

JBM AUTO LIMITED



AMPLIFYING THE **BUSINESS** **ECOSYSTEM**

ANNUAL REPORT
2016-17



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Cautionary Statement Regarding Forward-Looking Statement

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

AMPLIFYING THE BUSINESS ECOSYSTEM

With a giant disruption looming large over the automotive industry, the Indian automotive business ecosystem needs a complete overhaul wherein everything needs to be aligned with total cost of ownership. Several factors like changing mobility behaviour, increasing automation and electrification of vehicles are fundamentally changing the outlook and the way industry players are going to address this transformation. One of the key sectors readily embracing this transformation is the automotive sector where the innovation and technology need is met by constantly aligning with evolving consumer patterns. For JBM Auto Ltd., this transformation has been relatively smooth and consistent wherein we have dexterously amalgamated our Group's strengths and R&D acumen to make our products future ready ahead of time. We are actively pursuing application of alternative materials and technologies to be future ready for addressing the requirements of upcoming categories like electric vehicles. Our persistence towards achieving excellence has made us vertically integrate our business from auto systems to establishing the bus division as an OEM and today moving ahead as an electric vehicle fore-runner. We have successfully been able to deliver optimum solutions with the right mix of product, process and complete ecosystem know-how. Our major focus areas have been value-addition and we have succeeded in transforming the way technology can be used to enhance the functionality of a vehicle. Our state-of-the-art buses are a testimonial to our expertise in the field. Further, we are working on providing a complete ecosystem solution for E-mobility. This strategy, of developing in-house capabilities, is perfectly aligned with the future direction of growth and development of E-mobility which is being strongly supported by the Government. Infact, in the new tax regime, GST of 43% on Hybrid vehicles and 12% on completely electric vehicles has been proposed. It clearly signals the government's inclination towards promoting 100% electric vehicles in the future. We, at JBM Auto, are perfectly aligned to address the anticipated change in market dynamics that shall come around with the advent of electric vehicles in the transportation ecosystem. With our customised solutions suiting different operating patterns, we will educate and support the customer to align with this change with utmost ease. In order to further fortify our position, we have taken a 360-degree approach by consistently adding value to our Component, Tool Room and Bus & Electric Vehicles division. At JBM Auto, it is our constant endeavour to attain holistic expertise in the business ecosystem to be able to serve the customers as a full service & solution provider with a competitive cost structure. In a nutshell, the financial year 2016-17 has been a ground breaking year for us wherein we have been successful in amplifying our business ecosystem, thereby, enhancing value for our shareholders.



OUR FOCUS IS TO BE A ONE-STOP SOLUTION PROVIDER TOWARDS OUR EV BUSINESS. WE PROVIDE A COMPLETE ECOSYSTEM SOLUTION FOR E-MOBILITY BY OFFERING BATTERY TECHNOLOGY, ELECTRIC BUS & CHARGING KNOW-HOW



WITH OUR R&D CENTRES, ENTIRE RANGE OF ACTIVITY RIGHT FROM DESIGN, DEVELOPMENT, ENGINEERING, PROTOTYPING, TESTING AND VALIDATION IS AVAILABLE TO CUSTOMERS



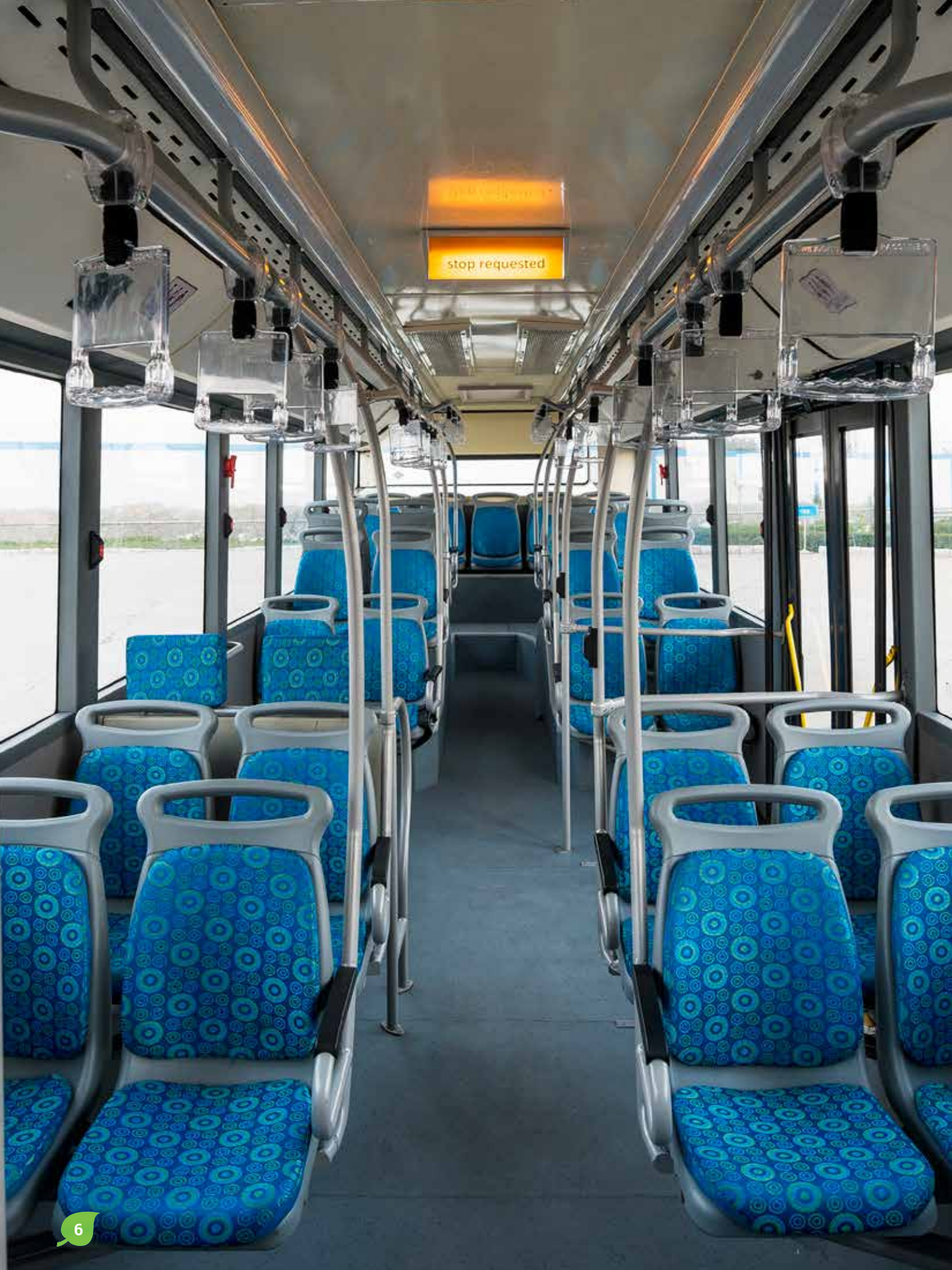
INTENSIFYING VALUE ENGINEERING

We have always stuck to building a sustainable business model wherein our approach has been global. A careful integration of business strategies with the best of innovations and focus on quality product delivery has been our way of attaining excellence. In order to further enhance our business proposition in the market, this year, we have added value in all the three divisions i.e. tool room, components and bus. On the operational front, we have focussed on basics by increasing the capacity utilisation of our plants along with the increase in manpower efficiency. And, all this growth has been possible by running only two shifts on an average. Our strong frugal mind-set has helped us optimise the manufacturing cost by effective utilisation of all our resources. For us, excellence is all about 'enriching'; enriching customer's experience, enriching our business DNA and enriching the supply chain. And that is why we have signed a JV agreement with Europe's largest electric bus maker Solaris, this joint venture will invest ₹300 crore to manufacture electric buses. Our attention is not only the business but eventually our country whereby we are looking for ways to augment its extensive transport ecosystem. We have emphasized on factors like improving our utilisation capacity, increasing our asset turnover, enhancing plant capacity and enabling competitiveness through development of right talent. Our tool room division, this year, has earned a brownie-point by exhibiting the sales; ₹ 114.86 cr in FY16-17 as compared to ₹ 76.79 cr in FY15-16, which increased almost by 50%. We have strategically added several new customers this year as a part of organisation's de-risking plan. Akin to our commitment to fortify our position as one of the leading automotive component manufacturers in India, we have developed high tensile tools for safety critical & complex parts and won new businesses from key customers like Ford, Mahindra, Honda, Fiat Chrysler, Volvo Eicher, Royal Enfield, Renault Nissan and several others. Moreover, we have added new feathers in our cap by flagging off the Bus services for Noida and Greater Noida, this year. Apart from rolling out an impressive product range in the automotive sector, having marque customers who swear by our strong R&D and global approach, we value our employee pool and ecology. Our business practice is based on our DNA of Integrity, Ethics and Values of Ownership & Commitment, Respect & Teamwork, Customer Trust & Delight and Safety and Green, which is quite evident in our FY 2016-17 performance. The only aspect which is common & ongoing in JBM is CHANGE keeping technology, innovative business model & people as key fundamentals. Overall, this fiscal has been a milestone year where we have flourished as a business and succeeded in leaving an everlasting imprint in terms of innovation and technological advancement.



STATE-OF-THE-ART TECHNOLOGY
FOR MANUFACTURING PRODUCTS
AT PAR WITH GLOBAL
STANDARDS





stop requested

GEARING UP FOR A PROMISING TOMORROW

Our approach has always been futuristic and we have built our business on the three pillars of Technology, Innovation and People. We believe in moving forward by the virtue of excellence in delivery, creating a value proposition and constant growth. Besides, being persistent in assimilating cutting-edge technology and creating better value for our customers, we have set up our 'Skill-Development Centres' to enhance employability in the society thereby increasing availability of skilled personnel for ourselves and the society at large. This year, we have decided to double the capacity of our Chennai plant for Royal Enfield and Daimler, which will have a positive impact on the financials from FY17-18 onwards. We have been futuristic in commissioning new equipment for Fiat Chrysler Automobiles and embracing automation by commissioning latest robotic presses, state-of-the-art dual arm CMM installing blue light scanning and Green Room facility for skin panel manufacturing. We have substantially enhanced our capacity in Western and Northern region also given the market growth anticipated in the new and coming years. We are looking towards creating a sustainable means of transport in India, therefore, we have come up with electric buses. Our bus, ECO-LIFE, is India's first 100% electric bus, which is a fully low-floor zero emission battery powered green vehicle. It is equipped with the state-of-the-art electric drive technology that ensures a comfortable, safe and noise-free experience for the commuters. The bus possesses exclusive exterior and interior styling that boasts of attractive aesthetics, which are visually appealing for our customers. Our JV agreement with the largest electric vehicles manufacturer of Europe Solaris Bus is going to further perk up our sustainability quotient wherein we have kept our manufacturing ability aligned with 'Make in India', 'Skill India' and 'Digital India' programs promulgated by the Government.

UNVEILED '**ECO-LIFE**'
INDIA'S 100 % ELECTRIC
BUS

EXPERTISE IN **MANUFACTURING
OF SKIN PANELS** AND COMPLEX
HIGH LEVEL ASSEMBLIES



SIGNED A JV AGREEMENT WITH
EUROPE'S LARGEST ELECTRIC
BUS MAKER SOLARIS, THIS
JOINT VENTURE WILL INVEST
₹300 CRORE TO MANUFACTURE
ELECTRIC BUSES.



MAKING **FY17** COUNT

Since the day of our inception, our approach has been qualitative. We have imbibed technologies that have incorporated features in our products which are evolving the way India commutes and a passenger perceives about a travel experience. We have come up with designs with lowest carbon-footprint and have the capability to attract the urban youth apart from OEMs.



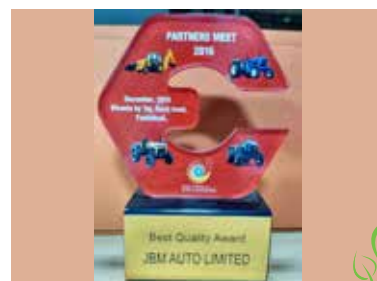
AWARDS & ACCOLADES



Received award from TAFE Motors & Tractors Ltd. for 'Excellent Contribution on Project Localisation'

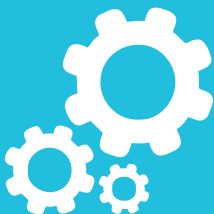


Received SML Isuzu award for 'Performance in Cost Competitiveness'



Received an award for 'Best Quality' from Escorts Limited

KEY ACHIEVEMENTS OF THIS FISCAL

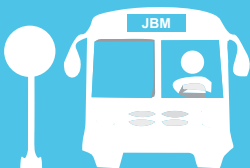
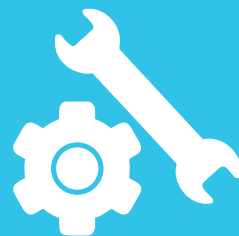


Component Division

- Higher capacity utilisation in Sanand Plant, thus, leading to increase in turnover
- Increase in manpower productivity in Indore plant, resulting in reduction in manpower cost and optimisation of manufacturing cost
- New business from Ford, Mahindra, Honda, Fiat Chrysler, Volvo Eicher, Royal Enfield, Renault Nissan and increased turnover in addition to decreased input cost in Nasik Plant

Tool Room Division

- Remarkable jump of 50% in revenues in FY16-17 from the Tool Room Division
- Capturing new avenues by actively engaging in tooling localisation for OEMs
- Major focus towards taking up turnkey projects for Line building along with safety critical items like chassis & suspension systems and key aesthetical parts like skin panels
- Reduction in the number of iterations for 'First Time Right, Every Time Right', thereby, saving on the tooling development time



Bus Division

- Signed a JV agreement with Solaris Bus & Coach, Europe in July 2016 for developing Electric vehicles
- Successfully flagged off 'Bus Service' in Noida-Greater Noida
- The bus service in Noida-Greater Noida has received the India Recognition Award in the Public Transport category in Montreal, Canada at the UITP Global Summit of Urban Public Transportation within its first year of operations
- Regular training of professionals with regard to new technologies on electric vehicles aiming to enhance competency levels



Garnered award by Renault Nissan Automotive India Private Limited for 'Consistent Focus over PPM Improvement'



Chennai Plant received Q1 certification by FORD



Mr. Nishant Arya, Executive Director, JBM Group, recognised by Business World magazine as the 'Young Entrepreneur of the Year 2016'

WE ARE JBM AUTO

JBM Auto Ltd. is the flagship company of the USD1.35 billion JBM Group. The company is the leading manufacturer of auto components, toolings and buses in the country. The company's manufacturing facilities are strategically located in close proximity of leading automobile hubs of India at Delhi-NCR, Sanand, Pune, Indore, Nasik, Bangalore and Chennai. Over the years, the company has put thrust on technological excellence, innovation and supplies avant-garde products to almost all major OEMs in India. The Company is ahead of its time as far as its business blue print is concerned where it has given utmost importance to safety, agility, excellence in delivery, precision in designing, environment and community development.

WE MAKE KEY
AUTO SYSTEMS,
ASSEMBLIES, TOOLS,
DIES, BUSES AND
NOW EMBARKING
ON JOURNEY OF
ELECTRIC VEHICLES



1800

Crore Turnover

12

State of the art
Manufacturing
Facilities

3

Business
Divisions