company has two subsidiaries namely Jai Suspensions Ltd. and Jai Automotive Components Ltd.
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	No
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No

## SECTION D: BR INFORMATION

### B. Details of Director/Directors responsible for BR

Details of the Director responsible for implementation of the BR policy

DIN Number : 01643796  
 Name : Mr. SPS Kohli  
 Designation : Executive Director

Details of the BR head

	Particulars	Details
1	DIN Number	01643796
2	Name	Mr. SPS Kohli
3	Designation	Executive Director
4	Telephone Number	+91-11-26893331
5	Email Id	spskohli@jaisprings.com

### C. Principle-wise (as per NVGs) BR Policy/policies

- Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
- Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
- Principle 3: Businesses should promote the well-being of all employees
- Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
- Principle 5: Businesses should respect and promote human rights
- Principle 6: Businesses should respect, protect, and make efforts to restore the environment
- Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
- Principle 8: Businesses should support inclusive growth and equitable development
- Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

## Details of compliance (Reply in Y/N)

	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	N	Y	N
2	Has the policy being formulated in consultation with the relevant stakeholders?	All the policies have been formulated in consultation with the internal stakeholders of the Company. The external stakeholders are being consulted as per business requirements and on need basis.								
3	Does the policy conform to any national / international standards?	The policies adopted by the Company are in conformity with the applicable statutory laws, rules and regulations.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	All the policies have been approved by the Management of the Company and are approved by the Board wherever statutorily required.								
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	The Board of Directors have appointed Mr SPS Kohli, Executive Director of the Company to oversee the implementations of the Business Responsibility								
6	Indicate the link for the policy to be viewed online?	All the policies which are statutorily required are hosted on the website of the Company i.e. www.jaispring.com. The access to the other policies are available to the employees and concerned stakeholders on need basis.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been formally communicated to key internal stakeholders. The external stakeholders are being communicated on need basis.								
8	Does the company have in-house structure to implement the policy/ policies.	Yes								
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes								
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The working of the Policies are assessed under the Internal Audit Function.								

1. If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles	-	-	-	-	-	-	-	-	-
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3	The company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6	Any other reason (please specify)	-	-	-	-	-	-	**1	-	**2

\*\*1- The Company has not been engaged in any activity or business to influence public or regulatory policy. As such need for the policy is not felt.

\*\*2- Need for the policy is not felt.

## ii. Governance related to BR

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

The Board of Directors assess the BR Performance on annual basis.

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

The Business Responsibility Report of the Company forms part of the Annual Report and is hosted on the website of the Company at [www.jaispring.com](http://www.jaispring.com).

## SECTION E: PRINCIPLE-WISE PERFORMANCE

### Principle 1

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

The ethics, bribery and corruption are covered under the Code of conduct and HR Policy of the Company. The code and policies cover only the Company. It does not extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others.

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

The Company was not in receipt of any complaint during the past financial year.

### Principle 2

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

The Company is in the business of manufacturing of automotive suspension which includes parabolic/ tapered leaf spring, air suspension and lift axle. The Company is a responsible corporate citizen and strives to utilize the resources in effective manner. The Company has entered into Technology Transfer and Technical Assistance Agreement with Tinsley Bridge Limited, UK for transfer of extralite spring technology. During the year 2019-20 prototypes of extralite springs are under advance stages of development.

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

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

The Company is working on reduction of water wastage in painting process. To reduce power consumption natural light is provided or being provided in manufacturing sheds. Preference is being given to technological machinery combining two or more process in one to save power. To reduce fuel/gas pollutants in manufacturing process, use of fossil or gas based furnaces are being discouraged.

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

The Company as a responsible corporate citizen always strives to ensure utilization of resources in effective and efficient manner. Efforts are being made for leveraging water conservation, energy efficiency, lesser fuel consumption and sustainable use of renewal sources. It is not feasible to measure the usage of energy, fuel, water by consumers.

- 3. Does the company have procedures in place for sustainable sourcing (including transportation)?**

- a. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

Yes, the Company at working level focuses on sustainable resourcing. Company's plants, warehouses and depots are strategically located near to its customers, suppliers which results in easy accessibility of material to customer and also reduction in freight movement on longer routes.

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

Yes, the Company continuously identifies local and small producers in nearby locations of plants. The Company encourages local sourcing which confirm to desirable parameters and product samples after quality test. The Company periodically does review of its suppliers for their continuous improvement. Improvement points are also communicated to the supplier.

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

The Company always ensures and takes efforts for natural resource conservation, reuse, recycle, waste minimization. The Company has shifted its delivery mechanism of product to the customer through wooden pallets to Steel Recyclable Pallets for preventing wastage of wood.

### Principle 3

**1 Please indicate the Total number of employees.**

1112 employees as on 31 March, 2020.

**2 Please indicate the Total number of employees hired on temporary/contractual/casual basis.**

Contractual Workers as on 31 March, 2020: 820

**3 Please indicate the Number of permanent women employees.**

27 Female employees

**4 Please indicate the Number of permanent employees with disabilities**

26 employees

**5 Do you have an employee association that is recognized by management?**

No

**6 What percentage of your permanent employees is members of this recognized employee association?**

Not applicable

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

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	0	0
2	Sexual harassment	0	0
3	Discriminatory employment	0	0

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

A formal training program is in place for all categories of employees. The focus on training includes safety and skill development besides other aspect. All employees irrespective of any category are given training as per requirement.

The percentage of training given for safety and skill up-gradation during the year under review are as follows:

	Safety Training	Skill development training
Staff, Permanent worker	75%	77%
Women employees	84%	96%
Contractual	88%	82%
Employee with disability	62%	62%

### Principle 4

**1. Has the company mapped its internal and external stakeholders? Yes/No**

Yes

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

Yes, the Company has identified disadvantaged, vulnerable & marginalized stakeholders from the local communities and the work force. The Company has also engaged them for their socio-economic development through various CSR initiatives. The social development among disadvantaged, vulnerable & marginalized people are being ensured through awareness and sensitization programmes, skill development programmes, educational help, medical aid etc.

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

The programmes under the CSR initiatives undertaken by the Company are focused primarily on those sections of the communities which are poor, needy, disadvantaged, vulnerable and marginalized. Sensitization and awareness programmes are being conducted for the people who are vulnerable and marginalized. Skill Development Programmes such as computer trainings, sewing and tailoring classes are conducted for benefitting the people who are disadvantaged, vulnerable and marginalized. Person with disability, senior citizens and widow ladies are helped through educational reach, pension distribution, medical aid, counselling etc.

**Principle 5**

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

The Company has HR Policy through which it endeavors to protect Human Rights at workplace. The Company's procedures and practices always strives to protect Human Rights even within the organization and all activities undertaken through Group/Joint Ventures/Suppliers/Contractors/NGOs/Others.

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

Nil

**Principle 6**

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

The Environment, Health and Safety Policy covers only the Company. However, the Company always ensures environment friendly and safe business practices while working within the organization and with every actions taken through Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

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

As a responsible corporate citizen, our Company always ensures environmental protection. The Company continuously strives to minimize the environmental impact for reducing its own operational environmental footprint. The Company conducts awareness programmes through CSR initiatives towards environment protection. The CSR initiatives taken by the Company forms the integral part of the Company's Annual Report available on the website of the Company at [www.jaispring.com](http://www.jaispring.com).

**3. Does the company identify and assess potential environmental risks?**

Yes, potential environmental risks are identified in conformity with all applicable environmental laws. All necessary steps are being ensured for mitigating risk.

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

No

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

The Company always works on resource optimization, water and electricity conservation and waste reduction to reduce its environmental footprints. The Company is working on reduction of water wastage in painting process. To reduce power consumption natural light is provided or being provided in manufacturing sheds. Preference is being given to technological machinery combining two or more process in one to save power. To reduce fuel/gas pollutants in manufacturing process, use of fossil or gas based furnaces are being discouraged.

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

Yes

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

Nil

## Principle 7

- (i) **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

The Company is a member of Automotive Component Manufacturers Association of India (ACMA).

- (ii) **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas.**

No

## Principle 8

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

The Company has a Corporate Social Responsibility (CSR) policy in place which drives its efforts in the areas which strives towards social and economic development.

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

The Company has its own in-house team which plans, monitors and governs the corporate social responsibility initiatives /projects of the Company. The Company also collaborates with various foundations, NGOs, Local Administrations etc. on project basis for undertaking the CSR activities.

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

Yes. The Company undertakes actions and spend expenditure towards corporate social responsibility initiatives after doing initial assessment and case studies. Before undertaking a project or program, meeting with local administration and other bodies are held for making the pilot project and analysis of the initiatives for knowing the impact. The CSR team does base line survey and where feasible also takes feedback from the beneficiaries for the CSR initiatives taken.

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

The Complete details of Company's contribution towards the community development has been specified under the Annexure pertaining to CSR details as annexed in the Board Report of the Company's Annual Report.

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

The CSR Committee of the Company does assessment for analyzing the key areas for undertaking CSR initiatives and their impact thereto. A program or project is developed and implemented to the stage for creating sense of belongingness and adoption by the community at large. The Community development initiatives are analyzed by base line surveys and taking the feedback from the beneficiaries. The Company proactively engages beneficiaries with the project and program on continuous basis for achieving sustainability of the project or program. Required necessary support is also provided to the project or program after the development which will be beneficial for the community.

## Principle 9

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

The Company endeavors to promptly resolve the customers' complaint as and when received.

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

The information which are statutorily required are displayed.

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

No

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

The Company regularly engages with consumers to get their feedback on the product and always ensure necessary actions to increase their satisfaction level. The Company have quality service team for redressing the customer's concerns pertaining to the Company's product. Customer concerns are being taken for immediate redressals for achieving the customer's satisfaction.



# ANNEXURE-5 TO THE DIRECTORS' REPORT

## CORPORATE GOVERNANCE REPORT

### Report on Corporate Governance

Pursuant to the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter called as "SEBI Listing Regulations) as amended from time to time, the report on corporate governance of the Company is presented as follows:

#### (1) Company's Philosophy on Corporate Governance

The Company believes in ensuring fairness, transparency, professionalism, accountability and propriety in its functioning. Your Company is committed to highest standards of Corporate Governance and disclosure practices to ensure that its affairs are managed in the best interest of all stakeholders.

#### (2) Board of Directors

The Board of Directors provides strategic supervision and oversees management performance. The Company has a diverse Board of Directors which consists of optimum combination of executive and non-executive directors. Total strength of the Board is 9 directors, the composition of the Board and details of Directors are provided herein below. The confirmations have been received from the Independent Directors of the Company stating that they meet the criteria of independence as mentioned under Section 149(6) of the Companies Act, 2013. During the year Ms. Payal Chawla has resigned from the Board of Directors as Independent Woman Director. The Board has appointed Ms. Taru Bahl as Independent Woman Director on the Board.

#### (a) Composition and category of directors

The Composition of Board of Directors as on March 31, 2020 is as follows:

No.	Name of the Directors	Designation	Relationship between directors inter-se
1	Mr. Bhupinder Singh Jauhar	Chairman	Mr. B.S. Jauhar, Mr. R.S. Jauhar and Mr. P.S. Jauhar are related to each other.
2	Mr. Randeep Singh Jauhar	Vice Chairman & Executive Director	
3	Mr. Pradeep Singh Jauhar	Managing Director & CEO	
4	Mr. Surinder Pal Singh Kohli	Executive Director	--
5	Mr. Jainendar Kumar Jain	Independent Director	--
6	Mr. Uma Kant Singhal	Independent Director	--
7	Mr. Shashi Bhushan Bansal	Independent Director	--
8	Mr. Rakesh Kalra	Independent Director	--
9	Ms. Taru Bahl*	Independent Director	--

\*Ms. Taru Bahl has been appointed as Independent Woman Director on the Board with effect from January 31, 2020. Earlier, Ms. Payal Chawla was Independent Woman Director on the Board who has resigned from Board of Directors with effect from August 14, 2019.

#### (b) Attendance of each director at the meeting of the board of directors and the last annual general meeting;

During the year under review, 5 meetings of the Board of Directors were held on May 21, 2019, August 09, 2019, November 14, 2019, February 12, 2020 and March 05, 2020 respectively. The attendance of the directors at the Board Meeting and last annual general meeting (AGM) was as follows:

No.	Name of the Directors	No. of Board Meetings attended during the year	Presence at last AGM
1	Mr. Bhupinder Singh Jauhar	5 out of 5	Yes
2	Mr. Randeep Singh Jauhar	5 out of 5	Yes
3	Mr. Pradeep Singh Jauhar	5 out of 5	Yes (through video conferencing)
4	Mr. Surinder Pal Singh Kohli	5 out of 5	No
5	Mr. Jainendar Kumar Jain	5 out of 5	No
6	Mr. Uma Kant Singhal	5 out of 5	Yes
7	Mr. Shashi Bhushan Bansal	5 out of 5	Yes
8	Mr. Rakesh Kalra	4 out of 5	No
9	Ms. Payal Chawla*	2 out of 2	No
10	Ms. Taru Bahl#	2 out of 2	No

\* Ms. Payal Chawla, Independent Director, has resigned from the directorship of the Company w.e.f. August 14, 2019

# Ms. Taru Bahl has been appointed as Independent Women Director w.e.f. January 31, 2020.

### Separate Meeting of Independent Directors

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and Regulation 25 of SEBI (LODR) Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on February 12, 2020 to review the performance of Non-Independent Directors (including the Chairman of the Company) and the Board as whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and it's Committees which is necessary to effectively and reasonably perform and discharge their duties.

#### (c) Number of other board of directors or committees in which a directors is a member or chairperson

No.	Name of the Directors	No. of Directorship in other Public Companies#	Name of the Other Company in which Directorship held (Category of Director)	No. of Committees Positions held in other Companies	Name of the Other Company in which Committee Position held
1	Mr. Bhupinder Singh Jauhar	-	-	-	-
2	Mr. Randeep Singh Jauhar	2	Map Auto Limited (Non-Executive Director) AIS Distribution Services Limited (Non-Executive Director)	-	-
3	Mr. Pradeep Singh Jauhar	1	Map Auto Limited (Non-Executive Director)	-	-
4	Mr. Surinder Pal Singh Kohli	-	-	-	-
5	Mr. Jainendar Kumar Jain	-	-	-	-
6	Mr. Uma Kant Singhal	1	Jai Automotive Components Limited (Non- Executive Director)	-	-
7	Mr. Shashi Bansal	1	Jai Automotive Components Limited (Non- Executive Director)	-	-
8	Mr. Rakesh Kalra	4	*Kriti Nutrients Ltd (Non-Executive - Independent Director) *Kriti Industries (I) Ltd (Non-Executive - Independent Director) *Automotive Axle Ltd (Non-Executive - Independent Director) Minda Stoneridge Instruments Ltd (Non-Executive Director)	5	Kriti Nutrients Ltd- Member of Audit Committee; Kriti Industries (I) Ltd- Member of Audit Committee; Automotive Axle Ltd- Member of Audit Committee and Stakeholders Relationship Committee; Minda Stoneridge Instruments Ltd - Member of Audit Committee
9.	Ms. Taru Bahl	-	-	-	-

Note: Only Audit Committee and Stakeholders' Relationship Committee of Public Limited companies are considered for the purpose of reckoning committee positions.

\* Listed Company

# Only Directorship held in Indian Public Limited Company has been included.

#### (d) Disclosure of relationships between directors inter-se

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.

#### (e) Number of shares and convertible instruments held by non- executive directors

No.	Name of Non-Executive Directors	No. of Shares/ Convertible Instruments held
1	Mr. Bhupinder Singh Jauhar	7,103,240 Equity Shares
2	Mr. J. K. Jain	Nil
3	Mr. U. K. Singhal	Nil
4	Mr. Shashi Bansal	Nil
5	Mr. Rakesh Kalra	1000 Equity Shares
6	Ms. Taru Bahl	Nil

**(f) Web link where details of familiarization programs imparted to independent directors is disclosed.**

An informed Board familiar with the Company and its affairs, can contribute significantly to effectively discharge its role. During the Board and Committee meetings, the Directors are informed and updated on changes / developments in the Company's business, its industry, economic environment, statutes & legislation and on matters affecting the Company, to enable them to take well informed and timely decisions. The details of familiarization programs imparted to directors is provided on the website of the Company i.e. [www.jaispring.com](http://www.jaispring.com). The appointment letter issued to independent directors inter alia sets out the expectation of the Board from the appointed director, his / her fiduciary duties and the accompanying liabilities that come with the appointment as a director of the Company.

**(g) A chart or a matrix setting out the skills/expertise/competence of the board of directors**

No.	Name of the Directors	Competencies					
		Industry Experience and Knowledge	Financial Literacy	Legal/ Advocacy/ Regulatory	Strategic Planning/ Strategic Development	Strategic Marketing	Risk Management
1	Mr. Bhupinder Singh Jauhar	√			√	√	√
2	Mr. Pradeep Singh Jauhar	√	√		√	√	√
3	Mr. Randeep Singh Jauhar	√	√		√	√	√
4	Mr. SPS Kohli	√			√	√	√
5	Mr. U. K. Singhal		√	√	√		√
6	Mr. J. K. Jain		√		√		√
7	Mr. Shashi Bansal		√		√		√
8	Mr. Rakesh Kalra	√	√		√		√
9	Ms. Taru Bahl		√		√	√	

**(h) Disclosure of resignation of independent director during the financial year.**

Ms. Payal Chawla (DIN: 06988235), Independent Woman Director of the Company resigned from the directorship with effect from August 14, 2019 due to constraint of time owing to her legal practice, writing commitments and the Palkhivala Foundation. There was no other material reason for her resignation as Independent Director other than those specified above.

**(i) Audit Committee**

Pursuant to Section 177 of the Companies Act, 2013 and Regulation 18(3) read with Part C of Schedule II of the SEBI Listing Regulations, the Company has Audit Committee comprises of three independent directors. The terms of reference to the Audit Committee inter alia includes:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or preapproval or any subsequent modification of transactions of the Company with related parties except the transactions with a wholly owned subsidiary whose accounts are consolidated with the Company and placed before the shareholders at the General Meeting for approval;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- To review the functioning of the Whistle Blower mechanism.
- Any other matter as entrusted upon the Audit Committee in pursuance to the applicable provisions of Companies Act, 2013 and SEBI Listing Regulations.

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 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, 2020:

No.	Name of the Directors	Meeting date	Whether attended the meeting
1	Mr. Shashi Bansal, Chairman	May 21, 2019	Yes
		June 18, 2019	Yes
		August 09, 2019	Yes
		November 14, 2019	Yes
		February 12, 2020	Yes
2	Mr. J. K. Jain, Member	May 21, 2019	Yes
		June 18, 2019	Yes
		August 09, 2019	Yes
		November 14, 2019	Yes
		February 12, 2020	Yes
3	Mr. U.K. Singhal, Member	May 21, 2019	Yes
		June 18, 2019	Yes
		August 09, 2019	Yes
		November 14, 2019	Yes
		February 12, 2020	Yes

#### (j) Nomination and Remuneration Committee

In accordance with Section 178 of the Companies Act, 2013 and SEBI Listing Regulations, the Company has Nomination and Remuneration Committee comprising of three independent directors. The role of the Nomination and Remuneration Committee of the Company includes as under:

- Identifying persons who are qualified and who may be appointed or re-appointed as director and senior management in accordance with the criteria laid down, and recommend to the Board their appointment, re-appointment, removal and their remuneration.
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Review the term of appointment of Independent Directors on the basis of performance evaluation.
- Devising a policy on Board diversity

The following is the composition of the Nomination and Remuneration Committee and the attendance of Directors at the respective Committee meetings held during the year ended March 31, 2020:

No.	Director	Meeting date	Whether Meeting attended or not
1	Mr. Shashi Bansal, Chairman	May 21, 2019	Yes
		August 09, 2019	Yes
		November 14, 2019	Yes
		January 31, 2020	Yes
2	Mr. J. K. Jain, Member	May 21, 2019	Yes
		August 09, 2019	Yes
		November 14, 2019	Yes
		January 31, 2020	Yes
3	Mr. U.K. Singhal, Member	May 21, 2019	Yes
		August 09, 2019	Yes
		November 14, 2019	Yes
		January 31, 2020	Yes

The performance evaluation of directors individually and Board as a whole is done by the Board annually based on the criteria of attendance and contributions at Board/Committee Meetings. The Directors of the Company are being appointed and their remuneration are being decided in compliance with the applicable statutory laws and the policy of appointment, nomination and remuneration of Directors, key managerial personnel and senior management personnel. The policy is available on the website of the Company at [www.jaispring.com](http://www.jaispring.com) and also forms part of the Board's Report.

### Compensation Committee:

The Compensation Committee of the Company has been formulated for the purpose of administering ESOP schemes, allotment of shares upon exercise of the stock options.

The Composition of the Compensation Committee as on March 31, 2020 is as follows:

No.	Director	Position held
1.	Mr. U. K. Singhal	Chairman
2.	Mr. R. S. Jauhar	Member
3.	Mr. J. K. Jain	Member
4.	Mr. Shashi Bansal	Member

No meeting of Compensation Committee was held during the year ended March 31, 2020.

### Borrowing Investment and Administrative Committee:

The Board of Directors has constituted Borrowing, Investment & Administrative Committee to take up and expedite resolutions of routine matters. The Committee comprises of three directors. Mr. U.K. Singhal, Independent Director of the Company is the Chairman of the Committee. The following is the composition of the Borrowing Investment and Administrative Committee and the attendance of Directors at the respective Committee meetings held during the year ended March 31, 2020:

No.	Director	Dates of meeting	Whether attended the meeting
1.	Mr. U. K. Singhal, Chairman	May 21, 2019	Yes
		August 09, 2019	Yes
		November 14, 2019	Yes
2.	Mr. R. S. Jauhar, Member	May 21, 2019	Yes
		August 09, 2019	Yes
		November 14, 2019	Yes
3.	Mr. SPS Kohli, Member	May 21, 2019	Yes
		August 09, 2019	Yes
		November 14, 2019	Yes

### Risk Management Committee:

The Board of Directors of the Company has formed a Risk Management Committee to identify, monitor and mitigate the risks associated with the Company. During the year under review, a meeting of risk management committee was held on November 14, 2019. The following are members of the Risk Management Committee:

No.	Director	Position held
1.	Mr. U. K. Singhal	Chairman
2.	Mr. P. S. Jauhar	Member
3.	Mr. Bhupesh Mehta	Member
4.	Mr. Shashi Bansal	Member

### Corporate Social Responsibility Committee:

The Corporate Social Responsibility Committee comprises of three directors. The Chairman of the Committee is an Independent Directors. The Committee monitors the functioning and implementation of CSR Policy and amount of expenditure to be incurred on CSR activities. The Composition of Committee and attendance of Directors at respective Committee meetings held during the year ended on March 31, 2020 is as follows:

No.	Director	Meeting date	Whether attended or not
1.	Mr. Shashi Bansal, Chairman	May 21, 2019	Yes
		February 12, 2020	Yes
2.	Mr. R. S. Jauhar, Member	May 21, 2019	Yes
		February 12, 2020	Yes
3.	Mr. S. P. S. Kohli, Member	May 21, 2019	Yes
		February 12, 2020	Yes

**(k) Remuneration of Directors**

The details of remuneration paid to Executive Directors during year ended March 31, 2020 are as follows. The remuneration paid is within the ceiling prescribed under the applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations.

Particulars	Mr. R. S. Jauhar (Amount in Rs)	Mr. P. S. Jauhar (Amount in Rs)	Mr. S.P.S. Kohli (Amount in Rs)
Salary	1,88,48,220	1,91,36,000	32,04,000
Allowances	21,86,639	13,85,282	17,700
Perquisite	25,30,800	14,45,800	4,53,748
PF Contribution	15,58,404	19,96,800	0
Commission	0	0	0
Stock Options	0	0	0
Total Remuneration Paid	25,124,063	23,963,882	36,75,448

The Company has no pecuniary relationship or transactions with its Non-Executive Directors which may affect the independence of the Directors other than payment of sitting fee to them for attending the meetings of the Board or Committee thereof. The Company has not granted any stock option to its Directors. Non-Executive Directors are paid sitting fees for attending meetings of the Board and Board Committees. The amount of sitting fees paid to the Directors for each meeting was Rs. 10,000 till November 14, 2019. The amount of sitting fees was increased from Rs. 10,000 to Rs. 30,000 with effect from November 14, 2019 for attending meetings of the Board and Board Committees.

The details of sitting fees paid to Non-Executive directors during FY 2019-20 are as follows:

Name of Director	(Amount in Rs)
Mr. J. K. Jain	2,20,000
Mr. U. K. Singhal	3,10,000
Mr. Shashi Bansal	3,00,000
Mr. Rakesh Kalra	80,000
Ms. Payal Chawla	20,000
Ms. Taru Bahl	90,000

**(l) Stakeholders' Relationship Committee**

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and SEBI Listing Regulations, the Company has Stakeholders' Relationship Committee to oversee the matters pertaining to Shareholders' and Investors' complaints / grievances concerning transfer of shares, non-receipt of dividends, non-receipt of Annual Reports, transfers, transmissions, consolidation, splitting and issue of share certificates, in exchange of sub-divided / consolidated and any other related matters. The Committee oversees the performance of the Company's appointed Registrar and Transfer Agent and has powers to recommend measures for overall improvement in the quality of services being provided to the Shareholders/Investors.

The Stakeholders' Relationship Committee of the Company consists of three directors. The following is the composition of the Committee and the attendance of Directors at the Stakeholders' Relationship Committee meetings held during the year ended March 31, 2020:

No.	Director	Meeting Date	Whether attended the meeting
1.	Mr. U. K. Singhal, Chairman	May 21, 2019	Yes
		November 14, 2019	Yes
2.	Mr. R. S. Jauhar, Member	May 21, 2019	Yes
		November 14, 2019	Yes
3.	Mr. S. P. S. Kohli, Member	May 21, 2019	Yes
		November 14, 2019	Yes

- (a) Name of non-executive director heading the Committee: Mr. Uma Kant Singhal, Independent Director
- (b) Name and designation of compliance officer : Mr. Praveen Lakhera, Company Secretary & Head-Legal
- (c) 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
2	4	5	1

**(m) General Body Meetings / Annual General Meetings**

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

Venue	Financial Year	Date & Time	Type of Meeting	No. of Special Resolutions Passed
Registered Office	2016-2017	August 01, 2017 at 09:30 A.M.	AGM	5
Registered Office	2017-2018	September 29, 2018 at 09:30 A.M.	AGM	4
Registered Office	2018-2019	July 30, 2019 at 09:30 A.M.	AGM	5

No special resolution was proposed to be passed by the members of the Company through postal ballot during the year ended March 31, 2020.

The Company had provided e-voting facilities to members for casting their vote at the annual general meeting held on July 30, 2019.

**(n) Means of Communication**

The quarterly, half yearly and annual results are submitted to the Stock Exchange(s) in accordance with SEBI Listing Regulations. Further, the quarterly/half yearly/annual results in the prescribed format, are published within 48 hours in prominent daily newspaper, such as The Business standard, The Financial Express and Jansatta (Hindi). All vital information of the Company have been disseminated to Stock Exchanges and simultaneously on the Company's website i.e. at www.jaispring.com including Company's financial performance, official press releases and presentation to analysts etc. The Quarterly Results, Shareholding Pattern and all other corporate communication to the Stock Exchanges are filed through NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre, for dissemination on their respective websites.

**(o) General Shareholder Information**

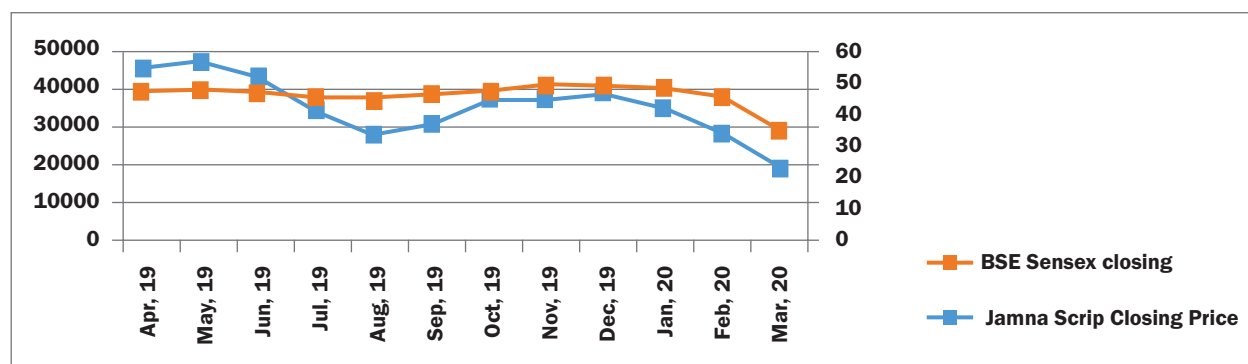
No.	Director	Meeting date
1.	Date, Time and Venue of the 54th Annual General Meeting	03:30 P.M., Tuesday, September 29, 2020 through Video Conferencing (VC) / Other Audio Visual Means (OAVM)
2.	Financial Calendar	April 01, 2019 to March 31, 2020
3.	Book Closure Dates	September 23, 2020 to September 29, 2020 (both days inclusive)
4.	Dividend Payment Date	During the year under review, the Board has declared the interim dividends of Rs. 0.18 per equity share on November 14, 2019 and Rs.0.22 per equity shares on March 05, 2020.
5.	Listing on Stock Exchanges	
(a)	Equity Shares	Stock Code/Symbol
	The Bombay Stock Exchange Ltd, Phiroze Jee Jeebhoy 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 2020-21 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/ Registrar to an Issue	Skyline Financial Services (P) Limited D-153 A, First Floor, Okhla Industrial Area, Phase-I, New Delhi-110020 Ph: 011-40450193-197 Fax No. 011-26812682 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 D-153 A, First Floor, Okhla Industrial Area, Phase-I, New Delhi-110020 Ph: 011-40450193-197 Fax No. 011-26812682 Email:grievances@skylinerta.com; parveen@skylinerta.com

### Market Price Data

Particulars	BSE		NSE	
	High (Rs./share)	Low (Rs./share)	High (Rs./share)	Low (Rs./share)
Months for the Financial Year 2019-2020				
April' 19	63.30	54.40	63.40	54.00
May' 19	61.60	50.00	61.80	49.85
June' 19	59.10	52.35	59.40	52.05
July' 19	54.25	40.15	54.35	40.10
August' 19	42.30	30.40	42.35	30.30
September' 19	43.00	31.95	43.50	31.85
October' 19	47.50	31.85	47.80	32.80
November' 19	49.25	42.90	49.30	42.80
December' 19	48.00	38.65	48.00	38.65
January' 20	48.50	42.05	48.65	42.00
February' 20	45.40	34.10	45.50	34.10
March' 20	36.50	21.00	37.95	21.00

### Share Price Performance Comparison with BSE Sensex



### Dematerialization of Shares

The Company has provided the facility to the shareholders for holding shares in dematerialize form with National Securities Depository Limited (NSDL) as well as Central Depository Services (India) Limited (CDSL) towards ISIN No. INE039C01032. 39,17,80,215 Equity Shares representing 98.32% of equity share capital corresponding to 39,84,63,885 equity shares are held in dematerialized form as of March 31, 2020.



## Share Transfer System

All shareholders communications regarding share certificates, change of address, dividends, etc. are addressed to Registrar and Transfer Agents. The Company obtains from a Company Secretary in practice half yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the Listing Regulations, and files a copy of the same with the Stock Exchanges. Pursuant to SEBI notification dated June 08, 2018, the transfer of shares is allowed only in dematerialized form except in case of transmission or transposition of shares. The processes for shares held in dematerialized form are dealt by the depository participants without any involvement of the Company.

## Distribution of Shareholding

<b>Nominal Value of Each Share: Rs.1</b>				
<b>Share holding Nominal Value (Rs.)</b>	<b>Number of Shareholders</b>	<b>% to total Numbers</b>	<b>Share holding Amount (Rs.)</b>	<b>% to total Amount</b>
Up To 5,000	1,05,227	97.71	4,96,40,423	12.46
5,001 To 10,000	1,337	1.24	98,73,163	2.48
10,001 To 20,000	558	0.52	79,83,417	2.00
20,001 To 30,000	170	0.16	42,62,954	1.07
30,001 To 40,000	99	0.09	34,96,829	0.88
40,001 To 50,000	63	0.06	29,42,383	0.74
50,001 To 1,00,000	101	0.09	7,51,41,50	1.88
1,00,000 and Above	139	0.13	31,27,50,566	78.48
<b>Total</b>	<b>1,07,694</b>	<b>100</b>	<b>39,84,63,885</b>	<b>100</b>

## Shareholding Pattern as on March 31, 2020

<b>Category</b>	<b>No. of Equity Shares of face Value of Rs.1 each</b>	<b>%</b>
Promoters	19,49,04,888	48.91
Mutual Funds/UTI	1,95,92,075	4.92
Alternate Investment Funds	2,85,073	0.07
Foreign Portfolio Investor	3,04,58,002	7.64
Financial Institutions/Banks	6,75,592	0.17
Insurance Company	9,98,650	0.25
Individuals	12,05,89,093	30.26
NBFC	41,000	0.01
Bodies Corporate	1,72,43,104	4.33
NRIs/Foreign Nationals/OCBs	39,80,880	1.00
Resident Indian HUF	30,01,411	0.75
Trusts	47,254	0.01
Clearing Members/House	22,39,271	0.56
IEPF	43,42,420	1.09
Others	65,172	0.02
<b>Total</b>	<b>39,84,63,885</b>	<b>100</b>

## 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.

## Credit Ratings

The Company has received the credit rating from ICRA Limited ("ICRA"). At present the Company's long term credit rating is [ICRA] AA- (pronounced ICRA double A minus) and the short-term rating at [ICRA] A1+ (pronounced ICRA A one plus) on the Working Capital Facilities and Term Loan Facility. ICRA has also re-affirmed credit rating of [ICRA] A1+ (pronounced as ICRA A one plus) of Commercial Paper (CP) of the Company. The Outlook on Long Term Rating is negative.

## Risk Management Policy

The Company has laid down a Risk Management Policy for identification, analysis and mitigation of risks. The Board of Directors of the Company has formed a risk management committee to frame, implement and monitor the risk management plan of the Company and ensuring its effectiveness. The Audit Committee has additional oversight in the area of financial risks and controls. The major risks identified are systematically addressed through mitigating actions on continuing basis. The Risk Management Policy of the Company is available at website of the Company i.e. [www.jaispring.com](http://www.jaispring.com).

## 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 is 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 is due for transfer to IEP Fund.

Financial Year	Date of Declaration Dividend	Due Date for transfer to Investor Education and Protection Fund
2012-13 (Final Dividend)	September, 20, 2013	October 21, 2020
2013-14 (Final Dividend)	September 03, 2014	October 4, 2021
2014-15 (Final Dividend)	September 29, 2015	October 30, 2022
2015-16 (Final Dividend)	August 12, 2016	September 12, 2023
2016-17 (Interim Dividend)	November 09, 2016	December 10, 2023
2016-17 (Final Dividend)	August 01, 2017	September 1, 2024
2017-18 (Interim Dividend)	November 11, 2017	December 12, 2024
2017-18 (Final Dividend)	September 29, 2018	October 30, 2025
2018-19 (Interim Dividend)	November 12, 2018	December 13, 2025
2018-19 (Final Dividend)	July 30, 2019	August 30, 2026
2019-20 (First Interim Dividend)	November 14, 2019	December 15, 2026
2019-20 (Second Interim Dividend)	March 5, 2020	April 5, 2027

During the year following dividend along with equity shares on which dividend has not been claimed for seven consecutive years have been transferred to Investor Education and Protection Fund:

Financial Year	No. of equity shares transferred
2011-12 (Final Dividend)	1,86,140

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).

Detailed list of shareholders whose shares have been transferred to IEPF has been hosted on the website of the Company at [www.jaispring.com](http://www.jaispring.com).

### (p) Other Disclosures

#### (a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large

There were no materially significant related party transactions that may have potential conflict with the interest 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

The Company had received notices from the stock exchanges i.e. BSE Limited and National Stock Exchange of India Limited towards late submission of Annual Report to the exchanges during the financial year 2019-20. The fine was imposed and same was waived off by the exchanges based upon the submission made by the company.

The Company had also received notices from stock exchanges towards non appointment of women director on Board till December 31, 2019. The Company had paid the amount of fine to the stock exchanges. The Company has also made submission to the stock exchange for waiver of the penalty and the same is pending before the exchanges. As on March 31, 2020, the Company was fully in compliant with the requirements of SEBI Listing Regulations and Companies Act, 2013.

**(c) Whistle Blower Policy (Vigil Mechanism)**

The Company has adopted a “Whistle Blower Policy” for its employees/Directors to report up to the Chairperson of the Audit Committee instances of unethical behavior, actual or suspected fraud or violation of any law and policy adopted by the Company. The policy is displayed on the website of the company at [www.jaispring.com](http://www.jaispring.com). No instances of unethical behavior or suspected fraud or violation of the policy is reported to the Committee during the year. No person has been denied access to the Audit Committee

**(d) Dividend Distribution Policy**

The Company has Dividend Distribution Policy in place which has been displayed on the Company’s website [www.jaispring.com](http://www.jaispring.com).

**(e) Material Subsidiary**

The Company has two wholly owned subsidiary companies as on March 31, 2020 namely, Jai Suspensions Limited and Jai Automotive Components Limited. Both subsidiary companies are not covered under the definition of material subsidiary as prescribed under SEBI Listing regulations.

**(f) Disclosures of the Compliance with Corporate Governance Requirements Specified in Regulations 17 to 27 and clauses (b) to (i) of Sub-Regulation (2) of Regulation 46**

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub – regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**(g) Disclosure of Related Party Transactions**

The Company has formulated a Policy on Related Party Transactions in accordance with relevant provisions of Companies Act, 2013 and SEBI Listing Regulations. The policy has been hosted on the website of the Company at [www.jaispring.com](http://www.jaispring.com). All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm’s length basis. During the year, the Company has obtained the necessary approvals as and when required to enter into related party transactions, which could be considered material in accordance of the policy of the Company on related party transaction.

**(h) Commodity Price Risk, Foreign Exchange Risk and Hedging Activities**

The Company is exposed to foreign currency risk on account of adverse currency movements in global foreign markets, as the Company is dealing in foreign currency transactions related to imports and exports in foreign currency. The Company is managing the uncertainty and volatility of foreign exchange fluctuation by hedging the risk to achieve greater predictability and stability. This mitigates the foreign exchange risk.

**(i) Details of utilization of funds raised through preferential allotment or qualified institutions placement**

The Company has not raised any funds through preferential allotment or qualified institutions placement during the year under review.

**(i) Certifications**

The following certificates are enclosed herewith with Report

- Certificate from M/s RSM & Co. Company Secretaries in practice that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.
- Compliance Certificate with respect to Code of Conduct by Board of Members and Senior Management.
- Compliance Certificate by the Chief Executive Officer and Chief Financial Officer.
- Certificate from Statutory Auditors for complying with Corporate Governance norms.

- (j) The Company has obtained the recommendations from the respective Committees wherever statutorily required for the matter concerned in terms of their terms of reference and scope.

**(k) Fees paid to Statutory Auditor**

(Rs. In Lakhs)

Particulars	Parent Company	Other Group Companies
Fee of Statutory auditor	56.09	-
Fee of affiliated firms of Statutory auditor	-	-
<b>Total</b>	<b>56.09</b>	<b>-</b>

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

There was no complaint received under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 during the year under review.

**(m) Discretionary Requirements under The Listing Regulations 2015**

All Mandatory requirements of SEBI Listing Regulations 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. The appointment of Independent Directors are in compliance with the requirements of the Companies Act, 2013 and SEBI Listing Regulations.

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

**Audit qualifications:** Company's financial statement are unqualified.

**Reporting of Internal Auditor:** The Internal Auditor of the Company directly reports to the Audit Committee.

**Registered Office**

Jai Springs Road, Industrial Area, Yamuna Nagar- 135001, Haryana.

**Plants location:**

1. Jai Springs Road, Industrial Area, Yamuna Nagar - 135001, Haryana
2. U-27-29, Industrial Area, Malanpur, District Bhind- 477116, M.P.
3. Plot no. 22-25, Sengundram Village, Maraimalainagar Industrial Complex, Singaperumal Koil Post, District Kanchipuram - 603204, 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**

2, Park Lane, Kishangarh, Vasant Kunj, New Delhi-110070.

**Compliance Officer and Contact Address:**

Mr. Praveen Lakhera  
 Company Secretary & Head Legal  
 Jamna Auto Industries Limited  
 2, Park Lane, Kishangarh, Vasant Kunj, New Delhi-110070  
 Tel.: 011-26893331  
 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 the Accounting Standards issued by the Institute of Chartered Accountants of India. 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.

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,  
The Members  
JAMNA AUTO INDUSTRIES LIMITED  
JAI SPRINGS ROAD INDUSTRIAL AREA  
YAMUNA NAGAR HARYANA 135001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **JAMNA AUTO INDUSTRIES LIMITED** having CIN: L35911HR1965PLC004485 and having registered office at Jai Springs Road Industrial Area, Yamuna Nagar, Haryana 135001 (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the **Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**.

In our opinion and to the best of our information and according to the verification (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company for the Financial Year ending on 31st

March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Ensuring the eligibility of for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company, Our responsibility is to express an opinion on these based on our verification, This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **RSM & Co.**  
Company Secretaries

**CS RAVI SHARMA**  
Partner  
FCS: 4468 | COP No.: 3666  
UDIN F004468B000412128

Date : July 03, 2020  
Place : Delhi

## Declaration on Compliance with the Code of Conduct

This is to 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: June 10, 2020**

**Pradeep Singh Jauhar**  
**Managing Director & CEO**

## COMPLIANCE CERTIFICATE

(Pursuant to the provisions of Regulation 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, 2020 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, 2020 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.

Yours Sincerely

**Place: New Delhi**  
**Date: June 10, 2020**

**Pradeep Singh Jauhar**  
**Managing Director & CEO**

**Shakti Goyal**  
**CFO**

## **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 ,as amended**

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 specified in regulations 17 to 27, clauses (b) to (i) of sub- regulation (2) of regulation 46 and para C, D and E of schedule V of the securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31,2020 as required by the Company for annual submission to the stock exchange .

### **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 condition of Corporate Governance as specified in the Listing Regulations.

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. Read and understood 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, 2020 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, 2019 to March 31, 2020:
  - (a) Board of Directors meeting;
  - (b) Audit committee;
  - (c) Nomination and remuneration committee; and
  - (d) Stakeholders Relationship Committee;
  - (e) Annual General Meeting;
  - (f) Risk Management committee
  - (g) Corporate social Responsibility (CSR) Committee
  - (h) Borrowing Investment and Administration Committee
- v. Obtained necessary declaration from the directors of the company.
- vi. Obtained and read the policy adopted by the company for related party transaction
- vii. Obtained the schedule of related party transactions during the year and balances at the year-end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved prior by the Audit committee.
- viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

8. 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.

### Basis for qualified opinion

9. As per the provisions of section 149 of Companies Act 2013, the Company needs to have at least one- Independent woman director on its board throughout the year. During the year, the independent woman director resigned from the position w.e.f. August 14, 2019 and the Company should have appointed a new Independent woman director in the next board meeting held on November 14, 2019. However, the Company could only appoint the new independent woman director on January 31, 2020, and thus were non-compliant during that period.
10. As per regulation 34 of Listing Obligations and Disclosure Requirements (Amendments) Regulations, 2018, the listed entity shall submit to the stock exchange and publish on its website, a copy of the annual report sent to the shareholders along with the notice of the annual general meeting not later than the day of commencement of dispatch to its shareholders. However, the Company filed the annual report for the year 2018-19, with the stock exchange on August 5, 2019, whereas the notice of the annual general meeting was already served on July 4, 2019.

### Qualified Opinion

11. Based on the procedures performed by us as referred in paragraph 7 above, and according to the information and explanations given to us (Except for the matters stated in

9 and 10 above) we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable as at March 31, 2020, referred to in paragraph 4 above

### Other matters and Restriction on Use

12. 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.
13. 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

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per **Vikas Mehra**

Partner

Membership Number: 94421

Place of Signature: New Delhi

Date: June 10, 2020

UDIN No: 20094421AAAACE2078



# ANNEXURE-6 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**

	Particulars	Details
1	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year 2019-20	a) Mr. R S Jauhar, Vice Chairman & Executive Director 70.24 b) Mr. P S Jauhar, Managing Director and CEO: 70.24 c) Mr. SPS Kohli, Executive Director : 12.60
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. SPS Kohli, Executive Director: NIL d) Mr. Pankaj Gupta, CFO* - 4 e) Mr. Shakti Goyal, CFO*- 6 f) Mr. Praveen Lakhera, CS & Head Legal : 18 * Represents part of the year
3	The percentage increase in the median remuneration of employees in the financial year 2019-20	6.13%
4	The number of permanent employees on the rolls of the Company	1112 Employees as on March 31, 2020
5	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year 2019-20 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 – 9.26% CTC Salary increment other than KMP- 12.18%
6	Affirmation that the remuneration is as per the remuneration policy	Affirmed

# ANNEXURE-7 TO THE DIRECTORS' REPORT

## ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR ENDED 2019-20

### 1. Brief outline of the Company's CSR Policy, including overview of projects or programmes undertaken

#### 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.

#### iii. 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.

#### iv. 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 programmes 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.

### 3. 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

### 4. Average net profit of the Company for last three financial years for the purpose of computation of CSR: Rs.168.37 Crore

**5. Prescribed CSR expenditure: Rs.3.37 crore**

**6. Details of the Expenditure on CSR during the financial year 2019-20 :**

- Total amount proposed to be spent for the financial year : Rs.3.37 Crore
- Total amount spent on CSR : Rs.3.10 Crore
- Amount unspent, if any : Rs.0.27 crore

**5. Manner in which the amount spent during the financial year is detailed below:**

1	2	3	4	5	6	7	8
SI No.	CSR project or activity identified	Sector in which the project is covered	Projects or programmes (1) Local area or other (2) Specify the state and district where projects or programmes was undertaken	Amount outlay (budget project or Programme wise (Rs. In crores)	Amount spent on the project or programme, Sub Heads; (1) Direct expenditure on projects or programmes (2) Overheads	Cumulative expenditure up to the reporting period	Amount Spent direct or through implementing agency
1	Tree Plantation Water Conservation Waste Management Sensitization activities No to plastic use	Environment Conservation & Sustainability	Yamuna Nagar, Faridabad & Gurgaon (Haryana), Gwalior (M.P.), Jamshedpur (Jharkhand), Kanchipuram & Hosur (Tamil Nadu), Kapurthala (Punjab) and NCT Delhi	Rs.0.33 crore		Rs.0.33 crore	Direct
2	Scholarships Support to educational institutions Non formal education Skill development	Promotion of Education	Yamuna Nagar, Faridabad, Kurukshetra & Gurgaon (Haryana), Gwalior (M.P.), Kapurthala & Patiala (Punjab) Jamshedpur (Jharkhand), Kanchipuram (Tamil Nadu), and NCT Delhi	Rs. 1.5 Crore		Rs. 1. 41 Crore	Direct & through implementing agencies
3	Sponsorship Equipment/Kits Sponsorship of sports events	Promotion of sports	Yamuna Nagar, Faridabad & Gurgaon (Haryana), Kapurthala (Punjab) Jamshedpur (Jharkhand) & NCT Delhi	Rs.0.34 crore		Rs.0.33 crore	Direct & through implementing agencies
4	Basic infrastructure Livelihood training Social empowerment Healthcare Art & Culture Promotion of gender equality & empowering women, facilities to senior citizens, Food distribution	Community Outreach	Yamuna Nagar, Kurukshetra, Panipat & Gurgaon (Haryana), Gwalior (M.P.), Kapurthala (Punjab) Jamshedpur (Jharkhand), Pillaipakkam, Hosur & Kanchipuram (Tamilnadu) Pune (MH) and NCT Delhi & Vrindawan (UP)	Rs.1.2 Crore		Rs.1.03 Crore	Direct & through implementing agencies
<b>TOTAL</b>				<b>Rs.3.37 Crore</b>		<b>Rs.3.10 Crore</b>	

**6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial year or any part thereof, the Company shall provide the reason for not spending the amount in the Board Report :**

Following is reported in Board Report:

During FY 2019-20, the Company has spent an amount of Rs.3.10 crore towards CSR expenditure u/s 135 of the Companies Act, 2013. However, due to spread of Covid-19 and lockdown imposed, an amount of Rs.0.27 crore remained unspent as on 31 March, 2020. This unspent amount is carried forward and as on date of this report has been spent towards CSR expenditure.

**7. Responsibility Statement:** The CSR committee confirms that the implementation and monitoring of the CSR activities of the Company are in compliance with the CSR objectives and the CSR policy of the Company.

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

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

# ANNEXURE-8 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) Devised energy Management programs and Systems to monitor and keep checks and balances in energy consumption pattern.
- (iii) Furnaces are being reinsulated to avoid heat losses.
- (iv) Taken various measures for efficient heating, ventilating and air conditioning in various offices and plants.
- (v) ETP treated water is being utilized for tree plantation and gardening.
- (vi) 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

## D. 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 is fully absorbed.
- (ii) Technology imported from Ridewell Corporation, USA for Design & Manufacturing of Air Suspension & Lift Axles is fully absorbed.
- (iii) Technology imported from Tinsley Bridge Limited, UK for extralite spring technology and special steel technology is partially absorbed.

### b) Benefits derived

- (i) Technical help from NHK and Ridewell has yielded better improvement in the quality and productivity.
- (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)

(2018-19 for extralite spring technology and special steel technology)

**Has technology been fully absorbed:** Technology imported for Tapered Leaf Springs and Air Suspension has been fully absorbed. Technology imported for extralite spring technology and special steel technology is partially absorbed.

### d) Expenditure on R&D:

(Rs. in Crore)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Recurring	3.57	3.41
Capital	2.60	12.36

### e) Foreign Exchange Earnings and Outgo:

(Rs. in Crore)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Foreign exchange used	53.99	106.24
Foreign exchange earned	7.01	13.73

# ANNEXURE-9 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:

### 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

### Details of material contracts or arrangements or transactions at Arm's 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 and holds 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 availing, rendering any service from/to LLP and providing guarantee on behalf of LLP
e)	Date of approval by the Board	May 21, 2019
f)	Amount paid as advances, if any	No

# INDEPENDENT AUDITOR'S REPORT

## To the Members of Jamna Auto Industries Limited

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

#### Opinion

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, 2020, 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 notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("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, 2020, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the

Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

#### Emphasis of Matter

We draw attention to Note 52 to the standalone Ind AS financial statements which, describes the uncertainties and impact of COVID-19 pandemic on the Company's operations and results as assessed by the management. Our opinion is not modified in respect of this matter.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
<b>Impact of Corona Virus (COVID-19) on existence of inventory with respect to observation of physical verification (as described in note 52 of the Ind AS financial statements)</b>	
The gross balance of inventories as at March 31, 2020 is INR 12,347.71. Inventories comprise Raw material, Work in progress, Finished products and Stores and spares.	As a part of our audit we have, carried out the following procedures:
The Company has performed an annual physical verification in at all its plant locations. Based on the annual physical verification performed no material discrepancies were noticed by the management.	a) Obtained an understanding of the Company's internal control environment over receipts, consumption and dispatch of inventories including maintenance of stock and financial records.

<p>However, due to restrictions caused by lockdown imposed by Central and State Governments effective March 23, 2020 resulting in restrictions on movement of people from one State to another, we have performed alternate additional procedures in respect of observation of inventories where in inventories have been physically verified by the management when restrictions were partially eased and local client personnel were able to conduct stock counts with larger lockdown still prevalent.</p> <p>We believe the additional audit procedures performed by us on account of restrictions on physical movement of our audit team across locations caused by COVID-19 in respect of physical count conducted by management during lockdown is fundamental to the understanding of the users of the financial statements and hence a Key Audit Matter.</p>	<p>b) Obtained an understanding of the process and reviewed the management controls over the physical count of inventories.</p> <p>c) Assessed the Company's methodology on performance of inventory count and frequency in respect of size and nature of inventories.</p> <p>d) Performed additional alternate procedures in accordance with of SA 501 (Revised) Audit Evidence – Specific Considerations for Selected locations/Items including.</p> <p>i. Engagement of an independent auditor (chartered accountant) to observe the stock count in respect of locations wherein the stock count was conducted by management during the lockdown. We had also issued specific instructions for stock count to the independent auditor also.</p> <p>ii. Further, where it was impracticable to travel by the Independent auditor (chartered accountant) to observe the stock count in respect of location wherein the stock count was conducted by management during lockdown, we have observed the physical verification of inventory through Video conferencing.</p> <p>e) Further, we have performed the following procedures:</p> <ul style="list-style-type: none"> <li>- Traced the samples tested to the physical stock take listing as provided by the company, and adjustments (if any) made to the inventory records of the Company.</li> <li>- Analyzed the finished goods yield ratio and rate variances of all categories of Inventories and audit the specific exceptions if any.</li> <li>- Performed cut off procedures in order to ensure the completeness of the booking of sales and purchases for the year ended.</li> <li>- Analyzed the Gross Profit margin of the plants and compared and reconciled the same with the previous year, and audit the specific exceptions if any.</li> </ul> <p>f) Rolled back the stock as on date of stock count to March 31, 2020.</p> <p>Enquired with management on their assessment of fraud including their assessment of the differences in physical quantities and the stock records misstatement (if there were any differences).</p>
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<b>Key audit matters</b>	<b>How our audit addressed the key audit matter</b>
<p><b>Recording of price differences and trade schemes and their impact on revenue recognition</b></p> <p>Revenue is measured by the Company at the fair value of consideration received/ receivable from its customers and in determining the transaction price for the sale of products, the Company considers the effects of various factors such as volume-based discounts, price differences, rebates and other promotion incentives schemes ('trade schemes') provided to the customers.</p> <p>The Company's business also requires passing on price differences and trade schemes to the customers for the sales made by the Company. The Company at the year end, has provided for such price differences and trade schemes to be passed on to the customers. The estimated price differences at the year-end is shown under note <b>19(c)</b> to the financial statements and the provision for trade schemes is appearing in the note <b>21</b> and the same consequentially impacts the revenue appearing in note <b>24</b> to the financial statements.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Assessed the Company's accounting policy for revenue recognition including the policy for recording price differences and savings as per trade schemes in terms of Ind AS 115.</li> <li>• Obtained understanding of the revenue process, and the assumptions used by the management in the process of calculation of price difference and trade schemes, including design and implementation of controls, testing of management review controls and tested the operating effectiveness of these controls.</li> <li>• Evaluated management's methodology and assumptions used in the calculations of price difference and savings as per trade schemes.</li> </ul>

We have considered this as a key audit matter on account of the significant judgement and estimate involved in calculation of price differences and trade schemes to be recorded as at the year end

- Tested completeness and arithmetical accuracy of the data used in the computation of price difference and savings as per trade schemes.
- Tested, on sample basis, credit notes issued/ payment made as per approved trade scheme/ agreed price differences passed on to the customers.
- Analyzed comparison of expenses ratio as a percentage of sales for both current year and previous year and audit the specific exception, if any.

## Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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 controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern

basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast



significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### 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 purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including 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) The matter described in Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;
- (f) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the 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;
- (h) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 35(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

UDIN: 20094421AAAACC9399

Place of Signature: New Delhi

Date: June 10, 2020

# 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

- (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 verifying them once in three years 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. 2,365.18 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, 2020 and no material discrepancies were noticed in respect of such confirmations.
- (iii) (a) 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.
- (b) The Company has granted loans that are re-payable on demand, to one wholly owned subsidiary in the register maintained under section 189 of the Companies Act, 2013. We are informed that the company has not demanded repayment of any such loan during the year, and thus, there has been no default on the part of the parties to whom the money has been lent. The payment of interest has been regular.
- (c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.
- (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) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.
- (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, goods and service tax, cess and other 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 of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dispute	Forum where dispute is pending	Amount (Rs. In Lacs)*	Amount paid under protest (Rs in Lacs)	Period to which the amount relates
Income Tax Act,1961	Alleged diversion of profit to subsidiary	Commissioner of Income Tax (Appeals)	474.79	-	A.Y. 2012-2013 and A.Y. 2013-2014
Income Tax Act,1961	Interest on alleged interest free advances	Commissioner of Income Tax (Appeals)	7.56	-	A.Y. 2012-2013 and A.Y. 2013-2014
Income Tax Act,1961	Interest on alleged interest free advances	Commissioner of Income Tax (Appeals)	3.09	-	A.Y. 2014-2015
Madhya Pradesh Sales Tax act 1958	VAT	Supreme Court, New Delhi	477.54	-	F.Y. 2006-2007
Uttar Pradesh Sales Tax act 1958	VAT/CST/ET	Additional Commissioner, Grade-2, (Appeal) Fourth, Commercial Tax, Lucknow	149.60	22.90	F.Y. 2011-2012
Finance Act 1994	Service Tax	Appeal against Hon'ble High Court Order	141.27	141.27	F.Y. 2008-2009
Madhya Pradesh Sales Tax act 1948	Entry Tax	Supreme Court, New Delhi	45.83	-	F.Y. 2006-2007
Finance Act 1994	Service Tax	Assistant Commissioner, Panchkula & Yamuna Nagar	29.77	-	F.Y. 2011-2012 and F.Y. 2012-2013
Tamil Nadu VAT Act,2006	VAT	Appellate Deputy Commissioner, Chennai (South)	22.42	-	F.Y. 2012-2013 and F.Y. 2013-2014
Finance Act 1994	Service Tax	Additional Commissioner, Gwalior	20.63	-	F.Y. 05-06 to 08-09 and F.Y 08-09 to 09-10
Madhya Pradesh Sales Tax act 1958	Entry Tax/ Sales Tax	MP Commercial Tax Applet Board, Bhopal	17.59	1.63	F.Y. 2001-2002, F.Y. 2008-2009
Customs Act, 1962	Custom Act	Director General of Foreign Trade, New Delhi	8.25	-	F.Y. 2000-2008
Finance Act 1994	Service Tax	Assistant Commissioner, Kurukshetra	7.72	-	F.Y. 2015-2016 to F.Y. 2017-2018
Madhya Pradesh Sales Tax act 1958	VAT	Additional. Commissioner Cum Appellate Authority, Commercial Tax, Gwalior	6.71	-	F.Y. 2015-2016
Finance Act 1994	Service Tax	Assistant Commissioner, Central Excise, Chennai	5.51	-	F.Y.2005-2006 and F.Y. 2006-2007
Finance Act 1994	Service Tax	Assistant Commissioner Customs & Central Excise, Gwalior	4.27	-	F.Y.2010-2011, F.Y.2011-2012 and F.Y. 2012-2013
Finance Act 1994	Service Tax	Commissioner Appeal, Delhi	3.17	-	F.Y. 2010-2011
GST Act 2017	GST	Appellate Authority	2.63	1.32	F.Y. 2019-2020
Finance Act 1994	Service Tax	Deputy Commissioner, Central Excise, Chennai	1.92	-	F.Y.2009-2010
Madhya Pradesh Sales Tax act 1958	Nikaykar	MP Commercial Tax Applet Board, Bhopal	0.65	0.12	F.Y. 1997-1998
Madhya Pradesh Sales Tax act 1958	State Sales Tax	Commissioner, Commercial Tax, Gwalior	0.25	0.07	F.Y. 1999-2000

\* Amount in lacs represents gross amount thus does not represent the amount net of paid under protest

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders. The Company does not have dues to any financial institutions, or debenture holder.
- (ix) According to the information in our opinion and according to the information and explanations given by the management, the Company has utilized the money raised by way of term loan for the purpose for which they were 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 fraud / 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  
UDIN: 20094421AAAACC9399

Place of Signature: New Delhi  
Date: June 10, 2020

# ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE 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, 2020 in conjunction with our audit of the standalone 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 with reference to these standalone 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 as specified under section 143(10) of the Companies Act, 2013, to the extent 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 with reference to these standalone 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 standalone 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 standalone 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 is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone financial statements.

## **Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements**

A company's internal financial control over financial reporting with reference to these standalone 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 standalone 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 with Reference to these Standalone Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone 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 Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2020, based on the internal control

over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

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per **Vikas Mehra**

Partner

Membership Number: 094421

UDIN: 20094421AAAACC9399

Place of Signature: New Delhi

Date: June 10, 2020

# Balance Sheet

as at March 31, 2020

(All amounts in Rupees lakhs, unless otherwise stated)

	Particulars	Note	As at March 31, 2020	As at March 31, 2019
<b>A</b>	<b>Assets</b>			
1	<b>Non-current assets</b>			
	Property, plant and equipment	3	28,283.77	33,330.09
	Right-of-use assets	35(a)	3,824.73	-
	Capital work in progress	3	12,702.93	3,948.30
	Intangible assets	4	225.72	180.64
	Investment in subsidiaries	5	3,766.99	1,877.16
	Financial assets			
	Investments	6	47.29	47.29
	Loans	7	1,651.35	1,306.35
	Other financial assets	8	535.02	568.44
	Non current tax assets	9	734.03	-
	Other non-current assets	10	2,432.32	4,402.90
	Deferred tax assets (net)	11	203.86	935.52
			54,408.01	46,596.69
2	<b>Current assets</b>			
	Inventories	12	12,347.71	19,893.16
	Contract assets	13, 24(a)	9.27	-
	Financial assets			
	Loans	7	82.84	133.20
	Trade receivables	13	7,753.76	23,175.44
	Cash and cash equivalents	14	62.37	1,896.21
	Other bank balances	14(a)	287.66	522.25
	Other financial assets	8	1,363.92	2,302.87
	Other current assets	10	1,347.98	1,409.66
			23,255.51	49,332.79
	<b>Total-assets</b>		<b>77,663.52</b>	<b>95,929.48</b>
<b>B</b>	<b>Equity and Liabilities</b>			
1	<b>Equity</b>			
	Equity share capital	15	3,983.25	3,983.19
	Other equity	16	48,192.10	47,467.07
	<b>Total equity</b>		<b>52,175.35</b>	<b>51,450.26</b>
	<b>Liabilities</b>			
2	<b>Non-current liabilities</b>			
	Financial liabilities			
	Borrowings	17	5,077.07	149.83
	Lease liabilities	35(a)	730.39	-
	Other financial liabilities	18	128.97	116.69
	Long term provisions	19	1,325.94	1,508.39
	Deferred government grant	20	1,463.49	1,190.26
			8,725.86	2,965.17
3	<b>Current liabilities</b>			
	Contract liabilities	21, 24(a)	778.54	-
	Financial liabilities			
	Borrowings	17	7,561.95	-
	Lease liabilities	35(a)	5.66	-
	Trade payables			
	- Total outstanding due of micro and small enterprises	21	28.48	85.49
	- Total outstanding due of creditors other than micro and small enterprises	21	3,606.87	33,064.44
	Other financial liabilities	22	1,676.34	1,170.63
	Deferred government grant	20	295.79	316.32
	Short term provisions	19	2,560.60	3,073.69
	Other current liabilities	23	248.08	3,803.48
	<b>Total liabilities</b>		<b>16,762.31</b>	<b>41,514.05</b>
	<b>Total-equity and liabilities</b>		<b>77,663.52</b>	<b>95,929.48</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: June 10, 2020

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

Membership No: A12507

**R.S. Jauhar**

Vice Chairman & Executive Director

DIN : 00746186

**Shakti Goyal**

Chief Financial Officer

# Statement of Profit and Loss

for the year ended March 31, 2020

(All amounts in Rupees lakhs, unless otherwise stated)

Particulars	Note	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Income</b>			
Revenue from operations	24	<b>105,882.11</b>	204,553.11
Other income	25	<b>1,985.62</b>	3,646.44
<b>Total revenue</b>		<b>107,867.73</b>	208,199.55
<b>Expenses</b>			
Cost of raw materials and components consumed	27	<b>61,707.08</b>	139,223.20
Decrease / (increase) in inventories of finished goods and work in progress and scrap	28	<b>5,208.41</b>	(5,648.44)
Employee benefit expenses	29	<b>10,776.65</b>	15,024.98
Other expenses	30	<b>18,166.34</b>	32,692.11
<b>Total expenses</b>		<b>95,858.48</b>	181,291.85
<b>Profit before finance costs, depreciation/amortisation expense and tax</b>		<b>12,009.25</b>	26,907.70
<b>Finance cost</b>			
Finance costs	31	<b>1,482.71</b>	2,318.04
Finance income	26	<b>208.82</b>	153.63
<b>Net finance cost</b>		<b>1,273.89</b>	2,164.41
Depreciation and amortisation expense	32	<b>3,879.87</b>	4,410.97
<b>Profit before tax</b>		<b>6,855.49</b>	20,332.32
<b>Tax expense</b>			
Current tax		<b>1,451.02</b>	6,588.42
Adjustment of tax relating to earlier periods		<b>(144.42)</b>	-
Deferred tax charge / (credit)		<b>756.49</b>	(234.48)
<b>Total tax expense</b>		<b>2,063.09</b>	6,353.94
<b>Profit for the year</b>		<b>4,792.40</b>	13,978.38
<b>Other comprehensive income</b>			
Other comprehensive income not be reclassified to profit or loss in subsequent periods :			
- Re-measurement gains / (losses) on defined benefit plans		<b>18.86</b>	(213.02)
- Income tax effect		<b>(4.75)</b>	74.44
<b>Other comprehensive income for the year, net of tax</b>		<b>14.11</b>	(138.58)
<b>Total comprehensive income for the year, net of tax</b>		<b>4,806.51</b>	13,839.80
<b>Earnings per equity share (par value Rs. 1 (absolute amount) per share)</b>	33		
- Basic		<b>1.20</b>	3.51
- Diluted		<b>1.20</b>	3.51
[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: June 10, 2020

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

Membership No: A12507

**R.S. Jauhar**

Vice Chairman & Executive Director

DIN : 00746186

**Shakti Goyal**

Chief Financial Officer



# Statement of Changes in Equity

for the year ended March 31, 2020

(All amounts in Rupees lakhs, unless otherwise stated)

## (a) Equity share capital :

Particulars	No. of shares*	Amount
Equity shares of Rs. 1 each issued, subscribed and paid (refer note 15)		
Balance as at April 1, 2018	<b>398,157,435</b>	3,983.11
Partial paid converted into fully paid	<b>16,500</b>	0.08
Closing balance as at March 31, 2019	<b>398,173,935</b>	3,983.19
Partial paid converted into fully paid	<b>12,650</b>	0.06
Closing balance as at March 31, 2020	<b>398,186,585</b>	3,983.25

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

## (b) Other equity

Particulars	Capital reserve (Note 16)	Amalgamation reserve (Note 16)	Capital redemption reserve (Note 16)	Securities premium account (Note 16)	General reserve (Note 16)	Retained Earnings (including other comprehensive income) (Note 16)	Total other equity
As at April 1, 2018	315.71	1,481.46	400.00	15,117.16	4,077.62	17,277.05	38,669.00
Add: Profit for the year	-	-	-	-	-	13,978.38	13,978.38
Add: Security premium for the year	-	-	-	0.25	-	-	0.25
Less: Dividend paid	-	-	-	-	-	(4,182.30)	(4,182.30)
Less: Tax on dividend	-	-	-	-	-	(859.68)	(859.68)
Less: Other comprehensive income	-	-	-	-	-	(138.58)	(138.58)
As at March 31, 2019	315.71	1,481.46	400.00	15,117.41	4,077.62	26,074.87	47,467.07
<b>Add: Profit for the year</b>	-	-	-	-	-	4,792.40	4,792.40
Add: Security premium for the year	-	-	-	0.19	-	-	0.19
Less: Dividend paid	-	-	-	-	-	(3,385.73)	(3,385.73)
Less: Tax on dividend	-	-	-	-	-	(695.95)	(695.95)
Less: Other comprehensive income	-	-	-	-	-	14.12	14.12
<b>As at March 31, 2020</b>	<b>315.71</b>	<b>1,481.46</b>	<b>400.00</b>	<b>15,117.60</b>	<b>4,077.62</b>	<b>26,799.71</b>	<b>48,192.10</b>
<b>Total other equity</b>	<b>315.71</b>	<b>1,481.46</b>	<b>400.00</b>	<b>15,117.60</b>	<b>4,077.62</b>	<b>26,799.71</b>	<b>48,192.10</b>

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: June 10, 2020

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  
Membership No: A12507

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

**Shakti Goyal**  
Chief Financial Officer

# Statement of Standalone Cash Flow

for the year ended March 31, 2020

(All amounts in Rupees lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>A. Cash flow from operating activities</b>		
Profit before income tax	6,855.49	20,332.32
<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
Depreciation and amortisation expenses	3,879.87	4,410.97
Loss / (gain) on sale of property, plant and equipment	19.43	(12.70)
Finance cost	1,482.71	2,318.04
Finance income	(68.44)	(63.59)
Finance income from interest on loan given to subsidiary	(140.38)	(90.04)
Provision no longer required written back	(1,059.43)	(353.78)
Impairment allowance for advances considered doubtful	42.05	-
Impairment allowance for trade receivables considered doubtful	15.90	51.79
Government grant and export incentive income recognised	(295.79)	(316.32)
Provision for contingencies	404.08	140.00
Unrealised foreign exchange loss (net)	149.66	-
Share in profit of limited liability partnership	(575.18)	(2,610.99)
<b>Operating profit before working capital changes</b>	<b>10,709.97</b>	<b>23,805.70</b>
<b>Changes in operating assets and liabilities:</b>		
(Decrease) / increase in trade payable and other current liabilities	(31,458.13)	18,876.40
(Decrease) / increase in provision (Non current & current)	(860.76)	260.53
Decrease / (increase) in trade receivables	15,405.78	(5,649.23)
Decrease / (increase) in inventories	7,545.45	(5,308.95)
Decrease in loans (Non current & current)	50.36	7.89
Movement in government grant	548.49	167.77
(Decrease) / Increase in financial liabilities (Non current & current)	(129.26)	164.11
Decrease in other assets & other financial assets	1,189.26	493.04
<b>Cash generated from operations</b>	<b>3,001.16</b>	<b>32,817.25</b>
Income tax paid (net of refunds)	(1,940.78)	(6,734.99)
<b>Net cash from operating activities</b>	<b>1,060.38</b>	<b>26,082.26</b>
<b>B. Cash flow from investing activities</b>		
Payment for property, plant and equipment (including initial costs for ROU)	(8,839.07)	(12,975.88)
Proceeds from sale of property, plant and equipment	46.33	16.98
Investment in fixed deposits	-	(253.27)
Investment in others	-	(0.66)
Loan given to subsidiary (Jai Suspensions Limited)	(345.00)	(373.00)
Investment in subsidiaries	(2,275.56)	-
Withdrawal from share in capital of limited liability partnership	1,000.00	1,952.62
Fixed deposits matured during the year	248.65	-
Interest received (finance income)	46.41	175.11
<b>Net cash used in investing activities</b>	<b>(10,118.24)</b>	<b>(11,458.10)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from calls in arrear of partly paid equity shares (including share premium)	0.25	0.33
Dividend paid (including dividend distribution tax) and deposit to investor education & protection fund	(4,081.69)	(5,041.98)
Payment of principal portion of lease liabilities	(266.40)	-
Proceeds from long term borrowings	5,491.08	4,700.00
Repayment of long term borrowings	-	(8,485.47)
Proceeds from / (Repayment) of short term borrowings (net)	7,561.95	(2,250.80)
Interest paid	(1,481.17)	(2,345.93)
<b>Net cash flow from / (used in) financing activities</b>	<b>7,224.02</b>	<b>(13,423.85)</b>
<b>Net (decrease) / increase in cash and cash equivalents (A+B+C)</b>	<b>(1,833.84)</b>	<b>1,200.32</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1,896.21</b>	<b>695.89</b>
<b>Cash and cash equivalents at the year end</b>	<b>62.37</b>	<b>1,896.21</b>
<b>Components of cash and cash equivalents (refer note 14) :</b>		
Cash in hand	14.39	7.73
Balances with scheduled banks		
- On current account	47.98	1,888.48

## Note:

The above cash flow statement has been prepared under the " Indirect Method" as set out in Indian Accounting Standard-7, "Statement of cash flow".

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: June 10, 2020

**Praveen Lakhera**  
Company Secretary  
Membership No: A12507

**Shakti Goyal**  
Chief Financial Officer

# Notes to the financial statements

for the year ended March 31, 2020

(All amounts in Rupees lakhs, unless otherwise stated)

## 1. Corporate information

Jamna Auto Industries Limited ("the Company") is engaged in manufacturing and selling of Tapered Leaf, 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. Its shares are listed on two recognized 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 36.

The financial statements were approved for issue in accordance with a resolution of the board of directors on June 10, 2020.

## 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.

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

This note provides a list of the significant accounting policies adopted in the preparation of these Indian Accounting Standards (Ind-AS) financial statements. These policies have been consistently applied to all the years except where newly issued accounting standard is initially adopted.

#### a) Changes in accounting policies and disclosures

##### 1. Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining

whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognize most leases on the balance sheet.

The Company adopted Ind AS 116 with modified retrospective method i.e. no change to prior period financial statements and has applied the standard to contracts or arrangements that were previously identified as leases applying Ind AS 17.

At the commencement date of a lease, the Company recognizes a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or a change in the lease term. The Company recognizes the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. The Company separately recognizes the interest expense on the lease liability as finance cost and the depreciation expense on the right-of-use asset.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date. Variable lease payments are recognized as expenses in the period in which the event or condition that triggers the payment occurs

The Company has elected to use the exemptions proposed by the standard on lease contracts for which the lease terms ends within 12 months as of the date of initial application, and lease contracts for which the underlying asset is of low value.

Refer note 35(a) for detailed impact on adoption of Ind AS 116 "Leases" on the financial statements of the Company.

#### 2. Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax

treatments. The interpretation specifically addresses the following:

1. Whether an entity considers uncertain tax treatments separately
2. The assumptions an entity makes about the examination of tax treatments by taxation authorities
3. How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
4. How an entity considers changes in facts and circumstances

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty. In determining the approach that better predicts the resolution of the uncertainty, the Company has considered, for example, (a) how it prepares its income tax filings and supports tax treatments; or (b) how the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination.

These amendments does not have any material impact on the financial statements of the Company.

#### **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 realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized 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 realization 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 recognized 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.

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

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 Input Tax Credit) 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 recognized 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 recognized 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 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 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 principal assets. The Company has used following estimated useful life to provide depreciation on its property, plant and equipment:

Particulars	Estimated Useful Life (Years)
Factory buildings	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 equipment <sup>2</sup>	3
Computers	3

- 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.
- 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 plant and machinery 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

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 lives 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 amortized on a straight-line basis over the period of five years.

An intangible asset is derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. 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 Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### Company as a lessee

The Company's lease asset classes primarily comprise of lease for Land & Building. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

**(i) Right-of-use assets**

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 'Impairment of non-financial assets'.

**(ii) Lease liabilities**

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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

**(iii) Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases

that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

“Lease liabilities” and “Right of use assets” have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

**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 and charged to Statement of Profit & Loss. 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.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of four to five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the forecast period. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate

for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the Company operates, or for the market in which the asset is used.

For assets excluding goodwill and intangible assets having indefinite life, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Impairment losses on non-financial asset, including impairment on inventories, are recognized 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 other comprehensive income.

#### **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 moving 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 labor and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on moving weighted average basis.

Scrap is valued at net realizable value.

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 from contract with customers**

The Company manufactures and sells a range of automobile suspension products. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods before transferring them to the customer.

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 at the point in time when control of the inventory is transferred to the customer, generally on delivery of the equipment. The normal credit term is 30 to 90 days upon delivery.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company allocated a portion of the transaction price to goods bases on its relative standalone prices and also considers the following:

##### **(i) Warranty obligations**

The Company generally provides for warranties for general repair of defects. These warranties are assurance-type warranties under Ind AS 115, which are accounted for under Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets), consistent with its current practice. The Company adjust the transaction price for the time value of money where the period between the transfer of the promised goods or services to the customer and payment by customer exceed one year.

## **(ii) Significant financing components**

In respect of short-term advances from its customers, using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be within normal operating cycle.

## **(iii) Schemes**

The Company operates several sales incentive programs wherein the customers are eligible for several benefits on achievement of underlying conditions as prescribed in the scheme program such as credit notes, tours, reimbursement etc. Revenue from contract with customer is presented deducting cost of all these schemes.

## **2) Service income**

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

## **3) Interest income**

For all debt instruments measured at amortized 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 amortized 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 recognized when the right to receive share of profit is established.

## **5) 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.

## **Contract balances**

### **(i) Trade receivables**

A receivable is recognized if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (x) Financial instruments – initial recognition and subsequent measurement.

### **(ii) Contract assets**

Contract assets relates to revenue accrued during the year but not billed to the customer at the period end.

### **(iii) Contract liabilities**

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

## **1) 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 plans for its employees i.e. gratuity, long service award and benevolent fund. The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out for these plans using the projected unit credit method.

Re-measurements, 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 recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements 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 recognizes 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**

Tax expense for the year comprises of current tax and deferred tax.

##### **Current income 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 item recognized outside the statement of profit and loss is recognized outside profit or loss (either in other comprehensive income or equity). Current tax items are recognized in correlation to the underlying transactions 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 recognized 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 utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized 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 realized 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 recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

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 recognized 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 recognized 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 recognized 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 favorable interest is regarded as a government grant. The loan or assistance is initially recognized 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. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

**Warranty provision**

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

**Provision for price difference**

The Company recognizes 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.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

**t) Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposit held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known

amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

**u) Dividend distribution**

The Company recognizes a liability to make the payment of dividend to owners of equity, when the distribution is authorized, and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

**v) 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.

**w) 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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized

within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

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
- Financial guarantee
- Financial instruments (including those carried at amortized cost)

**x) 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 recognized 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 marketplace (regular way trades) are recognized 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 amortized cost.

### Debt instruments at amortized cost

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

- a) Business model test: The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Cash flow characteristics test: 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 amortized cost using the effective interest rate (EIR) method. Amortized 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 recognized 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 derecognized (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 recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes 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 amortized 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 recognizes 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 amortized 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 recognized 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 recognized 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/ losses 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 recognized 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 amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized 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 amortization is included as finance costs in the statement of profit and loss. This category generally applies to borrowings. For more information refer Note 17.

#### **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 recognized 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 recognized less cumulative amortization.

#### **Derecognition**

A financial liability is derecognized 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 recognized 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 recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

# Notes to the financial statements

## for the year ended March 31, 2020

(All amounts in Rupees lakhs, unless otherwise stated)

### 3 Property, plant and equipment

Particulars	Freehold land	Leasehold land	Leasehold land improvement	Building	Plant and machinery	Furniture and fixtures	Vehicles	Office equipment	Computer hardware	Total tangible assets
<b>Gross block</b>										
<b>As at April 1, 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>34,246.29</b>
Additions	41.20	2,950.08	-	1,021.57	6,307.18	24.51	79.19	35.93	60.82	10,520.48
Disposals	-	-	-	-	3.37	0.29	-	0.37	0.25	4.28
<b>As at March 31, 2019</b>	<b>3,586.91</b>	<b>3,696.47</b>	<b>40.23</b>	<b>8,071.32</b>	<b>28,493.31</b>	<b>277.75</b>	<b>253.27</b>	<b>178.66</b>	<b>164.57</b>	<b>44,762.49</b>
Reclassified on account of adoption of Ind AS 1.16 "Leases" (refer note 35(a))	-	3,011.54	-	-	-	-	-	-	-	3,011.54
Adjustments	684.93	(684.93)	-	-	-	-	-	-	-	-
Additions	-	-	6.26	497.45	813.10	34.61	-	35.02	38.86	1,425.30
Disposals	-	-	36.03	-	216.55	4.24	32.90	7.76	6.77	304.25
<b>As at March 31, 2020</b>	<b>4,271.84</b>	<b>-</b>	<b>10.46</b>	<b>8,568.77</b>	<b>29,089.86</b>	<b>308.12</b>	<b>220.37</b>	<b>205.92</b>	<b>196.65</b>	<b>42,872.00</b>
<b>Depreciation</b>										
<b>As at April 1, 2018</b>	<b>-</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>
Charge for the year	-	17.00	4.00	379.47	3,709.93	55.52	71.40	54.57	61.04	4,352.93
<b>As at March 31, 2019</b>	<b>-</b>	<b>33.22</b>	<b>7.44</b>	<b>912.53</b>	<b>10,092.82</b>	<b>121.29</b>	<b>96.45</b>	<b>103.66</b>	<b>64.99</b>	<b>11,432.40</b>
Reclassified on account of adoption of Ind AS 1.16 "Leases" (refer note 35(a))	-	12.07	-	-	-	-	-	-	-	12.07
Adjustments	21.15	(21.15)	-	-	-	-	-	-	-	-
Charge for the year	-	-	4.65	426.28	2,731.86	61.61	55.28	58.86	70.10	3,408.64
Deductions	-	-	7.25	-	202.51	4.24	17.63	3.85	5.26	240.74
<b>As at March 31, 2020</b>	<b>21.15</b>	<b>-</b>	<b>4.84</b>	<b>1,338.81</b>	<b>12,622.17</b>	<b>178.66</b>	<b>134.10</b>	<b>158.67</b>	<b>129.83</b>	<b>14,588.23</b>
<b>Net block</b>										
<b>As at March 31, 2020</b>	<b>4,250.69</b>	<b>-</b>	<b>5.62</b>	<b>7,229.96</b>	<b>16,467.69</b>	<b>129.46</b>	<b>86.27</b>	<b>47.25</b>	<b>66.83</b>	<b>28,283.77</b>
As at March 31, 2019	3,586.91	3,663.25	32.79	7,158.79	18,400.49	156.46	156.82	75.00	99.58	33,330.09

Particulars	As at March 31, 2020	As at March 31, 2019
Capital work in progress	12,702.93	3,948.30

#### 4 Intangible Assets

Particulars	Computer software	Total Intangible assets
<b>Gross block</b>		
<b>As at April 1, 2018</b>	<b>128.43</b>	<b>128.43</b>
Additions	174.58	174.58
Disposals	0.46	0.46
<b>As at March 31, 2019</b>	<b>302.55</b>	<b>302.55</b>
Additions	111.50	111.50
Disposals	-	-
<b>As at March 31, 2020</b>	<b>414.05</b>	<b>414.05</b>
<b>Amortisation</b>		
<b>As at April 1, 2018</b>	<b>64.33</b>	<b>64.33</b>
Additions	58.04	58.04
Disposals	0.46	0.46
<b>As at March 31, 2019</b>	<b>121.91</b>	<b>121.91</b>
Additions	66.42	66.42
Disposals	-	-
<b>As at March 31, 2020</b>	<b>188.33</b>	<b>188.33</b>
<b>Net block</b>		
<b>As at March 31, 2020</b>	<b>225.72</b>	<b>225.72</b>
As at March 31, 2019	180.64	180.64

#### 5 Investment in subsidiaries

Particulars	As at March 31, 2020	As at March 31, 2019
<b>At cost</b>		
<b>Investment in Limited Liability Partnership (refer note 36)</b>		
99.99850% share in Jai Suspension Systems LLP	<b>1,391.99</b>	1,777.16
<b>Investment in wholly owned subsidiary (refer note 36)</b>		
Jai Suspension Limited (Unquoted equity shares)	<b>100.00</b>	100.00
Jai Automotive Components Limited (Unquoted equity shares)*	<b>2,275.00</b>	-
<b>Total</b>	<b>3,766.99</b>	1,877.16

\*Acquired during the year.

#### 6 Investment in others

Particulars	As at March 31, 2020	As at March 31, 2019
<b>At fair value through OCI (fully paid up)</b>		
<b>Unquoted equity shares</b>		
100 equity shares of Rs. 655 each (March 31, 2019 : 100 equity shares of Rs. 655 each) in TCP Limited *	<b>0.66</b>	0.66
466,263 equity shares of Rs. 10 each (March 31, 2019 : 466,263 equity shares of Rs. 10 each) in IND Bharath Powergencom Limited *	<b>46.63</b>	46.63
<b>Total</b>	<b>47.29</b>	47.29

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

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

Particulars	Non-current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
<b>Loans to related party</b>				
Loan to subsidiary at amortised cost	<b>1,651.35</b>	1,306.35	-	-
<b>Loans to others</b>				
Advance to employees	-	-	<b>82.84</b>	133.20
<b>Total</b>	<b>1,651.35</b>	1,306.35	<b>82.84</b>	133.20

## 8 Other financial assets

Particulars	Non-current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Security deposits at amortised cost	531.22	564.64	3.92	8.32
Non current bank balances (refer note 14(a))	3.80	3.80	-	-
Balance with sales tax, excise and custom authorities	-	-	35.89	38.43
Government grant receivable	-	-	1,151.96	1,151.96
Unbilled revenue	-	-	-	1,055.17
Derivative instruments at fair value through profit or loss	-	-	-	0.16
Interest accrued but not due	-	-	172.15	48.83
<b>Total</b>	<b>535.02</b>	<b>568.44</b>	<b>1,363.92</b>	<b>2,302.87</b>

## 9 Tax assets

Particulars	Non-current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Advance income tax (net)	734.03	-	-	-
	734.03	-	-	-

## 10 Other assets

Particulars	Non-current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
<b>Capital advances</b>				
Unsecured considered good	1,423.84	3,222.84	-	-
Unsecured considered doubtful	44.89	3.85	-	-
	1,468.73	3,226.69	-	-
Less: Provision for doubtful advances	(44.89)	(3.85)	-	-
<b>Total (A)</b>	<b>1,423.84</b>	<b>3,222.84</b>	<b>-</b>	<b>-</b>
<b>Advances recoverable in cash or in kind</b>				
Advance to suppliers	-	52.50	439.83	524.42
- considered good				
- considered doubtful	41.52	41.52	3.26	-
Prepaid expenses	16.86	16.01	205.39	212.99
Prepaid lease rent	338.59	353.16	14.63	14.63
Deferred rent	113.48	114.76	1.28	1.28
Insurance claim receivable	-	-	24.25	-
Balance with custom authority	-	-	0.41	0.41
Prepaid taxes	-	0.38	595.99	625.05
Duty paid under protest	295.67	303.53	-	-
Other recoverable in cash or kind	243.88	210.31	66.20	30.88
- considered doubtful	-	-	12.43	12.43
Advance income tax (net)	-	129.41	-	-
	1,050.00	1,221.58	1,363.67	1,422.09
Less :- Provision for doubtful advances	(41.52)	(41.52)	(15.69)	(12.43)
<b>Total (B)</b>	<b>1,008.48</b>	<b>1,180.06</b>	<b>1,347.98</b>	<b>1,409.66</b>
<b>Grand total (A+B)</b>	<b>2,432.32</b>	<b>4,402.90</b>	<b>1,347.98</b>	<b>1,409.66</b>



## 11 Deferred tax assets / (liability) (net)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Deferred tax assets</b>		
Provision for bad and doubtful debts	51.08	119.36
Provision for contingencies	55.83	125.80
Provision for price difference	390.84	886.59
Government grant deferred	-	408.20
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	552.76	995.07
<b>Total deferred tax asset</b>	<b>1,050.51</b>	2,535.02
<b>Less :- Deferred tax liability</b>		
Excess of depreciation/ amortisation on fixed assets under income tax law over depreciation/amortisation provided in accounts	(789.19)	(1,599.50)
Government grant deferred	(57.46)	-
<b>Total deferred tax liability</b>	<b>(846.65)</b>	(1,599.50)
<b>Deferred tax assets (net)</b>	<b>203.86</b>	935.52

## 12 Inventories

Particulars	As at March 31, 2020	As at March 31, 2019
Raw material (at cost) [includes goods in transit: Rs. 36.54 (March 31, 2019: Rs. 260.29)]	1,781.17	3,534.66
Components (at cost)	965.49	1,497.36
Work-in-progress (at cost)	2,032.62	2,263.26
Finished goods (at lower of cost or net realisable value) [includes goods in transit: Rs. 111.14 (March 31, 2019: Rs. 924.77)]	5,910.92	10,896.99
Stores and spares (at cost)	1,526.44	1,578.12
Scrap (at net realisable value)	131.07	122.77
<b>Total</b>	<b>12,347.71</b>	19,893.16

## 13 Trade receivables

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables	6,842.92	19,596.29
Receivables from related party (refer note 36)	910.84	3,579.15
<b>Total</b>	<b>7,753.76</b>	23,175.44
<b>There are no security against the trade receivable. The breakup is as follow:-</b>		
Unsecured, considered good	7,753.76	23,175.44
Trade receivables-credit impaired	243.99	341.58
<b>Total</b>	<b>7,997.75</b>	23,517.02
Less: Allowance for trade receivables-credit impaired	(243.99)	(341.58)
<b>Total</b>	<b>7,753.76</b>	23,175.44

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

## Contract assets

As at March 31, 2020, the Company has contract assets of Rs. 9.27 (March 31, 2019: Rs. NIL) which is net of an allowance for expected credit losses of Rs. NIL (March 31, 2019: Rs. NIL).

Particulars	As at March 31, 2020	As at March 31, 2019
Unbilled revenue	9.27	-
<b>Total Contract Assets</b>	<b>9.27</b>	<b>-</b>
Current	9.27	-
Non current	-	-

## 14 Cash and bank balances

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Cash and cash equivalents</b>		
Balance with banks		
On current account	47.98	1,888.48
Cash on hand	14.39	7.73
	<b>62.37</b>	<b>1,896.21</b>

### Changes in liabilities arising from financial activities

Particulars	April 1, 2019	Cash Flows	Reclassified on account of change in policy	Foreign Exchange	Other	March 31, 2020
Current borrowings	-	7,561.95	-	-	-	7,561.95
Current lease liabilities	-	-	-	-	5.66	5.66
Non-current borrowings (including current maturities)	150.71	5,491.08	(149.83)	147.61	-	5,639.57
Non-current lease liabilities	-	-	-	-	730.39	730.39
<b>Total liabilities arising from financial activities</b>	<b>150.71</b>	<b>13,053.03</b>	<b>(149.83)</b>	<b>147.61</b>	<b>736.05</b>	<b>13,937.57</b>

Particulars	April 1, 2018	Cash Flows	Reclassified on account of change in policy	Foreign Exchange	Other	March 31, 2019
Current borrowings	2,250.80	(2,250.80)	-	-	-	-
Current lease liabilities	-	-	-	-	-	-
Non-current borrowings (including current maturities)	3,786.35	(3,785.47)	-	-	149.83	150.71
Non-current lease liabilities	-	-	-	-	-	-
<b>Total liabilities arising from financial activities</b>	<b>6,037.15</b>	<b>(6,036.27)</b>	<b>-</b>	<b>-</b>	<b>149.83</b>	<b>150.71</b>

### 14(a) Other bank balances

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Balance with banks</b>		
On unpaid dividend account	237.39	223.33
Deposits with bank with more than 12 months #	3.80	3.80
Deposits with bank with more than 3 months and less than 12 months # #	50.27	298.92
<b>Total</b>	<b>291.46</b>	<b>526.05</b>
Amount disclosed under non current assets (refer note 8)	(3.80)	(3.80)
<b>Total</b>	<b>287.66</b>	<b>522.25</b>

# Includes fixed deposit kept as margin money Rs. 3.80 (March 31, 2019: Rs. 3.80)

# # Includes fixed deposit kept as margin money Rs. 50.27 (March 31, 2019: Rs. 298.92)

## 15 Share capital

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Authorised shares (amount per share in absolute rupees)</b>		
63,88,65,000 (March 31, 2019 : 63,88,65,000) equity shares of Rs. 1 each	<b>6,388.65</b>	6,388.65
3,50,000 (March 31, 2019: 3,50,000) 12.50% optionally convertible cumulative preference shares of Rs. 100 each	<b>350.00</b>	350.00
<b>Total</b>	<b>6,738.65</b>	6,738.65
<b>Issued, subscribed and paid up equity shares (amount per share in absolute rupees)</b>		
Subscribed and fully paid (39,81,86,585 (March 31, 2019: 39,81,73,935) equity shares of Rs. 1 each)	<b>3,981.87</b>	3,981.74
Subscribed but not fully paid (2,77,300 (March 31, 2019: 2,89,950) equity shares of Rs. 1 each, amount called up Rs. 1 each)	<b>2.77</b>	2.90
Less: Call in arrears (held by other than directors)	<b>(1.39)</b>	(1.45)
	<b>3,983.25</b>	3,983.19

### a. Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Equity shares	March 31, 2020		March 31, 2019	
	No. of shares	Amount	No. of shares	Amount
<b>Equity shares - Subscribed and fully paid up</b>				
At the beginning of the year	<b>398,173,935</b>	<b>3,981.74</b>	398,157,435	3,981.57
Add : Partial paid up converted to fully paid up	<b>12,650</b>	<b>0.13</b>	16,500	0.17
At the end of the year	<b>398,186,585</b>	<b>3,981.87</b>	398,173,935	3,981.74
<b>Equity shares - Subscribed but not fully paid up</b>				
At the beginning of the year	<b>289,950</b>	<b>2.90</b>	306,450	3.06
Less : Calls in arrear received	<b>12,650</b>	<b>0.13</b>	16,500	0.16
At the end of the year	<b>277,300</b>	<b>2.77</b>	289,950	2.90

### b. Term and rights attached to equity shares

Each shareholder is entitled to one vote per share. The Company declares and pays 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.

### c. Details of shareholders holding more than 5% shares in the Company

Particulars	March 31, 2020		March 31, 2019	
	No. of shares	% holding in the class	No. of shares	% holding in the class
<b>Equity shares of Re. 1 (absolute amount) each fully paid</b>				
MAP Auto Limited	<b>132,032,728</b>	<b>33.14%</b>	129,010,990	32.38%
Pradeep Singh Jauhar	<b>21,521,070</b>	<b>5.40%</b>	21,521,070	5.40%

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.

### d. Forfeited shares (amount originally paid up, included in capital reserve)

Equity shares	March 31, 2020		March 31, 2019	
	No. of shares	Amount	No. of shares	Amount
Equity share capital (2,81,900 equity shares (March 31, 2019: 2,81,900) of Rs. 1 (absolute amount) each, amount called up Rs. 1 (absolute amount) each.	<b>281,900</b>	<b>1.45</b>	281,900	1.45
	<b>281,900</b>	<b>1.45</b>	281,900	1.45

## 16 Other equity

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Securities premium account</b>		
Balance as per the last financial statements	15,117.41	15,117.16
Add : Premium on conversion of partially paid shares to fully paid	0.19	0.25
<b>Closing balance</b>	<b>15,117.60</b>	15,117.41
<b>Other comprehensive income</b>		
Balance as per the last financial statements	(229.57)	(90.99)
Add : Re-measurement gains / (losses) on defined benefit plans (net of tax) (refer note 34)	14.12	(138.58)
<b>Closing balance</b>	<b>(215.45)</b>	(229.57)
<b>Surplus in the Statement of profit and loss</b>		
Balance as per the last financial statements	26,304.44	17,368.04
Add: Profit for the year	4,792.40	13,978.38
Less:- Final dividend paid (related to previous year) (refer note 1 below)	(1,792.44)	(2,190.73)
Less: Tax on final equity dividend	(368.37)	(450.31)
Less:- Interim dividend paid (related to current year) (refer note 2 below)	(1,593.29)	(1,991.57)
Less:- Tax on interim dividend	(327.58)	(409.37)
<b>Net surplus in the Statement of profit and loss</b>	<b>27,015.16</b>	26,304.44
<b>Other reserves</b>		
<b>Capital reserve (refer note 3 below)</b>	<b>315.71</b>	315.71
<b>Capital redemption reserve (refer note 4 below)</b>	<b>400.00</b>	400.00
<b>Amalgamation reserve</b>	<b>1,481.46</b>	1,481.46
<b>General reserve</b>	<b>4,077.62</b>	4,077.62
<b>Total</b>	<b>6,274.79</b>	6,274.79
<b>Total reserves and surplus</b>	<b>48,192.10</b>	47,467.07

- (1) The Company has paid final dividend for the year ended March 31, 2019 in the current year for Rs. 0.45(absolute amount) for every equity share of Rs. 1 (absolute amount) (March 31, 2019 : Rs. 0.55 for the year ended March 31, 2018) (absolute amount) per equity share of Rs.1 (absolute amount) for the year, subject to the approval of shareholders.
- (2) The Company has declared an interim dividend of Rs. 0.18 and Rs. 0.22 (absolute amount) for every equity share of Rs. 1 (absolute amount) (March 31, 2019 Rs. 0.50) (absolute amount) per equity share of Rs.1 (absolute amount) for the year.
- (3) Includes Rs.247 (March 31, 2019 Rs. 247) amount forfeited against warrants and application money received in earlier years.
- (4) Represents reserve created on account of redemption of preference shares during earlier years.

## 17 Financial liabilities - Borrowings

Particulars	Non-current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
<b>Long term borrowing</b>				
<b>Secured loans</b>				
Term loans from banks				
- Indian rupee loan (refer note 1 below)	2,437.50	-	562.50	-
- Foreign currency loan (refer note 2 below)	2,639.57	-	-	-
<b>Other loans and advances</b>				
Long term finance lease obligations (refer note 3 below)	-	149.83	-	-
Vehicle loans				
- From financial institutions (refer note 4 below)	-	-	-	0.88
<b>Total Long term borrowing</b>	<b>5,077.07</b>	149.83	<b>562.50</b>	0.88
Less: Amount disclosed under the head "other current liabilities" (refer note 22)	-	-	562.50	0.88
<b>Net amount</b>	<b>5,077.07</b>	149.83	-	-
<b>Short term borrowing</b>				
<b>Secured #</b>				
Cash credit	-	-	2,161.95	-
Working capital demand loan	-	-	5,400.00	-
<b>Total current borrowing</b>	-	-	<b>7,561.95</b>	-
<b>The above include</b>				
Aggregate Secured loans	13,201.52	150.71		
Aggregate Unsecured loans	-	-		

Security terms			Repayment terms and rate of interest
<b>1</b>	<b>Indian rupee loan from HDFC Bank Rs. 3,000 (March 31, 2019: Rs. NIL)</b>		Terms of repayment:  16 equal quarterly installments of Rs. 187.50 each starting from August 2020, i.e. following the moratorium period of 15 months. The loan has been taken during the current year.  Rate of interest : 9.00%
	(a)	First pari passu charge with the other lenders on Plant and machinery of the borrower at its Malanpur, Yamunanagar, Jamshedpur and Chennai locations.	
	(b)	Second pari passu charge on stock and book debts with other workign capital banks on current assets of the Company	
	(c)	Equitable mortgage for first pari passu on Immovable fixed assets at the Malanpur, Jamshedpur, Yamuna Nagar and Chennai plants.	
<b>2</b>	<b>Foreign currency loan from HDFC Bank Rs. 2,639.57 (March 31, 2019 : Rs. NIL )</b>		Terms of repayment:  16 equal quarterly installments of Rs. 164.97 each starting from April 2021, i.e. following the moratorium period of 15 months. The loan has been taken during the current year.  Rate of interest : Euribor + 2.75%.
	(a)	First pari passu charge with the other lenders on Plant and machinery of the borrower at its Malanpur, Yamunanagar, Jamshedpur and Chennai locations.	
	(b)	Second pari passu charge on stock and book debts with other workign capital banks on current assets of the Company	
	(c)	Equitable mortgage for first pari passu on Immovable fixed assets at the Malanpur, Jamshedpur, Yamuna Nagar and Chennai plants.	

<b>3</b>	<b>Finance lease Rs. NIL (March 31, 2019: Rs. 149.83)</b>
	Finance lease obligation is secured by hypothecation of land at Indore location taken on lease. The interest rate implicit on the lease is 10% p.a. The payment is scheduled in 98 yearly installements starting from April 2019. In current year, the amount is reclassified to lease liabilities on account of adoption of Ind AS 116 "Leases" (refer note 35(a)).
<b>4</b>	<b>Vehicle loan Rs. NIL (March 31, 2019 : Rs. 0.88)</b>
	Vehicle loans existant at March 31, 2019 secured by the hypothecation of the specific vehicles. The loans were repayable in equated monthly / quarterly instalments in accordance with terms and conditions of loan agreement. The period of loan ranged from 3 to 5 years and interest rate ranges from 9.50 % to 12.50 %

### Short term borrowing

- # The Company has a cash credit account facility from HDFC Bank amounting to Rs.2,161.95 (March 31, 2019 :Rs. NIL) carrying rate of interest ranging from 8.55% to 9.45% and facility of working capital demand loan from HDFC Bank and Kotak Mahindra Bank amounting to Rs.5,400 (March 31, 2019 :Rs. NIL) repayable by May 2020 carrying rate of interest 7.30%-7.40%. The security against these facilities are as follows:
- First pari passu charge on entire current assets of the Company
  - Second pari passu charge to be shared with other lenders on all existing and future movable fixed assets of the Company situated at Malanpur, Jamshedpur, Yamuna Nagar and Chennai.
  - Second pari passu charge on all immovable fixed assets of the Company situated at Malanpur, Jamshedpur, Yamuna Nagar and Chennai to be shared with other secured working capital lenders.

### 18 Other financial liabilities

Particulars	Non-current	
	As at March 31, 2020	As at March 31, 2019
Security deposits at amortised cost	<b>128.97</b>	116.69
<b>Total</b>	<b>128.97</b>	116.69

### 19 Provisions

Particulars	Long - term		Short - term	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
<b>Provision for employees benefits</b>				
Provision for leave encashment	<b>394.12</b>	474.93	<b>147.78</b>	121.06
Provision for long service award	<b>25.55</b>	27.10	<b>11.15</b>	6.00
Provision for benevolent fund	<b>33.63</b>	40.18	<b>10.68</b>	10.43
Provision for gratuity (refer note 34)	<b>872.64</b>	966.18	<b>201.75</b>	-
Total	<b>1,325.94</b>	1,508.39	<b>371.36</b>	137.49
<b>Other provisions</b>				
Provision for warranties (refer note 19(a))	-	-	<b>92.25</b>	207.01
Provision for contingencies (refer note 19(b))	-	-	<b>544.08</b>	360.00
Provision for price differences (refer note 19(c))	-	-	<b>1,552.91</b>	2,369.19
Total	-	-	<b>2,189.24</b>	2,936.20
<b>Grand total</b>	<b>1,325.94</b>	1,508.39	<b>2,560.60</b>	3,073.69

### 19(a) 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	For the year ended March 31, 2020	For the year ended March 31, 2019
At the beginning of the year	207.01	202.58
Arising during the year	-	126.07
Utilized / written back during the year	(114.76)	(121.64)
<b>At the end of the year</b>	<b>92.25</b>	207.01
Current portion	92.25	207.01
Non-current portion	-	-

### 19(b) 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.

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
At the beginning of the year	360.00	362.60
Arising during the year*	404.08	140.00
Utilized during the year	(220.00)	(142.60)
<b>At the end of the year</b>	<b>544.08</b>	360.00
Current portion	544.08	360.00
Non-current portion	-	-

\* majorly includes provision amounting to Rs. 322.25 on account of expected loss likely to be incurred on surrender of lands.

### 19(c) Provision for price differences (also refer note 48)

The Company's business requires passing on price differences to the customers for the sales made by the Company. The Company at the year end, has provided for saving made in price differences to be passed on to the Customers.

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
At the beginning of the year	2,369.19	2,367.71
Arising during the year	115.00	1,034.06
Utilized / written back during the year	(931.28)	(1,032.58)
<b>At the end of the year</b>	<b>1,552.91</b>	2,369.19
Current portion	1,552.91	2,369.19
Non-current portion	-	-

## 20 Deferred government grant

Particulars	As at March 31, 2020	As at March 31, 2019
<b>As at April 1, 2019</b>	<b>1,506.58</b>	1,655.13
Recognised during the year	<b>548.49</b>	167.77
Released to the statement of profit and loss (refer note 25)	<b>(295.79)</b>	(316.32)
<b>As at March 31, 2020</b>	<b>1,759.28</b>	1,506.58
Current	<b>295.79</b>	316.32
Non current	<b>1,463.49</b>	1,190.26

- 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 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 has been recognised as Government grant and being released to profit & loss on the basis of export obligation fulfilled.
- At the year end, the Company has an outstanding export obligation of Rs. 19,111.60 (March 31, 2019: Rs. 8,920.32)

## 21 Financial liabilities -Trade payables

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Trade payables</b>		
- Total outstanding due to micro and small enterprises	<b>28.48</b>	85.49
- Total outstanding due of creditor other than micro and small enterprises (including acceptances Rs. NIL (March 31, 2019: Rs. 22,879.57))*	<b>3,598.98</b>	33,053.15
- Trade payables to related parties (refer note 36)	<b>7.89</b>	11.29
<b>Total</b>	<b>3,635.35</b>	33,149.93

\* The acceptances are secured under short term borrowings facility from banks. Refer note 17 for details of securities.

The company provides various trade schemes to its customers. Trade payable includes liability towards such schemes (in addition to amount already credited to the respective customers accounts) amounting to Rs. 708.63 (March 31, 2019: Rs. 260.28) (also refer note 48)

Trade payables are non-interest bearing and are normally settled on 30-90 days

Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2020 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

Particulars	As at March 31, 2020	As at March 31, 2019
i) Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year:		
Principal amount due to micro and small enterprises	<b>28.48</b>	85.49
Interest due on above	-	-
ii) The amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act.	-	-
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-



## Contract liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Advance payments from customers	778.54	-
<b>Total contract liabilities</b>	<b>778.54</b>	-
Current	778.54	-
Non-current	-	-

## 22 Other financial liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Current maturities of long-term borrowing (refer note 17)	562.50	0.88
Derivative instruments at fair value through profit or loss	-	141.54
Interest accrued but not due on borrowings	52.45	-
Investor education and protection fund, will be credited by following amounts (as and when due) - Unpaid dividends	237.39	223.33
<b>Other payables</b>		
Creditors for capital goods	824.00	804.88
<b>Total</b>	<b>1,676.34</b>	<b>1,170.63</b>

## 23 Other current liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Advance payments from customers	-	2,425.04
Statutory dues payable	248.08	1,303.43
Deferred revenue payable	-	75.01
<b>Total</b>	<b>248.08</b>	<b>3,803.48</b>

## 24 Revenue from operations

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Sale of products</b>		
Sale of finished goods (automobile suspension products) (also refer note 48)	104,022.06	200,205.28
<b>Other operating revenue</b>		
- Scrap sale	1,860.05	4,347.83
<b>Revenue from operations</b>	<b>105,882.11</b>	<b>204,553.11</b>

### 24(a) Contract balances

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Trade receivables	7,753.76	23,175.44
Contract assets	9.27	-
Contract liabilities	778.54	-

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

Contract assets relates to revenue accrued during the year but not billed to the customer at the year end.

Contract liabilities include short-term advances received from customers to deliver automobile suspension products.

## 25 Other income

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Share in profit of limited liability partnership	575.18	2,610.99
Net gain on disposal of property, plant and equipment	-	12.70
Provision no longer required written back	1,059.43	353.78
Exchange fluctuation (net)	-	56.04
Export Incentive	14.35	24.27
Government grants (refer note 20)	295.79	316.32
Miscellaneous income	40.87	272.34
<b>Total</b>	<b>1,985.62</b>	<b>3,646.44</b>

## 26 Finance income

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest income		
- From banks	25.43	16.21
- From subsidiary	179.47	90.04
- From others	3.92	47.38
<b>Total</b>	<b>208.82</b>	<b>153.63</b>

## 27 Cost of raw material and components consumed

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Inventory at the beginning of the year	5,032.02	6,148.51
Add : Purchases during the year	59,421.72	138,106.71
<b>Total</b>	<b>64,453.74</b>	<b>144,255.22</b>
Less : Inventory at the end of the year	2,746.66	5,032.02
<b>Total</b>	<b>61,707.08</b>	<b>139,223.20</b>

## 28 (Increase)/ decrease in inventory of finished goods, work in progress and scrap

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Inventories at the end of year</b>		
- Finished goods	5,910.92	10,896.99
- Work in progress	2,032.62	2,263.26
- Scrap	131.08	122.78
<b>Total</b>	<b>8,074.62</b>	<b>13,283.03</b>
<b>Inventories at the beginning of year</b>		
- Finished goods	10,896.99	4,984.14
- Work in progress	2,263.26	2,578.38
- Scrap	122.78	72.07
<b>Total</b>	<b>13,283.03</b>	<b>7,634.59</b>
<b>Decrease / (increase) in inventory of finished goods, work in progress and scrap</b>	<b>5,208.41</b>	<b>(5,648.44)</b>

## 29 Employee benefits expenses

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries, wages, bonus, commission and other benefits	9,637.84	13,724.81
Gratuity expense (refer note 34)	204.48	103.93
Contribution to provident and other funds	471.58	462.54
Staff welfare expenses	462.75	733.70
<b>Total</b>	<b>10,776.65</b>	<b>15,024.98</b>

### 30 Other expenses

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Consumption of stores and spare parts	2,648.28	5,728.45
Power and fuel	6,865.58	13,060.11
Job charges	841.67	2,429.30
Rent	394.88	969.87
Repair and maintenance		
- Buildings	160.08	241.98
- Plant and machinery	298.82	581.02
- Others	208.37	290.02
Rates and taxes	156.78	218.69
Travelling and conveyance	832.60	1,422.39
Legal and professional fees (refer note 43 for payment made to auditors)	630.64	952.78
Net loss on disposal of property, plant and equipment	19.43	-
Provision for contingencies (refer note 19(b))	404.08	140.00
Provision for doubtful advances	42.05	-
Impairment allowance for trade receivables considered doubtful	15.90	51.79
Freight, forwarding and packing charges	2,611.68	4,177.72
Sales promotion and advertisement	622.14	676.30
Selling expenses	125.96	151.12
Commission on sales	15.77	9.28
Warranty claims	(30.35)	126.07
Security charges	146.88	160.28
Contribution towards Corporate Social Responsibility (CSR) (refer note 46)	310.40	300.86
Donation	1.17	2.16
Royalty	-	195.76
Exchange fluctuation (net)	157.80	-
Directors sitting fees	10.30	5.10
Insurance	150.78	86.42
Printing stationery and communication	139.57	228.44
Bank charges	59.00	152.37
Miscellaneous expenses	326.08	333.83
<b>Total</b>	<b>18,166.34</b>	<b>32,692.11</b>

### 31 Finance costs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest to banks	1,354.57	2,314.45
Interest on lease liabilities (refer note 35(a)) (net)	128.14	-
Interest others*	-	3.59
<b>Total</b>	<b>1,482.71</b>	<b>2,318.04</b>

\* Includes interest on income tax Rs. Nil (March 31, 2019: Rs. 3.59)

## 32 Depreciation and amortisation expenses

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation on property, plant and equipment (refer note 3)	3,408.64	4,352.93
Depreciation on right-of-use assets (refer note 35(a))	404.81	-
Amortisation on intangible assets (refer note 4)	66.42	58.04
<b>Total</b>	<b>3,879.87</b>	<b>4,410.97</b>

## 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, 2020	For the year ended March 31, 2019
Profit for the year	4,792.40	13,978.38
Weighted average number of equity shares during the period in calculating basic EPS	398,325,235	398,311,132
Add: Stock options granted under ESOP but yet to be exercised	-	-
Weighted average number of equity shares during the period in calculating diluted EPS	398,325,235	398,311,132
Basic EPS (in Rs.)	1.20	3.51
Diluted EPS (in Rs.)	1.20	3.51

## 34 Gratuity and other 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 at least 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, 2020 :

Particulars	As at	
	March 31, 2020	March 31, 2019
<b>Change in benefit obligation</b>		
Opening defined benefit obligation	1,243.63	886.33
Service cost	131.35	104.71
Interest expenses	94.52	69.76
Benefits paid	(113.76)	(29.45)
Remeasurements - Actuarial (gains)/ loss	(24.27)	212.28
<b>Closing defined benefit obligation</b>	<b>1,331.47</b>	<b>1,243.63</b>

Particulars	As at	
	March 31, 2020	March 31, 2019
<b>Change in plan assets</b>		
Opening fair value of plan assets	277.45	219.24
Expected return on plan assets	21.39	17.23
Contributions by employer	1.71	1.76
Acquisition	-	53.31
Benefits paid	(38.05)	(13.35)
Remeasurements - Actuarial gains/ (loss)	(5.41)	(0.74)
<b>Closing fair value of plan assets</b>	<b>257.09</b>	<b>277.45</b>

(b) Major categories of plan assets

Particulars	As at	
	March 31, 2020	March 31, 2019
Funds managed by insurer	100%	100%

(c) Amount for the year ended on March 31, 2020 recognized in the statement of profit and loss under employee benefits expenses:

Particulars	As at	
	March 31, 2020	March 31, 2019
Service cost	131.35	104.71
Net interest on the net defined benefit liability/ (asset)	73.13	(0.78)
<b>Net gratuity cost</b>	<b>204.48</b>	<b>103.93</b>

(d) Amount for the year ended on March 31, 2020 recognized in the statement of other comprehensive income:

Particulars	As at	
	March 31, 2020	March 31, 2019
Remeasurements of the net defined benefit liability/ (assets)		
Actuarial (gains)/ losses	(24.27)	212.28
(Return)/ loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/ (assets)	5.41	0.74
<b>Total</b>	<b>(18.86)</b>	<b>213.02</b>

(e) Amounts recognised in the statement of other comprehensive income as follows:

Particulars	As at	
	March 31, 2020	March 31, 2019
Actuarial (gain)/loss on arising from change in demographic assumption	(41.26)	(34.52)
Actuarial loss/(gain) on arising from change in financial assumption	(9.49)	17.87
Actuarial loss on arising from experience adjustment	26.48	228.93
Actuarial loss on asset for the year	5.41	0.74
<b>Total</b>	<b>(18.86)</b>	<b>213.02</b>

(f) The principal assumptions used to determine benefit obligations as at March 31, 2020 are as follows:

Particulars	As at	
	March 31, 2020	March 31, 2019
Discount rate	6.72%	7.71%
Average rate of increase in compensations level	First year : 0% Thereafter : 10%	10.00%
Retirement age (years)	58	58
<b>Mortality rate inclusive of provision for disability</b>	<b>100% of IALM (2012 - 14)</b>	<b>100% of IALM (2012 - 14)</b>
<b>Employees turnover (age)</b>	<b>Withdrawal rate in (%)</b>	
Upto 30 years	26.45	20.00
From 31 to 44 years	9.68	7.00
Above 44 years	9.36	5.00

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. 208.42 (March 31, 2019: Rs. 172.92) towards gratuity during next one year.**

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

Particulars	March 31, 2020	March 31, 2019
Within the next 12 months (next annual reporting period)	208.42	172.92
Between 2 and 5 years	639.05	426.98
Between 5 and 10 years	598.72	619.38
Beyond 10 years	751.74	1,135.67
<b>Total</b>	<b>2,197.93</b>	<b>2,354.95</b>

The average duration of the defined benefit plan obligation at the end of the reporting period is 12.28 years (March 31, 2019: 12.76 years).

- (h) **Quantitative sensitivity analysis for significant assumption as at March 31, 2020 is as shown below:**

Particulars	March 31, 2020		March 31, 2020	
	Discount rate		Future salary increases	
Assumptions				
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(77.25)	87.53	59.78	(55.30)

Particulars	March 31, 2019		March 31, 2019	
	Discount rate		Future salary increases	
Assumptions				
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(52.43)	64.23	55.36	(51.13)

The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the Actuary.

Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

## 35 Commitments and contingencies

### (a) Leases

The Companies's lease asset primarily consist of leases for land and buildings for branch offices and warehouses having the various lease terms. Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Consequently, the Company recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate as on the date of transition and has measured right of use asset an amount equal to lease liability adjusted for any related prepaid and accrued lease payments previously recognised.

The following is the summary of practical expedients elected on initial application:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application (except payment for leasehold land).
- Applied the practical expedient by not reassessing whether a contract is, or contains, a lease at the date of initial application. Instead applied the standards only to contracts that were previously identified as leases under Ind AS 17.
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

Following is carrying value of right of use assets recognised on date of transition and the movements thereof during the year ended March 31, 2020

Particulars	Leasehold Land/Improvement	Lease Hold Building	Total
<b>As at April 1, 2019</b>			
Reclassified from property, plant and equipment on account of adoption of Ind AS 116 "Leases" (refer note 3)	2,999.47	-	2,999.47
<b>Total right of use on transition date</b>	<b>2,999.47</b>	<b>-</b>	<b>2,999.47</b>
Addition	2,609.68	2.13	2,611.81
Deletion	(1,381.22)	(0.53)	(1,381.75)
Depreciation	(403.20)	(1.60)	(404.80)
<b>Balance as on March 31, 2020</b>	<b>3,824.73</b>	<b>-</b>	<b>3,824.73</b>

Particulars	Leasehold Land/Improvement	Lease Hold Building	Total
<b>Gross carrying amount</b>			
<b>As at March 31, 2019</b>	-	-	-
Add: Reclassified from property, plant and equipment on account of adoption of Ind AS 116 "Leases" (refer note 3)	3,011.54	-	3,011.54
Add: Additions	2,609.68	2.13	2,611.81
Less: Disposals	(1,533.31)	(2.13)	(1,535.44)
<b>As at March 31, 2020</b>	<b>4,087.91</b>	<b>-</b>	<b>4,087.91</b>

Particulars	Leasehold Land/Improvement	Lease Hold Building	Total
<b>Accumulated Depreciation</b>			
<b>As at March 31, 2019</b>	-	-	-
Add: Reclassified from property, plant and equipment on account of adoption of Ind AS 116 "Leases" (refer note 3)	12.07	-	12.07
Add: Additions	403.20	1.60	404.80
Less: Disposals	(152.09)	(1.60)	(153.69)
<b>As at March 31, 2020</b>	<b>263.18</b>	<b>-</b>	<b>263.18</b>

<b>Net carrying amount</b>			
<b>As at March 31, 2020</b>	<b>3,824.73</b>	<b>-</b>	<b>3,824.73</b>

The following is the carrying value of lease liability on the date of transition and movement thereof during the year ended March 31, 2020:

Particulars	Total
<b>As at March 31, 2019</b>	-
Add: Reclassified from financial lease liability	149.83
Add: Additions	2,285.28
Add: Finance cost accrued during the period	179.05
Less: Payment of lease liabilities	445.45
Less: Deletions*	1,432.66
<b>As at March 31, 2020</b>	
<b>Closing</b>	736.05
<b>Current liability</b>	5.66
<b>Non-current liability</b>	730.39

The adoption of the new standard has also resulted in decrease in profit before tax and profit for the year by Rs. 87.49 lacs (Increase in depreciation expense and net finance cost by Rs. 404.80 lacs and Rs. 128.14 lacs (net of finance income on derecognition of right of use assets and respective lease liability Rs. 50.91) respectively with corresponding decrease in other expense by Rs. 445.45 lacs). The effect of this adoption is insignificant on earnings per share. Ind AS 116 has also resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments by Rs. 445.45 lacs each.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 9%

Rental expense recorded for short-term leases was Rs. 394.88 for the year ended March 31,2020. (refer note 30)

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

\*includes lease liability derecognized on account of surrender of lands taken on lease.

The following are the amounts recognised in profit or loss:

Particulars	Total
Depreciation expense of right-of-use assets	404.80
Interest expense on lease liabilities	179.05
Income on de-recognition of liability	(50.91)
<b>Total amount recognised in (profit) or loss</b>	<b>532.94</b>

**(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, 2020	March 31, 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances of Rs. 1,468.73 (31.03.2019: Rs. 3,226.69))	2,396.93	8,504.61
Other commitments	-	-
<b>Total</b>	<b>2,396.93</b>	<b>8,504.61</b>

**(c) Contingent liabilities (to the extent not provided for)**

Particulars	March 31, 2020	March 31, 2019
(i) Income tax	474.79	519.14
(ii) Claims against company not acknowledged as debts (civil cases)	76.04	21.42
(iii) Custom and excise duty / service tax / goods and service tax	63.23	136.92
(iv) Sales tax and entry tax	191.41	161.37
<b>Total</b>	<b>805.47</b>	<b>838.85</b>

**In relation to income tax matters disclosed in (i) above:**

- 1) With respect to assessment year 2012-13 & 2013-14, the assessing officer has increased the taxable income of the Company by Rs 1,396.85 contending that it has sold material to its subsidiary firm (Jai Suspension System 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, 2019: Rs. 519.14).The Company has preferred an appeal with CIT(A) and based on discussion with the legal counsel is confident of a favourable outcome.
- 2) During the year, the Company has made voluntary application to the Central Board of Direct taxes (CBDT) under Vivad se Vishwas Scheme (VsV Scheme) for settlement of cases pertaining to the assessment years 2016-17 and 2017-18. Further, impact of the same has been duly considered by the Company for all subsequent assessment years in their provision for income tax balances and accordingly the Company had made provision amounting to Rs.152.70 (net of subsequent year tax provision impact) in the books of accounts.

**In relation to (ii) above claims against company contested by the Company comprise of:**

- 1) Matter pending with Tamil Nadu Generation and Distribution Corporation Limited pertaining to financial year 2012-2014 for non payment of cross subsidy charges which were introduced subsequently with retrospective effect whereas the scheme mentioned no such charges. 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. 54.62. (March 31, 2019 : NIL)



- 2) Matter pending with the labour court pertaining to ESI with respect to the bifurcation of material and labour in an invoice and the ESI deducted on the same. The Company has done an analysis and is of the opinion that it has fair chance of favourable decision. The amount involved is Rs. 14.05 (March 31, 2019: Rs. 14.05).
- 3) Matter pending with the EPF Appellate Tribunal pertaining to PF with respect to the PF liability on BPO consultants hired. The Company has done an analysis and is of the opinion that it has fair chance of favourable decision. The amount involved is Rs. 6.71 (March 31, 2019: Rs. 6.71).

**In relation to (iii) above customs and excise duty/service tax and GST 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 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, 2019: Rs. 3.17).
- 2) Matter pending before Assistant Commissioner, Panchkula and Yamuna Nagar in respect of Cenvat credit not reversed on sale of exempted goods. The adjudicating authority remanded back the matter to original adjudicating authority to decide the matter afresh. The SCN had been vacated against which the Department had filed the appeal. The amount involved is Rs. 29.76 (March 31, 2019: NIL).
- 3) Matter pending with Assistant Commissioner in respect of Cenvat Credit availed by the Company on service tax paid on charges of canteen, outdoor catering, security and transportation services. The Company has done an analysis and is of the opinion that it has fair chance of favourable decision. The amount involved is Rs. 22.00 (March 31, 2019: Rs. NIL).
- 4) 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 ADGFT 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, 2019: Rs. 8.25).
- 5) During the year, the Company has applied under Sabka Vishwas Legacy Dispute Resolution Scheme (SVLDRS) for the resolution of the matter which was pending with CESTAT Lucknow till previous year in respect of Cenvat Credit wrongly availed as capital goods instead of input and service tax credit availed without actual documents. Pursuant to the application made, the Company has also received the discharge certificate for the same and accordingly the case have been closed in the current year. Accordingly, the amount of demand involved in this case for the current year is NIL (March 31, 2019: Rs. 5.95).
- 6) During the year, the Company has applied under Sabka Vishwas Legacy Dispute Resolution Scheme (SVLDRS) for the resolution of the matter which was pending with Commissioner (Appeal) till previous year 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. Pursuant to the application made, the Company has also received the discharge certificate for the same and accordingly the case have been closed in the current year. Accordingly, the amount of demand involved in this case for the current year is NIL (March 31, 2019: Rs. 2.62).
- 7) During the year, the Company has applied under Sabka Vishwas Legacy Dispute Resolution Scheme (SVLDRS) for the resolution of the matter which was pending with Assistant Commissioner of CGST, Bhopal till previous year in respect of reversal of service tax on outward freight, working of CAS-4 for goods transferred to Subsidiary entity for the year 2015-16. Pursuant to the application made, the Company has also received the discharge certificate for the same and accordingly the case have been closed in the current year. Also, for the year 2016-17, the Company has accepted the demand and paid off the amount in the current year. Accordingly, the amount of demand involved in these cases for the current year is NIL (March 31, 2019: Rs. 116.93).

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

- 1) Matter pending before Additional Commissioner, Grade-2, (Appeal) Fourth, Commercial Tax, Lucknow pertaining to Assessment year 2011-12 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, 2019: Rs. 149.59). The Company has made a payment of Rs. 22.89 (March 31, 2019 : Rs. 22.89) under protest in this regard.

- 2) Matter pending before Appellate Deputy Commissioner, Chennai (South) in respect of demand by sales tax department on reversal of ITC. The Company has done an analysis and is of the opinion that it has fair chance of favourable decision. The amount involved is Rs. 22.42 (March 31, 2019: NIL).
- 3) 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. 11.78 (March 31, 2019: Rs. 11.78).

**In relation to Supreme Court (SC) judgement on Provident Fund:**

The Company has made provision and paid in respect of liability towards contribution to provident fund after taking into consideration the judgment of Hon'ble Supreme Court (on PF) dated February 28, 2019. There are numerous interpretative issues relating to the Hon'ble Supreme Court (SC) judgement. As a matter of caution, the Company has made a provision on a prospective basis from the date of the SC order. In respect of past period, the Company shall make expense provision/contribution on receiving further clarity on the subject.

**(d) Other contingent liabilities**

Particulars		March 31, 2020	March 31, 2019
(i)	Guarantee given by the Company to lender of its subsidiary	13,500.00	13,500.00
(ii)	Bank guarantees	1,639.73	1,521.93
	<b>Total</b>	<b>15,139.73</b>	<b>15,021.93</b>

**36 Related party transactions**

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

**I. Subsidiaries**

Jai Suspension Systems LLP  
 Jai Suspension Limited  
 Jai Automotive Components Limited (w.e.f. December 3, 2019)

**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. S.P.S. Kohli	Executive Director
Mrs. Sonia Jauhar	Wife of Vice Chairman
Mrs. Kirandeep 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 (Also having significant influence over the Company)

## B Transactions with related parties

Nature of Transaction	Subsidiaries		Companies/Concerns controlled by KMP & their relatives		Key management personnel and their relatives		Total	
	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Transactions during the year</b>								
<b>Purchase of raw materials and components</b>								
Jai Suspension Systems LLP	102.98	526.11	-	-	-	-	102.98	526.11
MAP Auto Limited			690.39	-	-	-	690.39	-
<b>Purchase of fixed assets</b>								
Jai Suspension Systems LLP	968.90	-	-	-	-	-	968.90	-
<b>Job work charges</b>								
MAP Auto Limited	-	-	395.99	707.51	-	-	395.99	707.51
Jamna Agro Implements Private Limited	-	-	-	35.36	-	-	-	35.36
<b>Rent expense</b>								
SW Farms Private Limited	-	-	26.17	25.03	-	-	26.17	25.03
Jamna Agro Implements Private Limited	-	-	38.23	19.12	-	-	38.23	19.12
Mrs Sonia Jauhar	-	-	-	-	11.89	11.38	11.89	11.38
Mr P S Jauhar	-	-	-	-	18.44	26.45	18.44	26.45
<b>Freight forwarding and packing expenses</b>								
MAP Auto Limited	-	-	-	86.21	-	-	-	86.21
<b>Sale of finished goods</b>								
Jai Suspension Systems LLP	19,334.89	55,983.67	-	-	-	-	19,334.89	55,983.67
<b>Sale of fixed assets</b>								
Jai Suspension Systems LLP	15.35	4.78	-	-	-	-	15.35	4.78
MAP Auto Limited	-	-	-	1.53	-	-	-	1.53
<b>Share of profits of LLP</b>								
Jai Suspension Systems LLP	575.18	2,610.99	-	-	-	-	575.18	2,610.99
<b>Withdrawal of profits from LLP</b>								
Jai Suspension Systems LLP	1,000.00	2,000.00	-	-	-	-	1,000.00	2,000.00
<b>Interest income</b>								
Jai Suspensions Limited	140.38	90.04	-	-	-	-	140.38	90.04
Jai Suspension Systems LLP	39.09	47.38	-	-	-	-	39.09	47.38
<b>Expense incurred on behalf of related party</b>								
Jai Suspensions Limited	13.67	1.89	-	-	-	-	13.67	1.89
Jai Suspension Systems LLP	4.99	-	-	-	-	-	4.99	-
Jai Automotive Components Limited	22.44	-	-	-	-	-	22.44	-
<b>Remuneration</b>								
Mr. P S Jauhar	-	-	-	-	239.64	1,093.35	239.64	1,093.35
Mr. R S Jauhar	-	-	-	-	251.24	1,080.16	251.24	1,080.16
Mr. SPS Kohli	-	-	-	-	36.75	38.98	36.75	38.98
Mrs. Kirandeep Chadha	-	-	-	-	20.65	20.70	20.65	20.70
<b>Loan given</b>								
Jai Suspensions Limited	345.00	373.00	-	-	-	-	345.00	373.00
<b>Investment in subsidiaries made during the year</b>								
Jai Automotive Components Limited	2,275.00	-	-	-	-	-	2,275.00	-
<b>Guarantee and collaterals</b>								
Guarantee given by Company for borrowing of related party								
Jai Suspension Systems LLP	-	9,000.00	-	-	-	-	-	9,000.00

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
<b>Balances as at the year end</b>								
Trade payable	-	-	7.89	12.64	-	-	7.89	12.64
Trade receivable	910.84	3,579.15		-	-	-	910.84	3,579.15
Other receivable	41.11	-		-	-	-	41.11	-
Interest receivable	170.91	44.57		-	-	-	170.91	44.57
Loan receivable	1,651.35	1,306.35		-	-	-	1,651.35	1,306.35
Investments	3,766.99	1877.16		-	-	-	3,766.99	1877.16
Guarantee given by Company for borrowings of the related party	13,500.00	13,500.00		-	-	-	13,500.00	13,500.00

- The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.
- All the liabilities for post retirement benefits being 'Gratuity' are provided on actuarial basis for the Company as a whole, the amount pertaining to key management personnel are not included above.
- Transactions have been reported gross off Goods and Service Tax.
- Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash
- For the year ended March 31, 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2019 : Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

#### 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 was 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 (Subsidiary entity) for the utilisation of short term borrowing from the banks.

## 37 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 is engaged in the business of manufacturing of Automotive suspension which includes Parabolic/ Tapered leaf spring and Lift axle which constitute single reporting business segment. 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 March 31, 2020	Year ended March 31, 2019
Within India	105,076.86	202,642.06
Outside India	805.25	1,911.05
<b>Total</b>	<b>105,882.11</b>	<b>204,553.11</b>

Sales to customers generating more than 10% of total revenue aggregates to Rs.63,062.43 (March 31, 2019 Rs. 142,554.12).

Trade receivables from customers generating more than 10% of total revenue aggregates to Rs. 4,152.60 (March 31, 2019 Rs. 19,749.87).

### Trade receivable as per geographical locations

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Within India	7,651.73	23,055.76
Outside India	102.03	119.68
<b>Total</b>	<b>7,753.76</b>	<b>23,175.44</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.

## 38 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:

#### Determining the lease term of contracts with renewal and termination options – Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

### 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 34.

## 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 on 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 39 for such measurement.

## 39 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, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
<b>Financial assets</b>					
Security deposits paid	Amortised Cost	535.14	572.96	535.14	572.96
Investment	Fair Value through OCI	47.29	47.29	47.29	47.29
Loan	Amortised Cost	1,734.19	1,439.55	1,734.19	1,439.55
Government grant receivable	Amortised Cost	1,151.96	1,151.96	1,151.96	1,151.96
Contract assets (unbilled revenue)	Amortised Cost	9.27	1,055.17	9.27	1,055.17
Derivative instruments	Fair Value through Profit and Loss	-	0.16	-	0.16
Other financial assets	Amortised Cost	211.84	91.06	211.84	91.06
<b>Total</b>		<b>3,689.69</b>	<b>4,358.15</b>	<b>3,689.69</b>	<b>4,358.15</b>
<b>Financial liabilities</b>					
Borrowings (including current maturities)	Amortised Cost	5,639.57	150.71	5,639.57	150.71
Lease obligations	Amortised Cost	736.05	-	736.05	-
<b>Other financial liabilities</b>					
Security deposits received	Amortised Cost	128.97	116.69	128.97	116.69
MTM valuation of forward contracts (net)	Fair Value through Profit and Loss	-	141.54	-	141.54
<b>Total</b>		<b>6,504.59</b>	<b>408.94</b>	<b>6,504.59</b>	<b>408.94</b>

The management assessed that cash and cash equivalents, short-term borrowings, Interest accrued but not due on borrowings, 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.

#### 40 Fair value 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, 2020 :

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, 2020</b>	<b>535.14</b>	-	-	<b>535.14</b>
Security deposits paid	March 31, 2019	572.96	-	-	572.96
<b>Investments</b>	<b>March 31, 2020</b>	<b>47.29</b>	-	-	<b>47.29</b>
Investments	March 31, 2019	47.29	-	-	47.29
<b>Loan</b>	<b>March 31, 2020</b>	<b>1,734.19</b>	-	-	<b>1,734.19</b>
Loan	March 31, 2019	1,439.55	-	-	1,439.55
<b>Government grant receivable</b>	<b>March 31, 2020</b>	<b>1,151.96</b>	-	-	<b>1,151.96</b>
Government grant receivable	March 31, 2019	1,151.96	-	-	1,151.96
<b>Unbilled revenue</b>	<b>March 31, 2020</b>	<b>9.27</b>	-	-	<b>9.27</b>
Unbilled revenue	March 31, 2019	1,055.17	-	-	1,055.17
<b>Derivative instruments</b>	<b>March 31, 2020</b>	-	-	-	-
Derivative instruments	March 31, 2019	0.16	-	0.16	-
<b>Other financial assets</b>	<b>March 31, 2020</b>	<b>211.84</b>	-	-	<b>211.84</b>
Other financial assets	March 31, 2019	91.06	-	-	91.06

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

Quantitative disclosures fair value measurement hierarchy for liabilities as at March 31, 2020 :

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, 2020</b>	<b>5,639.57</b>	-	-	<b>5,639.57</b>
Borrowings (including current maturities)	March 31, 2019	150.71	-	-	150.71
<b>Lease obligations</b>	<b>March 31, 2020</b>	<b>736.05</b>	-	<b>736.05</b>	-
Lease obligations	March 31, 2019	-	-	-	-
<b>Other financial liabilities</b>					
<b>Security deposits received</b>	<b>March 31, 2020</b>	<b>128.97</b>	-	-	<b>128.97</b>
Security deposits received	March 31, 2019	116.69	-	-	116.69
<b>MTM valuation of forward contracts</b>	<b>March 31, 2020</b>	<b>-</b>	-	-	-
MTM valuation of forward contracts	March 31, 2019	141.54	-	141.54	-

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

## 41 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, 2020	March 31, 2019
Borrowings including current maturities of long term borrowing (refer note 17)	<b>5,639.57</b>	150.71
Creditors for capital goods (refer note 22)	<b>824.00</b>	804.88
<b>Net debts</b>	<b>6,463.57</b>	955.59
<b>Capital components</b>		
Share capital	<b>3,983.25</b>	3,983.19
Other equity	<b>48,192.10</b>	47,467.07
<b>Total equity</b>	<b>52,175.35</b>	51,450.26
<b>Capital and net debt</b>	<b>58,638.92</b>	52,405.85
<b>Gearing ratio (%)</b>	<b>11.02%</b>	1.82%

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, 2020 and March 31, 2019.



## 42 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's financial risk management is an integral part of how to plan and execute its business strategies. The Company is exposed to market risk, credit risk and liquidity risk.

The company's senior management oversees the management of these risks. The company's senior management is supported by a finance department that advises on financial risks and the appropriate financial risk governance framework for the Company. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Company are accountable to the Board of Directors. This process provides assurance to Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Company policies and Company risk objective. In the event of crisis caused due to external factors such as caused by recent pandemic "COVID-19", the management assesses the recoverability of its assets, maturity of its liabilities to factor it in cash flow forecast to ensure there is enough liquidity in these situations through internal and external source of funds. These forecast and assumptions are reviewed by board of directors.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized as 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 of Borrowings:

Particulars	Increase / decrease in basis points	March 31, 2020	March 31, 2019
<b>Borrowing :</b>			
Long term loan	Increase in floating interest rate by 100 basis points (1%) for borrowings	<b>32.56</b>	-
Working capital demand		<b>3.34</b>	-
Cash Credit		<b>1.11</b>	-
Long term loan	Decrease in floating interest rate by 100 basis points (1%) for borrowings	<b>(32.56)</b>	-
Working capital demand		<b>(3.34)</b>	-
Cash Credit		<b>(1.11)</b>	-

#### (ii) Foreign 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.

## Foreign currency sensitivity

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

### For the year ended March 31, 2020

Particulars	Change in currency rate (+/-)	Trade Receivables	Long Term Borrowings	Creditors for fixed assets	Trade Payables
EURO	1.00%	-	(26.40)	(2.82)	(1.27)
JPY	1.00%	-	-	-	(0.13)
USD	1.00%	0.26	-	(0.70)	(0.13)

### For the year ended March 31, 2019

Particulars	Change in currency rate (+/-)	Trade Receivables	Long Term Borrowings	Creditors for fixed assets	Trade Payables
EURO	1.00%	-	-	-	-
JPY	1.00%	-	-	-	-
USD	1.00%	-	-	-	-

Since the hedge transaction done by the Company did not have significant impact on the results of operations, sensitivity analysis was not presented in previous year.

## (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, 2020, approximately 98% (March 31, 2019: 99%) 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 13. The Company does not hold collateral as security except in case of 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, 2020 and March 31, 2019 is the carrying amounts as illustrated in Note 14.

#### (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, 2020</b>						
Borrowings	-	7,561.95	562.50	5,077.07	-	13,201.52
Trade payables	-	3,635.35	-	-	-	3,635.35
Lease obligations	-	37.08	134.12	370.58	194.27	736.05
Other financial liabilities	366.36	-	876.45	-	-	1,242.81
<b>Total</b>	<b>366.36</b>	<b>11,234.38</b>	<b>1,573.07</b>	<b>5,447.65</b>	<b>194.27</b>	<b>18,815.73</b>
<b>March 31, 2019</b>						
Borrowings (including finance lease obligation)	-	14.50	-	51.64	84.57	150.71
Trade payables	-	33,149.93	-	-	-	33,149.93
Other financial liabilities	223.33	96.05	850.37	-	116.69	1,286.44
<b>Total</b>	<b>223.33</b>	<b>33,260.48</b>	<b>850.37</b>	<b>51.64</b>	<b>201.26</b>	<b>34,587.08</b>

#### (e) Commodity price 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 products 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.

### 43 Payment to auditors (excluding taxes)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
As auditor		
- Audit fee	32.50	35.50
- Limited review fee	16.50	19.00
As other capacity		
- Other services	2.50	5.00
Reimbursement of expenses	4.59	2.65
<b>Total</b>	<b>56.09</b>	<b>62.15</b>

### 44 Share based payments

(A) Up till previous years, the Company had issued stock options to its employees in accordance with the Company's Employee Stock Option Scheme 2006 and 2008. Both the schemes were 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	314,000
ESOP Scheme-2008	01.07.2008	Not more than 5% of the paid up equity shares 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**

Particulars	For the year ended 31 March 2020		For the year ended 31 March 2019	
	No. of Shares	Weighted Average Price	No. of Shares	Weighted Average Price
Options outstanding at the beginning of the year	NIL	NIL	28,025	120.65
Options granted during the year	NIL	NIL	NIL	NIL
Options forfeited / lapsed during the year	NIL	NIL	28,025	120.65
Options exercised during the year	NIL	NIL	NIL	NIL
Options outstanding at the end of the year	NIL	NIL	NIL	NIL
Options exercisable at the end of the year	NIL	NIL	NIL	NIL

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 NIL (Previous year NIL)**

**(D) Range of exercise price and weighted average remaining contractual life of stock options outstanding**

For the year ended 31 March 2020			For the year ended 31 March 2019		
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

**(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:-**

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
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 base 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 have been 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
March 31, 2020	-	-	NA	NA	NA	NA
March 31, 2019	-	-	NA	NA	NA	NA

The Company has availed the exemption given under Ind AS 101, since all the options granted were vested before the transition date

#### 45 Deferred tax assets (net)

Particulars	March 31, 2020	March 31, 2019
Deferred tax assets	203.86	935.52
<b>Total</b>	<b>203.86</b>	<b>935.52</b>

Income tax expenses reported in the statement of profit and loss comprises:	March 31, 2020	March 31, 2019
<b>Current income tax expenses:</b>		
Income tax	1,451.02	6,588.42
Adjustment of tax relating to earlier periods	(144.42)	-
<b>Deferred tax</b>		
Relating to origination and reversal of temporary differences	756.49	(234.48)
<b>Income tax expenses reported in statement of profit and loss</b>	<b>2,063.09</b>	<b>6,353.94</b>

Statement of other comprehensive income	March 31, 2020	March 31, 2019
Net (gain) / loss on remeasurements of defined benefit plan	(18.86)	213.02
<b>Deferred tax asset on above</b>	<b>4.75</b>	<b>(74.44)</b>
	<b>(14.11)</b>	<b>138.58</b>

Reconciliation of tax expense and the accounting profit multiplied by statutory income tax rate for the year indicated are as follows:-

Statement of other comprehensive income	March 31, 2020	March 31, 2019
Accounting profit before tax	6,855.49	20,332.32
Statutory income tax rate	25.17%	34.99%
Computed tax expenses	1,725.39	7,115.09
Adjustments in respect of current income tax of previous years	85.35	24.89
Impact of adoption of new tax regime under section 115BAA on deferred tax	197.45	-
Non-deductible expenses for tax purposes :		
Income not considered for tax purpose (Income from subsidiary (Jai Suspensions Systems LLP)	(144.76)	(913.69)
Expenses/(Income) not considered for tax purpose (Permanent difference)	196.42	50.62
Others	7.99	2.59
At the effective income tax rate of 30.16% ( March 31, 2019: 30.88%)	<b>2,067.84</b>	<b>6,279.50</b>

## Deferred tax asset comprises

Deferred tax assets/ (liabilities)	Balance Sheet		During the year	
	March 31, 2020	March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019
Property, plant and equipment - Impact of difference between tax depreciation and depreciation charged to financial statements	(789.19)	(1599.50)	810.31	(81.06)
Adjustments in respect of deferred tax of previous years	-	-	(29.58)	
Impact of Government grant deferred	(57.46)	-	(57.46)	
<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	51.08	119.36	(68.28)	18.10
Provision for contingencies	55.83	125.80	(69.97)	(0.91)
Provision for price difference	390.84	886.59	(495.75)	46.40
Provision for warranty	23.22	72.34	(49.12)	1.55
Impact of Government grant deferred	0.00	408.20	(408.20)	(85.85)
Gratuity	270.40	337.62	(67.22)	104.51
Employee incentive	0.00	204.21	(204.21)	204.21
Leave encashments	136.39	208.26	(71.87)	56.30
Bonus payable	78.28	116.41	(38.13)	8.95
Other expenditure (net)	44.47	56.23	(11.76)	36.71
<b>Total</b>	<b>203.86</b>	<b>935.52</b>	<b>(761.24)</b>	<b>308.91</b>

Reconciliation of deferred tax assets (net)	March 31, 2020	March 31, 2019
Opening balance as per last balance sheet	935.52	626.61
Tax expenses recognised in statement of profit and loss	(761.24)	308.91
Tax expenses related to earlier years	29.58	-
Closing balance	203.86	935.52

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

During the year the company has paid final dividend to its shareholders for the year ended March 31, 2019 and interim dividend for the year ended March 31, 2020. This has resulted in payment of dividend distribution tax (DDT) amounting to Rs. 695.95 (March 31, 2019 : Rs. 859.68) to the taxation authorities. The Company believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity.

The Company has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961, as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognized Provision for Income Tax for the year and re-measured its deferred tax asset basis the rate prescribed in the said section. Accordingly, deferred tax asset have reduced by Rs. 197.45. The tax charge for the year have decreased by Rs. 563.62.

Effective tax rate has been calculated on profit before tax.

## 46 CSR expenditure

As per provisions of section 135 of the Companies Act, 2013, the Company has to incur at least 2% of average net profits of the preceding three financial years towards Corporate Social Responsibility ("CSR"). Accordingly, a CSR committee has been formed for carrying out CSR activities as per the Schedule VII of the Companies Act, 2013. The Company has contributed a sum of Rs. 310.40 (March 31, 2019: Rs. 300.86) towards this cause and charged the same to the Statement of Profit and Loss.

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Gross amount required to be spent by the Company during the year	336.74	265.62
(b) Amount spent during the year on other than construction of assets paid in cash	310.40	300.86

- 47** The Company has incurred expenses on its in-house research and development centre at Pune approved and recognised by the Ministry of Science & Technology.

Particulars		For the year ended March 31, 2020	For the year ended March 31, 2019
a.	Capital expenditure		
	Purchase of capital expenditure	<b>260.74</b>	1,235.63
b.	Revenue expenditure		
	Salaries, allowances and bonus	<b>179.60</b>	182.76
	Contribution to other funds	<b>5.04</b>	4.94
	Staff welfare	<b>0.77</b>	0.59
	Material consumed	<b>19.51</b>	5.11
	Rent	<b>29.63</b>	27.77
	Repair & maintenance	<b>17.55</b>	7.19
	Travelling & conveyance	<b>14.15</b>	38.41
	Power & fuel	<b>68.91</b>	38.86
	Miscellaneous	<b>21.32</b>	35.00
	Depreciation	<b>103.71</b>	27.61

- 48** Revenue is measured by the Company at the fair value of consideration received/receivable from its customers and in determining the transaction price for the sale of finished goods, the Company considers the effect of various factors such as price differences and volume based discounts, rebates and other promotion incentive schemes (“trade schemes”) provided to the customers. Adequate provisions have been made for such price differences, and trade schemes with a corresponding impact on the revenue. Accordingly, revenue for the current year is net price differences, trade schemes, rebates, discounts, etc.

#### **49 Reconciliation of liabilities arising from financing activities pursuant to Ind AS 7 - Cash flows**

The changes in the Company’s liabilities arising from financing activities can be classified as follows:

Particulars	Non-current borrowings (including current maturities)	Current borrowings	Equity share capital (including premium)	Total
<b>Net amount as at March 31, 2018</b>	3,786.35	2,250.80	19,100.27	25,137.42
Proceeds from issue of equity share capital	-	-	0.33	0.33
Proceeds from borrowings	4,700.00	-	-	4,700.00
Repayment of borrowings	(8,485.47)	(2,250.80)	-	(10,736.27)
<b>Net amount as at March 31, 2019</b>	0.88	-	19,100.60	19,101.48
Proceeds from issue of equity share capital	-	-	0.25	0.25
Proceeds from borrowings (net of restatement)	5,639.57	7,561.95	-	13,201.52
Repayment of borrowings	(0.88)	-	-	(0.88)
<b>Net amount as at March 31, 2020</b>	<b>5,639.57</b>	<b>7,561.95</b>	<b>19,100.85</b>	<b>32,302.37</b>

- 50** As per the provisions of section 149 of Companies Act 2013, the Company needs to have at least one woman Independent director on its board throughout the year. However, during the year, the woman independent director on the board, resigned from the position w.e.f. August 14, 2019 and the Company should have appointed a new Independent woman director in the next board meeting held on November 14, 2019. However, to comply with section 149 of the Companies Act, the Company has appointed another independent woman director, on January 31, 2020, in order to be compliant. The management have taken appropriate steps for condonation required in this regard and the impact of the same is not material to the financial statements.
- 51** As per regulation 34 of Listing Obligations and Disclosure Requirements (Amendments) Regulations, 2018, the listed entity shall submit to the stock exchange and publish on its website, a copy of the annual report sent to the shareholders along with the notice of the annual general meeting not later than the day of commencement of dispatch to its shareholders.

However, the Company filed the annual report for the year 2018-19, with the stock exchange on August 5, 2019, whereas the notice of the annual general meeting was already served on July 4, 2019. The management have taken appropriate steps for condonation required in this regard and the impact of the same is not material to the financial statements.

**52** World Health Organisation (WHO) declared outbreak of Coronavirus Disease (COVID-19) a global pandemic on March 11, 2020. Consequent to this, Government of India declared lockdown on March 23, 2020 and the Company temporarily suspended the operations in all the units of the Company in compliance with the lockdown instructions issued by the Central and State Governments. COVID-19 has impacted the normal business operations of the Company by way of interruption in production, supply chain disruption, unavailability of personnel, closure / lock down of production facilities etc. during the lock-down period which has been extended till May 17, 2020. However, production and supply of goods has commenced during the month of May 2020 on various dates at all the manufacturing locations of the Company after obtaining permissions from the appropriate government authorities and performing stock counts. The Company has made detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment, intangible assets, right of use assets, investments, inventory and trade receivables. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 which may be different from that estimated as at the date of approval of these financial statements. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

### **53 Standard issued but not yet effective**

There were no amendments to standards or new standards that are issued but not yet effective.

**54** Amounts appearing as zero "0" in financial are below the rounding off norm adopted by the Company.

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: June 10, 2020

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  
Membership No: A12507

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

**Shakti Goyal**  
Chief Financial Officer



# INDEPENDENT AUDITOR'S REPORT

## To the Members of Jamna Auto Industries Limited

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

#### Opinion

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 2020, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of 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 Companies Act, 2013, as amended ("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, 2020, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of

Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements

#### Emphasis of Matter

"We draw attention to note no. 53 to the consolidated Ind AS financial statements, which describes the uncertainties and impact of COVID-19 pandemic on the Group's operations and results as assessed by the management. Our opinion is not modified in respect of this matter."

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
<p><b>Impact of Corona Virus Disease (COVID-19) on existence of inventory with respect to observation of physical verification (as described in note 53 of the Ind AS financial statements)</b></p>	
<p>The gross balance of inventories of the Holding Company as at March 31, 2020 is INR 12,347.71 Lakhs. Inventories comprise Raw material, Work in progress, Finished products and Stores and spares.</p> <p>The Holding Company has performed an annual stock count of stock at all its plant locations carried out during lockdown period. Based on the annual physical verification performed, no material discrepancies were noticed by the management.</p>	<p>As a part of our audit we have, carried out the following procedures:</p> <p>Obtained an understanding of the Holding Company's internal control environment over receipts, consumption and dispatch of inventories including maintenance of stock and financial records.</p> <p>Obtained an understanding of the process and reviewed the management documentation and controls over the physical count of inventories.</p>
<p>However, due to restrictions caused by lockdown imposed by Central and State Governments effective March 21, 2020 resulting in restrictions on movement of people from one State to another, we have performed alternate additional procedures in respect of observation of inventories where in inventories have been physically verified by the management when restrictions were partially eased and local client personnel were able to conduct stock counts with larger lockdown still prevalent.</p> <p>We believe the additional audit procedures performed by us on account of restrictions on physical movement of our audit team across locations caused by COVID-19 in respect of physical count conducted by management during lockdown is fundamental to the understanding of the users of the financial statements and hence a Key Audit Matter</p>	<p>Assessed the Holding Company's methodology on performance of inventory count and frequency in respect of size and nature of inventories.</p> <p>Performed additional alternate procedures in accordance with of SA 501 (Revised) Audit Evidence – Specific Considerations for Selected locations/Items including.</p> <p>i. Engagement of an independent auditor (chartered accountant) to observe the stock count in respect of locations wherein the stock count was conducted by management during the lockdown. We had also issued specific instructions for stock count to the independent auditor also.</p> <p>ii. Further, where it was impracticable to travel by the independent auditor (chartered accountant) to observe the stock count in respect of location wherein the stock count was conducted by management during lockdown, We have observed the physical verification of inventory through video conferencing.</p> <p>a) Further, we have performed the following procedures:</p> <ul style="list-style-type: none"> <li>- Traced the samples tested to the physical stock take listing as provided by the Holding company, and adjustments (if any) made to the inventory records of the Holding Company.</li> <li>- Analyzed the finished goods yield ratio and rate variances of all categories of inventories and audit the specific exceptions if any.</li> <li>- Performed the cut off procedures in order to ensure the completeness of the booking of sales and purchases for the year ended.</li> <li>- Analyzed the Gross Profit margin of the plants and compared and reconciled the same with the previous year, and audit the specific exceptions if any.</li> </ul> <p>b) Rolled back the stock as on date of stock count to March 31, 2020.</p> <p>Enquired with management on their assessment of fraud including their assessment of the differences in physical quantities and the stock records misstatement (if there were any differences).</p>

Key audit matters	How our audit addressed the key audit matter
<p><b>Recording of price differences and trade schemes and their impact on revenue recognition</b></p> <p>Revenue is measured by the Group at the fair value of consideration received/ receivable from its customers and in determining the transaction price for the sale of products, the Group considers the effects of various factors such as volume-based discounts, price differences, rebates and other promotion incentives schemes ("trade schemes") provided to the customers.</p> <p>The Group's business also requires passing on price differences and trade schemes to the customers for the sales made by the Group. The Group at the year end, has provided for such price differences and trade schemes to be passed on to the customers. The estimated price differences at the year-end is shown under note <b>18(c)</b> to the financial statements and the provision for trade schemes is appearing in the note <b>20</b> and the same consequentially impacts the revenue appearing in note <b>24</b> to the financial statements.</p> <p>We have considered this as a key audit matter on account of the significant judgement and estimate involved in calculation of price differences and trade schemes to be recorded as at the year end</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>Assessed the Group's accounting policy for revenue recognition including the policy for recording price differences and savings as per trade schemes in terms of Ind AS 115.</li> <li>Obtained understanding of the revenue process, and the assumptions used by the management in the process of calculation of price difference and trade schemes, including design and implementation of controls, testing of management review controls and tested the operating effectiveness of these controls.</li> <li>Evaluated management's methodology and assumptions used in the calculations of price difference and savings as per trade schemes.</li> <li>Tested completeness and arithmetical accuracy of the data used in the computation of price difference and savings as per trade schemes.</li> <li>Tested, on sample basis, credit notes issued/ payment made as per approved trade scheme/ agreed price differences passed on to the customers.</li> <li>Analyzed comparison of expenses ratio as a percentage of sales for both current year and previous year and audit the specific exception, if any.</li> </ul>

### Information other than the Financial Statements and Auditor's Report thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the 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 the 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. 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; 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matter

(a) We did not audit the financial statements and other financial information, in respect of three subsidiaries, whose Ind AS financial statements include total assets of Rs 7,807.15 Lakhs as at March 31, 2020, and total revenues of Rs.23,521.71 Lakhs and net cash outflows of Rs.(30.65) Lakhs for the year ended on that date. These Ind AS 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 report(s) of such other auditors.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of 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/the other auditors whose report 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 purposes of our audit of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid 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, the 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 Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 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, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- (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, incorporated in India, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Holding Company and incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended,

in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the 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 in its consolidated Ind AS financial statements – Refer Note 35 (c) to the consolidated Ind AS financial statements;
- ii. The Group, did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2020;
- iii. There has been no delay in transferring amounts,

required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries, incorporated in India during the year ended March 31, 2020.

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

UDIN: 20094421AAAACD9572

Place of Signature: New Delhi

Date: June 10, 2020

# ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED 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, 2020, 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 companies, which are companies incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the 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 with Reference to these Consolidated Financial Statements

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 With Reference to these Consolidated Financial Statements**

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 and its subsidiary companies, which are companies 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, 2020, 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 Matter**

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 are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary. Further, one 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 control 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

UDIN: 20094421AAAACD9572

Place of Signature: New Delhi

Date: June 10, 2020



# Consolidated Balance Sheet

as at March 31, 2020

(All amounts in Rupees lakhs, unless otherwise stated)

	Particulars	Note	As at March 31, 2020	As at March 31, 2019
<b>A</b>	<b>Assets</b>			
1	<b>Non-current assets</b>			
	Property, plant and equipment	3	29,678.93	37,091.28
	Right-of-use assets	35(a)	6,963.68	-
	Capital work in progress	3	13,216.87	3,965.40
	Intangible assets	4	226.29	184.34
	Financial assets			
	Investments	5	47.29	47.29
	Other financial assets	7	574.81	692.72
	Non current tax assets	8	822.38	-
	Other non-current assets	9	2,832.53	4,730.90
	Deferred tax assets (net)	10	275.12	857.41
			54,637.90	47,569.34
2	<b>Current assets</b>			
	Inventories	11	12,998.01	22,891.96
	Contract assets	12,24(a)	9.27	-
	Financial assets			
	Loans	6	86.85	139.51
	Trade receivables	12	8,008.21	30,410.26
	Cash and cash equivalent	13	71.33	1,935.82
	Other bank balances	13(a)	289.82	524.51
	Other financial assets	7	1,198.17	1,567.38
	Other current assets	9	1,710.89	1,739.32
			24,372.55	59,208.76
	<b>Total-assets</b>		<b>79,010.45</b>	<b>106,778.10</b>
<b>B</b>	<b>Equity and Liabilities</b>			
1	<b>Equity</b>			
	Equity share capital	14	3,983.25	3,983.19
	Other equity	15	47,687.27	46,971.75
	Equity attributable to equity holders of the Parent		51,670.52	50,954.94
	Non-controlling interest	15	0.13	0.13
	<b>Total equity</b>		<b>51,670.65</b>	<b>50,955.07</b>
2	<b>Non-current liabilities</b>			
	Financial liabilities			
	Borrowings	16	5,077.07	359.59
	Lease liabilities	35(a)	974.31	-
	Other financial liabilities	17	128.97	116.69
	Long term provisions	18	1,386.11	1,578.06
	Deferred government grant	19	1,463.49	1,190.26
	Deferred tax liabilities (net)	10	-	34.60
			9,029.95	3,279.20
3	<b>Current liabilities</b>			
	Contract liabilities	20, 24(a)	780.54	-
	Financial liabilities			
	Borrowings	16	8,607.19	-
	Lease liabilities	35(a)	5.75	-
	Trade payables			
	- Total outstanding due of micro and small enterprises	20	39.97	85.49
	- Total outstanding due of creditors other than micro and small enterprises	20	3,746.14	43,567.80
	Other financial liabilities	21	1,727.18	1,224.66
	Deferred government grant	19	295.79	316.32
	Liabilities for current tax (net)	22	148.57	-
	Short term provisions	18	2,616.38	3,139.61
	Other current liabilities	23	342.34	4,209.95
			18,309.85	52,543.83
	<b>Total-equity and liabilities</b>		<b>79,010.45</b>	<b>106,778.10</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: June 10, 2020

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

Membership No: A12507

**R.S. Jauhar**

Vice Chairman & Executive Director

DIN : 00746186

**Shakti Goyal**

Chief Financial Officer

# Statement of Consolidated Profit and Loss

for the year ended March 31, 2020

(All amounts in Rupees lakhs, unless otherwise stated)

Particulars	Note	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Income</b>			
Revenue from operations	24	<b>112,895.15</b>	213,481.23
Other income	25	<b>1,614.03</b>	1,072.66
<b>Total revenue</b>		<b>114,509.18</b>	214,553.89
<b>Expenses</b>			
Cost of raw materials and components consumed	27	<b>64,263.18</b>	142,999.89
(Increase) / decrease in inventories of finished goods, work in progress and scrap	28	<b>6,962.13</b>	(7,068.69)
Employee benefit expenses	29	<b>11,294.19</b>	15,803.45
Other expenses	30	<b>18,962.79</b>	34,077.04
<b>Total expenses</b>		<b>101,482.29</b>	185,811.69
<b>Profit before finance costs, depreciation/amortisation expense and tax</b>		<b>13,026.89</b>	28,742.20
<b>Finance cost</b>			
Finance costs	31	<b>1,758.24</b>	2,571.69
Finance income	26	<b>32.49</b>	24.75
<b>Net finance cost</b>		<b>1,725.75</b>	2,546.94
Depreciation and amortisation expense	32	<b>4,137.02</b>	4,645.48
<b>Profit before tax</b>		<b>7,164.12</b>	21,549.78
<b>Tax expense</b>			
Current tax		<b>1,945.34</b>	7,913.90
Adjustment of tax relating to earlier periods		<b>(144.42)</b>	-
Deferred tax charge / (credit)		<b>575.23</b>	(109.25)
<b>Total tax expense</b>		<b>2,376.15</b>	7,804.65
<b>Profit for the year</b>		<b>4,787.97</b>	13,745.13
<b>Less: Share of minority in profits</b>		<b>0.01</b>	0.04
<b>Profit for the year</b>		<b>4,787.96</b>	13,745.09
<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>10.89</b>	(211.00)
- Income tax effect		<b>(1.84)</b>	73.73
<b>Other comprehensive income for the year, net of tax</b>		<b>9.05</b>	(137.27)
<b>Total comprehensive income for the year, net of tax</b>		<b>4,797.02</b>	13,607.86
Total comprehensive income for the year attributable to:			
Equity holders of the parent		<b>4,797.01</b>	13,607.82
Non-controlling interests		<b>0.01</b>	0.04
Earnings per equity share (par value Rs. 1 (absolute amount) per share)			
- Basic	33	<b>1.20</b>	3.45
- Diluted		<b>1.20</b>	3.45
[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: June 10, 2020

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  
Membership No: A12507

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

**Shakti Goyal**  
Chief Financial Officer

# Statement of Changes in Equity

for the year ended March 31, 2020

(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 14)</b>		
Balance as at April 1, 2018	<b>398,157,435</b>	3,983.11
Partial paid converted into fully paid	<b>16,500</b>	0.08
<b>Closing balance as at March 31, 2019</b>	<b>398,173,935</b>	3,983.19
Partial paid converted into fully paid	<b>12,650</b>	0.06
<b>Closing balance as at March 31, 2020</b>	<b>398,186,585</b>	3,983.25

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

## (b) Other equity (refer note 15)

Particulars	Capital reserve (Note 15)	Amalgamation reserve (Note 15)	Capital redemption reserve (Note 15)	Securities premium account (Note 15)	General reserve (Note 15)	Retained Earnings (including other comprehensive income) (Note 15)	Total	Non-controlling interest (Note 15)	Total equity
As at April 1, 2018	315.71	1,481.46	400.00	15,117.16	4,077.62	17,013.66	38,405.61	0.08	38,405.69
Add: Profit for the year	-	-	-	-	-	13,745.13	13,745.13	-	13,745.13
Add: Security premium for the year	-	-	-	0.25	-	-	0.25	-	0.25
Less: Dividend paid	-	-	-	-	-	(4,182.30)	(4,182.30)	-	(4,182.30)
Less: Tax on dividend	-	-	-	-	-	(859.66)	(859.66)	-	(859.66)
Less: Non controlling interest for the year	-	-	-	-	-	-	-	0.05	0.05
Less: Other comprehensive income	-	-	-	-	-	(137.27)	(137.27)	-	(137.27)
As at March 31, 2019	315.71	1,481.46	400.00	15,117.41	4,077.62	25,579.55	46,971.75	0.13	46,971.88
Add: Profit for the year	-	-	-	-	-	4,787.97	4,787.97	-	4,787.97
Add: Security premium for the year	-	-	-	0.19	-	-	0.19	-	0.19
Less: Dividend paid	-	-	-	-	-	(3,385.74)	(3,385.74)	-	(3,385.74)
Less: Tax on dividend	-	-	-	-	-	(695.95)	(695.95)	-	(695.95)
Less: Shares allotted during the year	-	-	-	-	-	-	-	-	-
Less: Non controlling interest for the year	-	-	-	-	-	-	-	0.00	0.00
Less: Other comprehensive income	-	-	-	-	-	9.05	9.05	-	9.05
<b>As at March 31, 2020</b>	<b>315.71</b>	<b>1,481.46</b>	<b>400.00</b>	<b>15,117.60</b>	<b>4,077.62</b>	<b>26,294.88</b>	<b>47,687.27</b>	<b>0.13</b>	<b>47,687.40</b>
<b>Total other equity</b>	<b>315.71</b>	<b>1,481.46</b>	<b>400.00</b>	<b>15,117.60</b>	<b>4,077.62</b>	<b>26,294.88</b>	<b>47,687.27</b>	<b>0.13</b>	<b>47,687.40</b>

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: June 10, 2020

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  
Membership No: A12507

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

**Shakti Goyal**  
Chief Financial Officer

# Statement of Consolidated Cash Flow

for the year ended March 31, 2020

(All amounts in Rupees lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>A. Cash flow from operating activities</b>		
Profit before tax	7,164.12	21,549.78
<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
Depreciation and amortisation expenses	4,137.02	4,645.48
Gain / (loss) on sale of property, plant and equipment	109.03	(12.70)
Finance cost	1,758.24	2,571.69
Finance income	(32.49)	(24.75)
Excess provision no longer required written back	(1,105.40)	(353.78)
Impairment allowance for trade receivables and advances considered doubtful	65.46	49.69
Bad debts written off	3.59	-
Government grant recognised	(295.79)	(316.32)
Provision for contingencies	404.08	140.00
Unrealised foreign exchange loss (net)	149.66	-
<b>Operating profit before working capital changes</b>	<b>12,357.52</b>	<b>28,249.09</b>
<b>Changes in operating assets and liabilities:</b>		
(Decrease) / increase in other financial liabilities	(129.26)	164.11
(Decrease) / increase in trade payable and other current liabilities	(42,074.97)	24,668.39
Decrease in provision (Non current & current)	(888.37)	(21.14)
Decrease / (Increase) in trade receivables	22,382.73	(11,337.61)
Decrease / (Increase) in inventories	9,893.95	(7,044.70)
Decrease in loans	52.66	8.62
Movement in government grant	548.49	167.77
Decrease in other assets & other financial assets	527.86	1,191.05
<b>Cash generated from operations</b>	<b>2,670.61</b>	<b>36,045.58</b>
Direct taxes paid (net)	(2,260.20)	(7,910.76)
<b>Net cash flow from operating activities</b>	<b>410.41</b>	<b>28,134.82</b>
<b>B. Cash flow from investing activities</b>		
Payment for property, plant and equipment (including initial costs for ROU)	(11,464.09)	(13,076.58)
Proceeds from sale of property, plant and equipment	945.92	18.68
Investment in fixed deposits	-	(250.00)
Investment in others	-	(0.66)
Fixed deposits matured during the year	248.41	256.87
Interest received (finance income)	35.41	32.89
<b>Net cash used in investing activities</b>	<b>(10,234.35)</b>	<b>(13,018.80)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from calls in arrear of partly paid equity shares (including share premium)	0.25	0.34
Dividend paid (including dividend distribution tax) and deposit to investor education & protection fund	(4,081.58)	(5,041.98)
Payment of principal portion of lease liabilities	(304.76)	-
Proceeds from long term borrowings	5,489.92	4,700.00
Repayment of long term borrowings	-	(8,697.24)
Proceeds from / repayment of short term borrowings (net)	8,607.19	(2,261.01)
Interest paid	(1,751.58)	(2,599.74)
<b>Net cash flow / (used in) financing activities</b>	<b>7,959.44</b>	<b>(13,899.63)</b>
<b>Net (decrease) / increase in cash and cash equivalents (A+B+C)</b>	<b>(1,864.49)</b>	<b>1,216.39</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1,935.82</b>	<b>719.43</b>
<b>Cash and cash equivalents at the year end</b>	<b>71.33</b>	<b>1,935.82</b>
<b>Components of cash and cash equivalents (refer note 13) :</b>		
Cash in hand	14.87	9.37
Balances with scheduled banks		
- On current account	56.46	1,926.45
	<b>71.33</b>	<b>1,935.82</b>

## Note:

The above cash flow statement has been prepared under the " Indirect Method" as set out in Indian Accounting Standard-7 , "Statement of cash flow".

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: June 10, 2020

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  
Membership No: A12507

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

**Shakti Goyal**  
Chief Financial Officer

# Notes to the financial statements

for the year ended March 31, 2020

(All amounts 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, Jai Suspension Systems LLP, Jai Suspensions Limited and Jai Automotive Components Limited (collectively, referred as the Group) for the year ended March 31, 2020. The Group is engaged in manufacturing and selling of Tapered Leaf, Parabolic Springs and Lift Axles. The Group has its manufacturing facilities at Malanpur, Chennai, Yamuna Nagar, Jamshedpur, Hosur, Pillaipakkam, Pune, Rudrapur and Lucknow.

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

Information on the Group's structure is provided in Note 45. Information on other related party relationships of the Group is provided in Note 36.

The consolidated financial statements were approved for issue in accordance with a resolution of the board of directors on June 10, 2020.

## 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.

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 of the financial statements of the Company and its subsidiaries as at March 31, 2020. 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 all the 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 March 31, 2020.

#### 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 recognized 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

This note provides a list of the significant accounting policies adopted in the preparation of these Indian Accounting Standards (Ind-AS) consolidated financial statements. These policies have been consistently applied to all the years except where newly issued accounting standard is initially adopted.

### a) Changes in accounting policies and disclosures

#### 1. Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognize most leases on the balance sheet.

The Group adopted Ind AS 116 with modified retrospective method i.e. no change to prior period financial statements and has applied the standard to contracts or arrangements that were previously identified as leases applying Ind AS 17.

At the commencement date of a lease, the Group recognizes a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or a change in the lease term. The Group recognizes the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. The Group separately recognizes the interest expense on the lease liability as finance cost and the depreciation expense on the right-of-use asset.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date. Variable lease payments are recognized as expenses in the period in which the event or condition that triggers the payment occurs.

The Group has elected to use the exemptions proposed by the standard on lease contracts for which the lease terms ends within 12 months as of the date of initial application, and lease contracts for which the underlying asset is of low value.

Refer note 35(a) for detailed impact on adoption of Ind AS 116 “Leases” on the financial statements of the Group.

#### 2. Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses the following:

1. Whether an entity considers uncertain tax treatments separately
2. The assumptions an entity makes about the examination of tax treatments by taxation authorities
3. How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
4. How an entity considers changes in facts and circumstances

The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty. In determining the approach that better predicts the resolution of the uncertainty, the Group has considered, for example, (a) how it prepares its income tax filings and supports tax treatments; or (b) how the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination.

These amendments does not have any material on the financial statements of the Group.

#### 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 realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized 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 realization 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 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 recognized 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.

### d) Property, plant and equipment (PPE)

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 Input Tax Credit) 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 recognized 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 recognized 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 (Years)
Factory buildings	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 equipment <sup>2</sup>	3
Computers	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 plant and machinery 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

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 lives 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 amortized on a straight-line basis over the period of five years.

An intangible asset is derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. 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 Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### Group as a lessee

The Group's lease asset classes primarily comprise of lease for Land & Building. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

##### (i) Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 'Impairment of non-financial assets'.

##### (ii) Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable.



After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

### **(iii) Short-term leases and leases of low-value assets**

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

“Lease Liabilities” and “Right of Use Assets” have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### **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 and charged to Statement of Profit & Loss. 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.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of four to five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the forecast period. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the Group operates, or for the market in which the asset is used.

For assets excluding goodwill and intangible assets having indefinite life, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Impairment losses on non-financial asset, including impairment on inventories, are recognized 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 other comprehensive income.

## **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 moving 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 labor and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on moving weighted average basis.

Scrap is valued at net realizable value.

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 from contract with customers**

The Group manufactures and sells a range of automobile suspension products. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods before transferring them to the customer.

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 at the point in time when control of the inventory is transferred to the customer, generally on delivery of the equipment. The normal credit term is 30 to 90 days upon delivery.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Group allocated a portion of the transaction price to goods based on its relative standalone prices and also considers the following:

#### **(i) Warranty obligations**

The Group generally provides for warranties for general repair of defects. These warranties are assurance-type warranties under Ind AS

115, which are accounted for under Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets), consistent with its current practice. The Group adjust the transaction price for the time value of money where the period between the transfer of the promised goods or services to the customer and payment by customer exceed one year.

#### **(ii) Significant financing components**

In respect of short-term advances from its customers, using the practical expedient in Ind AS 115, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be within normal operating cycle.

#### **(iii) Schemes**

The Group operates several sales incentive programs wherein the customers are eligible for several benefits on achievement of underlying conditions as prescribed in the scheme program such as credit notes, tours, reimbursement etc. Revenue from contract with customer is presented deducting cost of all these schemes.

## **2) Service income**

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

## **3) Interest income**

For all debt instruments measured at amortized 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 amortized 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.

#### 4) Share of profit from LLP

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

#### 5) 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.

##### Contract balances

##### (i) Trade receivables

A receivable is recognized if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (x) Financial instruments – initial recognition and subsequent measurement.

##### (ii) Contract assets

Contract assets relates to revenue accrued during the year but not billed to the customer at the period end.

##### (iii) Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

#### 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 plans for its employees i.e. gratuity, long service award and benevolent fund. The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each

year-end. Actuarial valuation is carried out for these plans using the projected unit credit method.

Re-measurements, 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 recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements 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 recognizes 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

Tax expense for the year comprises of current tax and deferred tax.

##### Current income-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 item recognized outside the statement of profit and loss is recognized outside profit or loss (either in other comprehensive income or equity). Current tax items are recognized in correlation to the underlying transactions 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 recognized 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 utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized 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 realized 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 recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

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 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 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 Group'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 financial statements of the Group as a whole.

### p) Government grants

Government grants are recognized 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 recognized 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 recognized 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 favorable interest is regarded as a government grant. The loan or assistance is initially recognized 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. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

##### **Warranty provision**

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

##### **Provision for price difference**

The Group recognizes 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 financial statements.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

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

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposit held at call with financial institutions, other short - term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

#### **u) Dividend distribution**

The Group recognizes a liability to make the payment of dividend to owners of equity, when the distribution is authorized, and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

#### **v) 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.

#### **w) 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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

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
- Financial guarantee
- Financial instruments (including those carried at amortized cost)

#### x) **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 recognized 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 marketplace (regular way trades) are recognized 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 amortized cost.

##### **Debt instruments at amortized cost**

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

- a) Business model test: The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Cash flow characteristics test: 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 amortized cost using the effective interest rate (EIR) method. Amortized 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 recognized 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 derecognized (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 recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes 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 amortized 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 recognizes 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 amortized 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 recognized 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 recognized 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/ losses 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 recognized 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 amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized 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 amortization is included as finance costs in the statement of profit and loss. This category generally applies to borrowings. For more information refer Note 16.

### **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.

### **Financial guarantee contracts**

Financial guarantee contracts obtained by the Group are those contracts that require a payment to be made by the issuer to reimburse the holder for a loss it incurs because

the Group fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized 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 recognized less cumulative amortization.

### **Derecognition**

A financial liability is derecognized 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 recognized 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 recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.



# Notes to the consolidated financial statements

for the year ended March 31, 2020

(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
<b>Gross carrying amount (at Cost)</b>											
<b>As at April 1, 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>
Add: Additions	41.20	3,984.16	-	-	1,021.57	6,350.68	32.58	79.19	38.47	63.33	11,611.18
Less: Disposals	-	-	-	-	-	3.37	0.29	1.71	0.37	0.24	5.98
As at March 31, 2019	3,586.90	4,800.43	40.23	208.63	9,486.07	29,679.96	229.88	447.25	179.29	169.24	48,827.88
Reclassified on account of adoption of Ind AS 116 "Leases" (refer note 35(a))	-	4,123.92	-	208.63	-	-	-	-	-	-	4,332.55
Adjustments	676.51	(676.51)	-	-	-	-	-	-	-	-	-
Add: Additions	-	-	6.26	-	497.45	828.48	34.67	-	35.53	40.92	1,443.31
Less: Disposals	-	-	36.03	-	102.96	1,233.59	7.54	111.44	17.31	15.22	1,524.09
<b>As at March 31, 2020</b>	<b>4,263.41</b>	<b>-</b>	<b>10.46</b>	<b>-</b>	<b>9,880.56</b>	<b>29,274.85</b>	<b>257.01</b>	<b>335.81</b>	<b>197.51</b>	<b>194.94</b>	<b>44,414.55</b>
<b>Accumulated depreciation</b>											
<b>As at April 1, 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>
Add: Charge for the year	-	45.35	4.00	9.48	413.57	3,817.70	63.68	107.92	59.56	64.92	4,586.18
Less: Disposals	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2019	-	63.33	7.44	22.91	987.19	10,230.77	67.44	188.82	103.78	64.92	11,736.60
Reclassified on account of adoption of Ind AS 116 "Leases" (refer note 35(a))	-	50.60	-	22.91	-	-	-	-	-	-	73.51
Adjustments	12.73	(12.73)	-	-	-	-	-	-	-	-	-
Add: Charge for the year	-	-	4.65	-	459.18	2,810.15	70.35	86.15	62.53	73.21	3,566.22
Less Deductions :	-	-	7.25	-	10.26	351.83	6.21	95.51	11.00	11.62	493.68
<b>As at March 31, 2020</b>	<b>12.73</b>	<b>-</b>	<b>4.84</b>	<b>-</b>	<b>1,436.11</b>	<b>12,689.09</b>	<b>131.58</b>	<b>179.46</b>	<b>155.31</b>	<b>126.51</b>	<b>14,735.63</b>
<b>Net carrying amount</b>											
<b>As at March 31, 2020</b>	<b>4,250.68</b>	<b>-</b>	<b>5.62</b>	<b>-</b>	<b>8,444.45</b>	<b>16,585.76</b>	<b>125.43</b>	<b>156.35</b>	<b>42.20</b>	<b>68.43</b>	<b>29,678.93</b>
As at March 31, 2019	3,586.90	4,737.10	32.79	185.72	8,498.88	19,449.19	162.44	258.43	75.51	104.32	37,091.28

Particulars	As at March 31, 2020	As at March 31, 2019
Capital work in progress	13,216.87	3,965.40

#### 4 Intangible Assets

Particulars	Computer Software	Total Intangible assets
<b>Gross carrying amount (at Cost)</b>		
<b>As at April 1, 2018</b>	123.01	123.01
Add: Additions	174.58	174.58
Less: Disposals	0.63	0.63
<b>As at March 31, 2019</b>	<b>296.96</b>	<b>296.96</b>
Add: Additions	112.01	112.01
Less: Disposals	2.68	2.68
<b>As at March 31, 2020</b>	<b>406.29</b>	<b>406.29</b>
<b>Accumulated amortisation</b>		
<b>As at April 1, 2018</b>	53.95	53.95
Add: Charge for the year	59.30	59.30
Less: Disposals	0.63	0.63
<b>As at March 31, 2019</b>	<b>112.62</b>	<b>112.62</b>
Add: Charge for the year	67.38	67.38
<b>As at March 31, 2020</b>	<b>180.00</b>	<b>180.00</b>
<b>Net carrying amount</b>		
<b>As at March 31, 2020</b>	<b>226.29</b>	<b>226.29</b>
As at March 31, 2019	184.34	184.34

#### 5 Investment in others

Particulars	As at March 31, 2020	As at March 31, 2019
<b>At fair value through OCI (fully paid up)</b>		
<b>Unquoted equity shares</b>		
100 equity shares of Rs. 655 each (March 31, 2019 : 100 equity shares of Rs. 655 each) in TCP Limited *	<b>0.66</b>	0.66
466,263 equity shares of Rs. 10 each (March 31, 2019 : 466,263 equity shares of Rs. 10 each) in IND Bharath Powergencom Limited *	<b>46.63</b>	46.63
<b>Total</b>	<b>47.29</b>	47.29

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

#### 6 Financial assets - Loans (Unsecured considered good)

Particulars	Current	
	As at March 31, 2020	As at March 31, 2019
Advance to employees	<b>86.85</b>	139.51
<b>Total</b>	<b>86.85</b>	139.51

#### 7 Other financial assets

Particulars	Non-current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Security deposits at amortised cost	<b>539.59</b>	631.62	<b>3.92</b>	8.52
Non current bank balances (refer note 13(a))	<b>7.98</b>	7.75	-	-
Balance with sales tax, excise and custom authorities	<b>27.24</b>	51.99	<b>39.08</b>	38.43
Government grant receivable	-	-	<b>1,151.96</b>	1,151.96
Unbilled revenue	-	-	-	363.54
Derivative instruments at fair value through profit or loss	-	-	-	0.16
Interest accrued	-	1.36	<b>3.21</b>	4.77
<b>Total</b>	<b>574.81</b>	692.72	<b>1,198.17</b>	1,567.38

## 8 Tax assets

Particulars	Non-current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Advance income tax (net)	822.38	-	-	-
<b>Total</b>	<b>822.38</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 9 Other assets

Particulars	Non-current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
<b>Capital advances</b>				
Unsecured considered good	1,818.03	3,459.20	-	-
Unsecured considered doubtful	44.89	3.85	-	-
	<b>1,862.92</b>	3,463.05	-	-
Less: Provision for doubtful advances	(44.89)	(3.85)	-	-
<b>Total (A)</b>	<b>1,818.03</b>	3,459.20	-	-
<b>Advances recoverable in cash or in kind</b>				
Advance to suppliers	1.54	52.50	440.01	525.05
- considered good				
- considered doubtful	41.52	41.52	3.26	-
Prepaid expenses	17.16	56.80	212.60	276.50
Prepaid lease rent	338.59	353.16	14.63	14.63
Deferred rent	113.48	114.76	1.28	1.28
Insurance claim receivable	-	-	24.25	-
Balance with custom authority	-	-	0.41	0.41
Prepaid taxes	-	0.38	690.76	821.78
Duty paid under protest	302.88	315.34	-	-
Other recoverable in cash or kind	244.21	210.61	346.99	34.77
- considered doubtful	-	-	12.43	12.43
Advance income tax (net)	-	168.15	-	64.90
	<b>1,059.38</b>	1,313.22	<b>1,746.62</b>	1,751.75
Less :- Allowances for doubtful advances	(44.88)	(41.52)	(35.73)	(12.43)
<b>Total (B)</b>	<b>1,014.50</b>	1,271.70	<b>1,710.89</b>	1,739.32
<b>Grand total (A+B)</b>	<b>2,832.53</b>	4,730.90	<b>1,710.89</b>	1,739.32

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

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Deferred tax assets</b>		
Provision for bad and doubtful debts	55.05	125.04
Provision for contingency	55.83	125.80
Provision for price difference	390.84	886.59
Government grant deferred	-	408.20
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	647.07	1,065.85
<b>Total deferred tax asset</b>	<b>1,148.79</b>	2,611.48
<b>Less :- Deferred tax liability</b>		
Excess of depreciation/ amortisation on fixed assets under income tax law over depreciation/ amortisation provided in accounts	(802.83)	(1,788.67)
Government grant deferred	(57.46)	-
Others	(13.38)	-
<b>Total deferred tax (liability)</b>	<b>(873.67)</b>	(1,788.67)
<b>Deferred tax assets (net) (refer note 46)</b>	<b>275.12</b>	822.81
<b>Deferred tax assets (net)</b>	<b>275.12</b>	857.41
<b>Deferred tax liabilities (net)</b>	<b>-</b>	34.60

## 11 Inventories

Particulars	As at March 31, 2020	As at March 31, 2019
Raw material (at cost) [includes goods in transit: Rs. 57.65 (March 31, 2019: Rs. 671.73)]	2,053.30	4,282.90
Components (at cost)	985.42	1,614.51
Work-in-progress (at cost)	2,093.71	2,731.16
Finished goods (at lower of cost or net realisable value) [includes sales in transit: Rs. 127.51 (March 31, 2019: Rs. 948.39)]	6,187.06	12,520.03
Stores and spares (at cost)	1,547.44	1,620.58
Scrap (at net realisable value)	131.08	122.78
<b>Total</b>	<b>12,998.01</b>	<b>22,891.96</b>

## 12 Trade receivables

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables	8,008.21	30,410.26
<b>Total</b>	<b>8,008.21</b>	<b>30,410.26</b>
<b>There are no security against the trade receivable. The breakup is as follow:-</b>		
Unsecured, considered good	8,008.21	30,410.26
Trade receivables-credit impaired	255.34	357.84
<b>Total</b>	<b>8,263.55</b>	<b>30,768.10</b>
Less: Allowance for trade receivables-credit impaired	(255.34)	(357.84)
<b>Total</b>	<b>8,008.21</b>	<b>30,410.26</b>

No trade receivable 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.

### Contract assets

As at March 31, 2020, the Group has contract assets of Rs. 9.27 (March 31, 2019: Rs. NIL) which is net of an allowance for expected credit losses of Rs. NIL (March 31, 2019: Rs. NIL).

Particulars	As at March 31, 2020	As at March 31, 2019
Unbilled revenue	9.27	-
<b>Total Contract Assets</b>	<b>9.27</b>	<b>-</b>
Current	9.27	-
Non current	-	-

## 13 Cash and bank balances

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Cash and cash equivalents</b>		
Balance with banks		
On current account	56.46	1,926.45
Cash on hand	14.87	9.37
<b>Total</b>	<b>71.33</b>	<b>1,935.82</b>

### Changes in liabilities arising from financial activities

Particulars	April 1, 2019	Cash Flows	Reclassified on account of change in policy	Foreign Exchange	Other	March 31, 2020
Current borrowings	-	8,607.19	-	-	-	8,607.19
Current lease liabilities	-	-	-	-	5.75	5.75
Non-current borrowings	361.63	5,489.92	(359.59)	147.61	-	5,639.57
Non-current lease liabilities	-	-	-	-	974.31	974.31
<b>Total liabilities arising from financial activities</b>	<b>361.63</b>	<b>14,097.11</b>	<b>(359.59)</b>	<b>147.61</b>	<b>980.06</b>	<b>15,226.82</b>

Particulars	April 1, 2018	Cash Flows	Reclassified on account of change in policy	Foreign Exchange	Other	March 31, 2019
Current borrowings	2261.01	(2,261.01)	-	-	-	-
Current lease liabilities	-	-	-	-	-	-
Non-current borrowings	3999.28	(3,997.24)	-	-	359.59	361.63
Non-current lease liabilities	-	-	-	-	-	-
<b>Total liabilities arising from financial activities</b>	<b>6,260.29</b>	<b>(6,258.25)</b>	<b>-</b>	<b>-</b>	<b>359.59</b>	<b>361.63</b>

### 13(a) Other bank balances

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Balance with banks</b>		
On unpaid dividend account	237.39	223.44
Deposits with original maturity of more than 12 months #	7.98	7.75
Deposits with original maturity of more than 3 months and less than 12 months # #	52.43	301.07
<b>Total</b>	<b>297.80</b>	<b>532.26</b>
Amount disclosed under non current assets (refer note 7)	(7.98)	(7.75)
<b>Total</b>	<b>289.82</b>	<b>524.51</b>

# Includes fixed deposit kept as margin money Rs. 7.98 (March 31, 2019: Rs. 7.75)

# # Includes fixed deposit kept as margin money Rs. 52.43 (March 31, 2019: Rs. 301.07)

### 14 Share capital

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Authorised share capital (amount per share in absolute rupees)</b>		
63,88,65,000 (March 31, 2019 : 63,88,65,000) equity shares of Rs. 1 each	6,388.65	6,388.65
3,50,000 (March 31, 2019 : 3,50,000) 12.50% optionally convertible cumulative preference shares of Rs. 100 each	350.00	350.00
<b>Total</b>	<b>6,738.65</b>	<b>6,738.65</b>
<b>Issued, subscribed and paid up equity shares (amount per share in absolute rupees)</b>		
Subscribed and fully paid (39,81,86,585 (March 31, 2019 : 39,81,73,935) equity shares of Rs. 1 each)	3,981.87	3,981.74
Subscribed but not fully paid (2,77,300 (March 31, 2019 : 2,89,950) equity shares of Rs. 1 each, amount called up Rs. 1 each)	2.77	2.90
Less: Call in arrears (held by other than directors)	(1.39)	(1.45)
	<b>3,983.25</b>	<b>3,983.19</b>

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

Equity shares	March 31, 2020		March 31, 2019	
	No. of shares	Amount	No. of shares	Amount
<b>Equity share - Subscribed and fully paid up</b>				
At the beginning of the year	398,173,935	3,981.74	398,157,435	3,981.57
Add : Partial paid up converted to fully paid up	12,650	0.13	16,500	0.17
At the end of the year	398,186,585	3,981.87	398,173,935	3,981.74
<b>Equity share - Subscribed but not fully paid up</b>				
At the beginning of the year	289,950	2.90	306,450	3.06
Less : Calls in arrear received	12,650	0.13	16,500	0.16
At the end of the year	277,300	2.77	289,950	2.90

**b. Term and rights attached to equity shares**

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.

**c. Details of shareholders holding more than 5% shares in the Group are set out below**

Particulars	March 31, 2020		March 31, 2019	
	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	132,032,728	33.14%	129,010,990	32.38%
Pradeep Singh Jauhar	21,521,070	5.40%	21,521,070	5.40%

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.

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

Equity shares	March 31, 2020		March 31, 2019	
	No. of shares	Amount	No. of shares	Amount
Equity share capital (281,900 equity shares (March 31, 2019 : 281,900) of Rs. 1 (absolute amount) each, amount called up Rs. 1 (absolute amount) each.	281,900	1.45	281,900	1.45
<b>Total</b>	281,900	1.45	281,900	1.45

## 15 Other equity

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Securities premium account</b>		
Balance as per the last financial statements	15,117.41	15,117.16
Add : Premium on conversion of partially paid shares to fully paid	0.19	0.25
<b>Closing balance</b>	<b>15,117.60</b>	15,117.41
<b>Non-controlling interest</b>	<b>0.13</b>	0.13
<b>Other comprehensive income</b>		
Balance as per the last financial statements	(240.06)	(102.79)
Add : Re-measurement gains / (losses) on defined benefit plans (net of tax) (refer note 34)	9.05	(137.27)
<b>Closing balance</b>	<b>(231.01)</b>	(240.06)
<b>Surplus in the Statement of profit and loss</b>		
Balance as per the last financial statements	25,819.61	17,116.44
Add: Profit for the year	4,787.97	13,745.13
Less:- Final dividend paid (related to previous year) (refer note 1 below)	(1,792.44)	(2,190.73)
Less: Tax on final equity dividend	(368.37)	(450.29)
Less:- Interim dividend paid (related to current year) (refer note 2 below)	(1,593.30)	(1,991.57)
Less:- Tax on interim dividend	(327.58)	(409.37)
<b>Net surplus in the Statement of Profit and Loss</b>	<b>26,525.89</b>	25,819.61
<b>Other reserves</b>		
<b>Capital reserve</b> (refer note 3 below)	<b>315.71</b>	315.71
<b>Capital redemption reserve</b> (refer note 4 below)	<b>400.00</b>	400.00
<b>Amalgamation reserve</b>	<b>1,481.46</b>	1,481.46
<b>General reserve</b>	<b>4,077.62</b>	4,077.62
<b>Total</b>	<b>6,274.79</b>	6,274.79
<b>Total reserves and surplus</b>	<b>47,687.40</b>	46,971.88

- (1) The Parent Company has paid final dividend for the year ended March 31, 2019 in the current year for Rs. 0.45(absolute amount) for every equity share of Rs. 1 (absolute amount) (March 31, 2019 : Rs. 0.55 for the year ended March 31, 2018) (absolute amount) per equity share of Rs.1 (absolute amount) for the year, subject to the approval of shareholders.
- (2) The Parent Company has declared an interim dividend of Rs. 0.18 and Rs. 0.22 (absolute amount) for every equity share of Rs. 1 (absolute amount) (March 31, 2019 Rs. 0.50) (absolute amount) per equity share of Rs.1 (absolute amount) for the year.
- (3) Includes Rs.247 (March 31, 2019 : Rs. 247) amount forfeited against warrants and application money received in earlier years.
- (4) Represents reserve created on account of redemption of preference shares during earlier years.

## 16 Financial liabilities - Borrowings

Particulars	Non-current		Current maturities	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
<b>Long term borrowing</b>				
<b>Secured loans</b>				
Term loans from banks				
- Indian rupee loan (refer note 1 below)	<b>2,437.50</b>	-	<b>562.50</b>	-
- Foreign currency loan (refer note 2 below)	<b>2,639.57</b>	-	-	-
<b>Other loans and advances</b>				
Long term finance lease obligations (refer note 3 below)	-	359.59	-	-
Vehicle loans				
- From financial institutions (refer note 4 below)	-	-	-	2.04
<b>Total</b>	<b>5,077.07</b>	359.59	<b>562.50</b>	2.04
Less: Amount disclosed under the head "other current liabilities" (refer note 21)	-	-	<b>562.50</b>	2.04
<b>Net amount</b>	<b>5,077.07</b>	359.59	-	-
<b>Short term borrowing</b>				
<b>Secured #</b>				
Cash credit	-	-	<b>3,207.19</b>	-
Working capital demand loan	-	-	<b>5,400.00</b>	-
<b>Total current borrowing</b>	-	-	<b>8,607.19</b>	-
<b>The above include</b>				
Aggregate Secured loans	<b>14,246.76</b>	361.63		
Aggregate Unsecured loans	-	-		

Security terms		Repayment terms and rate of interest
<b>1</b>	<b>Indian rupee loan from HDFC Bank Rs. 3,000 (March 31, 2019: Rs. NIL)</b>	Terms of repayment:
(a)	First pari passu charge with the other lenders on Plant and machinery of the borrower at its Malanpur, Yamunanagar, Jamshedpur and Chennai locations.	16 equal quarterly installments of Rs. 187.50 each starting from August 2020, i.e. following the moratorium period of 15 months.
(b)	Second pari passu charge on stock and book debts with other workign capital banks on current assets of the Parent Company	The loan has been taken during the current year.
(c)	Equitable mortgage for first pari passu on Immovable fixed assets at the Malanpur, Jamshedpur, Yamuna Nagar and Chennai plants.	Rate of interest : 9.00%
<b>2</b>	<b>Foreign currency loan from HDFC Bank Rs. 2,639.57 (March 31, 2019 : Rs. NIL )</b>	
(a)	First pari passu charge with the other lenders on Plant and machinery of the borrower at its Malanpur, Yamunanagar, Jamshedpur and Chennai locations.	Terms of repayment:
(b)	Second pari passu charge on stock and book debts with other workign capital banks on current assets of the Parent Company	16 equal quarterly installments of Rs. 164.97 each starting from April 2021, i.e. following the moratorium period of 15 months.
(c)	Equitable mortgage for first pari passu on Immovable fixed assets at the Malanpur, Jamshedpur, Yamuna Nagar and Chennai plants.	The loan has been taken during the current year.
		Rate of interest : Euribor+ 2.75%.



<b>3</b>	<b>Finance lease Rs 149.83 (March 31, 2019: NIL)</b>
	Finance lease obligation is secured by hypothecation of land at Indore location taken on lease. The interest rate implicit on the lease is 10% p.a. The payment is scheduled in 98 yearly instalments starting from April 2019. In current year, the amount is reclassified to lease liabilities on account of adoption of Ind AS 116 "Leases" (refer note 35(a)).
	<b>Finance lease Rs 209.76 (March 31, 2019 : Rs. 205.07)</b>
	Finance lease obligation is secured by hypothecation of factory building taken on lease at Lucknow location. The interest rate implicit in the lease is 10% p.a. The payment is scheduled in 264 monthly instalments starting from November 2016. In current year, the amount is reclassified to lease liabilities on account of adoption of Ind AS 116 "Leases" (refer note 35(a)).
<b>4</b>	<b>Vehicle loan Rs. NIL (March 31, 2019: Rs. 2.04)</b>
	Vehicle loans as existant at March 31, 2019 were secured by the hypothecation of the specific vehicles. The loans were repayable in equated monthly / quarterly instalments in accordance with terms and conditions of loan agreement. The period of loan ranged from 3 to 5 years and interest rate ranges from 9.50 % to 13.00 %

#### Short term borrowing-for Parent Company

The Parent Company has a cash credit account facility from HDFC Bank amounting to Rs.2,161.95 (March 31, 2019 : Rs. NIL) carrying rate of interest ranging from 8.55% to 9.45% and facility of working capital demand loan from HDFC Bank and Kotak Mahindra Bank amounting to Rs.5,400 (March 31, 2019 : Rs. NIL) repayable by May 2020 carrying rate of interest 7.30%-7.40%. The security against these facilities are as follows:

- First pari passu charge on entire current assets of the Parent Company
- Second pari passu charge to be shared with other lenders on all existing and future movable fixed assets of the Company situated at Malanpur, Jamshedpur, Yamuna Nagar and Chennai.
- Second pari passu charge on all immovable fixed assets of the Parent Company situated at Malanpur, Jamshedpur, Yamuna Nagar and Chennai to be shared with other secured working capital lenders.

#### Short term borrowing-for Subsidiary entity

The subsidiary has a facility for short term borrowing from banks. The balance outstanding as at the year end is Rs. 1045.24 (March 31, 2019 : Rs. NIL) which carries interest rate of 8.10% to 9.45% and is secured by :

- First pari passu charge on all current assets and movable fixed asset of the subsidiary and
- corporate guarantee of the Parent Company.

### 17 Other financial liabilities

Particulars	Non-current	
	As at March 31, 2020	As at March 31, 2019
Security deposits at amortised cost	<b>128.97</b>	116.69
<b>Total</b>	<b>128.97</b>	116.69

### 18 Provisions

Particulars	Long - term		Short - term	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
<b>Provision for employees benefits</b>				
Provision for leave encashment	<b>405.15</b>	497.38	<b>154.18</b>	136.32
Provision for long service award	<b>26.57</b>	28.18	<b>11.35</b>	6.78
Provision for benevolent fund	<b>34.90</b>	42.90	<b>10.92</b>	10.80
Provision for gratuity (refer note 34)	<b>919.49</b>	1,009.60	<b>250.69</b>	49.51
Total	<b>1,386.11</b>	1,578.06	<b>427.14</b>	203.41
<b>Other provisions</b>				
Provision for warranties (refer note 18(a))	-	-	<b>92.25</b>	207.01
Provision for contingencies (refer note 18(b))	-	-	<b>544.08</b>	360.00
Provision for price differences (refer note 18(c))	-	-	<b>1,552.91</b>	2,369.19
Total	-	-	<b>2,189.24</b>	2,936.20
<b>Grand total</b>	<b>1,386.11</b>	1,578.06	<b>2,616.38</b>	3,139.61

### 18(a) 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	For the year ended March 31, 2020	For the year ended March 31, 2019
At the beginning of the year	207.01	202.58
Arising during the year	-	126.07
Utilized / written back during the year	(114.76)	(121.64)
<b>At the end of the year</b>	<b>92.25</b>	207.01
Current portion	92.25	207.01
Non-current portion	-	-

### 18(b) 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	For the year ended March 31, 2020	For the year ended March 31, 2019
At the beginning of the year	360.00	362.60
Arising during the year*	404.08	140.00
Utilized during the year	(220.00)	(142.60)
<b>At the end of the year</b>	<b>544.08</b>	360.00
Current portion	544.08	360.00
Non-current portion	-	-

\* majorly includes provision amounting to Rs. 322.25 made by Parent Company on account of expected loss likely to be incurred on surrender of lands.

### 18(c) Provision for price differences (also refer note 49)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
At the beginning of the year	2,369.19	2,677.60
Arising during the year	115.00	1,034.06
Utilized during the year	(931.28)	(1,342.47)
<b>At the end of the year</b>	<b>1,552.91</b>	2,369.19
Current portion	1,552.91	2,369.19
Non-current portion	-	-

## 19 Deferred government grant

Particulars	As at March 31, 2020	As at March 31, 2019
<b>As at April 1, 2019</b>	<b>1,506.59</b>	1,655.13
Recognised during the year	<b>548.49</b>	167.78
Released to the statement of profit and loss (refer note 25)	<b>(295.79)</b>	(316.32)
<b>As at March 31, 2020</b>	<b>1,759.28</b>	1,506.59
Current	<b>295.79</b>	316.32
Non Current	<b>1,463.49</b>	1,190.26

- 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 has been recognised as Government grant and being released to profit & loss on the basis of export obligation fulfilled.
- At the year end, the Group has an outstanding export obligation of Rs. 19,111.60 (March 31, 2019: Rs. 8,920.32)

## 20 Financial liabilities -Trade payables

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Trade payables</b>		
- Total outstanding due of micro and small enterprises	<b>39.97</b>	<b>85.49</b>
- Total outstanding due of creditors other than micro and small enterprises (including acceptances Rs. NIL (March 31, 2019 : Rs. 32,627.97))*	<b>3,746.14</b>	<b>43,567.80</b>
<b>Total</b>	<b>3,786.11</b>	<b>43,653.29</b>

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

The Group provides various trade schemes to its customers. Trade payable includes liability towards such schemes (in addition to amount already credited to the respective customers accounts) amounting to Rs. 708.63 (March 31, 2019 : Rs. 260.28) (also refer note 49)

Trade payables are non-interest bearing and are normally settled on 30-90 days

Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2020 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Group.

Particulars	As at March 31, 2020	As at March 31, 2019
i) Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year:		
Principal amount due to micro and small enterprises	<b>39.97</b>	85.49
Interest due on above	-	-
ii) The amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act.	-	-
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

## Contract liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Advance payments from customers	780.54	-
<b>Total contract liabilities</b>	<b>780.54</b>	-
Current	780.54	-
Non-current	-	-

## 21 Other financial liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Current maturities of long-term borrowing (refer note 16)	562.50	2.04
Derivative instruments at fair value through profit or loss	-	141.54
Interest accrued but not due on borrowings	52.45	0.01
Investor education and protection fund, will be credited by following amounts (as and when due) - Unpaid dividends	237.39	223.33
<b>Other payables</b>		
Creditors for capital goods	874.84	857.74
<b>Total</b>	<b>1,727.18</b>	<b>1,224.66</b>

## 22 Current tax liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Current tax liabilities	148.57	-
<b>Total</b>	<b>148.57</b>	-

## 23 Other current liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Advance Payments from customers	-	2,425.68
Statutory dues payable	342.34	1,709.26
Deferred revenue payable	-	75.01
<b>Total</b>	<b>342.34</b>	<b>4,209.95</b>

## 24 Revenue from operations

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Sale of products</b>		
Sale of products - finished goods (automobile suspension products) (also refer note 49)	111,031.52	209,123.33
<b>Other operating revenue</b>		
- Scrap sale	1,863.63	4,357.90
<b>Revenue from operations (gross)</b>	<b>112,895.15</b>	<b>213,481.23</b>

### 24(a) Contract balances

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Trade receivables	8,008.21	30,410.26
Contract assets	9.27	-
Contract liabilities	780.54	-

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

Contract assets relates to revenue accrued during the year but not billed to the customer at the year end.

Contract liabilities include short-term advances received from customers to deliver automobile suspension products.

## 25 Other income

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Net gain on disposal of property, plant and equipment	-	12.70
Provision no longer required, written back	<b>1,105.40</b>	382.32
Exchange fluctuations (net)	-	55.52
Export incentives	<b>14.35</b>	24.27
Government grants (refer note 19)	<b>295.79</b>	316.32
Miscellaneous income	<b>198.49</b>	281.53
<b>Total</b>	<b>1,614.03</b>	1,072.66

## 26 Finance income

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest income		
- from banks	<b>28.57</b>	24.75
- from others	<b>3.92</b>	-
<b>Total</b>	<b>32.49</b>	24.75

## 27 Cost of raw material and components consumed

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Inventory at the beginning of the year	<b>5,897.41</b>	6,715.50
Add : Purchases during the year	<b>61,404.49</b>	142,181.80
<b>Total</b>	<b>67,301.90</b>	148,897.30
Less : Inventory at the end of the year	<b>3,038.72</b>	5,897.41
<b>Total</b>	<b>64,263.18</b>	142,999.89

## 28 (Increase)/ decrease in inventory of finished goods, work in progress and scrap

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Inventories at the end of year</b>		
- Finished goods	<b>6,181.38</b>	12,520.03
- Work in progress	<b>2,099.38</b>	2,731.16
- Scrap	<b>131.08</b>	122.78
<b>Total</b>	<b>8,411.84</b>	15,373.97
<b>Inventories at the beginning of year</b>		
- Finished goods	<b>12,520.03</b>	5,470.62
- Work in progress	<b>2,731.16</b>	2,762.59
- Scrap	<b>122.78</b>	72.07
<b>Total</b>	<b>15,373.97</b>	8,305.28
<b>Decrease / (increase) in inventory of finished goods, work in progress and scrap</b>	<b>6,962.13</b>	(7,068.69)

## 29 Employee benefits expenses

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries, wages, bonus, commission and other benefits	<b>10,099.34</b>	14,420.20
Gratuity expense (refer note 34)	<b>218.77</b>	122.60
Contribution to provident fund and other funds	<b>497.25</b>	492.62
Staff welfare expenses	<b>478.83</b>	768.03
<b>Total</b>	<b>11,294.19</b>	15,803.45

### 30 Other expenses

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Consumption of stores and spare parts	2,837.70	6,152.21
Power and fuel	6,917.16	13,186.54
Job work charges	871.52	2,560.72
Rent	409.73	1,096.90
Repair and maintenance		
- Buildings	163.08	249.01
- Plant and machinery	315.90	628.26
- Others	217.10	310.41
Rates and taxes	204.14	220.50
Travelling and conveyance	847.54	1,445.02
Legal and professional (Refer note 43 for payment made to auditors of parent company)	653.49	993.07
Net loss on disposal of property, plant and equipment	109.03	-
Sundry balances written off	0.80	1.02
Provision for contingencies (refer note 18(b))	404.08	140.00
Provision for doubtful advances	65.46	-
Impairment allowance for trade receivables considered doubtful	15.73	49.69
Bad debts written off	3.59	4.25
Freight, forwarding and packing	2,676.82	4,312.59
Sales promotion and advertisement	623.84	677.01
Selling expenses	174.83	250.42
Commission on sales	15.77	9.28
Warranty expense	(22.29)	128.31
Security charges	152.73	171.76
Contribution towards Corporate Social Responsibility (CSR) (refer note 47)	310.40	300.86
Donation	91.18	2.27
Royalty	-	288.64
Exchange fluctuation (net)	157.38	-
Director sitting fees	10.30	5.10
Insurance	160.47	92.74
Printing stationery and communication	142.93	234.77
Bank charges	64.11	180.93
Miscellaneous expenses	368.27	384.76
<b>Total</b>	<b>18,962.79</b>	<b>34,077.04</b>

### 31 Finance costs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest to banks	1,576.57	2,541.69
Interest on lease liabilities (refer note 35(a)) (net)	180.37	-
Interest to others *	1.30	30.00
<b>Total</b>	<b>1,758.24</b>	<b>2,571.69</b>

\* Includes interest on income tax Rs. NIL (March 31, 2019 : Rs. 3.59)

## 32 Depreciation and amortisation expenses

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation on property, plant and equipment (refer note 3)	3,566.22	4,586.18
Depreciation on right-of-use assets (refer note 35(a))	503.42	-
Amortisation of intangible assets (refer note 4)	67.38	59.30
<b>Total</b>	<b>4,137.02</b>	<b>4,645.48</b>

## 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 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, 2020	For the year ended March 31, 2019
Net profit after tax	4,787.97	13,745.13
Weighted average number of equity shares during the period in calculating basic EPS	398,325,235	398,311,132
Add: Stock options granted under ESOP but yet to be exercised	-	-
Weighted average number of equity shares during the period in calculating diluted EPS	398,325,235	398,311,132
Basic EPS (in Rs.)	1.20	3.45
Diluted EPS (in Rs.)	1.20	3.45

## 34 Gratuity and other 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 at least 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, 2020 :

Particulars	As at	
	March 31, 2020	March 31, 2019
<b>Change in benefit obligation</b>		
Opening defined benefit obligation	1,336.56	963.18
Service cost	139.39	114.54
Past service cost	-	-
Interest expenses	100.76	78.60
Benefits paid	(132.96)	(30.02)
Remeasurements - Actuarial (gains)/ loss	(16.31)	210.26
<b>Closing defined benefit obligation</b>	<b>1,427.45</b>	<b>1,336.56</b>

Particulars	As at	
	March 31, 2020	March 31, 2019
<b>Change in plan assets</b>		
Opening fair value of plan assets	277.45	219.24
Expected return on plan assets	21.39	17.23
Contributions by employer	1.71	1.76
Acquisition	-	53.31
Benefits paid	(38.05)	(13.35)
Remeasurements - Actuarial gains/ (loss)	(5.41)	(0.74)
<b>Closing fair value of plan assets</b>	<b>257.10</b>	<b>277.45</b>

(b) Major categories of plan assets

Particulars	As at	
	March 31, 2020	March 31, 2019
Funds managed by insurer	100%	100%

(c) Amount for the year ended on March 31, 2020 recognized in the statement of profit and loss under employee benefit expenses:

Particulars	As at	
	March 31, 2020	March 31, 2019
Service cost	139.40	114.54
Net interest on the net defined benefit liability/ (asset)	79.37	8.06
<b>Net gratuity cost</b>	<b>218.77</b>	122.60

(d) Amount for the year ended on March 31, 2020 recognized in the statement of other comprehensive income:

Particulars	As at	
	March 31, 2020	March 31, 2019
Remeasurements of the net defined benefit liability/ (assets)		
Actuarial (gains)/ losses	(16.31)	210.26
(Return)/ loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/ (assets)	5.41	0.74
<b>Total</b>	<b>(10.89)</b>	211.00

(e) Amounts recognised in the statement of other comprehensive income as follows:

Particulars	As at	
	March 31, 2020	March 31, 2019
Actuarial (gain)/loss on arising from change in demographic assumption	(41.26)	(34.52)
Actuarial loss/(gain) on arising from change in financial assumption	(9.49)	17.87
Actuarial loss on arising from experience adjustment	34.45	226.91
Actuarial loss on asset for the year	5.41	0.74
<b>Total</b>	<b>(10.89)</b>	211.00

(f) The principal assumptions used to determine benefit obligations as at March 31, 2020 are as follows:

Particulars	As at	
	March 31, 2020	March 31, 2019
Discount rate (For Parent)	6.72%	7.71%
Discount rate (For Subsidiary)	6.72%	7.54%
Average rate of increase in compensations level	First year : 0% Thereafter : 10%	10.00%
Retirement age (years)	58	58
Mortality rate inclusive of provision for disability	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)
Employees turnover (age) -For Parent	<b>Withdrawal rate in (%)</b>	
Upto 30 years	26.45	20.00
From 31 to 44 years	9.68	7.00
Above 44 years	9.36	5.00
Employees turnover (age) -For Subsidiary	<b>Withdrawal rate in (%)</b>	
Upto 30 years	21.50%	36.90%
From 31 to 44 years	8.70%	14.60%
Above 44 years	8.10%	9.30%

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.257.77 (March 31, 2019: Rs. 222.80) towards gratuity during the year 2020-21.**

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

**Gratuity**

Particulars	March 31, 2020	March 31, 2019
Within the next 12 months (next annual reporting period)	257.77	222.80
Between 2 and 5 years	649.03	432.83
Between 5 and 10 years	671.77	640.50
Beyond 10 years	751.74	1,199.61
<b>Total</b>	<b>2,330.31</b>	<b>2,495.74</b>

The average duration of the defined benefit plan obligation at the end of the reporting period is 12.28 years (March 31, 2019: 12.76 years) for the parent company and 19.29 years (March 31, 2019 : 19.42) years for the subsidiary.

- (h) **Quantitative sensitivity analysis for significant assumption as at March 31, 2020 is as shown below:**

**Gratuity Plan**

Particulars	March 31, 2020		March 31, 2020	
	Discount rate		Future salary increases	
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(81.44)	92.33	64.41	(59.42)

Particulars	March 31, 2019		March 31, 2019	
	Discount rate		Future salary increases	
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(55.81)	68.20	59.02	(54.47)

The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the Actuary.

Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

## 35 Commitments and contingencies

### (a) Leases

The Group's lease asset primarily consist of leases for land and buildings for branch offices and warehouses having the various lease terms. Effective April 1, 2019, the Group adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Consequently, the Group recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate as on the date of transition and has measured right of use asset an amount equal to lease liability adjusted for any related prepaid and accrued lease payments previously recognised.

The following is the summary of practical expedients elected on initial application:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application (except payment for leasehold land).
- Applied the practical expedient by not reassessing whether a contract is, or contains, a lease at the date of initial application. Instead applied the standards only to contracts that were previously identified as leases under Ind AS 17.
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

Following is carrying value of right of use assets recognised on date of transition and the movements thereof during the year ended March 31, 2020

Particulars	Leasehold Land/Improvement	Lease Hold Building	Total
<b>As at April 1, 2019</b>			
Reclassified from property, plant and equipment on account of adoption of Ind AS 116 "Leases" (refer note 3)	4,073.32	185.71	4,259.03
<b>Total Right of use on transition date</b>	<b>4,073.32</b>	<b>185.71</b>	<b>4,259.03</b>
Addition	4,716.38	1,304.35	6,020.73
Deletion	(1,381.21)	(1,431.45)	(2,812.66)
Depreciation	(444.81)	(58.61)	(503.42)
<b>Balance as on March 31, 2020</b>	<b>6,963.68</b>	<b>0.00</b>	<b>6,963.68</b>

Particulars	Leasehold Land/Improvement	Lease Hold Building	Total
<b>Gross carrying amount</b>			
<b>As at March 31, 2019</b>	-	-	-
Add: Reclassified from property, plant and equipment on account of adoption of Ind AS 116 "Leases" (refer note 3)	4,123.92	208.63	4,332.55
Add: Additions	4,716.38	1,304.35	6,020.73
Less: Disposals	(1,533.30)	(1,512.98)	(3,046.28)
<b>As at March 31, 2020</b>	<b>7,307.00</b>	-	<b>7,307.00</b>

Particulars	Leasehold Land/Improvement	Lease Hold Building	Total
<b>Accumulated Depreciation</b>			
<b>As at April 1, 2019</b>	-	-	-
Add: Reclassified from property, plant and equipment on account of adoption of Ind AS 116 "Leases" (refer note 3)	50.60	22.92	73.52
Add: Additions	444.81	58.61	503.42
Less: Disposals	(152.09)	(81.53)	(233.62)
<b>As at March 31, 2020</b>	<b>343.32</b>	-	<b>343.32</b>

<b>Net carrying amount</b>			
<b>As at March 31, 2020</b>	<b>6,963.68</b>	-	<b>6,963.68</b>

The following is the carrying value of lease liability on the date of transition and movement thereof during the year ended March 31, 2020:

Particulars	Total
<b>As at March 31, 2019</b>	-
Reclassified from financial lease liability	359.59
Addition	3,783.65
Finance cost accrued during the period	295.80
Payment of lease liabilities	532.08
Deletions*	2,926.90
<b>As at March 31, 2020</b>	
<b>Closing</b>	980.06
<b>Current liability</b>	5.75
<b>Non- current liability</b>	974.31

The adoption of the new standard has also resulted in decrease in profit before tax and profit for the year by Rs. 151.71 lacs (Increase in depreciation expense and net finance cost by Rs. 503.42 lacs and Rs. 180.37 lacs (net of finance income on derecognition of right of use assets and repective lease liability Rs. 115.43) respectively with corresponding decrease in other expense by Rs. 532.08 lacs). The effect of this adoption is insignificant on earnings per share. Ind AS 116 has also resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments by Rs. 532.08 lacs each.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 9% for parent Company and 10% for subsidiaries

Rental expense recorded for short-term leases was Rs. 409.73 lacs for the year ended March 31,2020. (refer note 30)

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

\*includes lease liability derecognized on account of surrender of lands taken on lease.

The following are the amounts recognised in profit or loss:

Particulars	Total
Depreciation expense of right-of-use assets	503.42
Interest expense on lease liabilities	295.80
Income on de-recognition of liability	(115.43)
<b>Total amount recognised in (profit) or loss</b>	<b>683.79</b>

#### (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, 2020	March 31, 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances of Rs. 1,862.92; 31.03.2019: Rs. 3,459.20)	2,785.02	8,847.96
Other commitments	-	-
<b>Total</b>	<b>2,785.02</b>	<b>8,847.96</b>

#### (c) Contingent liabilities (to the extent not provided for)

Particulars	March 31, 2020	March 31, 2019
(i) Income tax	1,031.26	1,075.61
(ii) Claims against company not acknowledged as debts (civil cases)	76.04	21.42
(iii) Custom and excise duty / service tax / GST	63.23	136.93
(iv) Sales tax and entry tax	354.08	308.49
<b>Total</b>	<b>1,524.61</b>	<b>1,542.45</b>

#### In relation to income tax matters disclosed in (i) above:

- 1) With respect to assessment year 2012-13 & 2013-14, the assessing officer has increased the taxable income of the Group by Rs 1,396.85 contending that the parent Company has sold material to its subsidiary firm (Jai Suspension System 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, 2019: Rs. 519.14).The Group has preferred an appeal with CIT(A) and based on discussion with the legal counsel is confident of a favourable outcome.
- 2) During the year, the Group has made voluntary application to the Central Board of Direct taxes (CBDT) under Vivad se Vishwas Scheme (VsV Scheme) for settlement of cases pertaining to the assessment years 2016-17 and 2017-18. Further, impact of the same has been duly considered by the Group for all subsequent assessment years in their provision for income tax balances and accordingly the Group had made provision amounting to Rs.152.70 (net of subsequent year tax provision impact) in the books of accounts.
- 3) An order dated December 21,2016 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, 2019: 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, 2019: 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 favourable outcome.

**In relation to (ii) above claims against company contested by the Company comprise of:**

- 1) Matter pending with Tamil Nadu Generation and Distribution Corporation Limited pertaining to financial year 2012-2014 for non payment of cross subsidy charges which were introduced subsequently with retrospective effect whereas the scheme mentioned no such charges. 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. 54.62. (March 31, 2019 : NIL)
- 2) Matter pending with the labour court pertaining to ESI with respect to the bifurcation of material and labour in an invoice and the ESI deducted on the same. The Group has done an analysis and is of the opinion that it has fair chance of favourable decision. The amount involved is Rs. 14.05 (March 31, 2019: Rs. 14.05).
- 3) Matter pending with the EPF Appellate Tribunal pertaining to Provident Fund with respect to the PF liability on BPO consultants hired. The Group has done an analysis and is of the opinion that it has fair chance of favourable decision. The amount involved is Rs. 6.71 (March 31, 2019: Rs. 6.71).

**In relation to (iii) above customs and excise duty/service tax and GST contested by the Company comprise of:**

- 1) 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, 2019: Rs. 3.17).
- 2) Matter pending before Assistant Commissioner, Panchkula and Yamuna Nagar in respect of Cenvat credit not reversed on sale of exempted goods. The adjudicating authority remanded back the matter to original adjudicating authority to decide the matter afresh. The SCN had been vacated against which the Department had filed the appeal. The amount involved is Rs. 29.76 (March 31, 2019: NIL).
- 3) Matter pending with Assistant Commissioner in respect of Cenvat Credit availed by the Company on service tax paid on charges of canteen, outdoor catering, security and transportation services. The Company has done an analysis and is of the opinion that it has fair chance of favourable decision. The amount involved is Rs. 22.00 (March 31, 2019: NIL).
- 4) 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 ADGFT 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, 2019: Rs. 8.25).
- 5) During the year, the Group has applied under Sabka Vishwas Legacy Dispute Resolution Scheme (SVLDRS) for the resolution of the matter which was pending with CESTAT Lucknow till previous year in respect of Cenvat Credit wrongly availed as capital goods instead of input and service tax credit availed without actual documents. Pursuant to the application made, the Group has also received the discharge certificate for the same and accordingly the case have been closed in the current year. Accordingly, the amount of demand involved in this case for the current year is NIL (March 31, 2019: Rs. 5.95).
- 6) During the year, the Group had applied under Sabka Vishwas Legacy Dispute Resolution Scheme (SVLDRS) for the resolution of the matter which was pending with Commissioner (Appeal) till previous year 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. Pursuant to the application made, the Group has also received the discharge certificate for the same and accordingly the case have been closed in the current year. Accordingly, the amount of demand involved in this case for the current year is NIL (March 31, 2019: Rs. 2.62).
- 7) During the year, the Group has applied under Sabka Vishwas Legacy Dispute Resolution Scheme (SVLDRS) for the resolution of the matter which was pending with Assistant Commissioner of CGST, Bhopal till previous year in respect of reversal of service tax on outward freight, working of CAS-4 for goods transferred to Subsidiary entity for the year 2015-16. Pursuant to the application made, the Group has also received the discharge certificate for the same and accordingly the case have been closed in the current year. Also, for the year 2016-17, the Group has accepted the demand and paid off the amount in the current year. Accordingly, the amount of demand involved in these cases for the current year is NIL (March 31, 2019: Rs. 116.93).

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

- 1) Matter pending before Additional Commissioner, Grade-2, (Appeal) Fourth, Commercial Tax, Lucknow pertaining to Assessment year 2011-12 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, 2019: Rs. 149.59). The Group has made a payment of Rs. 22.89 (March 31, 2019 : Rs. 22.89) under protest in this regard.
- 2) Matter pending before Appellate Deputy Commissioner, Chennai (South) in respect of demand by sales tax department on reversal of ITC. The Group has done an analysis and is of the opinion that it has fair chance of favourable decision. The amount involved is Rs. 22.42 (March 31, 2019: NIL).

- 3) 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. 11.78 (March 31, 2019: Rs. 11.78).
- 4) 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. 88.40 (March 31,2019: Rs.69.68 ).
- 5) Under CST Act 1956 demand for Rs 45.42 (March 31,2019: Rs 45.42 ) for CST had been raised by CST department. Group has preferred appeals against such order and based on legal advice and internal assessment Group is confident that no liability is probable in the matter.
- 6) Under Kerala VAT Act, 2003, orders had been received for the financial years 2011-12 & 2013-14, wherein demands for Rs 14.43 Lacs and Rs 5.33 lacs (March 31,2019: Rs.19.75) respectively have been raised by CTO, Kakkannad. Group had preferred appeals against such orders before Dy. Commissioner (Appeal), who has restored the matter back to the A.O. Based on legal advice and internal assessment Group is confident that no liability is probable in the matter.
- 7) Under Central Sales Act, 1956, Group received orders for financial years 2012-13 & 2013-14 wherein demand of Rs.5.70 (March 31, 2019: Rs. 6.49) had been raised. The Group preferred rectification against such orders and based on legal advice and internal assessment, Group is confident that no liability is probable in the matter.
- 8) Group received sales tax assessment orders under Utrakhhand/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 31,2019: 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.

#### **In relation to Supreme Court (SC) judgement on Provident Fund:**

The Group has made provision and paid in respect of liability towards contribution to provident fund after taking into consideration the judgment of Hon'ble Supreme Court (on PF) dated February 28, 2019. There are numerous interpretative issues relating to the Hon'ble Supreme Court (SC) judgement. As a matter of caution, the Group has made a provision on a prospective basis from the date of the SC order. In respect of past period, the Group shall make expense provision/contribution on receiving further clarity on the subject.

#### **(d) Other contingent liabilities**

<b>Particulars</b>		<b>March 31, 2020</b>	<b>March 31, 2019</b>
(i)	Factoring of trade receivables	<b>32.48</b>	-
(ii)	Bank guarantees	<b>1,639.73</b>	1,521.93
	<b>Total</b>	<b>1,672.21</b>	1,521.93

## **36 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. S.P.S. Kohli	Executive Director
Mrs. Sonia Jauhar	Wife of Vice Chairman
Mrs. Kirandeep 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 (Also having significant influence over the Company)

## B Transactions with related parties

Nature of Transaction	Companies/Concerns controlled by KMP & their relatives		Key management personnel and their relatives		Total	
	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Transactions during the year</b>						
<b>Purchase of raw materials and components</b>						
Map Auto Limited	690.39	-	-	-	690.39	-
<b>Job work charges</b>						
Map Auto Limited	395.99	707.51	-	-	395.99	707.51
Jamna Agro Implements Private Limited	-	35.36	-	-	-	35.36
<b>Rent expense</b>						
SW Farms Private Limited	26.17	25.03	-	-	26.17	25.03
Jamna Agro Implements Private Ltd.	38.23	19.12	-	-	38.23	19.12
Mrs Sonia Jauhar	-	-	14.01	11.38	14.01	11.38
Mr P S Jauhar	-	-	18.44	26.45	18.44	26.45
<b>Freight forwarding and packing expenses</b>						
Map Auto Limited	-	86.21	-	-	-	86.21
<b>Sale of fixed assets</b>						
Map Auto Ltd	-	1.53	-	-	-	1.53
<b>Security Deposit</b>						
Mr P S Jauhar	-	-	-	-	-	-
Mr R S Jauhar	-	-	-	-	-	-
<b>Remuneration</b>						
Mr. B S Jauhar	-	-	136.15	138.60	136.15	138.60
Mr. P S Jauhar	-	-	239.64	1,093.35	239.64	1,093.35
Mr. R S Jauhar	-	-	251.24	1,080.16	251.24	1,080.16
Mr. H S Gujral	-	-	-	-	-	-
Mr. SPS Kohli	-	-	36.75	38.98	36.75	38.98
Mrs. Kirandeep Chadha	-	-	20.65	20.70	20.65	20.70

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
<b>Balances as at the year end</b>						
Trade payable	7.89	12.64	-	-	7.89	12.64

- The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.
- All the liabilities for post retirement benefits being 'Gratuity' are provided on actuarial basis for the Group as a whole, the amount pertaining to key management personnel are not included above.
- Transactions have been reported gross off Goods and Service Tax.
- Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.
- For the year ended March 31, 2020, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2019 : Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

## 37 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 is engaged in the business of manufacturing of Automotive suspension which includes Parabolic/ Tapered leaf spring and Lift axle which constitute single reporting business segment. 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 March 31, 2020	Year ended March 31, 2019
Within India	112,089.91	211,570.18
Outside India	805.25	1,911.05
<b>Total</b>	<b>112,895.16</b>	<b>213,481.23</b>

Sales to customers generating more than 10% of total revenue aggregates to Rs.69,791.50 (March 31, 2019 Rs. 1,51,012.06)

Trade receivables from customers generating more than 10% of total revenue aggregates to Rs.4,403.67 (March 31, 2019: Rs. 26,984.70).

### Trade receivable as per geographical locations

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Within India	7,906.18	30,290.58
Outside India	102.03	119.68
<b>Total</b>	<b>8,008.21</b>	<b>30,410.26</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.

## 38 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:

## **Determining the lease term of contracts with renewal and termination options – Group as lessee**

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

## **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 34.

## **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 39 for such measurement.

### 39 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, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
<b>Financial assets</b>					
Security deposits paid	Amortised Cost	543.51	640.14	543.51	640.14
Investment	Fair Value through OCI	47.29	47.29	47.29	47.29
Loan	Amortised Cost	86.85	139.51	86.85	139.51
Government grant receivable	Amortised Cost	1,151.96	1,151.96	1,151.96	1,151.96
Contract assets (unbilled revenue)	Amortised Cost	9.27	363.54	9.27	363.54
Derivative instruments	Fair Value through Profit and Loss	-	0.16	-	0.16
Other financial assets	Amortised Cost	77.51	106.56	77.51	106.56
<b>Total</b>		<b>1,916.39</b>	<b>2,449.16</b>	<b>1,916.39</b>	<b>2,449.16</b>
<b>Financial liabilities</b>					
Borrowings (including current maturities)	Amortised Cost	5,639.57	361.64	5,639.57	361.64
Lease liabilities	Amortised Cost	980.06	-	980.06	-
<b>Other financial liabilities</b>		-			
Security deposits received	Amortised Cost	128.97	116.69	128.97	116.69
MTM valuation of forward contracts (net)	Fair Value through Profit and Loss	-	141.54	-	141.54
<b>Total</b>		<b>6,748.60</b>	<b>619.87</b>	<b>6,748.60</b>	<b>619.87</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.

The fair value of unquoted instruments, other non-current financial assets and non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

Long-term receivables/payables are evaluated by the Group based on parameters such as interest rates, risk factors, individual credit-worthiness of the counterparty and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

## 40 Fair value 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, 2020 :

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, 2020</b>	<b>543.51</b>	-	-	<b>543.51</b>
Security deposits paid	March 31, 2019	640.14	-	-	640.14
<b>Investments</b>	<b>March 31, 2020</b>	<b>47.29</b>	-	-	<b>47.29</b>
Investments	<b>March 31, 2019</b>	<b>47.29</b>	-	-	<b>47.29</b>
<b>Loan</b>	<b>March 31, 2020</b>	<b>86.85</b>	-	-	<b>86.85</b>
Loan	March 31, 2019	139.51	-	-	139.51
<b>Government grant receivable</b>	<b>March 31, 2020</b>	<b>1,151.96</b>	-	-	<b>1,151.96</b>
Government grant receivable	March 31, 2019	1,151.96	-	-	1,151.96
<b>Contract assets (unbilled revenue)</b>	<b>March 31, 2020</b>	<b>9.27</b>	-	-	<b>9.27</b>
Contract assets (unbilled revenue)	March 31, 2019	363.54	-	-	363.54
<b>Derivative instruments</b>	<b>March 31, 2020</b>	-	-	-	-
Derivative instruments	March 31, 2019	0.16	-	0.16	-
<b>Other financial assets</b>	<b>March 31, 2020</b>	<b>77.51</b>	-	-	<b>77.51</b>
Other financial assets	March 31, 2019	106.56	-	-	106.56

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, 2020 :

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, 2020</b>	<b>5,639.57</b>	-	-	<b>5,639.57</b>
Borrowings (including current maturities)	March 31, 2019	361.64	-	-	361.64
<b>Lease liabilities</b>	<b>March 31, 2020</b>	<b>980.06</b>	-	-	<b>980.06</b>
Lease liabilities	March 31, 2019	-	-	-	-
<b>Other financial liabilities</b>					
<b>Security deposits received</b>	<b>March 31, 2020</b>	<b>128.97</b>	-	-	<b>128.97</b>
Security deposits received	March 31, 2019	116.69	-	-	116.69
<b>MTM valuation of forward contracts</b>	<b>March 31, 2020</b>	-	-	-	-
MTM valuation of forward contracts	March 31, 2019	141.54	-	141.54	-

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

## 41 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, 2020	March 31, 2019
Borrowings including current maturities of long term borrowing (refer note 16)	5,639.57	361.64
Payable for purchase of fixed assets (refer note 21)	874.84	857.75
<b>Net debts</b>	<b>6,514.41</b>	1,219.39
<b>Capital components</b>		
Share capital	3,983.25	3,983.19
Other equity	47,687.28	46,971.75
<b>Total equity</b>	<b>51,670.53</b>	50,954.94
<b>Capital and net debt</b>	<b>58,184.94</b>	52,174.33
<b>Gearing ratio (%)</b>	<b>11.2%</b>	2.3%

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, 2020 and March 31, 2019.

## 42 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's financial risk management is an integral part of how to plan and execute its business strategies. The Group is exposed to market risk, credit risk and liquidity risk. The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by a finance department that advises on financial risks and the appropriate financial risk governance framework for the Group. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Group are accountable to the Board of Directors. This process provides assurance to Group's senior management that the Group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Group policies and Group risk objective. In the event of crisis caused due to external factors such as caused by recent pandemic "COVID-19", the management assesses the recoverability of its assets, maturity of its liabilities to factor it in cash flow forecast to ensure there is enough liquidity in these situations through internal and external source of funds. These forecast and assumptions are reviewed by board of directors.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized as 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 of Borrowings:

Particulars	Increase / decrease in basis points	March 31, 2020	March 31, 2019
<b>Borrowing :</b>			
Long term loan		<b>32.56</b>	-
Working capital demand/ Short term loan	Increase in floating Interest rate by 100 basis points (1%) for borrowings	<b>29.43</b>	-
Cash Credit		<b>1.11</b>	-
Long term loan		<b>(32.56)</b>	-
Working capital demand/ Short term loan	Decrease in floating Interest rate by 100 basis points (1%) for borrowings	<b>(29.43)</b>	-
Cash Credit		<b>(1.11)</b>	-

### (ii) Foreign 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 Group 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.

#### Foreign currency sensitivity

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

#### For the year ended March 31, 2020

Particulars	Change in currency rate (+/-)	Trade Receivables	Long Term Borrowings	Creditors for fixed assets	Trade Payables
<b>EURO</b>	1.00%	-	<b>(26.40)</b>	<b>(2.82)</b>	<b>(1.27)</b>
<b>JPY</b>	1.00%	-	-	-	<b>(0.13)</b>
<b>USD</b>	1.00%	<b>0.26</b>	-	<b>(0.70)</b>	<b>(0.13)</b>

#### For the year ended March 31, 2019

Particulars	Change in currency rate (+/-)	Trade Receivables	Long Term Borrowings	Creditors for fixed assets	Trade Payables
<b>EURO</b>	1.00%	-	-	-	-
<b>JPY</b>	1.00%	-	-	-	-
<b>USD</b>	1.00%	-	-	-	-

Since the hedge transaction done by the Group did not have significant impact on the results of operations, sensitivity analysis was not presented in previous year.

**(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, 2020, approximately 98% (March 31, 2019: 99%) 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 12. The Group does not hold collateral as security except in case of dealer's securities deposit 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, 2020 and March 31, 2019 is the carrying amounts as illustrated in Note 13.

**(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, 2020</b>						
Borrowings (Including current maturities of long term borrowings)	-	8,607.19	562.50	5,077.07	-	14,246.76
Trade payables	-	3,786.11	-	-	-	3,786.11
Lease obligations	-	37.10	134.19	371.00	437.77	980.06
Other financial liabilities (Excluding current maturities)	366.36	-	927.29	-	-	1,293.65
<b>Total</b>	<b>366.36</b>	<b>12,430.40</b>	<b>1,623.98</b>	<b>5,448.07</b>	<b>437.77</b>	<b>20,306.58</b>
<b>March 31, 2019</b>						
Borrowings (including finance lease obligations)	-	15.66	-	51.64	294.34	361.64
Trade payables	-	43,653.29	-	-	-	43,653.29
Other financial liabilities (Excluding current maturities)	223.33	96.06	903.24	-	116.69	1,339.32
<b>Total</b>	<b>223.33</b>	<b>43,765.01</b>	<b>903.24</b>	<b>51.64</b>	<b>411.03</b>	<b>45,354.25</b>

#### (e) Commodity price 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 products 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.

#### 43 Payment to auditors of Parent Company (excluding taxes)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
As auditor		
- Audit fee	32.50	35.50
- Limited review fee	16.50	19.00
As other capacity		
- Other services	2.50	5.00
Reimbursement of expenses	4.59	2.65
<b>Total</b>	<b>56.09</b>	<b>62.15</b>

#### 44 Share based payments

(A) Up till previous years, the Group had issued stock options to its employees in accordance with the Group's Employee Stock Option Scheme 2006 and 2008. Both the schemes were administered by the Compensation Committee constituted pursuant to SEBI (Share based employee benefits) Regulations, 2014. All the permanent employees of the Group, 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.

ESOP Scheme	Members approval	Number of options
ESOP Scheme-2006	25.01.2007	314,000
ESOP Scheme-2008	01.07.2008	Not more than 5% of the paid up equity shares 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**

Particulars	For the year ended 31 March 2020		For the year ended 31 March 2019	
	No. of Shares	Weighted Average Price	No. of Shares	Weighted Average Price
Options outstanding at the beginning of the year	NIL	NIL	28,025	120.65
Options granted during the year	NIL	NIL	NIL	NIL
Options forfeited / lapsed during the year	NIL	NIL	28,025	120.65
Options exercised during the year	NIL	NIL	NIL	NIL
Options outstanding at the end of the year	NIL	NIL	NIL	NIL
Options exercisable at the end of the year	NIL	NIL	NIL	NIL

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 NIL (Previous year NIL)****(D) Range of exercise price and weighted average remaining contractual life of stock options outstanding**

For the year ended 31 March 2020			For the year ended 31 March 2019		
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

**(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:-**

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
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 base 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
March 31, 2020	-	-	NA	NA	NA	NA
March 31, 2019	-	-	NA	NA	NA	NA

The Group has availed the exemption given under Ind AS 101, since all the options granted were vested before the transition date

#### 45 Additional information pursuant to Schedule III of Companies Act 2013, "General instructions for the preparation of consolidated financial statements" for financial year 2019-20

Name of the Entity	As at March 31, 2020				As at March 31, 2019			
	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 (Consolidated)	100.00%	51,670.30	100.00%	4,797.03	100.00	50,955.07	100.00	13,607.86
Parent Company	93.60%	48,363.27	93.57%	4,488.37	96.70	49,271.35	81.74	11,122.54
India Subsidiaries	6.40%	3,306.90	6.43%	308.65	3.30	1,683.59	18.26	2,485.28
Minority interests in the subsidiaries	0.00%	0.13	0.00%	0.01	0.00	0.13	0.00	0.04
<b>Total</b>	<b>100.00%</b>	<b>51,670.30</b>	<b>100.00%</b>	<b>4,797.03</b>	<b>100.00</b>	<b>50,955.07</b>	<b>100.00</b>	<b>13,607.86</b>

Note: Above figures for the net assets and share in total comprehensive income of entities are after elimination of all intra group transactions.

S.No.	Name of the Company	Country of Incorporation	Ownership interest held by the group		Ownership interest held by the non-controlling interest		Reporting dates used for consolidation
			March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	
1	Jai Suspension Systems LLP (JSSLLLP)	India	99.9985%	99.9985%	0.0015%	0.0015%	March 31, 2020
2	Jai Suspension Limited (JSL)	India	100%	100%	-	-	March 31, 2020
3	Jai Automotive Components Limited (JACL)* (w.e.f December 1, 2019)	India	100%	-	-	-	March 31, 2020

#### 46 Deferred tax assets / (liabilities) (net)

Particulars	March 31, 2020	March 31, 2019
Deferred tax assets / (liabilities)	275.12	822.81
<b>Total</b>	<b>275.12</b>	<b>822.81</b>

Income tax expenses reported in the statement of profit and loss comprises:	March 31, 2020	March 31, 2019
<b>Current Income tax expenses:</b>		
Income tax	1,945.34	7,913.90
Adjustment of tax relating to earlier periods	(144.42)	-
<b>Deferred tax</b>	-	-
Relating to origination and reversal of temporary differences	575.23	(109.25)
<b>Income tax expenses reported in statement of profit and loss</b>	<b>2,376.15</b>	<b>7,804.65</b>

Statement of other comprehensive income	March 31, 2020	March 31, 2019
Net loss on remeasurements of defined benefit plan	(10.89)	211.00
Deferred tax asset charged on above	1.84	(73.73)
<b>Other comprehensive income for the year net of tax</b>	<b>(9.05)</b>	<b>137.27</b>



**Reconciliation of tax expense and the accounting profit multiplied by statutory income tax rate for the year indicated are as follows:-**

<b>Particulars</b>	<b>March 31, 2020</b>	<b>March 31, 2019</b>
Accounting profit before tax	<b>7,164.13</b>	21,549.78
Statutory income tax rate	<b>26.47%</b>	34.99%
Computed tax expenses	<b>1,896.41</b>	7,541.13
Adjustments in respect of current income tax of previous years	<b>85.89</b>	22.73
Non-deductible expenses for tax purposes :	<b>237.24</b>	52.40
Tax Benefits on Deduction u/s 80IC	-	-
Income not considered for tax purpose i.e.income from subsidiary (Jai Suspension Systems LLP)	-	-
Income not considered for tax purpose (Permanent differences)	<b>150.46</b>	111.71
Others	<b>7.99</b>	2.94
At the effective income tax rate of 33.19% (March 31, 2019: 35.87%)	<b>2,377.99</b>	7,730.92

**Deferred tax asset comprises**

<b>Deferred tax assets/ (liabilities)</b>	<b>Balance Sheet</b>		<b>During the year</b>	
	<b>March 31, 2020</b>	<b>March 31, 2019</b>	<b>For the year ended March 31, 2020</b>	<b>For the year ended March 31, 2019</b>
Property, plant and equipment - Impact of difference between tax depreciation and depreciation charged to financial statements	<b>(802.83)</b>	(1710.49)	<b>907.67</b>	(99.17)
Adjustments in respect of deferred tax of previous years	-	-	<b>(29.38)</b>	0.00
Impact of Government grant deferred	<b>(57.46)</b>	-	<b>(57.46)</b>	0.00
Deferred tax on profit elimination	<b>(13.38)</b>	(78.18)	<b>64.80</b>	(2.90)
<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>55.05</b>	125.04	<b>(69.99)</b>	15.29
Minimum alternate tax credit entitlement	-	-	-	-
Less Minimum alternate tax credit adjusted with income tax payable	-	-	-	-
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	<b>94.31</b>	70.70	<b>23.60</b>	(102.11)
Provision for contingencies	<b>55.83</b>	125.80	<b>(69.97)</b>	(0.91)
Provision for price difference	<b>390.84</b>	886.59	<b>(495.75)</b>	46.40
Provision for warranty	<b>23.22</b>	72.34	<b>(49.12)</b>	1.55
Impact of Government grant deferred	-	408.20	<b>(408.20)</b>	(85.85)
Gratuity	<b>270.40</b>	337.62	<b>(67.22)</b>	104.51
Employee incentive	-	204.21	<b>(204.21)</b>	204.21
Leave encashments	<b>136.39</b>	208.26	<b>(71.87)</b>	56.30
Bonus payable	<b>78.28</b>	116.41	<b>(38.13)</b>	8.96
Other expenditure (net)	<b>44.47</b>	56.31	<b>(11.84)</b>	36.71
<b>Total</b>	<b>275.12</b>	822.81	<b>(577.07)</b>	182.99

<b>Reconciliation of deferred tax assets (net)</b>	<b>March 31, 2020</b>	<b>March 31, 2019</b>
Opening balance as per last balance sheet	<b>822.81</b>	735.45
Tax expenses recognised in statement of profit and loss	<b>(577.07)</b>	182.99
Tax expenses related to earlier years	<b>29.38</b>	-
Less Minimum alternate tax credit adjusted with income tax payable	-	(95.63)
<b>Closing balance</b>	<b>275.12</b>	822.81

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

During the year the parent company has paid final dividend to its shareholders for the year ended March 31, 2019 and interim dividend for the year ended March 31, 2020. This has resulted in payment of dividend distribution tax (DDT) amounting to Rs. 695.95 (March 31, 2019 : Rs. 859.66) to the taxation authorities. The Group believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity.

The Group has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961, as introduced by the Taxation Laws (Amendment) Ordinance, 2019 for parent company. Accordingly, the Group has recognized Provision for Income Tax for the year and re-measured its deferred tax asset basis the rate prescribed in the said section. Accordingly, deferred tax asset have reduced by Rs. 197.45. The tax charge for the year have decreased by Rs. 563.62.

Effective tax rate has been calculated on profit before tax.

#### 47 CSR expenditure

As per provisions of section 135 of the Companies Act, 2013, the Parent Company has to incur at least 2% of average net profits of the preceding three financial years towards Corporate Social Responsibility ("CSR"). Accordingly, a CSR committee has been formed for carrying out CSR activities as per the Schedule VII of the Companies Act, 2013. The Parent Company has contributed a sum of Rs.310.40 (March 31, 2019: Rs. 300.86) towards this cause and charged the same to the Statement of Profit and Loss.

Particulars		For the year ended March 31, 2020	For the year ended March 31, 2019
(a)	Gross amount required to be spent by the Parent Company during the year	336.74	265.62
(b)	Amount spent during the year on other than construction of assets paid in cash	310.40	300.86

48 The Group has incurred expenses on its in-house research and development centre at Pune approved and recognised by the Ministry of Science & Technology.

Particulars		For the year ended March 31, 2020	For the year ended March 31, 2019
a.	Capital expenditure		
	Purchase of capital expenditure	260.74	1,235.63
b.	Revenue expenditure		
	Salaries, allowances and bonus	179.60	182.76
	Contribution to other funds	5.04	4.94
	Staff welfare	0.77	0.59
	Material consumed	19.51	5.11
	Rent	29.63	27.77
	Repair & maintenance	17.55	7.19
	Travelling & conveyance	14.15	38.41
	Power & fuel	68.91	38.86
	Miscellaneous	21.32	35.00
	Depreciation	103.71	27.61

49 Revenue is measured by the Group at the fair value of consideration received/receivable from its customers and in determining the transaction price for the sale of finished goods, the Group considers the effect of various factors such as price differences and volume based discounts, rebates and other promotion incentive schemes ("trade schemes") provided to the customers. Adequate Provisions have been made for such price differences, and trade schemes, with a corresponding impact on the revenue.

Accordingly, revenue for the current year is net of price differences, trade schemes, rebates, discounts, etc.

## 50 Reconciliation of liabilities arising from financing activities pursuant to Ind AS 7 - Cash flows

The changes in the Group's liabilities arising from financing activities can be classified as follows:

Particulars	Non-current borrowings	Current borrowings	Equity Share Capital (including premium)	Total
<b>Net debt as at March 31, 2018</b>	3,999.28	2,261.01	19,100.26	25,360.55
Proceeds from issue of equity share capital	-	-	0.34	0.34
Proceeds from borrowings	4,700.00	-	-	4,700.00
Repayment of borrowings	(8,697.24)	(2,261.01)	-	(10,958.25)
<b>Net debt as at March 31, 2019</b>	2.04	0.00	19,100.60	19,102.64
Proceeds from issue of equity share capital	-	-	0.25	0.25
Proceeds from borrowings (net of restatement)	5,637.53	8,607.19	-	14,244.72
Repayment of borrowings	-	-	-	-
<b>Net debt as at March 31, 2020</b>	5,639.57	8,607.19	19,100.85	33,347.61

- 51** As per the provisions of section 149 of Companies Act 2013, the Parent Company needs to have at least one woman independent director on its board throughout the year. However, during the year, the woman independent director on the board, resigned from the position w.e.f. August 14, 2019 and the Parent Company should have appointed a new Independent woman director in the next board meeting held on November 14, 2019. However, to comply with section 149 of the Companies Act, the Parent Company has appointed another independent woman director, on January 31, 2020, in order to be compliant. The management have taken appropriate steps for condonation required in this regard and the impact of the same is not material to the financial statements.
- 52** As per regulation 34 of Listing Obligations and Disclosure Requirements (Amendments) Regulations, 2018, the listed entity shall submit to the stock exchange and publish on its website, a copy of the annual report sent to the shareholders along with the notice of the annual general meeting not later than the day of commencement of dispatch to its shareholders. However, the Parent Company filed the annual report for the year 2018-19, with the stock exchange on August 5, 2019, whereas the notice of the annual general meeting was already served on July 4, 2019. The management have taken appropriate steps for condonation required in this regard and the impact of the same is not material to the financial statements.
- 53** World Health Organisation (WHO) declared outbreak of Coronavirus Disease (COVID-19) a global pandemic on March 11, 2020. Consequent to this, Government of India declared lockdown on March 23, 2020 and the Group temporarily suspended the operations in all the units of the Group in compliance with the lockdown instructions issued by the Central and State Governments. COVID-19 has impacted the normal business operations of the Group by way of interruption in production, supply chain disruption, unavailability of personnel, closure / lock down of production facilities etc. during the lock-down period which has been extended till May 17, 2020. However, production and supply of goods has commenced during the month of May 2020 on various dates at all the manufacturing locations of the Group after obtaining permissions from the appropriate government authorities and performing stock counts. The Group has made detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment, intangible assets, right of use assets, investments, inventory and trade receivables. Based on current indicators of future economic conditions, the Group expects to recover the carrying amount of these assets. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 which may be different from that estimated as at the date of approval of these consolidated financial statements. The Group will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

## 54 Standards issued but not yet effective

There were no amendments to standards or new standards that are issued but not yet effective.

- 55** Amounts appearing as zero "0" in financial are below the rounding off norm adopted by the Group.

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: June 10, 2020

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  
Membership No: A12507

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

**Shakti Goyal**  
Chief Financial Officer

# Form AOC- 1

(Pursuant to the first proviso to sub section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

## Statement containing salient features of the financial statement of subsidiaries/ associate companies/joint ventures

### Part "A": Subsidiaries

(Amount in Rupees)

Name of the Subsidiary		Jai Suspensions Limited	Jai Automotive Components Limited
S.No.	Reporting Period	1st April, 2019 to 31st March, 2020	1st April, 2019 to 31st March, 2020
1	Reporting Currency	INR	INR
2	Exchange Rate	-	-
3	Share Capital	1,00,00,000	227,500,000
4	Reserves and Surplus	(37,350,411)	(86,58,803)
5	Total Assets	158,302,428	245,085,137
6	Total Liabilities	158,302,428	245,085,137
7	Investments	-	-
8	Turnover	-	-
9	Profit before taxation	(1,799,3305)	(86,58,803)
10	Provision for taxation	-	-
11	Profit after taxation	(1,799,3305)	(86,58,803)
12	Proposed Dividend	-	-
13	% of shareholding	100.00%	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  
Membership No: A12507

**Shakti Goyal**  
Chief Financial Officer

Place: New Delhi  
Date: June 10, 2020

# Notes

A series of horizontal dotted lines for writing notes.





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***Jamna Auto Industries Ltd.***

**REGISTERED OFFICE**

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